

# EIR

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After rigged election, sane leaders endorse LaRouche  
The bubble means prosperity for some, tragedy for all  
Military expert analyzes effect of media violence

**The mark of the beast: Our  
children are in mortal danger**



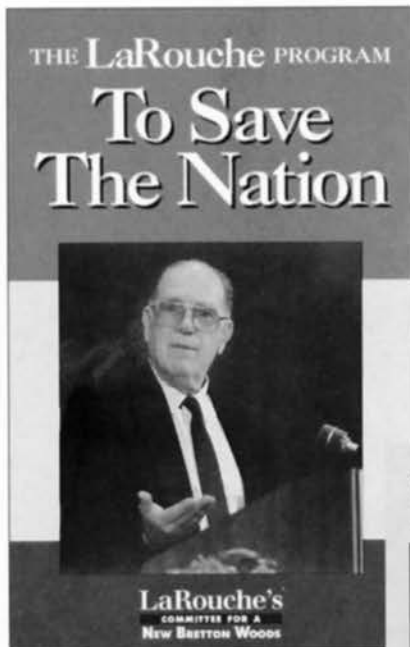
# LA ROUCHE *for* President



Abraham Lincoln warned you:

“You can fool some of the people all of the time,  
and all of the people some of the time;  
but you cannot fool all of the people all the time.”

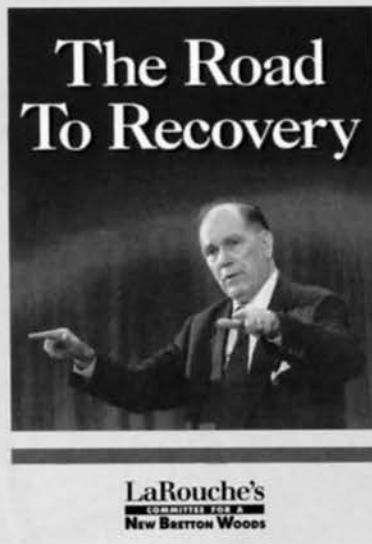
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## From the Associate Editor

There is scarcely a parent in America, whose blood does not run cold when the news comes across the television of yet another school-yard killing. “Could it happen at my child’s school?” “How could *other people’s children* do such a thing?”

As in the case of Edgar Allan Poe’s story “The Purloined Letter,” the answers to these questions are right under our noses.

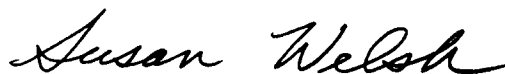
Helga Zepp-LaRouche, in the brilliant speech published as our *Feature*, pulls a thread that unravels the whole satanic tapestry. She provides new insight into what has gone wrong with American culture since the postwar period, and what mental sickness created the strategic and economic crisis that the world confronts today.

As she reports, this project began with her curiosity about the “Pokémon” cartoon craze—something that most parents assume to be innocuous. But Mrs. LaRouche looked deeper, doing some “field work,” going to a Pokémon tournament, speaking to children and parents, participating in the “game” herself. In the glazed eyes of very young children, obsessed with “kill, kill, kill!,” she saw how a generation of impressionable minds can be dehumanized. From there, it is not far to Littleton, or to the insane war fantasies of some Pentagon war-game planners, or Sir Caspar Weinberger.

Lyndon H. LaRouche, Jr., writing on “Star Wars and Littleton” (*EIR*, July 2, 1999), spelled out the connection: “The way many in our military and related institutions are thinking about warfare abroad, is tending to become as morally degenerate as the British institutions associated with Sir Michael Jackson and Bloody Blair. If such thinking within our military, is among the well-springs of phenomena such as Littleton, how shall we be rid of the latter, without purging ourselves of the former?”

As a fascinating complement to Mrs. LaRouche’s speech, see our interview with Lt. Col. David Grossman (ret.), who documents how children are being *trained to kill* by the media and video games.

In other coverage, we analyze the significance of the “Stupor Tuesday” vote-rigging, and where LaRouche’s Presidential campaign goes from here. Anybody who thinks the election is “over,” is not looking at reality: the reality of the impending financial collapse, whose significance is clearly understood by those international dignitaries who are stepping forward now to endorse LaRouche.



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Helga Zepp-LaRouche, in a speech to the Presidents' Day conference of the Schiller Institute and International Caucus of Labor Committees, analyzes the mind-murder—through video games and such cults as Pokémon—that leads to such tragedies as the Littleton killings. "An old Chinese philosopher once said it very openly," she states. "Keep the people stupid; it's easier to rule. And, as I will demonstrate, the oligarchy is involved in a gigantic effort to dumb down the population, to desensitize them, to put them under direct behavior modification, and even use brainwashing techniques on a large scale."

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An interview with Lt. Col. David Grossman (ret.), co-author of *Stop Teaching Our Kids to Kill: A Call To Action Against TV, Movie & Video Game Violence*. He describes how media and video games are addicting children through violence, training them to kill. “We have an obligation to hold these people accountable, and we need to let the average American out there know, that, if you connect the dots, and there’s a media linkage to what happened, then, you have a responsibility to go after the accessories to the crime,” he says.

**Corrections:** In “ ‘Community of Principle’ Is the Basis of Multipolar World,” in last week’s issue, the population of Bangladesh is 130 million, not 80 million.

In “How George W. Bush Got Rich Through Graft, Kickbacks, and Family Connections,” in our Feb. 25 issue, the right of eminent domain given to private citizens in legislation that created the Arlington Sports Facilities Development Authority, allowed them to buy up or condemn 200 acres, not 200 million.

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The British Prime Minister is facing the most significant challenge to his grip on power yet, as Ken Livingston, a leading figure of the “Old Labour” traditional wing of the party, announced that he will run as an independent for Mayor of London. The challenge is catalyzing anti-Blair ferment throughout the U.K.

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“The dirtiest money Wall Street could muster has bought the most corrupt and incompetent candidates you could imagine,” one analyst summed up the rigged primaries so far. Part of the game was to try to postpone any eruptions of the inevitable blowout of the global financial system until after “Super Tuesday.” Now, leading figures around the world are looking to LaRouche for some sign of sanity in the United States.

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## Oil and gas price ‘shock’ shows hyperinflation process

by Marcia Merry Baker

“Sticker shock” at the gas pump is how the average person sees the run-up in crude oil prices, which set record rates of increase in recent days and months. **Figure 1** shows the 300% increase in the per-barrel price of crude oil on world markets from December 1998 to March 2000. The prices of all the petroleum-derived products — gasoline, fuel oil, jet fuel, diesel, and chemicals — are jumping. Nationally the U.S. average gas pump price went from \$1.15 a gallon of gas in 1999, to over \$1.50 and rising. There are war-whoops sounding in

Washington, that the “foreigners” better put more oil onto the “markets,” or else.

But think again. Is this really just another simple case, though an extremely dramatic one, of so-called supply and demand gone out of sync? No. Granted, there are supply-and-demand factors involved. But more importantly, what is manifest in the petroleum drama is a *hyperinflationary process* in the entire financial system, such that, in varying ways, price inflation is hitting throughout all commodities (minerals, food supplies, and fuel), and in other vital sectors of the physical economy.

On March 8, the day after crude oil hit over \$34 a barrel (for April futures), Presidential pre-candidate Lyndon LaRouche stressed that the main factor behind the dramatic increase in the oil price, is the process of hyperinflation which Federal Reserve Chairman Alan Greenspan et al. have set into motion to try to save the bankrupt financial system. The oil price inflation is just another aspect of the bubble, such as we are now seeing in the hyperinflationary explosion of prices in real estate in selected areas, and the overall rush of money into hard commodities.

LaRouche pointed out again, as he has raised repeatedly in recent months, that the relevant historical point of reference is the 1923 hyperinflation of 1923 during the Weimar Republic in Germany. LaRouche stressed that today, while “market forces” may be playing a role in how the price rise is being created, they are not “causal.”

In recent years, as the casino character of world financial flows produced the giant bubbles of speculation (stock markets, currency trading, real estate, futures of all kinds, especially derivatives), certain “smart money” flowed, along with political control, into key power positions all along the supply lines of vital economic commodities, including fuel, food processing and distribution, minerals, precious metals, even water. As of the late 1990s, the process of selective mergers

FIGURE 1  
**West Texas Intermediate Crude oil price, 1995-2000**

(\$ per barrel)



Source: Dow Jones.

and acquisitions has resulted in cartels with tight control over these critical commodities, above and beyond all national boundaries and interests.

The controllers are financially and politically centered in London, operating through Wall Street, Canada, and the British Commonwealth, and are thus best branded as British-American-Commonwealth (BAC) faction.

Unless the insanity of selectively “overlooking” this, and backing the hyperinflation of Greenspan’s “bubble policy” is stopped, and instead, nations invoke their sovereign rights and duties to restore vital economic functions again, then today’s oil price shock is nothing compared to what lies ahead.

### **‘Market forces’ are not causal**

At present, total world production of crude oil, in millions of barrels per day, and worldwide consumption of crude oil, are each in the range of 74-75 million barrels per day (mbd). Thus, supply-and-demand patterns are so very close and tight, that a variety of so-called “market factors,” from financial to weather, can be the imputed cause of any shortages. There are grounds for Iran’s Oil Minister, Bijan Namdar Zangheneh, stating on March 8 in Riyadh, Saudi Arabia, that soaring oil prices are “purely the result of speculation by dealers. There is no reason for prices soaring as we approach spring.”

There is, at present, intense focus on whether the Organization of Petroleum Exporting Countries (OPEC) members will agree to produce more oil, at their next meeting on March 27. OPEC nations agree on quotas for output, and in April 1999, when the world oil price was low, they cut their output in hopes of seeing higher prices. There is a similar focus on key non-OPEC members, such as Mexico. The decision to pump more oil, even the prospect of OPEC deciding to do so, can result in a lowering of the crude oil futures price.

The OPEC nations are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela. In 1999, they accounted for an estimated 29.46 million barrels a day of output, or 40% of world production. Other leading producers at present are Mexico, with 3.63 mbd in 1999, or 5% of world output, and Canada, 2.741 mbd, or 4% of world output.

But, the idea that there is a “producer cartel” is a fairy tale. The reality is that there are other decisive factors. To begin with, there is the increasing *dependence* on hydrocarbon-based power (including coal and natural gas), instead of on modern, clean nuclear, and even the remaining, undeveloped water power. There is the impact of the increased *cartel control* over commodity supplies; and related to that, the *oil geopolitics* of the international cartel grab for resources. (In future issues, we will provide reference graphics on these factors.)

The United States alone, as of the mid-1990s, consumes over 26% of all the crude oil produced annually in the world, while producing only 12%. Crude oil output in the United States, despite the Alaskan oil fields, has *declined every year* since 1970 by an average of 1.5%! The United States now

imports over 50% of its oil supply each year—not the fault of OPEC.

So, the shock effect is sudden and deep for any so-called market “episode.” Take the U.S. transportation sector. Fifty years ago, the *mode* of moving passengers and freight was more advanced than today, in that there were fuel economies-of-scale in use. For example, there were electrified mass urban transit systems, powered by stationary utility plants, relatively fewer individual gas-driven cars and buses. Likewise, a much higher percentage of bulk freight went on rail, or by barge on waterways, than today. Now, after the rail takedown, and deregulation of trucking, freight volume has shifted over onto the highways, which is costly and highly sensitive to diesel and gasoline prices.

### **Downstream and upstream control**

In the oil business, “downstream petroleum” refers to refining, marketing, and transportation (e.g., pipeline, marine transport). It is legendary that these activities have always been dominated by a handful of giant companies. But in recent years, that control has been concentrated by a series of giant mergers. The original Seven Sisters have been reduced to five, thanks to Exxon’s acquisition of Mobil (reuniting the two biggest spin-offs of the old Standard Oil Trust), and Chevron’s 1984 acquisition of Gulf. Today, three Sisters dominate: Exxon-Mobil, BP Amoco (formed by British Petroleum’s acquisition of Amoco, and its pending takeover of Arco), and Royal Dutch/Shell. The BAC oil cartel is thus set to make a killing from the hyperinflationary chaos.

The other two Sisters, Chevron and Texaco, recently cancelled their merger talks. There have also been many mergers among smaller oil and gas, chemical, and related raw materials companies.

In the United States, when oil prices were low during the mid-1980s and early 1990s, there was an extensive shake-out of smaller firms, and concentration of ownership of oil infrastructure by the few cartel companies. During 1988-97, forty-three domestic U.S. refineries, with capacity totalling more than 1.1 million barrels a day, closed their doors. Any sensible redundancy in storage or refinery capacity is gone. At the same time, the mega-majors integrated their refinery, storage, and handling operations extensively into Caribbean Basin fields, such as Venezuela and Mexico. Today, 48% of U.S. oil imports come from Venezuela, Mexico, and Canada.

On the “upstream” side, which refers to petroleum exploration, development, and production, the BAC circles are stalking the globe, threatening war, in their moves for rights and control over contested resources. Targets are the Caspian region and other new fields, as well as the Siberian resources, and existing deposits.

### **Oil price shock-effects on economy**

The crude oil price spike of 22% just since the beginning of the year, is having major effects in all oil-importing nations. Look at the situation in the United States.

In agriculture, the costs of U.S. planting this spring are expected to increase by at least \$1 billion because of higher diesel fuel prices. Beyond that, each agricultural commodity has special problems. In Maine, truckers don't want to move potatoes to market because of the diesel costs. In Pennsylvania, dairy farmers have appealed for state help, because they can't bear the burden of higher diesel costs, with farm milk prices so low.

In the chemical industry, petroleum is a feedstock as well as an energy input. Dow Chemical Co. reports that in 1999, it paid \$540 million more for oil and hydrocarbons than in 1998 — one of the reasons cited for its big fall in stock price on March 7. According to the Chemical Manufacturers Association's calculations, a 10% increase in the price of oil will result in a 2-2.5% increase in the costs of chemicals within three months.

In the face of these and other obvious impacts, the most hysterical reaction to the situation is the fantasy that the "New Economy" doesn't depend on oil anyhow. This line of insanity is now appearing all over the U.S. business pages. The argument is that only "Old Economy" activities, like manufacturing, are affected by oil costs. New Economy cyber-tech companies, they claim, exist in the virtual e-world of energy-free activity.

# EU is demolishing European agriculture

by Rosa Tennenbaum

The free-market doctrines of the European Union (EU) are destroying agriculture in Europe, as farm income suffered a dramatic drop in the past year, and farmers and their families are being thrown into a depth of poverty that has not been seen in Europe since the 1930s. In the Netherlands, for instance, 44% of all farmers do not make enough income through their farmwork to bring their living standards above the poverty line; if non-farm income is taken into account, that figure is still 33%. People who work for 14 hours a day, cannot even earn a modest income for themselves and their families.

Most horrendous is the situation in Great Britain, where farmers' income dropped 63% during the past two years. Two-thirds of British farmers fear they will lose everything, according to a report by the National Farmers Union (NFU). More than half say they will soon be unable to meet their rent payments. Livestock farmers are being hit particularly hard: Lambs and hogs have become almost worthless, and beef cattle prices are very low.

The government of Prime Minister Tony Blair has started to discuss whether the country should get rid of British farmers altogether, the *Sunday Telegraph* reported on Feb. 26. The paper outlines what the 85% of Great Britain which is farmland today, could look like. The land would revert to wilderness, a prospect which is welcomed by many, who argue that "a countryside thick with oak trees would surely be preferable . . . to the chemical-bound landscapes of modern agriculture." Wildlife would thrive, as abandoned farm animals would become established as wild animals. "Pigs would do best. Cattle, too, would thrive. . . . Sheep, however, would rapidly die out."

This situation is not without irony: Great Britain and the Netherlands form the spearhead for globalization and liberalization in the EU, and it is in these countries, where the "blessings" of free-market policies are coming down on their populations most dramatically.

EU agricultural policy is not a national issue. The policy is being defined at the headquarters in Brussels by the European Commission; the member countries — who surrendered their national sovereignty under the protocols of the Maastricht Treaty that formed the European Union — now have only limited powers and means, if any, to pursue their own aims. On

## 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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the continent, most countries have put up some resistance against complete liberalization, and have supported their farmers to some degree. But still, the trend is ever greater liberalization, and all nations are being pulled into the general downward trend. Figures recently released by the German government about the trends in farm income, demonstrate this most clearly.

### The case of Germany

The income of German farmers declined 7.3% last year. Cattle herds are being slashed, and the income of farmers with feeder livestock (beef, cattle, and hogs) decreased 83.5% in a single year. Meat prices reached an historic low, and hog prices are the lowest since World War II. Many farmers can no longer afford to feed hogs, and leave their barns empty. All varieties of farms suffered income losses, except dairy farms. Only prices for milk increased a little—from a very low level; they are expected to drop again during the coming year. Vegetable prices have also declined, as a result of an intensive battle among the grocery chains for market share.

According to a German proverb, “*Hat der Bauer Geld, hat’s die ganze Welt*” (“If the farmer is wealthy, the whole world becomes rich”). But the reverse is also true: The farm crisis has been affecting industry as a whole.

To see what this means, we can give one example. In February, the Schiller Institute was invited to address a membership meeting of the Maschinenring Lüchow in Lower Saxony. *Maschinenringe* are cooperatives that invest a lot of money to buy large farm machines and try to keep the most advanced technical standard. In periods of extreme work pressure, such as during the grain harvest, farmers can order certain types of work to be done for them. Big trucks are available, for example, to transport produce, such as sugar beets, to the processing factory, and the cooperatives often have highly specialized machines. So, the farmer has access to the highest technical standards of all kinds of farm machinery, without having to make the investments on his own.

These cooperatives exist throughout Germany, and play a very important role. Lüchow is situated in the northern part of Lower Saxony, in a rich agricultural area with large farms that used to be fairly wealthy. They mainly grow grain, potatoes, sugar beets, and fodder for dairy cows. Sugar beets are now called “the farmer’s gold,” because they are the only crop that still allows farmers to cover the costs of production. The sugar-beet market has not yet been deregulated, but it soon will be, in the course of the negotiations of the World Trade Organization.

The crisis in agriculture finally hit the cooperatives with full force, the Lüchow manager told the 250 members who came to the meeting. The sudden breakdown of farm income caused similar losses on the cooperative’s books, as, for the first time in the history of this organization, it turned a deficit last year, with losses of DM 14,000 (about \$7,370), out of a

turnover of DM 1.2 million. The year before, it still had a surplus of DM 34,000. The increase in prices for diesel fuel and the introduction of the ecological tax were singled out by the manager as the main reasons for this negative development.

The cooperatives are facing two major problems. First is that they cannot just pass on the higher costs to their customers, because the farmers cannot pay them, and will no longer be able order services. The second one is even more important: Commercial companies are moving into this business, and are challenging the cooperatives. These commercial companies have only one aim—to make money—while the cooperatives work on the concept of providing mutual assistance of farmers in a community. If a farmer has an accident or falls ill, the cooperative will help out—not only by providing machines, but also by looking for suitable people who can carry out the responsibilities of the ailing farmer. This will now have to change, the manager told his audience; the cooperatives will have to strictly orient toward cost effectiveness; either they will lose their character, or they will disappear. This is a bitter pill, because up to now, there still was a sense of solidarity, of providing mutual assistance.

The audience, half of them young farmers below age 40, were intensely aware of the crisis, and responded seriously to the challenge. They are trying to keep their cooperative by agreeing to raise membership dues and accepting higher prices for certain services. But this will not rescue them, and they know it.

Rosa Tennenbaum, representing the Schiller Institute, who was invited to give the keynote speech that evening, alerted people to the driving force behind this deepening crisis: the exponential growth of paper value worldwide, a cancer that is killing the economy. Immediate measures to get rid of the cancer and to create a new financial system that supports production and long-term investments into infrastructure, were proposed by Lyndon LaRouche, who is running as a pre-candidate in the United States Presidential election campaign, she said.

Tennenbaum also outlined LaRouche’s program to end the farm crisis and rebuild agriculture, which is not only the right thing for the United States; it is a program that can be taken up in all countries, because it aims at the fundamental problems and presents the basic preconditions, such as parity prices, to keep farmers in business. What is happening in the United States is affecting other countries around the world, as shown most dramatically in agriculture. A fundamental change in American policy is needed to protect Europe from “American conditions.”

In the discussion, it turned out that many of these farmers had visited the United States at some point, and were horrified by what they saw. The deep poverty in the Southern states in particular shocked them. “If you saw New Orleans,” one said, “you would not need to travel to the Third World. There, you are in the Third World.”

# Engineers' strike against Boeing is holding strong

by Marianna Wertz

The strike by more than 19,000 engineers and technical workers against the Boeing Company, the Seattle-based aircraft giant, which began on Feb. 9, is growing stronger by the day. This is the largest white-collar strike against a single company in American history, and the first ever (aside from a one-day walkout) in the union's history. As *EIR* reported last week, its importance lies in the focus of the strikers' demands: that Boeing stop its promotion of "shareholder values"—the disease which has crippled most of American industry in recent decades—and resume its former commitment to producing quality products and ensuring a decent living standard for its highly qualified workforce.

As the accompanying interviews with a Boeing engineering retiree and a spokesman for the union show, Boeing forced the strike in order to break the union, the Society of Professional Engineering Employees in Aerospace (SPEEA/IFPTE Local 2001, AFL-CIO). Especially since its merger with McDonnell Douglas in 1998-99, Boeing, the nation's leading exporter, has been transformed into a company whose principal concern is "the bottom line."

In a March 4 webcast dialogue with supporters in California and New York, Democratic Presidential pre-candidate Lyndon LaRouche said that the Boeing strikers are right in taking on an incompetent management. "They say the economy's better. Who says the economy's better? These idiots? *Our economy is worse than it ever was. Most people are suffering. The economy is dying. We've lost our factories, we've lost our farms. We've lost our infrastructure, we're losing our power sources.* We're losing—the airlines are no longer trustworthy. Planes are crashing. The market's next. Management is incompetent. The automobile industry's management is increasingly incompetent, as we have a strike going on in Seattle now. And the people on strike are right: The management is incompetent! And these planes are going to come down, crashing, unless we end that incompetence."

## Strikebreaking tactic fails

On March 5, after unilaterally declaring an impasse in the strike, Boeing notified the strikers that it would impose its latest contract offer, which was so far from acceptable to the union leadership that they refused even to present it to their members. SPEEA branded Boeing's move as a desperate attempt to get employees to cross the picket line, and predicted

that it wouldn't work. It didn't. Not only did no additional workers cross the picket line, but more employees joined the strike, according to SPEEA Executive Director Charles Bofferding. SPEEA has also filed an unfair labor practices complaint against Boeing with the National Labor Relations Board, stating that the company has repeatedly refused to negotiate in good faith.

On March 7, SPEEA called a mass meeting for strikers, which was addressed by AFL-CIO Secretary-Treasurer Richard Trumka. The AFL-CIO nationally is pouring support into this strike, with President John Sweeney on the picket line on Feb. 19. Trumka presented SPEEA, which has no strike fund, with a \$50,000 check and a pledge of \$25,000 per week for as long as the strike continues.

Trumka told the 3,500 striking engineers and technical workers that Boeing's leadership is "out of touch," and that the firm would become an empty shell without the engineers and technical workers. "You are the future of the labor movement," Trumka told the crowd. "This is a strike about whether employees will be treated like property or like partners."

Bofferding underscored that the strike is not just about a new contract, or the union's demand for better wage and benefit levels than Boeing is offering. "This strike is not just about what's in that contract," Bofferding said. "This strike is about what's happening to the Boeing Company. We're not going to let them tear down this company. We're going to stand up for what is right. We're going to save this company."

The strike is beginning to have a serious impact on the aircraft giant, which, as Allan Rathbun explains (see accompanying interview), can't easily replace its highly skilled workers. Not only has Boeing claimed only one aircraft delivery since the strike began, but on March 3, four engineers assigned to the upcoming launch of a \$1 billion defense satellite walked off the job and joined striking co-workers (SPEEA represents Boeing workers in Washington state, Oregon, California, Arizona, and Florida) on the picket line in Cape Canaveral, Florida.

The Titan workers said they walked because the Boeing Company is pressing them to fill in for striking workers in jobs they do not feel qualified to perform. The Nuclear Launch Detection Satellite was scheduled to launch by a Titan rocket on April 9, but now 100% of the electrical engineers assigned to Cape Canaveral by Boeing are on strike.

The strike has also shut down Boeing's civil- and military-related flight test activities at Seattle's downtown airport.

SPEEA's Webpage sports the banner, "One Day Longer than Management." If the United States is going to return to a capital-intensive, high-technology, production-based economy, which is vital for the future of all Americans, a victory by these workers will be an important step in that process.

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## Interview: Allan Rathbun

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# Boeing: 'management plan du jour'

*Allan Rathbun, who retired from the Boeing Company in 1995, after 22 years as a software and design engineer, is a member of the Society of Professional Engineering Employees in Aerospace (SPEEA), which has been on strike against Boeing. In this Feb. 27 interview with Marianna Wertz, he provides valuable insight into the problems at Boeing, particularly following its 1998-99 merger with McDonnell Douglas, which caused the strike.*

**EIR:** What is your view of what's going on in the SPEEA strike?

**Rathbun:** When the merger of McDonnell Douglas and Boeing initially occurred, the story was that the people in Kansas City [McDonnell Douglas headquarters] were very happy. They said, "We're going to get all the goodies that the Boeing people get, now that we're part of Boeing." Well, it went the other way.

You have to consider who the president of the company is, Mr. Stonecipher, who came from McDonnell Douglas. I understand that a large percentage of the people that he brought with him are in the finance and comptroller part of the company. They have a different attitude in general toward engineering. I have some direct experience with them, because I worked with them on a project even before I went to Boeing.

McDonnell Douglas typically did not retain a large engineering staff, from project to project. If they had a new project come along, they'd go out and hire 5,000 contractors, give them 18 months, and pay them big salaries, and then, after that, they're gone, they're history. So, they had a different philosophy.

Boeing traditionally has always maintained a fairly high level of engineering talent. They do have surges. I was on the 777 project, when I retired. We had over 7,000 engineers

working on that one project. Toward the end, of course, a lot of those people were surplus. Many of them found employment in other areas of the company.

Altogether, across the company, about 6,000 of us took an accelerated retirement process, which cut their payroll a lot, because they had a lot of people at the upper end of it, the ones who were making \$70,000-plus.

So, a lot of talent went out. In fact, it was estimated, in the Everett [Washington] division alone, something like 70,000 man-years of experience went out the gate in 1995. In fact, in whole divisions, whole talent pools, in particular disciplines, there was no one left.

One of the other factors going on is they have a demographic problem there now. The middle management has disappeared. The class of engineers and managers in the 40-50 years of age, with 15 years experience, is very thin. They have a lot of old-timers, and they have new people with less than ten years.

This is a good time, if you think about it, to cut your costs. You don't have the people in the middle that are going to know where things are, and what a good contract looks like. They'll be able to intimidate the younger people. The older people are saying, "To heck with it, if they push me too much, I'm going to retire."

**EIR:** Do you think they forced the strike for this reason?

**Rathbun:** I think so. I think it's strictly on the basis of the fact that they just figured that they can destroy the union and impose a contract that they want. I think they misjudged it, because there's a lot of support for it, over 64%. Plus, once the contracts were voted down, SPEEA, which had a bare majority of the workforce, has increased their rolls dramatically, to 75% of the work unit, because people could see where it was headed.

In fact, Boeing is being unreasonable, because the way in which the contract was presented — they basically said, "Here it is, take it or leave it." Well, they left it. So, they came back and diddled with it a little bit and said, "Here's your second shot." Well, that went down to defeat, too.

**EIR:** The press is saying now that this strike could become very lengthy.

**Rathbun:** They had negotiations yesterday [Feb. 26] and basically, they didn't go anywhere. They cut them off. Where it's going to hurt the company is that airplanes require a lot of inspections. The FAA [Federal Aviation Administration] doesn't have anywhere near the staff to do the work. So, they have to have Designated Engineering Representatives (called DERs). These are people who work for the Boeing Company and are actually approved by the FAA. What I was doing before I retired was nominating these candidates and presenting them to the FAA.

The problem they have, is that it's a two-year process. No matter who you are, it's a two-year process before the FAA

will confer upon you the title of Designated Engineering Representative, because they have to monitor your work and be sure you understand the issues, etc. Any work in the design that affects the flight-worthiness of the aircraft has to be approved by DERs.

Out on the flight line, when the aircraft go out, they have to have Designated Manufacturing Representatives. These are guys that basically sign off that the aircraft was built according to the design.

What happens, is that those people are in demand, and they're all on strike.

**EIR:** So Boeing can't produce planes now.

**Rathbun:** They can't *deliver* them. You go on the Internet and look for these contract labor companies. If you're a Designated Engineering Representative with current status, minimum salary is \$85,000 a year. Sure, you may have to go to Florida or Ohio, but there are signing bonuses, there are relocation bonuses, and a salary of \$85K a year. How many of those can they afford to siphon off? They're not going to come back. You don't just go down the row of cubicles and pick a guy and say, "You're the new guy, now." It's a two-year process. That's the one skill that they have that's going to give them problems.

What's going to happen, is they'll get an air-worthiness directive from the FAA, similar to this thing over the jack-screw on the airplanes [referring to the part failure that caused the Air Alaska crash], where Boeing has to provide engineering studies as to what they're going to do about it. Well, if the people aren't there, the FAA is likely to say, "Well, we're going to ground all of the airplanes that have that potential problem now."

Another thing, is that Boeing also has a very good reputation, and one of the reasons they sell so many aircraft, is support for the customer after the sale. . . .

A lot of this requires engineering approval. There are an awful lot of parts in an airplane, and the parts list of the airplane says, these are the parts that you can authorize to put on this airplane. However, a lot of those parts are common to other things. But, unless it's on the list, you can't use it, unless an engineer approves it. Then he has to get the DER to sign off on it. Without that support, your aircraft on ground (AOG) operation is going to grind to a halt.

In fact, one of the aircraft was on the ground in Asia somewhere, where it was being repaired, and the engineers packed up and came home. The airplane is still sitting there.

It's a staring match right now. I think the company figures that these people are going to be hurt economically faster than they are.

**EIR:** I guess they're out trying to find part-time jobs right now.

**Rathbun:** A lot of them are going to find other jobs, and if the strike goes on another month, you're going to find a serious

erosion in the workforce. These are not hamburger-flippers. I can almost guarantee that there are recruiters in Seattle today from other companies, talking to these guys.

It's not just the economic issues, but because of the shift in the way they do work, it's gotten to the point where they keep changing the way they do business. The new management plan—it's given rise to the phrase, "Management Plan du Jour."

The other dissatisfaction, is the fact that the company wants the salary package to be entirely merit-based, in other words, no general wage increase. The problem with that, is that you cannot administer that fairly. Some years ago, the engineering disciplines were ordered along the lines of the disciplines: aerodynamics engineers in one group, and landing gear people in one group, and electrical engineers in another group. They sort of had little fiefdoms, in the sense that they each did their unit of work.

Now, when it came time for your merit performance review, you were reviewed by a manager who was your peer. If you were in the landing gear group, he was a landing gear expert. Now, in the interest of the new way of doing business, they've organized all the workforce along the lines of teams—teams of people to do a particular aircraft.

So, here's now an engineering manager, who has in his team a guy who's a landing gear guy. He's got electrical, he's got mechanical, he's got a mix of people. The manager may be a finance guy! So, he's going to evaluate the performance of a hydraulics engineer? He doesn't even know who the hydraulics guy is! They still have a "functional manager." They still have the factotum within the discipline. There's some person who's the functional manager of the hydraulics group: He probably doesn't know 5% of the people that are in his group.

In all the years I worked under that system, I never met my functional manager. He was just a name on a chart somewhere.

All these performance reviews are negotiated by committee managers. They all get together and each of them promotes their candidate. It becomes a political thing.

I guess what I'd like to convey to you, is that it goes beyond the economic issues. There are a lot of underlying issues, where people have chafed under the whole system. Especially when the Boeing Company said, no general wage increase, all you're going to get is a merit pool. Everybody knows that that's unfairly administered.

**EIR:** The fact that they're striking is remarkable.

**Rathbun:** It's unprecedented.

**EIR:** It's a very important strike and it goes to the heart of what's going wrong in this country.

**Rathbun:** I think it generally reflects the whole idea of the economic value of intellectual property, and how much these people contribute.

## Shareholder value is destroying Boeing

*Bill Dugovich is a spokesman for the Society of Professional Engineering Employees in Aerospace (SPEEA), which has been on strike against the Boeing Company. He spoke with Marianna Wertz on Feb. 29.*

**EIR:** I noticed that SPEEA Executive Director Charles Bofferd posted the following statement on your website: “We are not fighting *against* Boeing; we are fighting *for* Boeing. We want to see employees and customers respected as much as shareholders. In fact, we think that the current obsession with shareholder value threatens Boeing’s long-term survival.” Can you expand on that, and say whether that is new with Boeing, since the merger with McDonnell Douglas?

**Dugovich:** Yes, in many ways it is new. Traditionally, Boeing has prided itself in developing cutting-edge products, new airplanes, developing technologies, the kinds of things that you can sell because they’re great products. Because they’re great products, people buy them and the company makes money.

Since the merger and since the outsiders have come into the Boeing Company, there’s been a shift in emphasis. The shift is, research and development money has been funnelled to areas where they can develop new ways to cut costs, in production and in engineering. You can look up several of the executive statements, Harry Stonecipher [Boeing CEO after the merger with McDonnell Douglas] said it, that Boeing is primarily interested in stock value, shareholder value. The bottom line of that is, you sacrifice employees, you sacrifice the product for the sake of the stock price. If you’ve watched Boeing’s stock recently, it just isn’t working. The stock is going down, the morale is going down, sales are going down.

That’s a large part of what these people are striking over. These are engineers and technical workers, who pride themselves in building planes that fly higher, faster, and farther. In order to let them do that, you need to have an environment that treats employees fairly.

**EIR:** Do you think there’s a real threat that Boeing could lose its engineering staff, and therefore go down the drain as a company as a result of this strike?

**Dugovich:** They’re doing it right now. Before the strike, there were letters printed in our newspaper about people leaving, because of the atmosphere at the Boeing Company. Currently, we know that many of our workers—they’re high-tech

people, they can go out and get a different job somewhere else. Many of them, the first day of the strike, sent out their resumé. We’re frankly telling them, don’t turn in your resignation to the Boeing Company right now, because, whatever we win in the strike—or whatever we’re able to secure, I should say—if there’s a bonus, they could still be on the employee rolls and they could collect that. They’re certainly due it for their work, for what they’ve done over the years. And then turn in their resignation.

**EIR:** Do you think it has a broader significance than just the Boeing Company?

**Dugovich:** I certainly do. This strike has been nicknamed “The Dilbert Strike,” for lack of a better word, and they’re proud of it. They’re the Dilberts of the world. [“Dilbert” is a TV situation comedy cartoon program, aimed at adults—ed.] They’ve been pushed around. They’ve been put in their cubicles and their work has been marginalized enough times, and it’s been changed, good people laid off. They’re saying, “Enough is enough.”

There are two key things about this strike. Charlie Bofferd is absolutely right. This is not against Boeing. This is a fight *for* Boeing. And the reason that’s true, is because if you go out and you walk the picket lines, the years of service that you come across are extremely evident. All the people with less than ten years, many of them have been laid off. What you have walking the picket lines are people with 10, 20, 25 years. I talked to a guy last night who’s worked at the Boeing Company for 35 years. They stay with Boeing because they love the company. They love the work. They love working in aerospace.

We have people in engineering who are third-generation Boeing employees. Second generation is not unusual at all. They see what upper management is doing to this company right now, and it breaks their hearts.

The other thing is that, in this bargaining unit, we represent 21,000 employees. We have a little over 14,000 dues-paying members. Nineteen thousand people walked off the job on Feb. 9. That tells you that thousands of people, who were not dues-paying union members, walked off the job, because they share the concern over this company that we all do.

**EIR:** Boeing is one of the last companies in the country that had the respect of its employees, until recent years.

**Dugovich:** That’s true.

**EIR:** The changeover that McDonnell Douglas has brought about with the merger is what’s happening in the rest of the economy. Lyndon LaRouche has pointed to this in terms of the whole industrial sector of America.

**Dugovich:** That’s true. And that’s why this is so significant. It should be a warning signal to other corporations, that you need to start paying attention to your employees.

# The financial bubble: prosperity for some, tragedy for all

by John Hoefle

*The following speech was delivered to the Schiller Institute-International Caucus of Labor Committees' Presidents' Day conference, on Feb. 20.*

Years ago, Lyndon LaRouche observed that, were aliens to visit Earth and see what was going on in our derivatives markets, they would write us off as a planet gripped by insanity. In the intervening years, that insanity, like derivatives, has spread like a disease, infecting the far reaches of the global financial system, and the minds of our fellow humans.

Today, money has become an obsession with tens of millions of Americans—not “money” in general, not “his money” or “her money,” but “my money!” Those who have it are obsessed with keeping it and adding to their pile, and those who don’t have it are obsessed with getting some.

What’s the most popular show on television: “Who Wants To Be a Millionaire?” It’s such a big hit that it has spawned a rash of copycats—“Greed,” for one, and even “Who Wants to Marry a Multi-Millionaire?”

What is the state of mind of a man who would pick a wife from among the contestants on a TV show, and what is the state of mind of a woman who would enter a contest to marry some guy she never met, just because he’s rich? And what about the states of mind of the tens of millions of viewers who have made such freak shows so popular?

If you’ve ever wondered how entire societies could go insane, like the Netherlands with the Tulip Bubble, just look around, because we’re living through such a period now.

This is a genuine, world-historic *mania*. The global financial system has become a giant casino, run by the British-centered international financial oligarchy as a way to separate the “little people” from their money. But that’s just a part of it. The real aim of these oligarchs (or ‘garchs, for short, since we don’t want to treat them with too much respect), is to destroy the nation-states and their populations, and take the world back to the feudal days when the Sun never set on the Queen’s slaves.

This requires quite a bit of trickery, because the nation-state is a vastly superior form of social organization—at least it is when it functions properly. As Benjamin Franklin warned: “A Republic, if you can keep it.”

To beat the United States, the ‘garchs have to destroy

it from within, which means dumbing down enough of the population to prevent it from functioning as a citizenry. Get enough people to turn their backs on reason, and the nation ceases to function. One of the ways this is done, is through greed, through “my money.”

Anyone with any sense knows that the world, and the United States, is increasingly being divided between the haves and the have-nots. Some are horrified by this on moral grounds, and some are just horrified at the thought that they may not make the cut. That they will be “losers,” rather than “winners.”

As if one can “win” from the destruction of civilization.

## On the edge of the abyss

By most accounts—meaning the reports from the oligarchy’s propaganda outlets, and the salesmen trying to lure your money into the bubble—the world economy has never been in better shape, thanks mainly to the wonderful growth in the United States over the last few years. After all, according to Federal Reserve Chairman Alan Greenspan, the biggest problem we have, is keeping growth under control, keeping the economy from overheating. Then there’s the silly debate about what to do with the non-existent “budget surplus”—do we pay down the debt, cut taxes, or put it into Social Security? Since there’s no surplus, why not do it all?

On the international front, they claim, our biggest problem is that the rest of the world is not following our lead, not generating enough “growth” themselves. We’re getting tired, Greenspan says, of carrying the bulk of this expansion alone. That’s an interesting concept: We’re getting tired of making all the money ourselves, and wish that others would take some of these profits off our hands. If you believe that line, I have a bridge to sell you. (Just look under Brooklyn, on eBay.)

What Greenspan knows, but doesn’t dare say, is that the United States is sitting at the center—meaning Ground Zero—of the biggest financial bubble in history. A bubble which is becoming more unstable by the day, and which requires constant attention and an increasing amount of money to keep it from popping.

Somewhere out there in oligarch-land is a command center, which constantly monitors the bubble and dispatches the equivalent of SWAT teams to the scenes of financial disasters.

“Hello, 911? This is Wall Street. We just lost a trillion dollars in the derivatives market!”

“Calm down, sir. We’ll be right there.”

Then, the whole system swings into action, with central banks supplying money and guarantees, manipulating the markets to cover up those pesky losses before they have to be reported on somebody’s books.

That’s the way the system works these days. One or more of the big players gets into trouble — and they tend to get into trouble in packs, since they all do basically the same thing — and the Keepers of the Bubble step in to drive the markets back into line with the big players’ derivatives bets.

All of the rules are designed to protect the power of the oligarchy against the power of nations. When Travelers Insurance and Citicorp announced their merger, everyone on Wall Street and in Washington knew it was illegal, but no one did anything. Actually, they did do something: Congress changed the law, repealing the Glass-Steagall Act and effectively legalizing the merger.

The financiers clearly consider themselves above the law. Asked about the repeal of Glass-Steagall, insurance giant American International Group chairman Hank Greenberg boasted to the *Wall Street Journal* that the change in the law was irrelevant. “Most financial companies have been doing what they wanted to in any event,” Greenberg bragged.

The Department of Justice seems to agree. The DOJ for years has used Federal conspiracy laws to nail both the innocent and the guilty, yet, when the chairmen of Travelers and Citicorp held a press conference to publicly announce their intent to break Federal law — a clear violation of Federal conspiracy statutes — the Justice Department did nothing. The same Justice Department that never met a black elected official it didn’t want to indict, and which threw Lyndon LaRouche and several of his associates into jail for daring to tell the truth about the financial oligarchy. We didn’t break the law, but got nailed anyway. The banks did break the law, and the DOJ did nothing at all. That makes it pretty clear who the DOJ works for: Wall Street.

Look what happened when the Commodity Futures Trading Commission (CFTC) suggested that it might take another look at regulating the over-the-counter derivatives market. It got *smashed*, to the point where it is now wandering around Washington like a eunuch, telling anyone who will listen that it will never bother the derivatives market again. The fact that the CFTC was right, that many of today’s derivatives deals are illegal under U.S. law — as the derivatives dealers and their supposed regulators freely admit — made no difference at all.

Merton Miller, the Nobel Prize-winning economist and member of the board of the Chicago Mercantile Exchange, put it succinctly: The CFTC, he said, “didn’t realize they were working for us; they thought they were in business for themselves.”

What fools! They thought they were regulators! The

moral — or immoral — of this story is clear: Today, under the current system, when the law interferes with the money, the law gives way. The market, not the nation, is sovereign.

## What they are protecting

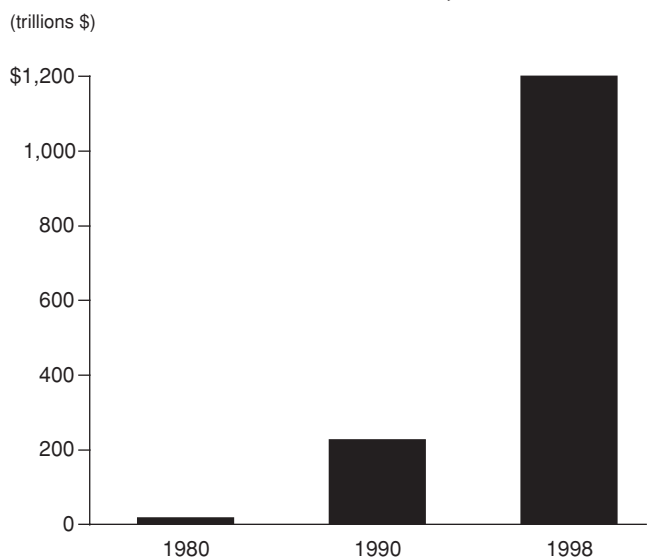
Let’s take a look at what all this propaganda is protecting, and why such brutal measures are considered necessary. The size of this bubble is staggering (**Figure 1**). We estimate that there are somewhere around \$300 trillion in financial claims outstanding worldwide, including derivatives, stocks, bonds, and other forms of debt, both on-balance-sheet and off-balance-sheet. Using the best official figures available, which isn’t saying much, we calculate that annual financial turnover now exceeds \$1 quadrillion a year — that’s \$1,000 trillion or roughly 100 times the level of world trade.

I would have put world trade on this graph, but you wouldn’t have been able to see it without a magnifying glass.

When most people think of trade, they think of physical goods, such as oil, food, cars, and the like, but that’s “Old Economy,” “Industrial Age” thinking. We’re in what the experts call the “New Economy,” where trade in physical goods is largely irrelevant. In the New Economy, we trade money and information, and the information is mostly about money.

Back in ancient times — the 1960s and ’70s — most of the dollars which exchanged hands between the United States and the rest of the world were related to trade in merchandise (**Figure 2**). Back then, 70% or more of the foreign exchange of dollars was connected to trade in physical goods, but today, U.S. merchandise trade accounts for only about five-tenths of

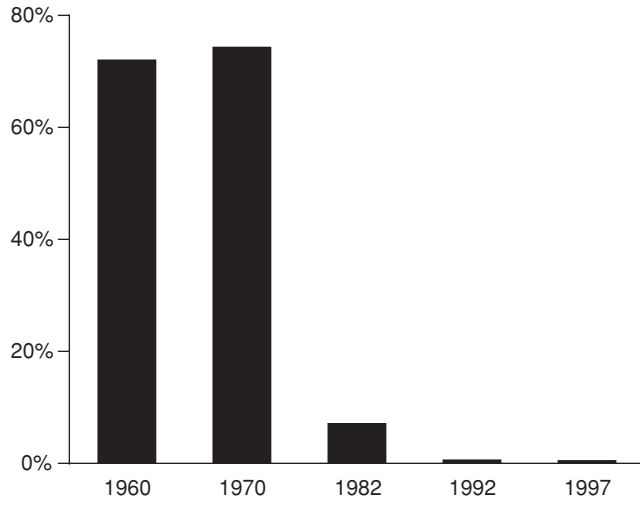
FIGURE 1  
Annual world financial turnover, 1980-98



Sources: Bank for International Settlements, *EIR*.

FIGURE 2

**U.S. merchandise trade as a percentage of global dollar foreign exchange, 1960-97**



Sources: Bank for International Settlements, U.S. Department of Commerce.

1% of global dollar foreign-exchange trading. More than 99% of all foreign exchange trading is now due to speculation of one form or another. And, foreign exchange speculation accounts for only about one-fourth of global derivatives trading, with the real action occurring in the interest-rate sector, meaning the bond markets.

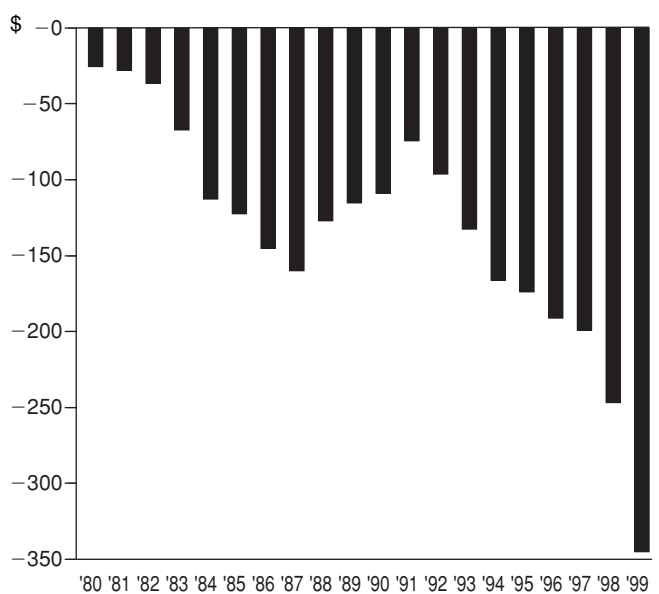
The effect of this shift in the U.S. economy, from being the breadbasket to the world in terms of both agricultural and industrial production, into what is euphemistically called a “service economy,” can be seen in our growing dependence upon foreign goods (Figure 3). Where we once exported our bounty to the world, raising both our own standard of living and that of the nations to whom we sold the machinery and infrastructure to make themselves more productive, we now have to import to make up the shortfall in our own production. We import food from countries where people are starving, while our own farmers go bankrupt at record rates. We move manufacturing facilities to countries where labor is cheap, destroying both our own productivity and our labor force at the same time. We are cannibalizing our nation, and destroying the world, through globalization.

**Focus on the United States**

Big deal! Who needs a physical economy when we have a stock market? This is the “New Economy” at work, the pride of Wall Street and the world (Figure 4). Since the Dow broke 4,000 points in early 1995, it has been going virtually straight up, with a few bumps along the way. All of today’s fluctuations, which we watch with such rapt attention, are occurring

FIGURE 3

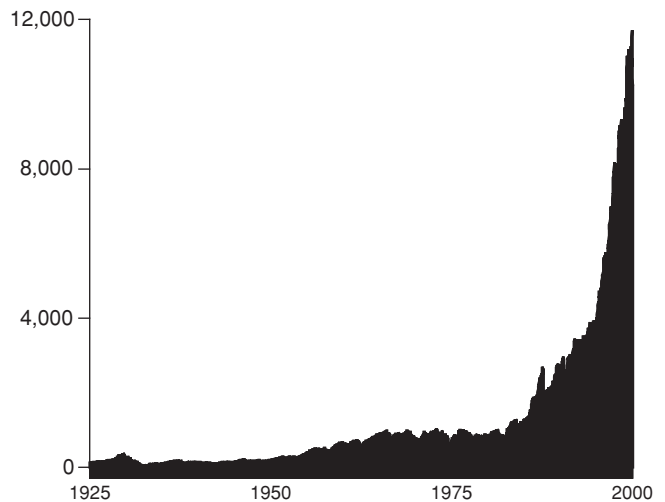
**U.S. physical goods trade deficit, 1980-99**  
(billions \$)



Source: U.S. Department of Commerce

FIGURE 4

**Dow Jones Industrial Average, 1925-2000**  
(weekly closings)



Source: Dow Jones.

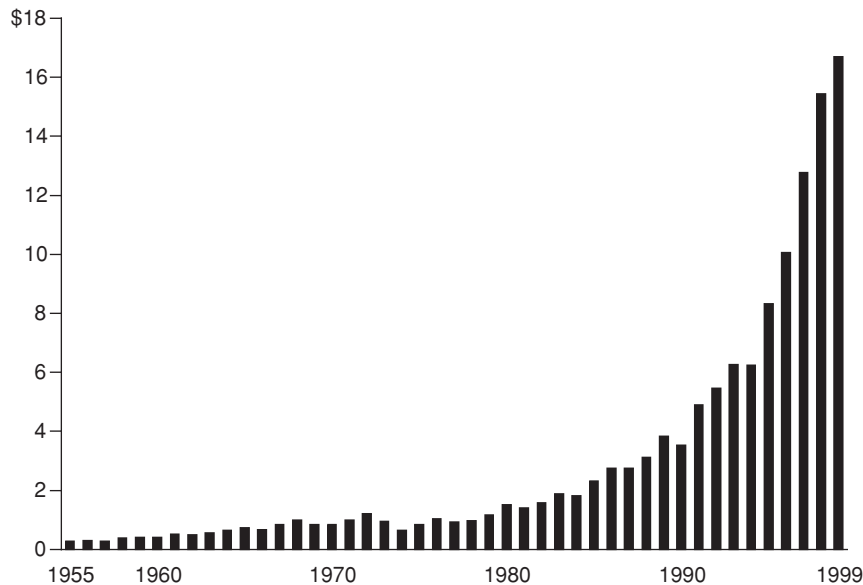
at the top of this very big mountain. When the Dow drops 10% or so the experts call it a “correction,” but it’s just a minor fluctuation. A real correction would be more like Mount St.



FIGURE 5

**Capitalization value of all stocks traded on U.S. stock market, 1955-99**

(trillions \$)



Source: Federal Reserve Board of Governors, "Flow of Funds Accounts."

Helens, blowing the top of this virtual mountain to smithereens.

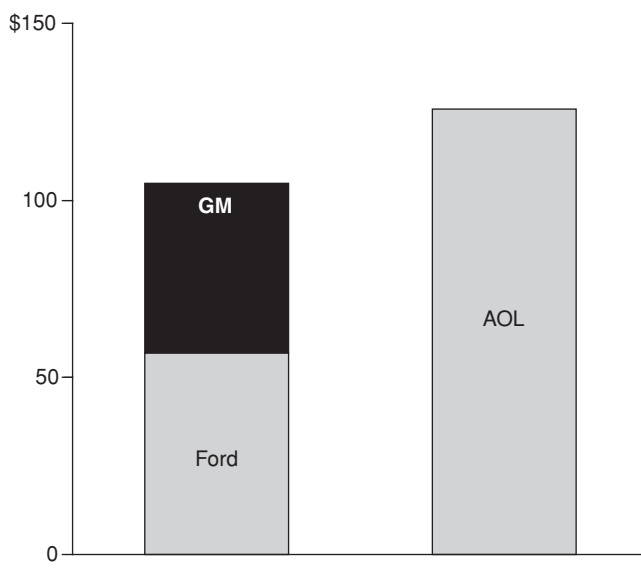
Still, until that correction occurs, this is a money machine which, in the slippery words of Fed chairman Greenspan, "creates wealth" (Figure 5). And what wealth! The value of the stock traded on U.S. stock markets has skyrocketed in recent years, growing by nearly \$13 trillion during the 1990s. At the end of the go-go 1980s, the stock market cap was just under \$4 trillion. When it comes to blowing bubbles, the decade of the 1980s was a wimp. In the 1990s, we got serious! That this growth occurred without any comparable growth in the real economy is not a problem because, according to our "leading economists," this disconnection between the financial and physical economies is a good thing, insulating each from problems in the other.

Once you accept that brilliant concept, you can start to make the serious money, which in the stock market means the Internet.

FIGURE 6

**Market capitalization: Ford, General Motors, and America Online**

(billions \$)



Source: Yahoo! Finance.

Take America Online, for example (Figure 6). At the end of 1999, AOL was the tenth-largest company on the New York Stock Exchange, in terms of market capitalization, right behind Hank "We Do Whatever We Want" Greenberg's AIG. AOL's stock has taken a bit of a hit since it announced it was buying Time-Warner (a deal which will basically double it in size), so its market capitalization is now down to \$126 billion, from a peak of about \$210 billion. Even so, it's still more than Ford and General Motors combined.

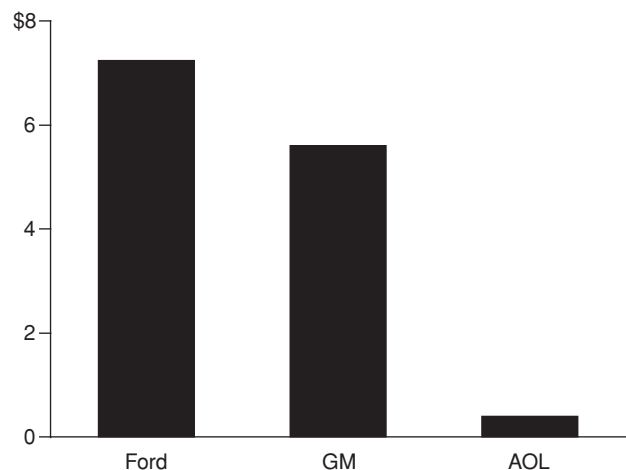
That's pretty impressive, especially considering that Ford and GM both make a lot more money than AOL (Figure 7). But in today's virtual economy, what the company does is irrelevant; it's what the company's stock price does that counts. Companies which make real products are actually at a disadvantage, because all that production costs money. Which means that there's less money for the shareholders.

The smartest way to buy stocks, the investment geniuses insist, is to buy on margin (Figure 8), putting some money down and borrowing the rest. That enables you to buy more stocks than you could afford, if you had to pay cash up front. But, the debt shown in Figure 8 is only part of the picture, because some of the more determined investors take out second mortgages on their homes, or personal loans, or even credit card cash advances, to buy stocks. After all, what's 20% interest when you can buy stocks that go up hundreds, even thousands of percent in a year? Who can afford to pass up that kind of profit?

FIGURE 7

### Net income: Ford, General Motors, and America Online

(billions \$)

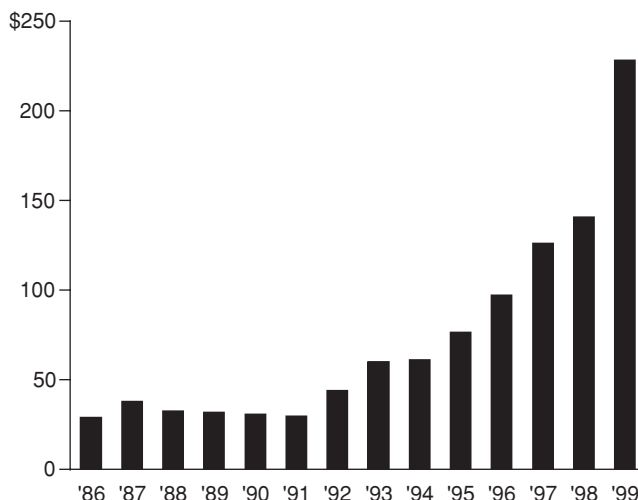


Source: Company reports.

FIGURE 8

### NYSE customer margin debt, 1986-99

(trillions \$)



Source: New York Stock Exchange.

Of course, more than half of the stocks traded on U.S. exchanges lost value during 1999, with the major indices being held up by a relative handful of companies. So, if you're going to bet your house on the stock market, you'd better pick carefully.

### The rich get richer

The old saying about statistics is that if your head is on fire and your feet are frozen, on average you're doing just fine—when in fact you're dying, if not already dead.

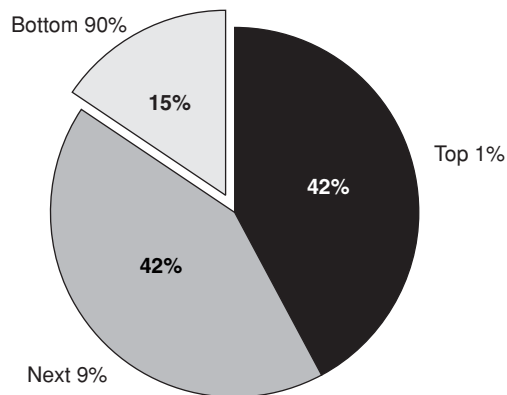
Keep that in mind when you hear about how wealthy we all are today, because the wealth is not distributed equally. As a study by Richard Freeman shows (see "America's Growing Income Gap: There Is No 'Economic Boom,'" *EIR*, Feb. 11, 2000), the rich are indeed getting richer, but the poor are getting poorer.

As it turns out—surprise, surprise!—the rich own most of the stock, and therefore get most of the stock income (**Figure 9**). The wealthiest 1% of the U.S. population owns 42% of all stocks, and the next 9% owns another 42%, meaning that 84% of all U.S. stocks are owned by the wealthiest 10% of the population. The remaining 90% of the population gets to share the rest. So, the top 10% get the lion's share of that \$13 trillion in stock value created by Mr. Greenspan's bubble, and they get to keep more of it, thanks to the cuts in the capital gains tax.

That's one of the reasons why the top 20% of the population now has more total income than the bottom 80% (**Fig-**

FIGURE 9

### U.S. stock ownership



Source: Federal Reserve, Survey of Consumer Finances, August 1997.

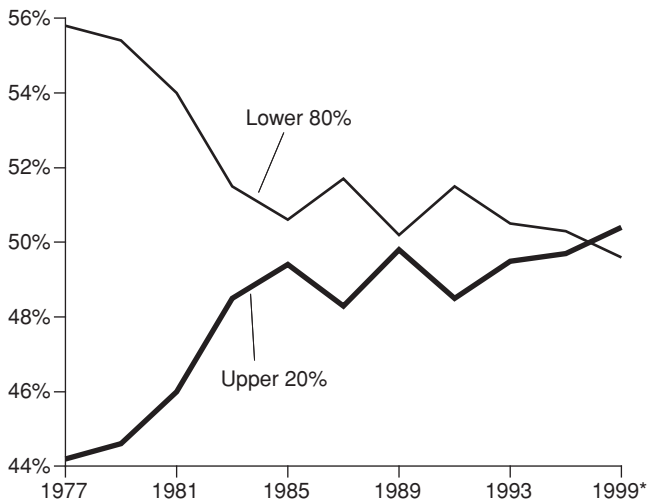
### ure 10).

It gets even worse when you compare the wealthiest 1% to the poorest 20% (**Figure 11**). The median income of the top 1% of the population was \$215,000 a year in 1997, and that more than doubled to \$472,000 a year last year. The bottom 20% of the income spectrum was not so lucky: Their median income fell from \$10,000 in 1997, to \$8,600 in 1999.

FIGURE 10

**Upper 20% of families haul in more of total U.S. after-tax income than lower 80%**

(percent)



\*Projected  
Sources: Congressional Budget Office; EIR.

Imagine trying to support a family on \$8,600 a year, or less. Chances are, you wouldn't be on a first-name basis with a BMW salesman.

Which brings us to, as they say, the bottom line on this winners-and-losers scorecard: net wealth (Figure 12). In the 1980s, being a millionaire was a big deal, but today, millionaires are commonplace — maybe not quite a dime a dozen, but getting close. According to one recent study, there were 7.9 million millionaires in the United States in 1998, compared to 1.6 million in 1990. But, in an era where you can become an instant millionaire by winning a TV game show or a lottery, millionaires are passé. To really make it big, you have to be a billionaire, of which 237 were created in the United States in the 1990s, compared to only 13 in the 1980s.

So, while on average we're all getting richer, the average is meaningless, because 1% of the population owns 35% of the wealth in the country, and the next 9% owns 33%. That's two-thirds of the wealth in the hands of the richest 10%, leaving 90% of us to fight over the remaining third of the pie, much of which is hot air anyway.

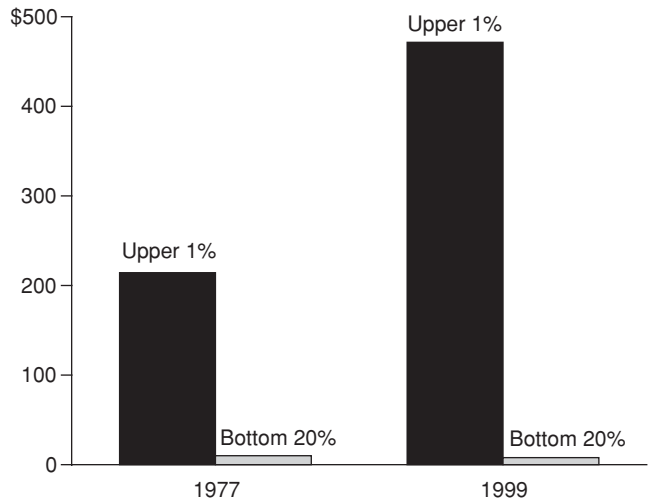
**Sinking beneath the waves**

Of course, these *nouveaux riches* are not without their problems. After all, having the nicest stateroom on the ship is small consolation when the ship is sinking in a sea of debt (Figure 13). During the 1990s, according to the official fig-

FIGURE 11

**U.S. median income, top 1% vs. bottom 20%**

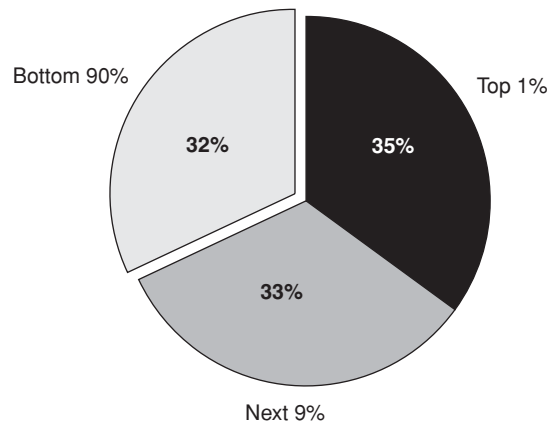
(thousands \$)



Source: Congressional Budget Office, EIR.

FIGURE 12

**American distribution of wealth**

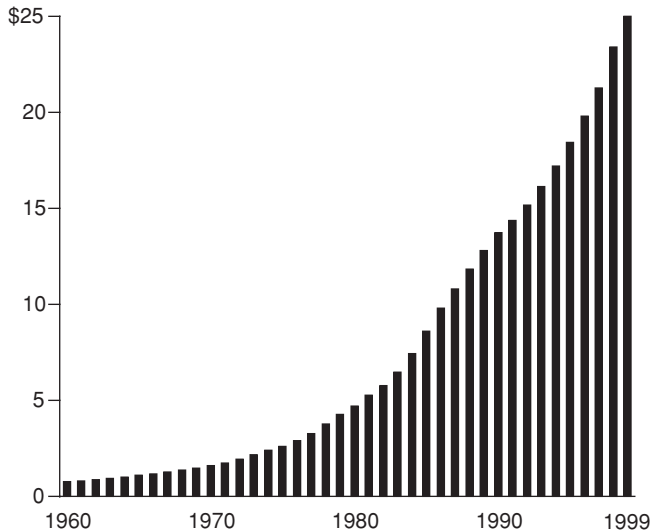


Source: Congressional Budget Office, EIR.

ures, the U.S. economy went over \$3 in debt for every dollar rise in Gross Domestic Product, ending the decade with more than \$25 trillion in combined government and private debt. ("Official figures," keep in mind, means what they publicly admit to; the truth is always much worse.) The growth of the debt during the decade, \$12 trillion or so, depending on the final official figures, offsets nearly all of the \$13 trillion gain in the stock market.

FIGURE 13  
**U.S. total debt, 1960-99**

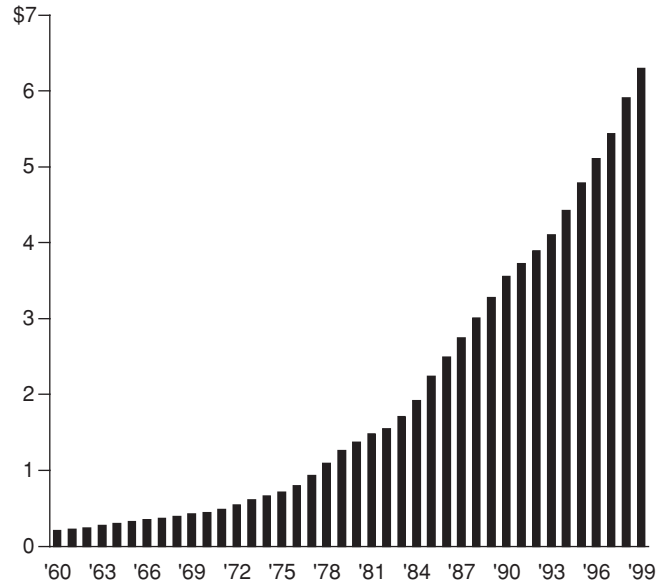
(trillions \$)



Source: Federal Reserve Flow of Funds.

FIGURE 14  
**U.S. household debt, 1960-99**

(trillions \$)



Source: Federal Reserve Board of Governors, "Flow of Funds Accounts."

However, while the stock gains are concentrated among the rich, the debt is not, at least when it comes to household debt (**Figure 14**). According to a 1997 survey by the Federal Reserve, the bottom 90% of U.S. families owed 71% of family debt. That's what happens when one has to live off credit cards and other borrowing, to cover an inadequate income.

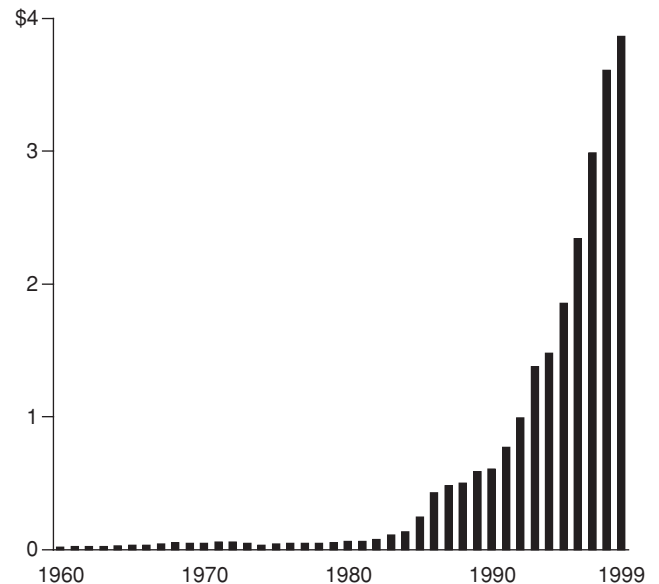
Living beyond their means, many people are counting on their mutual funds, pensions, and the equity in their homes to bail them out—but such hopes are fruitless. The value of mutual funds has skyrocketed, rising more than fivefold in the 1990s (**Figure 15**). But that rise, due to the rise in the stock market as a whole, will disappear a lot faster than it grew. The same holds true for pension funds (**Figure 16**), especially the private funds. When Mount St. Helens blows, so does the safety net.

Many people won't make it that far. More than 10 million people filed for bankruptcy in the 1990s, double the number who filed in the 1980s (**Figure 17**). It got so bad that the defaults began to hurt the credit-card banks. Congress, in its infinite wisdom, again took action, this time revising the bankruptcy statutes to make it harder for the average citizen to obtain protection.

So, people are desperate, frightened by the reality that they're being pushed over the edge of the abyss. This desperation leads many to seek the "big score," to "get theirs" before they go under. People are gambling in many ways, from bet-

FIGURE 15  
**Mutual fund assets, 1960-99**

(trillions \$)

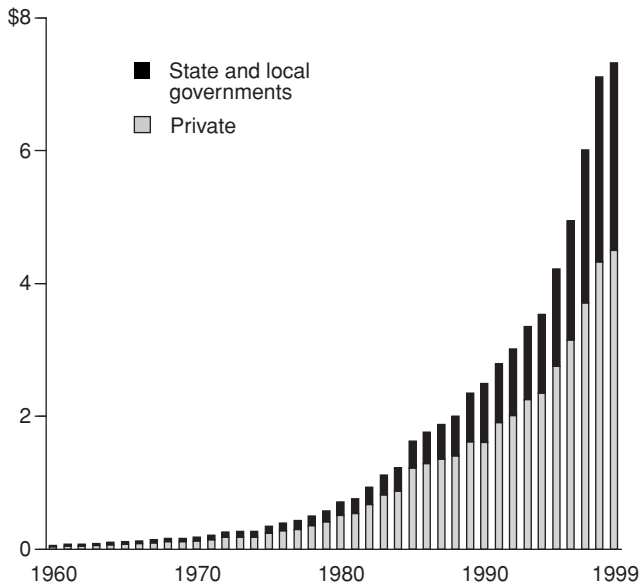


Source: Federal Reserve Flow of Funds.

FIGURE 16

**Pension fund assets, 1960-99**

(trillions \$)



Source: Federal Reserve Flow of Funds.

ting their future on the stock market, to lotteries and casinos (Figure 18).

There is also the problem of cultural pessimism. Prior to the launch of the counterculture in the late 1960s, most people believed that if they worked hard all their lives, they would leave a better world for their children. Their fellow man was their ally in this great work.

That is still possible — this political movement represents that potential — but how many people believe it?

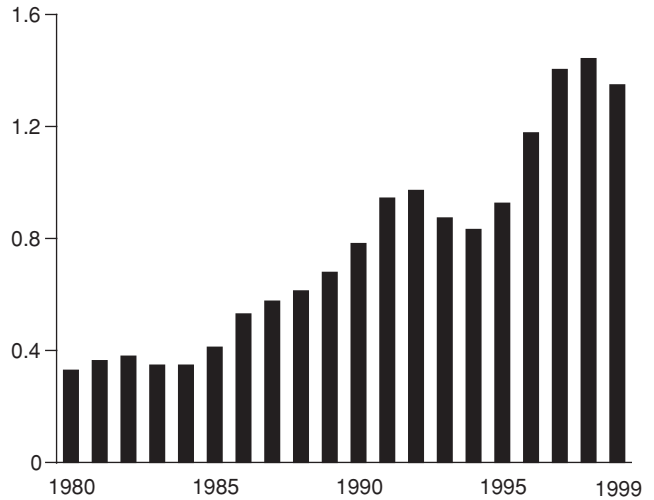
With the rise of the counterculture, many among us turned our back on reason, and the scientific and technological breakthroughs which flow from reason, and adopted a belief structure heavily contaminated with pagan superstitions. We turned our backs on nuclear power, and its potential to revolutionize our economy, a mistake for which we pay heavily in ways well beyond our electricity bills. We turned our backs on pesticides such as DDT, condemning millions of people in poorer nations to starvation and disease. We're turning our backs on water management, to the point where we're tearing down dams and letting the rivers run "free." We've turned our health care over to health maintenance organizations (HMOs), which place a much higher priority on meeting the demands of Wall Street, than they do in keeping us alive.

By turning our backs on progress, we have created a world economy which is in decline, in which resources are becoming scarcer. And, when the pie starts to shrink, the fights start

FIGURE 17

**U.S. bankruptcy filings, 1980-99**

(millions of filings)

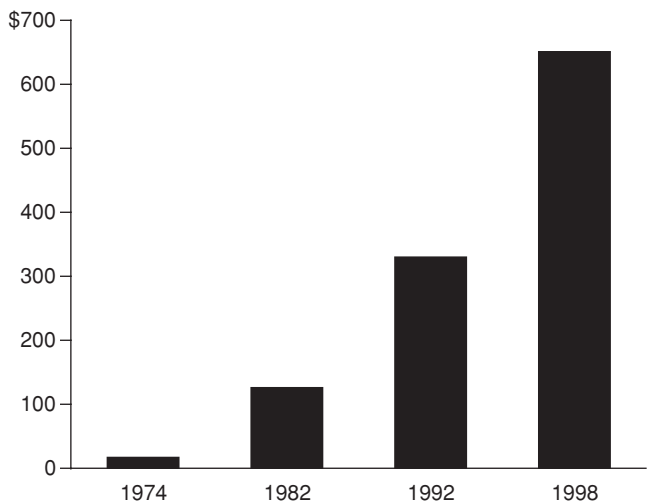


Source: Administrative Office of the U.S. Courts.

FIGURE 18

**U.S. gambling wagers, 1974-98**

(billions \$)



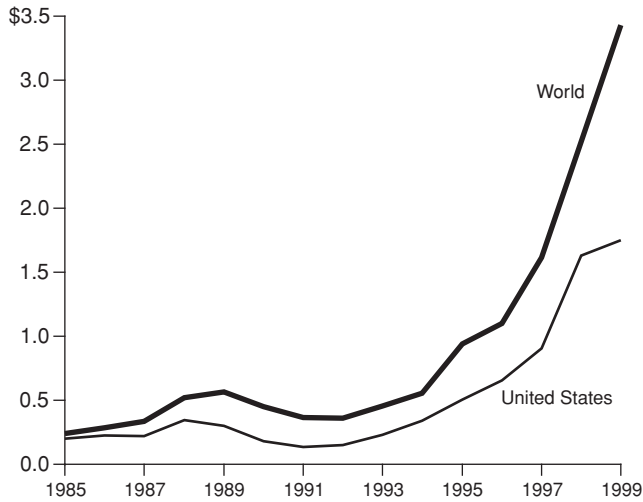
Source: IGWB.

to break out. The people who used to be your allies when the pie was growing, now become your competitors: For every piece they get, there's less for you. A Hobbesian "each against all" dynamic sets up, along racial, religious, geographic, and

FIGURE 19

**Growth in mergers and acquisitions, 1985-99**

(trillions \$)



Source: Thomson Financial Securities Data.

political lines, anything which differentiates one individual or group from another.

While we're busy trying to steal from each other, the oligarchy is robbing us all blind.

**We have a choice**

While the suckers are pouring their money into the financial markets, the oligarchs and their proxies are grabbing physical assets as fast as they can (Figure 19). They know that the bubble is doomed, and are seizing control of raw materials, food supplies, energy, communications, and other essentials, to give them the power to dominate the world after the crash. They're going after post-crash income streams: Whoever can pay will have to turn to the oligarchs for the necessities of life. If you can pay, you'll pay through the nose. If you can't pay, tough; you're just a useless eater and you will be left to die.

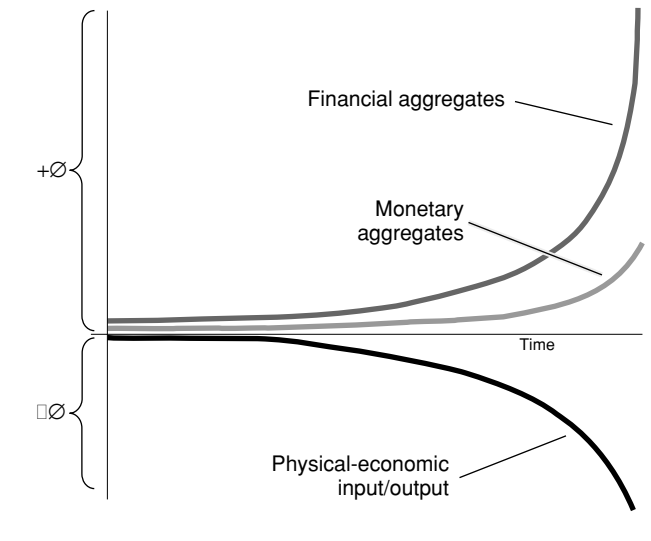
If the oligarchy gains greater control after the financial collapse, the result would be a New Dark Age. As LaRouche says, if we don't prevent that from happening, it's going to mean Hell on Earth, at least for decades to come.

The alternative to this looming nightmare, is the sovereign republic, which, when it adheres to its principles, is politically and economically vastly superior to the empire. As the young United States proved, the republic is more than a match for the empire, when it harnesses its power for the good.

Don't make the mistake of thinking that the danger is somewhere off in the future. This collapse is not something which will happen somewhere down the road. The system is

FIGURE 20

**A typical collapse function**



breaking apart as we speak. The events of the last three years, from Asia, Russia, and Brazil to the current problems in the bond and derivatives markets, represent the death throes of the bubble. The shocks are coming faster and harder than ever before, and every successful "rescue" only makes the system more unstable. The problem, as LaRouche's "Triple Curve," or A Typical Collapse Function (Figure 20) shows, is that we have reached the point where it simply isn't possible to keep the system going much longer. The combination of printing money like crazy while cannibalizing the physical economy, is inherently hyperinflationary, making the money virtually worthless. But, if they don't keep pumping money into the system, the value of the assets in the bubble will fall, from their stratospheric levels back to earth, resulting in a chain-reaction deflationary collapse. Caught between a hyperinflationary blowout and a deflationary collapse, the oligarchs are on a worldwide rampage against nation-states, spreading war and chaos wherever they can, and running the risk of triggering World War III.

None of those options—hyperinflation, deflation, or war—are acceptable, so let us organize the only alternative, Lyndon LaRouche's proposal for a New Bretton Woods global financial system, and save civilization.

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www.larouchepub.com**

## An economy of gamblers

*Problem gambling in Australia is out of control, particularly in the stock market.*

Australia, long known as a “nation of gamblers,” has truly become a “casino economy.” Gambling in all its forms is now such a dominant force in the economy, that it has caused a social crisis of spreading poverty from an epidemic of “problem gambling,” while simultaneously producing an explosion of paper millionaires from a gambling mania-driven “boom” in Internet and technology stocks on the stock market.

Australians now spend \$10 billion per year on gambling casinos, poker machines, lotteries, race tracks, sporting events, and so on. The heaviest promoters of the gambling “industry” have been governments, which have grown to rely increasingly on gambling taxes for revenue, none more so than the government of the state of Victoria, which relies on gambling for 12-14% of the entire state revenue.

This massive volume of gambling has come about mainly since video poker machines were made legal in Victoria in 1992, and it has been accompanied by an acute social crisis. Recent figures show that Victorians have lost \$8.2 billion in video poker games since July 1992. This represents \$2,532 for every adult in the state.

According to the figures, poker machines took in \$254 million during their first year in operation, which over the past seven years has soared 767%, to \$1.9 billion for last year. The March 2 *Herald Sun* calculated that the lost money would have been enough to fund 27 public hospitals, or lift 560,000 Victorians above the poverty line. In releasing the figures, State Premier Steve Bracks said, “For too long, the community has been struggling to

come to terms with the tragic cost.”

However, the \$10 billion spent on traditional gambling is dwarfed by the hundreds of billions in speculative funds inflating the Australian stock market. This presents a potentially far greater danger to ordinary Australians than gambling losses, in the light of the imminent meltdown of the global financial system, forecast by U.S. economist Lyndon LaRouche in 1994. In February, it was reported that Australia led the world in share ownership, with 54% of the adult population owning shares, ahead of Canada, with 52%, and the United States and United Kingdom. One-fifth of these investors are first timers who have entered the market since 1997, and have no idea what they are exposed to.

On March 4, financial commentator Paul Sheehan declared, “The market has gone crazy.” In the previous week, the Australian Stock Exchange’s (ASX) principal index, the All Ordinaries Index, hit three record highs in successive days. Rupert Murdoch’s News Corp. rose \$1.65 per share to a record \$27.50, bringing its share market value to \$107 billion, a rise of \$43 billion since the beginning of the year, and a 12-month rise of 156%. The rise of Internet stocks in Australia, as measured by the InvestorWeb Index of 30 “pure” internet stocks, has been even greater: an astounding 610% increase since the beginning of 1999. An example of the mania is the March 3 listing of the “biotech” stock called Axon, which is 5% owned by billionaire media magnate Kerry Packer: Axon listed at 20¢, and closed at \$1.65 later that day.

Yet, on that same day, the third

successive record day, 40 of the 50 market leaders saw their share prices plunge. The ASX’s ten most widely held stocks have fallen, on average, 10% since the beginning of the year, and an average of 20% since their 1999 highs. “A 20% fall is more than a correction, it is a bear market,” commented the March 4 *Sydney Morning Herald*. Even ASX spokesman Gervase Green admitted, “All the normal rules seem to have been suspended.”

While the suckers pour into the stock market, the British oligarchy is quietly seizing control of Australia’s real economy. In the last couple of years, Britain soared past the United States as Australia’s largest foreign investor, as British firms snapped up privatized government assets for a song, in the world’s largest privatization program, second only to that of Britain itself. Led by Rio Tinto, the Queen of England’s personal mining company, the British have particularly targetted Australia’s immense raw materials deposits.

In late February, Rio Tinto bought out the remaining 27% share in its aluminum subsidiary, Comalco. Two weeks later, Marcus Randolph, the president of minerals development of the giant Australian minerals and steel conglomerate BHP, declared that a \$13 billion merger between BHP’s and Rio Tinto’s iron ore operations in the Pilbara region of Western Australia was “inevitable.” Randolph would know: He is a former high-level Rio Tinto employee, who is part of the quiet Rio Tinto takeover of BHP over the past few years, which started with former Rio boss John Ralph’s move onto BHP’s board in 1997. Under Rio Tinto direction, BHP has just announced that it will sell its \$2 billion long-products steel division, a move which is seen as precursor to a complete exit from steel, in favor of a sole focus on raw materials.

# Business Briefs

## Health

### Dramatic rise in HIV, alcoholism hits Russia

The number of registered cases of human immunodeficiency virus (HIV, which causes AIDS), which stands at more than 30,000, according to the Health Ministry, increased at a rate four times higher in 1999 than the year before. More than 50% of the registered cases contracted AIDS in the past year. Irina Savchenko, a Ministry AIDS specialist, announced that the government is kicking off a new anti-AIDS campaign with Doctors Without Borders, which will spread information about safe sex and the dangers of drug use. She said that 90% of those infected are young drug addicts.

At the same time, the number of registered alcoholics in Russia has nearly doubled, to 2.2 million, since 1992. Deputy Health Minister Olga Sharapova said on March 2 that more than 110,000 of the alcoholics are between the ages of 12-16, Itar-Tass reported.

## Infrastructure

### Urgent projects urged on German state governor

The Lübeck Chamber of Industry and Commerce, in cooperation with its sister organization in the neighboring city-state of Hamburg, has presented a list of the "highest priority" infrastructure development projects, to the Gov. Heide Simonis of Schleswig-Holstein; Simonis is a Social Democrat who was re-elected on Feb. 27. Her previous Social Democratic-Green party coalition government ignored infrastructure development for the last four years.

The projects include the bridge across the Fehmarn Belt, the missing link to the projected rail line connecting Germany, Denmark, and Sweden; the extension of the planned A-20 highway westward to Hamburg, including crossing the Elbe River; another Elbe River crossing from Hamburg toward the region of Lauenburg; a six-lane

highway section linking the airport and business region of Kaltenkirchen to the A-7 highway; the electrification of the Hamburg-Lübeck rail line; widening the Elbe-Lübeck Canal, to make it navigable for European Union-standard barges of up to 4,500 tons; and the extensions of the seaport at Lübeck and the Lübeck-Blankensee airport.

Altogether, it is estimated that these projects would generate investments of up to 20 billion deutschemarks (roughly \$13 billion). Governor Simonis is reportedly becoming more positive toward at least some of the projects, but the question is whether her Green coalition partners will agree. The longtime Green blockade of projects in the Lauenburg region contributed to losses for the party in the last election in the range of 30%, compared to four years ago.

## Central Asia

### Russia advances 'united energy balance'

On Feb. 22, Russian Fuel and Energy Minister Viktor Kalyuzhny met with Kazakstan President Nursultan Nazarbayev, the Russian newspapers *Kommersant Daily* and *Izvestia* reported on Feb. 23. The Russian delegation included Transneft's President Simon Weinstock and Rosneft's President Sergey Bogdanchikov. The agenda of the talks included Kazakstan's debts for Russian oil, and the Caspian Pipeline Consortium, but these issues were the "sauce" for the main course: the project for the reestablishment of the "united energy balance" among Russia, Belarus, Kazakstan, and Turkmenistan, which, as Kalyuzhny made clear, would include oil, gas, coal, and electricity.

*Izvestia* included Ukraine among the Commonwealth of Independent States (CIS) countries, that may join the project. Such an arrangement would give Kalyuzhny the ability to supervise the activities of Russian firms, such as Gazprom and United Energy Systems, in the CIS republics, emphasized *Kommersant's* Vadim Bardin.

The project has serious political implications: By coordinating energy policy, the four republics would avoid struggling

against each other, and could conduct a unified export policy.

Three days earlier, Gazprom CEO Rem Vyakhirev spent a weekend in Ashgabat, Turkmenistan, where a long-term contract on the purchase of Turkmen natural gas, involving 50 billion cubic meters for 30 years, was discussed. The final text of the agreement is to be signed in April. According to *Izvestia*, Vyakhirev achieved a strategic victory over Western rivals, convincing Turkmenistan to agree to have 20 billion cubic meters of its natural gas transported across Russia, thus effectively abandoning its participation in a Western-backed project for a trans-Caspian gas transit route to Turkey. (This means that Gazprom and the Turkmen authorities reached a compromise: Russia and Turkey will construct the Blue Stream project across the Black Sea, while Turkmenistan is granted access to existing Russian gas pipelines.)

*Izvestia's* analyst Semyon Novoprudsky mentions one more strategic opportunity for Russia: The Western-backed Baku-Ceyhan pipeline project, designed for pumping crude oil from Baku, is "apparently stalled." He reports, "Meanwhile, the existing Baku-Novorossiysk pipeline and the Tengiz [Kazakstan]-Novorossiysk pipeline can serve as good alternatives to the Baku-Ceyhan project." He emphasizes the vital interest of the Kazak leadership in the implementation of the Tengiz-Novorossiysk connection.

## Argentina

### Child poverty grips Buenos Aires region

More than half (53.6%) of the 2.4 million children age 14 and under who live in the greater Buenos Aires region, are classified as poor, the Argentine daily *Clarín* reported on March 3. There are 1.3 million poor children, which is an increase of 60,000 compared to 1998 figures. Of these, 383,000 are classified as indigent; that is, they live in a family unable to provide each child with the minimum monthly market basket, costing \$21-62. In the area known as the "second cordon" of greater Buenos Aires (6 million



residents), poor children make up 57.3% of the total. Here, 40-47% of the employed work in the underground, or "clandestine" economy.

A study recently published by the Equis consulting firm reveals that the greater Buenos Aires region of 9 million residents has the worst socio-economic indicators in the country. This is a dramatic change for this part of the country, which has historically been better off than the interior provinces. Equis reports that the decline in employment levels and social conditions in this region has occurred only in the last ten years, since the 1991 imposition of the currency-board system known as "convertibility." In some districts, unemployment has quadrupled during this timeframe, going as high as 20%. Many people work in the "informal" economy, others are underemployed. Of the economically active population in this region, 47% of those of working age are seeking work.

## Space

### Cuts in Israeli civilian program draw protests

The year 2000 budget for the Israel Space Agency (ISA) has been cut by more than half, from \$1.5 million last year, to \$700,000. It is the lowest allocation in the agency's history. ISA head Aby Har-Even has characterized the budget as "ridiculous," and vowed to fight in the Knesset (Parliament) for a restoration to at least last year's level. When the space agency was formed in 1994, a Finance Ministry-appointed commission recommended that the budget should reach \$5 million, but it has never come close to that level.

Har-Even has appealed to Science Minister Matan Vilnai to secure funding for the agency from other areas within the government. He said he hopes that funding will be restored, and will reach about \$3 million next year, and the full \$5 million recommended, in 2002. He stated that at the reduced funding level, Israel will honor its international commitments, including the flight of an Israeli astronaut on the Space Shuttle, an Israeli-Dutch experimental satellite program, and

the Israeli-German remote sensing research satellite, but domestic remote sensing and technology development will be sacrificed.

During a meeting with Knesset members on Feb. 8, Science and Technology Committee chairman Anat Maor stated that "space research and applications are a significant factor in the development of every modern country. The peace process will bring about a change of orientation from military to civilian. The use of the existing infrastructure, whether relating to information [or] human resources, will be a source of speedy development and economic prosperity."

## Trade

### Western-run zones are China's real problem

The United Auto Workers union published a letter to the editor, entitled "A Different View on China," which identifies Western-run "free-market zones" as the actual source of trade problems blamed on China, in the union's newspaper *Solidarity*. The letter, from Brian Turner, a California graduate student, is a refreshing break from the constant anti-China drumbeat appearing in all U.S. labor publications.

"On many issues, such as sweatshops and NAFTA [North American Free Trade Agreement], I support your positions," Turner writes. "However, I believe your characterization of China is very misleading. You said child labor and prison labor are 'business as usual.' For one, the U.S. uses prison labor. The presence of child labor is far, far less than in other developing countries. Consider just one country in comparison—India is absolutely off the charts compared to China. In China's state-owned sector, there are worker councils that have the power to demote and fire managers.

"One sector of the Chinese economy is as bad as you describe. This sector is full of sweatshops, no unions (even of the party variety), brutality, sexual harassment, low pay, ultra-long hours, and terrible safety conditions. That is the coastal free-market zones. They are mostly made up of Taiwan- and Hong Kong-owned factories, but there are also U.S., Korean, Japanese, and others."

**PAUL VOLCKER** called for "a world currency," as the "final step in ending financial volatility caused by the disparity in size among the financial systems of developed and emerging markets," in Bangkok on Jan. 27. In other words, the "controlled disintegration of the world economy" called for by Volcker in the New York Council on Foreign Relations' Project 1980s, has succeeded to the point that the objective—world colonial government—is now within reach.

**INDONESIA** is boosting electricity rates 29.43%, starting April 1, less than the 35% demanded by the International Monetary Fund. The government expanded a proposal for subsidies for only the poorest households, to include 86% of users. The state electricity company PLN will carry losses of about \$540 million, which will be covered by the government.

**THE COLLAPSE** of education in Thailand due to the financial collapse, saw "up to 20% of students give up their studies before finishing," *The Nation* of Bangkok, reported on Jan. 28. Thai scholar Dr. Apichai Panthasen reported that "laborers over 15 years of age had spent an average of only five-six years in school, indicating that Thai workers are unfit for industrial labor."

**CITIGROUP** announced on Feb. 28 that co-chairman and co-chief executive officer John Reed will retire effective April 18. Former Travelers (which merged with Citicorp) Chairman Sandy Weill "will become the chairman and sole chief executive officer of the company," the firm said.

**THE UNITED NATIONS** has set the tone for its authority over East Timor, by imposing a "presumptive income tax" on coffee exports at the insistence of the IMF, despite opposition to the tax by most Timorese leaders and even the World Bank. Coffee is East Timor's main agricultural export, with 17,500 small family-run plantations and 15 primary cooperatives producing 6,500 tons of organic coffee a year.

## The mark of the beast: America's children are in mortal danger

by Helga Zepp-LaRouche

*Mrs. LaRouche, the president of the international advisory board of the Schiller Institute, gave this speech to the Presidents' Day conference of the Schiller Institute and International Caucus of Labor Committees in Reston, Virginia on Feb. 20. She made extensive use of film clips and other graphic material, which are represented here by means of a selection of photographs; the text has been edited accordingly. A videotape of the speech is currently in preparation.*

If you look at the world situation today, as a totality, then it is clear that we are already, now, in a civilizational crisis, which could become much worse than any collapse of society in the history of mankind so far.

And I'm not only saying that because soon we could have a new world war—and I'm going to talk about that—including the use of nuclear weapons; the collapse of the financial system into total chaos; but maybe even the worst aspect, the plunge into a moral and cultural crisis, on such a low level, as has never existed before. A plunge into barbarism worldwide, and when I say barbarism, I really mean barbarism, because the world is becoming very quickly completely dehumanized, in ways which are really worse than the beasts. And I'm going to prove that to you today.

This process of disintegration of entire nations, and the strategic confrontation among nuclear powers, is already going on, and it's being driven by a mad oligarchy, which is trying to preserve a system which cannot be preserved. The problem is, that people don't see the world as a totality, and the oligarchy makes a great effort to keep the population blindfolded. Especially in America—also elsewhere, but especially in the United States—I always have the image of the blind man and the elephant. The blind man tries to get an idea of what the elephant looks like. So, one time, he stands in front of the elephant, and he catches the trunk. Then he stands behind, and he touches the tail. Sometimes, he's on the side, and he has a leg. So, the problem is, with all these things together, he cannot get the idea of the elephant.



*Helga Zepp-LaRouche addresses the semi-annual conference of the Schiller Institute and International Caucus of Labor Committees, Feb. 20.*

And, in the same way, many people are seeing aspects of the crisis as it affects them.

So, a homeless person, in Washington or in New York, for sure does not believe what Clinton said in the State of the Union address, that this is the biggest, longest prosperity ever. Now, a sick person, who has to get to the hospital, and does not find an emergency room when he needs it, for sure understands that the HMO system, and what is happening to the health sector, is killing people. A parent whose 14-year-old child just murdered somebody in the neighborhood, for sure understands that the educational system, and the situation with the youth, are completely out of control. An African mother whose baby just died in one of the 33 poor countries in Africa, for sure does not believe what President Clinton just declared at the Washington summit, that globalization is good for Africa.

But hardly anybody puts the whole picture together. And therefore people are largely in the dark. And this is deliberately so.

### **The method of the oligarchy**

An old Chinese philosopher once said it very openly: Keep the people stupid; it's easier to rule. And, as I will demonstrate, the oligarchy is involved in a gigantic effort to dumb down the population, to desensitize them, to put them under direct behavior modification, and even use brainwashing techniques on a large scale.

The reason most people don't realize what the situation

really has come to, is because this process of desensitization has gone on step by step, and the cultural decay has occurred over a long period of time. As I will demonstrate, the method used for the strategic confrontation with Russia and China, the war game simulations done by the military, the method of the speculation of the financial bubble, and the films and video games which turn children in America, and elsewhere in the world, into killers, as happened in Littleton—this method is the same.

This method is essentially based on the British Enlightenment, and on the mechanistic assumptions of John von Neumann, and Norbert Wiener, who all go back to John Locke, and especially his *Essay Concerning Human Understanding*, namely, the idea that the human mind is a *tabula rasa*, and that so-called ideas are the result of sensuous experiences. Wiener, in his book *Cybernetics*, makes the argument that the human mind is like a Pavlovian dog, and that computers function on the same basis.

When we recognize that that method is being applied in the various fields of life, and is turning the world into hell, then we have the means to change it. But first, we have to recognize what that method is. So, therefore, I want to first look at the *real* world, at the strategic situation, and then, at how that method is being applied to turn it into a virtual reality, which nevertheless has devastating effects in the real world.

### **The strategic crisis**

Now, especially the present strategic situation, between

the United States, or the West more generally, and Russia and China, is a very, very advanced one. After the collapse of the Soviet Union, there was actually no real reason for NATO to continue to exist, because the entire self-definition of NATO was as a defensive alliance against the Soviet Union. But unfortunately, when the Soviet Union collapsed, George Bush, who was President at that time, proclaimed during the Gulf War, the New World Order, which, unfortunately, has been the policy of the United States, with very few interruptions, because the U.S. was basically put on auto-pilot during the Clinton administration.

And with this New World Order, there was the escalation of globalization, world government, Anglo-American unilateralism, and, despite the fact that President Clinton, here and there, tried to break out of this by trying to form a strategic partnership with China, by having a decent relationship with Russia, it was generally Gore, the Vice President, who was in charge of the policy toward Russia, and therefore the IMF reforms, which are regarded by Russia as complete aggression, with the aim of the destruction of Russia.

Now when the global financial crisis, after the Asia crisis, entered into its second phase, and there was a de facto state bankruptcy in August 1998, the financial oligarchy, that which we call the British-American-Commonwealth oligarchy, decided to have an escalation, both in terms of NATO expansion, and in having wars around the globe as a means to control the system. President Clinton in this period was completely knocked out, through the impeachment process, and up to now, he has not recovered at all. And the policy of Anglo-American unilateralism went into a new phase.

First came, in August 1998, the bombing of the pharmaceutical plant in Sudan, and now it is an established fact that Madame Albright *knew*, ahead of time, that this was not a weapons factory, but that it was the *only* pharmaceutical plant Sudan had, so it was a deliberate, one can really say, *murderous* calculation.

Then came the bombing of Iraq, in 1998, which basically put the UN Security Council out of business. And then came the NATO war against Yugoslavia in March 1999, which—and that has to be stressed—really had nothing to do with genocide committed by Milosevic, but the NATO war in the Balkans was the instrumentality of a regional conflict for global purposes. And the idea was, basically, to drive Russia out of the Balkans.

Now, as everybody admits by now, this war has turned out to be a complete, utter military disaster, proving that the United States and NATO are practically incapable of winning a war. What they have done, is they have unleashed enormous destruction from the air, but the Yugoslavian army was not destroyed, and the hostile territory not occupied, but now all the countries of the Balkans—Romania, Bulgaria, Hungary, and naturally all the countries around Serbia, and Bosnia, and Kosovo, and so forth—are completely destroyed. And what you see there, is the concept of the military term, the *glacis*,

destroying the territory, denying the territory to your opponent. These Balkan countries are never supposed to become part of NATO, but they, like other countries further east and southeastward, are supposed to build a *glacis* around Russia. That is why there was no reconstruction after the war, and there is a similar policy toward Central Asia. That's why these Islamic terrorists are being deployed in Chechnya, Dagestan, and other Central Asian countries, and the Russians have made very clear, that this effort to drive NATO further and further, and to contain the Russians further and further, that this is for them a line in the sand, where they do not accept any further pushing.

Now, after the bombing of the Chinese Embassy in Belgrade, Russia and China were convinced that NATO was really aiming against them, and that this was a first signal indicating to them, that they were the target. Now, as a result, Russia has decided on a new national security doctrine, which is a significant change, insofar as they say that they do not exclude the first use of nuclear weapons, even if the attack on them is only conventional.

Now, for electoral purposes, Putin and others have said, no, we really didn't mean it this way. But if you listen, for example, to what the President of Belarus, Lukachenko, is saying, who just announced the new military union between Belarus and Russia, to build a troop contingent of several hundred thousand people, against the new enemy, meaning Poland (because Poland is now the eastern border of NATO), then it becomes very clear how dangerous this situation has become.

Ukraine is a complete powderkeg. These reform policies, and manipulations from the West, have turned Ukraine into a de facto dictatorship. Again, I doubt very much that Ukraine ever will become a NATO member, but it will be destroyed as part of this *glacis* conception.

The Ukrainian state is de facto bankrupt. They have to pay \$3 billion to service the foreign debt this year, and they have \$1 billion in reserves left. And it's a completely terrible economic catastrophe in this country.

Now, Defense Secretary Cohen, at the annual Wehrkunde conference, a big military conference which takes place every year in Munich, announced, somewhat surprisingly, that there is an enormous threat to the United States from the so-called rogue states. And then he lists those rogue states, as being Iraq, Iran, Libya, now North Korea. Now, there is something very nasty developing concerning Iraq. We have all kinds of signs that some new operation is being prepared. The German United Nations coordinator for the Iraqi food distribution, just resigned in protest against the continuous sanctions, and the devastating effects this has on the civilian population in Iraq. And we have indications that something more is behind that.

But, the claim that there are missile threats from these rogue states, is then being used to justify the need for a national missile defense program.



*The British-American-Commonwealth oligarchy is using wars around the world, to try to maintain their power in the context of the ongoing financial-economic breakdown. Left to right: British Prime Minister Tony Blair, U.S. Secretary of State Madeleine Albright, U.S. Secretary of Defense William Cohen.*

General Leonid Ivashov, from the General Staff of Russia, the Russian Armed Forces, immediately countered what Secretary Cohen said, by saying it was ridiculous to speak of a North Korean threat, because this country had no economic basis for such an attack at all. And it is only a disguise for the fact that the U.S. National Missile Defense System would be aimed against Russia and China. And I can assure you, that people in Russia are convinced that Brzezinski is not a lone voice, when he says that Russia should be split up. And it is also clear that people in China are fully aware of the fact that there are certain factions in the United States, Great Britain, and elsewhere, who are determined to prevent China from becoming a superpower, which is estimated to occur around the year 2010.

But the most sensitive strategic situation for China right now, is the Taiwan situation, where the present pro-Japanese, pro-Anglo-American President, Lee Teng-hui, who last summer had said that from now on, the relationship between the mainland and Taiwan, should be like that between two different states—which is completely unacceptable for the mainland—is a very tense situation. There will be an election in Taiwan on the 18th of March, and, depending on who will be the new President, we could have an early eruption of a conflict over Taiwan.

In the U.S. Congress, a bill was passed just recently, the so-called Taiwan Security Enhancement Act, with a vote of 341 to 70, which was immediately denounced by the Chinese

Deputy Foreign Minister, Yang Yeshe, as a serious encroachment on China's sovereignty, and a gross interference in China's internal affairs. The reason for this heavy statement, was that this Act would establish direct military communication between Washington and Taipei, expand the U.S. training of Taiwanese officers, and basically include Taiwan in the planned National Missile Defense system over the United States and Japan.

Now it is exactly that kind of policy, which Clinton had already announced that he would veto, which will possibly lead to an early war between the United States and China. And here you have a blatant example of the method of war games, of taking real situations, and putting them into computer simulations, which can eventually lead to World War III.

### **The Weinberger war scenario**

Sir Caspar Weinberger—and I remind you that Sir Caspar Weinberger, the great American patriot, received the honorary knighthood, Grand Cross of the Most Excellent Order of the British Empire, from Queen Elizabeth personally—has written a book, which was published in 1996, *The Next War*, with an introduction by Lady Margaret Thatcher.

Now, to predict the performance of U.S. forces, and the outcome for America and her allies, the authors used the latest and most authoritative assessment of our technological resources, troop preparedness, and development capabilities,



*Sir Caspar Weinberger promotes his scenario book *The Next War*, which gives a vivid idea of what his faction of the oligarchy has in store for the world.*

modelling their narrative on Pentagon computerized war simulations.

Factors in projecting the cause of events, are geography, demographics, the so-called psychological traits of leaders (and how ridiculous that is, I will show you in a second); the political interests are just some of the additional ingredients which go into this war game mix.

Now, the Pentagon regularly conducts such fictional computerized war games, in which the U.S. is pitted against a variety of adversaries, under multiple conditions. And, interestingly, in this Weinberger book, they have simulations of such wars against North Korea and China, Iran, Mexico, Russia, and surprisingly, Japan.

Now, I will describe to you the scenario used in the war between the United States and North Korea and China, to give you the kind of thinking which these people are exhibiting.

It starts off that Kim Il-sung of North Korea, and Gen. Hu Chi, the chief of China's Central Military Commission, meet. They decide to launch a dual military action against South Korea and Taiwan. The assumption is that the U.S. cannot

deal with two situations at the same time.

On the 15th of April, 1998, the KPA tank formations from North Korea move across the border into South Korea. The U.S. Air Force engages KPA air forces in battle. If the Republic of Korea and the Second Division cannot hold, the Allied air bases in South Korea would be overrun in a matter of days. That would compel the U.S. Air Force to retreat to Japan, seriously complicating air operations. Air power could help defeat the enemy, but it alone could not win the war.

Then the narrative describes how Kim Il-sung is sitting in his bunker, detached from carnage and violence.

The attack on South Korea puts the U.S. forces around the world on a full alert. They expect a war with China to start soon. Meanwhile, North Korea is on a total war footing; 800,000 armed forces, and 4 million military reservists are on the move. Soon, U.S. forces and Korean forces have to flee Seoul and retreat to Taegu, a base, and basically the U.S. is confident of winning the air battle, but worried about the situation on the ground.

Two days after the North Koreans cross the Demilitarized Zone, Japan enters the war. Tokyo agrees to commit air, naval, and limited ground forces. The government allows the U.S. Air Force access to several air bases on the Japanese archipelago, since in South Korea, the U.S. air bases will be overrun within days. Soon, Eagles from the 366th Tactical Wing, take off from Okinawa.

One day later, mainland China attacks the island of Quemoy, and Taiwan itself. The U.S. Marine Expeditionary Force, based in Okinawa, is already en route from Pusan to Taegu. The U.S. Army Second Division retreats to Taegu; Seoul and Quemoy fall on the same day. U.S. military commanders fear that if they effectively stop the KPA offensive, North Korea will use nuclear weapons. The elimination of North Korean nuclear weapons, therefore, is the most pressing concern.

The U.S. has 500 combat aircraft in the area, including 120 U.S. Air Force planes in Japan, the U.S. Seventh Fleet is deployed in the Sea of Japan, two aircraft carriers with a total of 116 strike and fighter aircraft.

The frightening shadow of KPA nuclear weapons still hangs over the Peninsula. The KPA not only has missiles that could hit U.S. forces in South Korea, but also possesses the No-Dong-X ballistic missile, that could strike Japan, and even the West Coast of the United States, and all of Alaska. Since the United States has no defense against ballistic missiles, the only chance is to fight, find the sites, and hit them before these weapons can be launched. The problem is, if you do not hit them all at once, Pyongyang could be tempted to strike.

The idea is, use them, or lose them.

In the meantime, the question arises whether a U.S. war with China is on the agenda, since Taiwan is running the risk of occupation, if the U.S. does not support Taiwan. U.S. intelligence observers detect a full mobilization of the PLA forces. Over 1,000 aircraft from the mainland are now in-

volved in operations against Taiwan. Taiwan's defense system has not advanced enough, because of U.S. reluctance to sell materiel to them, in order not to upset Beijing.

And then Weinberger says, "When General Hu heard the news about the stunning victory of mainland airplanes in Taiwan, he had no expression of joy."

And now comes one of these "deep insights" into the psychological traits of leaders. "In fact, he was almost emotionless, as he shoveled food in his mouth. Hu always ate with the speed of a small dog, consuming meat in the presence of a larger dog."

Now, that shows the level of thinking, and I can assure you, it is not better concerning the other assumptions.

In the meantime, U.S. forces, and KPA forces in South Korea, get deadlocked.

North Korea fires an M-11 single-stage missile, topped with a 20 kiloton warhead, against the 25th division of Taegu. The U.S. President orders an immediate counterstrike.

General Hu accuses President Kim of madness, and impatiently waits for Taipei to surrender. War between the United States and China now seems to be inevitable.

But the Taiwanese fleet makes a surprise attack on the mainland fleet, and then American carriers, battle groups, are cutting into the South China Sea. An EC2A reconnaissance plane gets shot down, and the order for a full contingent of American fighter aircraft to be launched from both carriers is given. The U.S. is now at war with China.

Then there is a big psychological reflection. General Hu says, "What is at stake?" If his gambit succeeded, his ambition told him that China would rewrite the entire international political order. A humbled America would be supplanted by a fast-rising, expansive China, eager to protect its interest. However, the consequences of failure would be just as revolutionary. Defeat would mean an overthrow of the Chinese domestic order, the likely dismembering of the Communist state, and the birth of a westernized regime.

So obviously, that is what the concern is, in terms of the future relations.

Then the book continues to describe what happens. "The killing fields west of Taegu were unlike anything even the most hardened veterans had seen in combat. Remnants of nuclear radiation still clung in the air. The walking ill were a common sight, easily recognized by their thinning hair, persistent vomiting, and heavy fatigue."

What follows is an allied counterattack, including forces from Japan, France, and Great Britain. Eventually China sends six rockets to Okinawa; five get intercepted by Patriots, but one gets through. It only has a conventional warhead, and therefore it's understood as a signal, as a warning, against further attacks on the mainland.

In the meantime, a top North Korean general assassinates Kim Il-sung, because he thinks it's crazy to throw around nuclear weapons, but eventually the situation requires China to use a nuclear weapon, and throws it at the Second Armored

Division. Both sides then start to negotiate an end to the war.

Now, the story ends, with a so-called postwar strategic assessment by the Department of Defense, that the U.S. suffered 18,124 casualties, and that many of these deaths could have been avoided. For several years, the United States possessed the technological ability to develop and to deploy theater missile-defense systems. However, the failure of previous administrations to develop, and to deploy, these systems, led directly to the loss of life. This conflict also exposed the deficiencies of American policy toward Taiwan. Containment of China requires that America allow for the role of advanced aircraft, air defense systems, and naval vessels to Taipei. We should anticipate further conflict with China in the not-too-distant future. Computer simulations conducted by the Naval War College in 1994 and the CIA in 1995, predicted that a war between the United States and China in 2005, would lead probably to a victory for Beijing.

"Conclusion: failure to expand American military capabilities, and to support the procurement of advanced weapons systems by Taiwan, will doom the United States to further defeats in Asia."

Now, when you read this, you can dismiss it, it's just stupid fiction. But the scary thing is, that Weinberger, who was after all Defense Secretary in the Reagan administration, and a British asset, as became obvious later, for those who couldn't see it before, this person is part of the Republican military establishment. And while Weinberger now works with *Forbes*, *Forbes* magazine, he is in the orbit of what the Bush-McCain policy would be. And the scary thing is that despite President Clinton's genuine efforts—and I really believe that he genuinely wanted to have a positive relation with China, a strategic partnership—this policy, as it is expressed in this war game, has been on auto-pilot, and is now being implemented by people in the Pentagon, by Defense Secretary Cohen, and the whole discussion about the TMD is exactly what this was aiming at.

Now, as you could see, the assumptions of this scenario are all completely ridiculous. It shows no understanding about the reality of China, the old history, the beautiful cultural traditions; it has no real understanding of what China's intentions are. That China has no interest whatsoever in going to war with anybody, let alone the United States. But it is the kind of thinking which, for sure, will lead to World War III.

And the reason I spent some time to show you this scenario, is because, if you read the whole book, and similar new books which have come out, it shows how their planned confrontation with Iran, Iraq, and all the other "rogue" countries is viewed.

### **What went wrong in America?**

Now, let us take a step back, and look at the world, at what Anglo-American unilateralism is doing right now to the world. Not too long ago, there was once the idea that one country would dominate the world. And the 12 years of Na-

zism led to a total catastrophe.

Afterwards, in 1945, people were shocked, and they said, "How could this happen? How could the beautiful Germany, the country of Schiller and Beethoven, fall so low?" And there are many explanations of how the beautiful image of man of the German Classical period, of the Weimar Classics, step by step, turned into cultural pessimism. And maybe it is high time that we, today, ask ourselves, before World War III happens, how could it happen that the United States, the first true sovereign republic, the first sovereign nation-state, the Beacon of hope, the Temple of Liberty, has turned into a country which is feared around the world.

I assure you, I *know* for a fact, and I can bring thousands and thousands of witnesses: The United States is *feared* in Africa, by all the good forces. It's feared by many people in Latin America, and in Asia. It is no longer trusted as a strategic partner by Russia and China. But it is now regarded as the new enemy, aiming to destroy these countries.

Sure, we know a good deal about how this happened. The role of the British, the assassination of McKinley, the roles of Teddy Roosevelt and Woodrow Wilson, how the United States entered World War I on the side of the British, and that Franklin D. Roosevelt died too early. But we have to look very, very strongly, at what went wrong subjectively; what was the process which allowed things to go so far, that today the youth of America is so dangerous, as we have seen in all these incidents, like Littleton.

Now, why is it that the American population allows the institutions of the BAC oligarchy to become such a threat in the world? How could it be that the country of Benjamin Franklin, George Washington, Alexander Hamilton, John Quincy Adams, Lincoln, and FDR, became like this?

I started to look at some of the things Lyn [Lyndon LaRouche] has been talking about, the experience from World War II, when it was, in a certain sense, self-evident that the United States would help the rest of the world to overcome their underdevelopment with Western technology.

### **'White collar' moral corruption**

Lyn has talked many times about the corruption of his peers in the postwar period, and I studied this a little bit, because I think if you want to see how this step-by-step corruption occurred, you really have to look at what went wrong in the period of the end of the '40s, the beginning of the '50s.

I read a couple of books. One of them is called *White Collar*, and you get a real insight, because what they describe are the characteristic changes of American society, in this period. Lyn was talking yesterday about the insanity of the population—and the funny thing is that this author describes it as a psychiatric investigation.

By and large, the changes that took place in the Truman period, the so-called McCarthy period, the development of suburbia and the values associated with it, the development

of a greed for gain, that people more and more, in suburbia, were concerned with trivial affairs, which absorbed their attention, and shaped their characters. The children of these families, who then became the Baby Boomers, often were the objects upon which parental frustrations were projected. So, the parents either burdened them with overindulgence, fighting, competing for their affection, or imposed strong discipline, so that the child would "amount to something."

Generally, there was much misery and defeat for these youth.

The desire for gain became uppermost, and spread into all of social life. There was a shift from the old entrepreneur, to a new type of entrepreneur. For the old one, wealth was not a value in itself, but rather a means for an unruffled way of life. The old middle class, about whom another author, W.E.H. Lecky, wrote in 1896, was distinguished beyond all others for its political independence, its caution, its solid practical intelligence, its steady industry, its moral standard, a class of serious moral habits, filled with its own dignity. No longer is there the effective will to power of the old middle class, but rather the tenacious will to fight off encircling competitive menaces.

From this series of small-scale wretchedness, a fretful assertiveness is fed. Human relations are poisoned, and a personality is formed with whom it is not pleasant to exchange political greetings.

The old middle class had a civic spirit, where people would try to benefit the community by voluntary work for its public enterprises. Then, big business moved into the small towns and suburbs, and the issue became to be invited to their social affairs, to marry your children into these circles. And those who could not keep up with the Joneses, or would refuse to recognize this new dynamic, they would be regarded either as eccentric dwarfs, or cheap imitations. The wives of the officialdom of the big firms, became the models for the wives of the old middle class. And the biggest crisis in these suburbs, was not to be invited.

A new type of entrepreneur emerged—the idea was to get ahead. Don't expect that things can be done legitimately. And often these new types were not so bright, and it was hard to say if they could get ahead based on their own wits, or the lack of wits of others. The old captains of industry were replaced by managers, the CEOs. The new elite was the people who had the most of whatever there was to have.

Also, the old professions, such as medicine and law, were invaded by the managerial demiurge. Instead of the old family doctor, the bureaucratization of medicine began. The effect of this bureaucratization was that it sowed the seed of corruption. When irresponsible decisions prevail, and values are not proportionately distributed, universal deception must be practiced by and for those who make the decisions.

Now, the intellectuals who worked for these bureaucracies imposed on themselves a mental self-censorship, to have





*The old captains of American industry were replaced by managers, the CEOs, as speculation took the place of real production. Here: speculation mania at the Chicago Board of Trade.*

their published and spoken opinions conform with what they thought was the opinion of the organization they worked for. So they became mouthpieces, rather than truth-seeking people. Perhaps the intellectuals were always drawn into the orbit of the ruling class, but there, in the middle of the twentieth century, the recoil from detachment and the falling into line, seems more organized, more solidly rooted, in the centralization of power. Intellectuals became helpless in a fundamental sense, that they felt that they could not control what they were able to foresee. Naturally, such frustrations only would arise in those who had a feeling, a compulsion, to act, because the detached spectator would not even feel his helplessness, because he never tried to surmount it.

Now, for the political man, there was a dilemma, because if he tried to state his convictions, he could never have the chance to win power. If he behaved realistically, that is, in line with the major parties, he would not be able to sustain any enthusiasm for politics. And the artists, the independent artists and intellectuals, who normally are the ones who should be able to resist stereotyping, and consequently the death of creativity, they were pulled more and more into the demand of power as well.

The channels of communication became more and more monopolized by the political party machines, based on vested shams who continued to monopolize the chances of effective political organization. So, the opportunities to act, and communicate politically, became minimized, and the intellectuals became employees of tendencies they opposed, and were opposite to what they would like to stand for. This all gave people a sense of defeat and powerlessness, and they invented

for that the cult of alienation, and the fetish of objectivity.

There was, at the same time, a change in the identity of the salesperson. The old salesperson would try to improve things for the customer, and would have some professional pride, to make things work better. Now, there would be a sense of powerlessness: People would turn into social pretenders—saying, “I really don’t have to work, I’m just doing it for the fun of it”—and at the same time, there was a change in the white collar workers, with this bureaucratization, where basically, the key question was the hierarchy in the office: who can give the orders.

And let me just tell you. One thing which is the most striking for any European who comes to America, is this unbelievable hierarchical snobbism, that whoever has epaulets is allowed to say something, and somebody who may not be in the position, but has very good ideas, is completely ignored.

Now, this has to do with the fictitious sense of closeness to the manager or the boss. That this closeness actually brings prestige. So if you can say, “the boss said,” that gives you authority, and rarely ever, do the people themselves have such authority. But by inner identification, they often have a strong illusion of authority, and by outward manner they impress it on others.

Then there is the status panic, the struggle for appearance, not truth. Therefore, the leisure of many middle-class people is entirely taken up by attempts to gratify their status claims. You see that, because if you go to a mall, you see these poor people who work all week and are two hours in a traffic jam, so they have really no time whatsoever, but then, on their free days, they go to these ugly, terrible malls, just to “keep up

with the Joneses,” and that way their whole life is taken away.

So, just as work is made empty by the process of self-lament, so leisure is made hollow by status snobbery and the demands of emulative consumption. One does not make much of a showing, except by the unremitting demonstration of the ability to pay. This is the only means to impress others. So you have to have the appearance of success rather than substance. Therefore, emotions become a ceremonial gesture by which status is claimed, alienated from the inner feeling they supposedly express.

Vacation is the high point of status change, because one can *buy* the feeling of a higher status, even if it's only for one week. And for this experience once a year, often long stretches of gray workdays are taken into account.

Now, I think you get the flavor of how people in suburban life turned into phonies, and why these parents of the Baby Boomers were not able to instill that quality of truth-seeking in their children which would have prevented them from becoming an easy prey for the kinds of cultural paradigm shifts which the oligarchy then imposed in the middle of the '60s, with the sex-drug-rock counterculture and the utopia of the post-industrial society.

So, if you look at the corruption of Lyn's peers, how they were unable to prevent the Baby Boomers from turning into such spoiled brats, and how these Baby Boomer parents are unable to protect their children from what is being done to them now, then you see the full tragedy of American cultural decay.

### Attack on the sovereign nation-state

Now let me—before I come to the actual point of my presentation, I would like to add one more reflection. As part of the total globalization and the effort to establish world government, there is presently taking place a complete attack on the sovereign nation-state around the world. The form it takes in Europe is to basically attack, with corruption scandals—in Italy, which is already completely destroyed, in one sense, but also in Germany and France; then you have this farce around this so-called new danger around Haider in Austria, which is a complete joke. Where were the demonstrations against Margaret Thatcher, who was worse than Haider in every respect of policy? But, if you look at what happens in Germany right now, where Kohl, the Chancellor of unification, possibly could go to jail, the CDU, the most state-caring party of the postwar period, is in a deep crisis, and will have to pay 40 million deutschemark fines, or something, for the corruption and bribes they took.

Now, I have stated elsewhere, and I will not do that at this point, that the context of this present dismantling of the political institutions in Germany was the geopolitical decisions around German reunification in 1989-90, the Gulf War, the imposition of the European Monetary Union, and the elimination of the German mark. But now, I just want to identify this context here. I want to basically talk about the method of



*The destruction of Germany's political institutions is conveyed in this headline from the weekly Bild am Sonntag: "Who's Next?" Shown are Christian Democratic Union leaders (left to right) former CDU Treasurer Walther Leisler Kiep, former Chancellor Helmut Kohl, former CDU Chairman Wolfgang Schäuble, and former Interior Minister Manfred Kanther.*

this corruption, because it is true, bribes were given, millions of marks were distributed, but it is unbelievable how now everybody is completely acting out their part in a script of a soap opera, leading to the total self-destruction of the German political system. And I can only tell you, that what is happening now in Germany, can only be compared to the barrage of TV and radio news about the impeachment of Clinton—Paula Jones, Monica Lewinsky—I mean, you have a similar attack on the political system right now in Germany, completely dominating everything.

But, I want to look at that for a different reason, because it is extremely important that this is not just a degeneration, but that you can study that corruption *is* the method of the oligarchy, and *is* the method of the system.

### Richter's 'high art' of corruption

Now, I found a very revealing book, which, unfortunately only exists in German, but it is definitely worth reading. It's called *The High Art of Corruption*, written by a very evil person called Horst-Eberhard Richter, who develops in this book, in a systematic fashion, why corruption is an indispensable instrument of the ruling class. He calls openly for the rehabilitation of corruption as a legitimate method, and describes how he has training seminars for top managers and politicians in the *Ars Corrumpendi*, the Art of Corrupting. He says:

“Who wants to govern must corrupt. The interaction of the corruptors and the willingness of the corrupted is what creates and maintains order. Since the real leading elites in society only consist of a very small number of people, discreet training, in the form of individual instruction, and in smaller seminars, is not problematic.”

And then he advocates the use of paragons of corruption as guiding stars, and then quotes Machiavelli to the effect that the corrupter has to be convinced that the corrupted ones are all latently corrupt. If he ever would trust that they were capable of love of humanity, truthfulness, and justice, he would be lost. In human history, now and again there appear longings for a utopian society of mildness and love. Even, rarely, a top politician or top manager becomes infected by this virus. That is then a complete catastrophe. And therefore, Richter uses his training seminars to do everything to stop such a person and to have them leave his course as happy, power-egocentrics, and unencumbered “elbow-athletes.”

So, for the psychological fitness training to succeed, he says, it’s important to have a scientific legitimization, and the key is to get rid of this uncomfortable idea of a conscience. And he wants to demonstrate that this is a completely artificial construct, and the so-called proof is that a small child has no conscience whatsoever, because it rips out the legs of a fly, it tortures little animals in general, destroys everything it can get ahold of. Then he says, “The goals of our society — expansion, strength, increase of power — demand victory types who represent these goals. But only he can win who wants to defeat others, expand, push others back, occupy power and increase it, keep others down. The myth of conscience would be, should our best fall for it, the death of progress.”

Then he says, the biggest disappointment is if some among his students who are highly gifted, stick to this belief of a universally binding conscience. And he says, therefore, yeah sure, this love thing, it occurs because there is a basic instinct of species preservation, and that is better preserved in women, because they have to take care of infants, but women in leadership are only a temporary viral infection, one hopes.

And then he says, “In the old days, power elites knew exactly how to get rid of dangerous rebels who wanted to change the world based on their conscience. Socrates had to drink poison when he tried to shake public dogmas, and tried to teach the youth an ethic of truth. Jesus Christ was nailed to the cross for his teaching of *agapē* and love of mankind.”

And then he says, “To be blunt, conscience has no place in politics because that means the inability to act. Rather than having an ethic of conscience, let’s have an ethic of responsibility, because this is a nice flexible notion.” And then he quotes Max Weber, “No ethics in the world gets around the fact that for the achievement of good aims, in many cases, one has to use morally doubtful or dangerous means.”

Look at it this way: The morals of the people got corrupted, but the people who did the corrupting did it very con-

sciously. The people who imposed all these value shifts, away from inner-directed people, away from truth-seeking people, people who wanted to work for the general welfare, who wanted to have a meaningful life, turning them into greedy monsters, people only concerned with their gratification, with their pleasures — all these changes which have occurred in the 50 years since the Second World War — there was an elite all the time, sitting somewhere at Tavistock or MIT or I don’t know exactly where, who thought, how can we corrupt the people consciously?

And, you know, Kohl is a typical example, because while he did certain things for unification, after he was caught with these millions of bribes, he said, “I only took these millions for the sake of the party.” Now, it turns out that it was neither good for the party, because the party is now dissolving, nor was it good for the country, because it’s now being destroyed as a result of this.

Then the book continues with a chapter called “Masters and Idiots.” And Richter says: “It’s a big advantage in Germany that the tendency to stick to principles has led to a situation where, in no other country has one been so successful in keeping critical intellectuals, sensitive aesthetical humanists, totally separated from the political and economic power centers. This surgical removal of the so-called conscience from politics and economics naturally is not a German invention, but” — he gives the credit to the British Enlightenment, Mandeville, and others. “Universities have perfectly adopted this new trend to have the inner-world subjects where one can think as much as one wants about the ennoblement of the soul, the inner purification of social harmony, separated from the power-oriented subjects.”

In his training courses, Richter makes sure to discourage sensitive lilies: The inner-world-oriented ones have a deal with the power-oriented ones: “If you don’t intrude in my inner world, you can do, in the sphere of the economy and politics, what you want.” The powerful one, on the other side, says, “In return for your willingness to give up any effort to realize your ideals in reality, I give you a false freedom. You can have a total contempt for me, but you have the right to develop any feeling of God-likeness, and you can even speak about it.” Preventing the virus of utopian idealism from breaking out of the reservation of the inner world, is the key issue.

“If, however, an original thinker comes along, who cannot be bought off through prizes, honors, and so forth, then one has to be aware of the beginnings. In the name of accepted norms and political standards, they have to be eliminated from the realm of power, driven back into the ghetto of intellect, firebranded as rats and roaches.”

Now, if you think of what they have done to Lyn and to us, I think that this gives you a very good insight into why they fear that a person who talks about the soul, about conscience in this way, is regarded by the oligarchy as such a threat.

Then Richter talks about brainwashing through TV. He says that “the TV, used in an appropriate fashion, is a most

wonderful instrument for mental corruption—one does not have to teach anybody in the power elite. It corresponds to the unconscious desire not to have to think yourself.” Then he advocates bite-sized answers, because “no matter what the question is, the bite-sized answer immediately covers the issue up and prevents deeper reflections. The TV man actually likes actuality, not history. The audience only sees the top of the process, and not its historical evolution, and especially not any directionality into the future.” He calls this bite-sized thinking a “synthetic Alzheimer’s disease.”

### The brainwashing of American children

So, if what Richter describes for Germany is true, I can assure you, it is worse by several orders of magnitude for the United States. And, I come now to the last chapter of this report. And again, I want to pose the question: How come the American people have become so passive, that only 30% of the eligible voters vote? And even that doesn’t mean much, because if the election is rigged between the leadership of the two parties and the media, there remains actually no choice. But the more compelling question is, how come the American people have become so indifferent to the suffering in the world, which is so obvious? How have they become so credulous, that they think they live in prosperity when they are only bound by the chains of illusion? It is only explainable by the long story of the mind-war escalating step-by-step, conducted by the oligarchs, getting people to accept more corruption, and more corruption. And the role of the media and the entertainment are the most crucial thing. A process over years and years has made violence and perversion more acceptable; people don’t even notice it any more.

Now, I’m going to present to you an overdose of the kind of thing that children see every day on TV all the time. And I’m only doing this, so that you can recognize this as the enemy.

Actually, I would like to ask all the children in the room, when the videoclip starts, to close your eyes. And I put you on your honor, that you will only open your eyes when I say you should do so.

The first clip I’m going to show you, from “Friday, the 13th,” is actually a very old one. It’s made in the ’60s, when the Baby Boomers were teenagers, and it is today a so-called cult movie.

Scary sounds. “It must be my imagination.” Screams.  
 “Bill . . .” Screams. Scary music. “Kill her, Mommy.



“Friday the 13th.”

Kill her.”

“She can’t hide. No place to hide.”

More scary music. Screams.

Now, this is an old-fashioned horror movie, but it is one of the first movies, to my knowledge, where the notion of a killing-spree, is the ultimate purpose of the movie, where there is absolutely no positive resolution, no lesson to be learned, as in a Classical drama, but only a senseless killing which leaves people with a complete sense of horror.

Now already in 1972, the Surgeon General’s report was already warning about a link between media violence and violent behavior of children. The American Medical Association, years ago, already said that media violence is America’s number-one health-care emergency. Why is there such a constant denial and obfuscation of that fact? The answer is that the people who should report about it are the very people who are doing it, namely, the national media, the television industry, and they know that they are the responsible ones, as military psychologist Lt. Col. David Grossman says.

Now, a child who watches this, or who watches [someone] beat his Mom, or who watches 100 violent acts on TV, is primed to repeat these actions in the future. Why does a child repeat behavior? Because the behavior children observe in the first five years of their lives cannot be unlearned.

I’ll give you another short example of what one can see, and versions thereof, because there are literally thousands of such things on TV every day.

Voice: “Twelve in the night. Feasting on blood and the sins of our flesh. The haunt of their power lies in the bloodstone.”

Another voice: "She stole the stone from me."

Third voice: "Kill her. BLOOD!" Screams.

Voice: "An evil from another dimension has possessed the children."

Voice: "She is the first to be sacrificed!"

Voice: "It's controlling their minds and feeding their hates."

Voice: "Presenting Clive Barker, 'The Art of Horror,' a spell-binding 30-minute look at the man who created the classic 'Hellraiser' film series."

Voice: "If you do have a [inaudible] motivation, however *outré* it is, however erotic, however dark, however forbidden the imagery is, I think people have an appetite for it. So I always say, just get on and do it. If we care about the craft we're involved in, we care about it because it can communicate to large numbers of people."

Screams. Loud music, noise.

"Jesus Christ!"

"Not quite." More screams.

If you are horrified, that's good, because I want you to be horrified.

Long before the massacre in Columbine High School in Littleton took place, which caused a national outcry, there were dozens and dozens of cases of violence and even killings in schools and neighborhoods, which never made it beyond the local news. On Dec. 1, 1997, in Paducah, Kentucky, the 14-year-old Michael Carneal took six guns, waited for the daily prayer session in the school to stop, and then shot three girls: Jessica James, Kayce Steger, Nicole Marie Hadley, and wounded five others. Later, the police seized his computer, and it turns out that he was an avid computer user, who had looked many times on the Internet for obscene and violent movies. One of the movies he was hooked on, was called "Basketball Diaries," together with another one called "Natural Born Killers," which also played a key role in the Littleton massacre. Here is a film clip:

Rock music. Laughter. Gunshots. "Greasy, f— pig! . . . You're less than a man. Are you clean? or are you



"Clive Barker: The Art of Horror."



"Natural Born Killer"

sloppy and wet?"

"You stupid b—!" Crash. Ghoulish laughter. Screams.

**Zepp-LaRouche:** Now they burn the mother in the bed, after they have stabbed and drowned the father.

Screams. Rock music. "They're hot. They're hot."

**Zepp-LaRouche:** Here, they're being celebrated by teenagers around the world as heroes, shown on TV, because they

killed Mother and Father.

Rock music. Yelling. Gunshots. Screams. “You ain’t seen nothin’ yet.” Laughter.

“Sh— man. I’m a natural-born killer.”

**Zepp-LaRouche:** Now, from the “Basketball Diaries”:

“It was Death for the first time. His face was thin and wrinkled, almost ape-like. His hair, just gray patches on his scalp. He looked 60 years old, and he was 16.”

Rock song: “He was 12 years old, fell from the roof on East Two-Nine. Kathy was 11 when she pulled the plug; 20 cigarettes and a bottle of wine; Bobby . . . looked like 55 when he died. He was a friend of mine.”

“Might as well mainline. I’m scared of needles. But I gave in.” Loud music.

**Zepp-LaRouche:** The role of drugs is an extremely crucial element in this.

“It was like a long heatwave through my body. Any ache or pain or sadness or guilty feeling was completely flushed out.”

Woman’s voice: “You just go right down to this corner and you make a left. It’s right there. What are you doing? Let go. Let go. Let go of that” [loud noises, scuffle]—SCREAMS.

Male voice: “What are you doin’?”

Screams. “GO!” Traffic noise.

Loud rock music.

Boy goes into the classroom and shoots the students and the teacher.

**Zepp-LaRouche:** Now, this is exactly the scene which was repeated in Littleton, modelled on this.

Heavy metal rock; percussive sounds. Weird voices. Screams. Roars. Male voice: “I love the ritual.”

Female voice: “Oh, Mary, if you can. . . .” Drug dealers in action are shown.



“Basketball Diaries”



“Doom”

**Zepp-LaRouche:** This is what the head of the New York stock exchange supports, Mr. Grasso.

More rock music. “F— em!”

“What’s your problem, man?”

“What’s *your* problem, man?”

“You sold my girlfriend some sh— the other day, you almost killed her. What’d you put in it—rat poison?”

“Hey, Mom, I need you to give me some money. Okay?”

“I want the money. I want the money in the house.”

Where's the f— money?" Aagghh! Screams. "NO!!"  
Rock music. Heavy beat.

So, I hope that you see that this is going on in America every day. When the police looked into the computer games that Michael Carneal had used, they discovered that he was also hooked on the famous game "Doom," which is a pattern of moving quickly from one target to another with an emphasis on headshots. Carneal, a 14-year-old boy, who had never shot a gun before, hit eight people with eight bullets, five to the head, three in the torso.

The parents of the three girls who were killed are now suing the producers of these satanic video games and movies in a \$130 million suit. The attorneys make the argument that the "Basketball Diaries" movie represents a nihilistic glamorization of irresponsible sex, senseless and gratuitous violence, hatred of religion, disregard of authority, castigation of family, drug use, and other self-destructive behavior, and that therefore, it is a harmful influence on impressionable minors.

The military psychologist Colonel Grossman, who teaches courses on the psychology of killing to the Green Berets and Federal agents, has been hired as an expert witness in this case (see *Interview*, p. 42). He points out that point-and-shoot video games have the same effect as military training techniques used to break down a soldier's aversion to killing. These games, however, he says, are more powerful than military training games. Therefore, the United States Marines has now bought a version of this "Doom" to train their soldiers.

Some games incorporate role-playing elements and the creation of a plot with characters. What makes these games unlike any other form of media violence, is that you are not just watching a movie, you are *in* the movie. You are not just fascinated by Schwarzenegger blasting a bad guy to pieces. *You* are actually pulling the trigger. Getting killed is a drag, because suddenly the game is over, and the only way to remain master of it in this intoxicating new universe, is to kill.

One father said, oh, it's not so bad, because it gives the children a better sense of control. Because what they see in the news, they have no actual control over, but they can take this little piece of mirrored reality and control and beat it.

A later version of one of these computer games called "Daikatana" supposedly gives a new dimension of realism, taking advantage of the roaring processing speed of computers and powerful three-dimensional graphics, accelerator cards. Physical reality suggests that you are sitting in a chair, operating a mouse and a keyboard. The computer screen replaces your field of vision and you believe that you are actually creeping around a corner, afraid the enemy is lying in wait. You feel your pulse quicken. When the monster jumps out, real adrenalin roars through your body. Everything is so lifelike, you almost can feel the wet blood.

What this is, is that the oligarchy is consciously destroying whatever is human in the human being. It's using certain

techniques for a deliberate behavior modification and even brainwashing, because this *is* brainwashing. If people see this again and again, their minds are dead.

So it's a very conscious policy by the oligarchy, by Hollywood, to dehumanize the population, to desensitize them, and to develop the idea that when you shoot, an automatic reaction sets in before you even have time to take a moral choice about what to do.

This is why these police shootings, like the famous [Diallo] case on trial in New York right now, where four policemen shot 41 bullets at an unarmed man, was just on the basis of such police training.

Now, if you are killing an object, thousands and thousands of times, it becomes your second nature. Now just confront with that what Moses Mendelssohn had said about Classical drama and why great Classical drama is necessary, so that people can confront themselves with the great issues, to train their emotion to feel noble and elevated so that when they are confronted with a moral choice in real life, that *moral* behavior becomes their second nature.

Now, one of the Littleton killers, Eric Harris, had worked up to 100 hours reprogramming the "Doom" video game to make it more or less explicitly the plan for his attack. Investigators of the Simon Wiesenthal Center in Los Angeles concluded that he had incorporated the Columbine High School floorplan into the game. So, Harris had reprogrammed the game also to be in a "God" mode, in which the player is invincible.

## The cult of Pokémon

If this is horrible, and it is, there is something even more dangerous. It is something about which 99.9% of the parents are absolutely clueless. It is something which I have only known about for four weeks, and it's Pokémon, and it is, in the truest sense of the word, a bug which is infesting the minds of millions of children in America.

A couple of weeks ago, I got accidentally into a discussion with a little boy of six years old, who told me for the first time about Pokémon. I had never heard of it. And he was a very nice little boy, a very bright kid, and he was bubbling over, "Pokémon this, Pokémon that." So, after half an hour of conversation, I was absolutely horrified about the set of values this little boy had adopted in the context of the Pokémon fever. For example, fighting is good, because you have more power to smash your enemy. You have to smash the poor, because the poor will become robbers and kill you, and therefore you have to kill them. And things like that. The little boy was just saying these things—no sign of compassion, and the most unbelievable prejudices. I was completely shocked, and that actually was the beginning of this project which I'm presenting to you today.

So, I tried to find out what this Pokémon was, and I was clueless, like all adults. I asked everybody, nobody knew;

so I saw an advertisement in the *Washington Post* about a so-called Pokémon tournament in a mall near Washington. So, I took one Sunday afternoon and went there—and what there was, was a *huge* display—I mean, since all malls in America are the same, you can imagine, it went from Sears all the way to Hechts! So it started in front of Sears in the middle, inner aisle, and there was a big table, a display, where children were playing so-called Pokémon cards. It's the question—you can have more powerful cards. There are actually 150 Pokémon.

There's an unbelievably aggressive marketing strategy behind the tournament. The sales team is going to 20 American cities, inviting thousands and thousands of children to play in a tournament, get their name posted—it's a whole inner world.

There are actually 150 Pokémon. Pokémon is the short form of "pocket monster," and these different pocket monsters have different powers, so you can play a game, a newer game, called a stadium game, where they have a big screen and 20 smaller screens, and mesmerized little children and their parents playing this. The idea is, you pick six Pokémon and you have four fighting techniques.

I asked some of the little girls and boys standing in line waiting to play this, "Why do you like this game?" And they said, "Because they're fighting! Because they're fighting!"

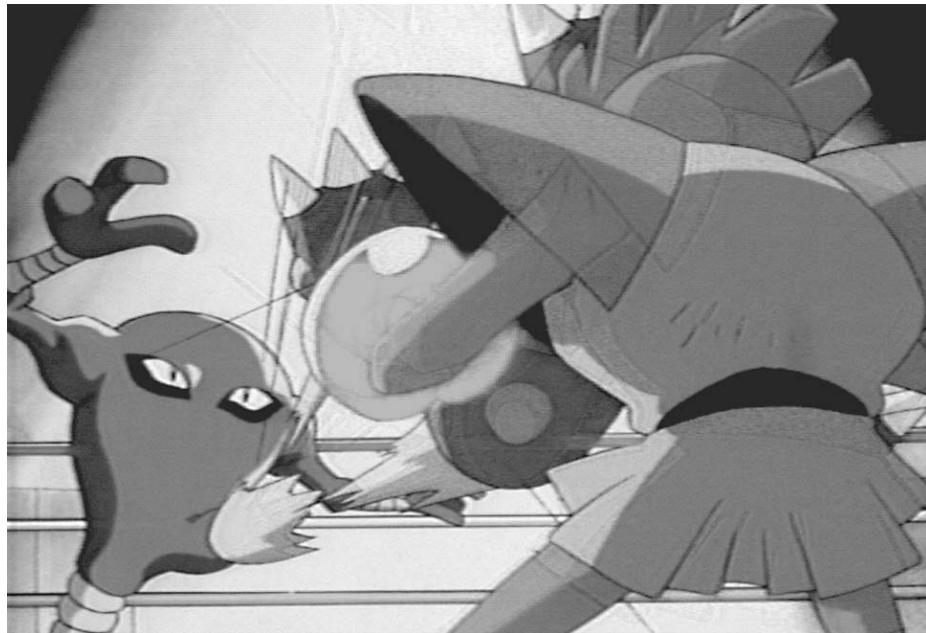
I said, "What's so great about fighting? Isn't it nicer if people love each other and get along well?"

"No! No! No!"

They were just like aggressive explosions. So, for the sake of this project, because I wanted to find out, I put myself in line waiting to play this Pokémon game, and after half an hour I was finally in the place, and I could play against a six-year-old.

So, the mystery dissolved very quickly, because once you know, it's very simple. As I said, you pick six or so of the 150 Pokémon, and you have four types of weapons in this particular game (there are other games), and then you can attack your opponent either through fire—you throw fire at them—or electricity, lightning, or you destroy them through seismic shock, and eventually you outdo your opponent.

It's totally mechanistic; there is no way to influence this game, other than this mechanistic pushing of the buttons. No creativity. No cognition. It is less than a Pavlovian dog, because the Pavlovian dog at least gets something to eat in



A "Pokémon" video.

the beginning.

So, I asked some parents, "Don't you feel that this game will further the aggressions of the children?" and these parents had no idea. They said, "No, no, *my* child is not aggressive. These other children may be aggressive, but my child—not."

Then I tried to actually get more involved and find out more about it, so I went to a video store, to see if I could get a video of this Pokémon, because I didn't want to waste money to buy a Game Boy, because only if you have a Game Boy can you play the Pokémon game. In this video store, I saw a father and a little son. And what did the father do, he looked at porno videos, violent videos, just stocking his weekend supply, and the little boy said, "I want Pokémon! I want Pokémon!" Naturally, the father had no idea, he wasn't interested in what the little boy was demanding, because he had his mind full of his own fantasies.

Now, next video clip please.

Sounds of crashing, smashing, screaming, "Mommy Mommy." Electronically amplified voice over loudspeakers: "Our next match is between Hit and Steel Dude, and Steel Dude is hard as a rock." "Yo Dude, this time hit Hit???"

Sounds of crashing and thudding. Female voice: "Don't show any mercy! Kick, kick, kick, kick."

More sounds of electronic music thumping pounding. Unintelligible yelling. Screaming, sounds of engines vrooming.

Adult voice: "You did it!" Kid's voice: "All right!"

More horrible sounds of voices, one voice cuts in, "What are you doing?"





A scene from the comic book "Pokémon: The Electric Tale of Pikachu."

"Kick, Kick"

Voice sounding like Donald Duck: "Your secret weapon is ready!"

"All you gotta do now is use this remote control."

"Have Hit jump up and then flip the switch. One hundred thousand volts will run through the ring followed by an explosion." Maniacal laughter.

"One thing's wrong."

Unintelligible screaming.

Kid's voice: "All right! Use the seismic guns now."

Crashing, screaming.

Kid's voice: "We did it!"

Horrible noises.

"We did it!"

Sounds of audience cheering.

"It's been quite awhile since he sent me a new Pokémon. I wonder what he's captured this time?"

"What is that smell?"

Horrible noises, running water, panting and gasping.

"We could have suffocated."

Donald Duck voice: "The city has been plunged into darkness by a power failure."

"A power failure is it? I can identify with failure."

Now, that is what is on Fox TV every afternoon, on the children's program, and all the latch-key children and many others are consuming it. There's a whole industry around it, tee-shirts, bed sheets, watches, and many, many, many things.

Now you have to understand that this poisons the minds



A scene from the comic book “Pokémon: The Electric Tale of Pikachu.”

of children up from the level of three years old.

Now in these Pokémon cartoons — this comes from a cartoon series — you have eight- to ten-year-old kids who direct and fight these monsters.

For example, there’s one story where Sabrina, one of the girls, gets attacked by the Dream-Eater, which is a gas Pokémon which sucks out the opponent’s soul. (That’s actually

written there.) So, then you have a high-level hunter who appears suddenly, steals people’s souls, and then vanishes. And there’s a dialogue among the kids about what to do: “We have vowed that we have our revenge, so we will keep fighting till the bitter end.”

Then they say about Sabrina, who is by now dead, because her soul has been sucked out, “Who would have thought that such a sweet girl like her would become so consumed with the desire for revenge?” Then they say, “The hunter may have eaten her soul, but she’s still able to tell us where she is, through telepathy.”

It’s completely insane, and has no connection to reality, but it is a poisoning of the mind in the worst way.

As I said, they have an extremely aggressive marketing strategy. When I was in this mall, there were about 20 salespersons who were directing things, “More light here, more sound there.” There, children engaged, “pull them here, pull them there.” It was unbelievable, it was like an army trying to lure these children there. They tried to get them to become trainers of this game, and basically to get them into a Pokémon League. They say how you can get to the next store, which is the road to becoming the world’s greatest trainer, so there really is an effort, and there’s a craze — you should see these little kids, they are completely mesmerized. They are totally obsessed.

Now, there was one little girl in line, a tiny little girl. And I asked her Hispanic-looking father how old is she, and he said, three years old. And he was very proud that his

little girl could already play this. Now, what does it do to the mind and soul of a three-year-old child, to play such a game, which is entirely based on fighting, aggression, attack, revenge, smashing your opponent? I asked one of the salesmen, who was maybe between 18 and 20 years old, if he played Pokémon too, and he said, “Oh no, I play some of the more challenging games.” And you know, obvious-

ly, Pokémon is the initiating soft drug leading to the hard drug.

Now as everybody knows, the minds of children are completely impressionable, because children learn primarily through imitation and through play. But what is there here to imitate? Aggression. And what is completely lacking? Love, compassion, joy, beauty. The play is completely mechanistic. It is exactly what Norbert Wiener poses as a task in his book *Cybernetics*, that one has to find a neurological mechanism, matching the theory of John Locke about the association of thought based on sensuous experience. Now in Pokémon, there is no discovery, there is no hypothesis, no creativity, no soul, no cognition. Pokémon *is* the Dream-Eater which sucks the soul out of the child and turns it into a potential little killing machine.

The parents of the three dead girls from the Paducah killing have sued the following video game and movie companies: ID Software, GT Interactive Software, Midway Home Entertainment, Atari Corporation, Interplay Production, Nintendo of America, Atavision, Hepcon Entertainment, Sony International, Interactive Studios of America, Eidos Interactive, and eight more companies. And the following movie producers: Time Warner, Polygram Film Entertainment, Island Pictures, Palm Pictures, New Line Cinema, and two Internet providers.

Now I think that's a good list for starters, and we should add the ones which are not yet on that.

Jack Thompson, one of the lawyers representing the parents, declared, "We need a nuclear war against these people." And I agree.

Thompson is also working with teachers, parents, and students at a school in Flint, Michigan in a project to pay children to turn in their violent video games to be destroyed. I propose that that example be repeated throughout the United States and all over the world, because a truly Satanic oligarchy has declared war against our children. Let's declare war against them!

It is up to you if this country, and for that matter the rest of the world—because, as I tried to demonstrate, the large issues, the war games, and these computer games are based on the same method; therefore it is a question of the rest of the world—have a chance to survive only if these things are eliminated.

Don't worry about guns, because Pokémon-trained kids will kill you with fire, lightning, electricity, or anything else. And the more Internet connections to schools we have, if there are no fundamental changes in the education system, the more little monsters you will have—and they are not going to be Pokémon monsters.

And that is my report.

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## INTERVIEW: DAVID GROSSMAN

# Media violence: giving children 'the skill and the will to kill'

*Lt. Col. David Grossman (ret.) has co-authored a new book, Stop Teaching Our Kids to Kill: A Call To Action Against TV, Movie & Video Game Violence, with Gloria DeGaetano (New York: Random House, 1999) (reviewed in last week's EIR.) Jeffrey Steinberg and Dennis Speed heard Colonel Grossman speak at a conference on "Shock Violence," sponsored by the New Jersey Psychological Association, in Princeton, New Jersey on March 4, and then interviewed him by phone on March 7.*

*A former U.S. Army Ranger, Colonel Grossman now helps to train military, police, and emergency rescue units throughout the United States. He is a former professor at West Point and the University of Arkansas, and he is now the director of the Killology Research Group, in Jonesboro, Arkansas.*

**Steinberg:** I'd like to start out by asking you about a new book that you've co-authored, called *Stop Teaching Our Kids to Kill*. It's a very provocative title. Can you give us a summary of the book, and tell us something about what prompted you to write this book?

**Grossman:** Well, my first book is on killing. It's being used as a textbook worldwide—it's about enabling killing, in the way the military does it. And, at the end of that book, I put a short section on how the techniques that the military uses to enable killing, are being used indiscriminately, without the safeguards, on our children.

And, that really, really generated an enormous amount of attention. The book is being used as a textbook in law enforcement, and in military communities, and in peace studies programs around the world. It just draws in topics from different directions.

Well, then I ended up living—I retired from the Army in

February 1998, and in March 1998, two boys, 11 and 13 years old, gunned down 15 people in my hometown. In the absence of anybody better qualified, I was one of the trainers of mental health professionals on the night of the shootings, and helped do the debriefings of the teachers, the next morning, 18 hours after they'd been in the kill-zone of the largest schoolyard massacre in American history.

And, after what happened there, I found myself to be pretty motivated to make a statement about that. I ended up speaking at a couple of peace conferences. I had an article that was incredibly well-received, an article of mine, called "Teaching Our Kids To Kill." I just got an e-mail today that says that the German translation of it has 40,000 reprints sold. It was printed in *Christianity Today*, *Hinduism Today*, *U.S. Catholic*, and the *Saturday Evening Post*; and translated into eight different languages. Just *Christianity Today*, alone, as of last summer, has sold 60,000 reprints of it. It really laid the foundation for us to understand that this is a topic that people are open to.

We started writing this latest book. My co-author, Gloria DeGaetano, who is one of our nation's leading media literacy experts, had written a previous, wonderful book on this topic. And, then the Littleton shootings happened, about a year later, and we were in the process of marketing the book. All of a sudden, the level of interest in this topic just skyrocketed. We were able to sell it to Random House, their Crown Books division, and they've been very, very supportive. I got the first royalty statement that came out in mid-October, and just in October-November-December, we'd sold about 20,000 hardback copies—which is not too bad. We are continuing to crank along at a real high rate. I just looked it up on Amazon.com, and we're about number 1,700 out of 4 million titles in the world: That's not too shabby.



*Lt. Col. David Grossman (ret.), co-author of Stop Teaching Our Kids to Kill: A Call To Action Against TV, Movie & Video Game Violence, warns that children are being trained to kill, just like in the military, but without the safeguards.*

We're out there touching some lives and making a difference with this book, and we feel pretty strongly about it. Certainly, I was honored to read the review that *EIR* wrote on the book, and I certainly appreciate your very kind and perceptive words about it.

**Steinberg:** In the opening chapter of the book, you state, pretty definitively, that every major serious study, medical and otherwise, that's been done for the last 25 years or so, shows that there is a very high correlation between exposure to violence in the media, and the rate of growth of violence in society. Could you say something about that?

**Grossman:** It's important to point out, up front, that we're talking about visual violent imagery; that, the written word can't be processed until age 8, and it is filtered through the rational mind. The spoken word can't be processed until age 4, and it, too, has to be filtered in the forebrain before it trickles down to the emotional center. But, these violent visual images: At the age of 18 months, a child is fully capable of perceiving and imitating what they see. And, at the age of 18 months, these violent visual images, whether they be television, movies, or video games, go straight into the eyes, and straight into the emotional center.

The body of research on this is simply stunning. And, we

catalog it in the back of our book, in a chronology of findings on this topic. The American Medical Association [AMA], the American Psychological Association, the Surgeon General, the National Institute of Mental Health—it just goes on, and on, and on. There's a major Unesco study on the topic. Just last week, I got an International Committee of the Red Cross study on the topic, identifying how a worldwide culture of violence—and especially some horrendous barbarism in war—appears to be directly linked to media violence. As the United Nations study put it (not a direct quote), but essentially what the Unesco study said in 1998 was, that a worldwide culture of violence is being fed by media violence. And, in particular, American media violence is being exported, like some Colombian drug lord, exporting death and horror, to put money into the hands of a few.

It's so pervasive, it's so overwhelming, that those who argue against it, are like those who argue that tobacco doesn't cause cancer.

Now, there is a body of research out there, that is *horrendously* irresponsible; essentially, this group of individuals, who are funded by the media, who have sold their *soul*—it's kind of like the people who deny that the Holocaust happened. And, it's pretty scary.

You and Dennis just happened to be in a conference there, in New Jersey, when we had a closing panel. I had presented that morning, and this one guy stands up, and says: You can't prove media violence makes violent crime, and it's never been demonstrated, and it's not true. Well, that was the New Jersey Psychological Association, which is a member of the parent organization, the American Psychological Association.

In 1992, the national body of the American Psychological Association said, "The scientific debate is over." In 1999, the American Psychological Association said, to argue [that media violence does not cause real violence], is like arguing against gravity. So, for the man to stand up, in front of this—the New Jersey Psychological Association—and claim it, is like standing up at B'nai B'rith and claiming that you can't prove that the Holocaust happened, and it never happened.

**Steinberg:** The guy should have had his Ph.D. confiscated on the spot!

**Grossman:** I certainly think he should have! And, it's like this, guys: If you ask the tobacco industry about the link between tobacco and cancer—up until very recently—what would they do? They'd deny it. They'd lie. In the face of the Surgeon General and the AMA, they'd lie. They'd bring out their pet scientists, their stooge researchers on a leash, and try to deny the undeniable.

Well, in the same way, if you were to ask the media industry about the link between their product—television, movies, video games—what would they do? They would lie. In the face of every major scientific and scholarly body in the world, they'd bring their pet scientists, their stooge researchers on a

leash, to come out there and claim otherwise.

But, it truly, truly, is as though somebody was trying to claim that the Holocaust didn't happen, or that tobacco doesn't cause cancer. And, it's pretty sad stuff.

**Steinberg:** Let's take up the question of the point-and-shoot violent video games. I was very struck by some of the examples that you gave in the book, that some of the training simulators that are being used by the U.S. Army and by the majority of law-enforcement agencies are virtually identical to some of the most popular arcade violent point-and-shoot video games. Tell us how this works.

**Grossman:** One of the things you've got to understand is this: We discovered, in World War II, that the majority of our soldiers were not able to kill in combat. And, the fundamental flaw was in our training. We gave them wonderful weapons. We had magnificent Americans. We put them in the front lines, and we had trained them to shoot at bulls-eye targets. Now, when no bulls-eye appeared in front of them, the training failed them! The vast majority of the time. Under stress, with fear, and other dynamics, the training simply failed them.

What we know today, is, that if we want a soldier to be able to use the weapon that we've issued him—I mean, God forbid, that a soldier, a police officer, should take a human life—but, if we give them the weapon, then we have to acknowledge a responsibility to give him the ability to use that weapon. We realized that shooting at bulls-eye targets was not where it was at. If we take a pilot, we don't just suddenly put him in an airplane, and have him fly that airplane after having him read a manual about it. We put him in flight simulators first. Even in World War II, we had a vast array of data about simulators, in which they could rehearse, rehearse, rehearse the action.

Well, we realized that what we had to do was create killing simulators. And, instead of bulls-eye targets popping up in front of our soldiers, we needed man-shaped silhouettes. Now, these are extraordinarily effective training devices. In recent years, we realized that, we don't even have to use a real gun; it's useful, it's effective to use real guns on real ranges, and we still do that, but it's quite expensive. There's a lot of lead, there's a lot of environmental problems. We need vast acres of land, we need lots of money. And, we began to realize that we can just simply use simulators.

Now, these simulators, again, are vivid depictions of human beings, and you're practicing shooting at human beings. You're imitating the act. You understand, that there is a vast chasm, between being a healthy American citizen, and being able to take a human being's life. And, in order to cross that chasm, you've got to put a stepping stone—some kind of intermediate step, in which you rehearse, rehearse the action, and wrap your mind around the act.

Well, we've got these devices now, we use for the military. The Marine Corps licensed the right to use "Doom," as

a tactical training device. The Army took the Super-Nintendo—remember the old Duck Hunt game? We replaced the plastic pistol with a plastic M-16, and, instead of ducks flashing on the screen, it's man-shaped silhouettes.

Now, we have several thousand of those that we use as training devices around the world. These are effective.

Now. What I tell people is this: The goal is, to allow our soldiers to respond properly. If our soldiers cannot fire, or if our soldiers are *frightened*, bad things are going to happen. Same thing with our police officers. So, I submit, that this kind of training is a needful thing: If we acknowledge that we have a need to give soldiers and police officers weapons, then we have a responsibility to give them the skill and the will to use those weapons.

But, good people can disagree on that. The thing that nobody should disagree on, is the fact that, if you're even remotely troubled that we provide these kind of killing rehearsals—killing simulators—to soldiers, and police officers, how much more infinitely *horrendous* is it, that we provide them indiscriminately to *children*?

I was called as an expert witness by the government for the McVeigh case. I never had to go to the stand. I did some consulting, put together a couple of papers for them. What had happened was this: The defense was trying to claim that the military and the Gulf War had turned Timothy McVeigh into a killer. The reality is, that the data are just the opposite: The returning veteran, according to the Bureau of Justice Statistics, is less likely to be incarcerated than a non-veteran of the same age. And, certainly, the off-duty police officer is infinitely less likely to be incarcerated than a non-police officer of the same age and sex.

There are powerful safeguards. What are the safeguards? Well, number one, we do it to adults. Number two: The discipline, the discipline, the discipline, that's ground into your soul. The point is, that these same video games—the law-enforcement community uses what's called the FATS trainer, Fire Arms Training Simulator. They spend many, many hours in front a large-screen TV with human beings in front of them. And, when that human being commits an act, under which, by the law, it is legal and necessary to shoot, then, and only then, does that law enforcement officer shoot. And if he hits his target, the target drops; if he misses the target, the target kills him.

As I said, these are powerful devices that have great safeguards built into them, in which the goal is to teach under what circumstances you can shoot. And, we'll talk later about the Amadou Diallo case, and how important it is, that we *refine* this training to better levels. And, this overkill dynamic used to happen *a lot more often*.

The point is, the law-enforcement officer stands up with a FATS trainer, and he holds a gun in his hand, he pulls the trigger, the slide slams back, he feels the recoil; if he hits the target on the screen, the target drops; if he misses the target, the target shoots him.

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*Like a pilot in a flight simulator, like a child in a fire drill—whatever is drilled into them, is coming out the other end. And, the result is simply horrendous, in the irresponsibility of this industry to provide children with law enforcement- and military-equivalent training. It is the psychological equivalent of putting an M-16 or a Glock pistol in the hands of every child.*

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Well, go to the video arcade, and play a game called “Time Crisis.” You hold the gun in your hand, you pull the trigger, the slide slams back, you feel the recoil. You hit the target, the target drops. You miss the target, the target shoots you. This is a *murder* simulator. It is no longer a killing simulator for individuals who, reluctantly, under proper circumstances, we acknowledge, maybe have to kill. It is a device placed in the hands of children, whose only social characteristic is to give him the skill and the will to kill.

And, it’s important, too, to understand, that whatever you drill in under stress, is coming out the other end.

Back in the old days, when we had revolvers, our cops would get out on the range, we’d fire six shots. Because we didn’t want to clean up the range afterwards, we’d flip out the cylinder, drop the six expended cartridges in our hand, put the empty brass in our pocket, reload, and keep going. Now, obviously, you’d never do that in a real gunfight—you got better things to do. But, guess what? We found out that real cops, in real gunfights, would end the gunfight with a pocket full of brass—and no idea how it got there. The point is, that whatever you do in training—just two times a year, the cops would qualify—and six months later, they’re in a gunfight, and they end the gunfight with a pocket full of brass, and no idea how it got there.

Whatever you train to do, under stress, is coming out the other end. That’s why we do fire drills. That’s why we do flight simulators.

Well, when the children play the violent video games, they’re drilling, drilling, drilling—not two times a year—every night, to kill every living creature in front of you, until you run out of targets or you run out of bullets. Now, I usually stand in front of an audience, and I say to the audience, “Look, if I decide that she’s one point, then he’s one point, and he’s one point, and he’s one point, and he’s one point, and she’s one point, and she’s one point.

“Now, what’s my goal? To rack up as many points as possible.”

So, when these kids start shooting—we’re reasonably confident that in Pearl, Mississippi, and in Paducah, Kentucky, and in Jonesboro, Arkansas, these juvenile, adolescent killers set out to shoot just one person: usually their girlfriend, in one case, maybe a teacher. But, then, they kept on going! And, they gunned down every living creature in front of them,

until they ran out of targets or ran out of bullets!

And, afterwards, the police asked them. They said, “Okay. You shot the person you were mad at. Why did you shoot all these others? Some of ’em were your friends!” And *the kids don’t know*.

But *we* know. Like a pilot in a flight simulator, like a child in a fire drill—whatever is drilled into them, is coming out the other end. And we are drilling these kids to be killers, *and* to associate pleasure and reward with it! And to cheer and to mock, when the vivid depictions of human death and suffering occur in front of them. And, the result is simply *staggering* and *horrendous*, in the irresponsibility of this industry to provide [children with] law enforcement- and military-equivalent training. It is the psychological equivalent of putting an M-16 or a Glock pistol in the hands of every child in America.

**Speed:** There are a few things that immediately come to my mind: For example, let’s take the killing in Flint, Michigan, with the 6-year-old. In your book, you make the point that killing is *not natural*.

**Grossman:** Yeah. A lot of people *want* to kill, and throughout history, we’ve had a tiny, tiny handful of people who are able to kill. But, for the average, healthy member of a society, it’s not natural.

I’m an Army Ranger. They didn’t just throw an M-16 in my hands, and suddenly, I’m an elite killer. It took years of training. We don’t just create a SEAL team member. We don’t just take somebody, and put ’em in a blue uniform, and throw a submachine gun in his hand, and suddenly, he’s a SWAT team member. It takes years and years of training, to give people the skill and the will to kill.

Well, when these kids kill, we need to be asking ourselves hard questions. Because this is *new*, Dennis. This is a *new phenomenon*. In Jonesboro, an 11- and 13-year-old boy gunned down 15 people. When those kids turn 21, they will be released—there’s nothing on earth we can do to prevent it. Because there were no laws on the books to deal with adolescent killers at that age.

Now, this 6-year-old. They thought, in Michigan, they had it licked: The brought the law down to 7. They said, even 7 year olds can be classified as adults: And now, we’ve got 6-year-old killers!

And, just days after the Flint, Michigan shootings, there

was a kid in Washington, who took a gun off a high shelf, loaded, and jacked the ammo in the gun himself, and went outside, and fired two shots at a couple of kids. When the police asked him where he had learned to load the gun—thinking, I think maybe, that the father had irresponsibly given that skill—the kid very innocently said, “Oh, I learned it from TV.”

The kid in Flint, Michigan: The sheriff went and told the father, who is in prison, about it, and the father said, “As soon as I heard about it, chills came down my spine, because I knew it was my boy. Because my boy,” he said something to the effect, “had really, really, liked the violent movies.”

Now, here was a kid that was already whacked-out on media violence; whose father had sat, and watched, and cheered, and laughed, and mocked, human death and suffering. And, usually, at 2, 3, 4, 5, 6, the children are horrified by this stuff. But, if you really, really work at it, by the age of 6, you can teach 'em to like it! And that is really, really despicable.

The Japanese, in World War II, used this kind of classical conditioning, teaching people to associate pleasure with depictions of human death and suffering, to enable some horrendous atrocities. They used Pavlovian conditioning: They took their young soldiers, that had never been in combat, and had them witness these *horrendous* massacres, butchery of these innocent Chinese, British, and American prisoners. And, the young soldiers were made to laugh and cheer and mock the suffering. And, later that night, they were given the best meal they'd had in months, and the sake is shipped in, and the comfort girls are shipped in; and, like Pavlov's dogs, they're taught to associate pleasure with human death and suffering.

I'd ask, how many of your readers have seen “Schindler's List”? And, I'd ask if there's anybody out there who laughed at “Schindler's List.” I would hope not.

Well, they played “Schindler's List” to a high school outside of Los Angeles, and they had to turn it off, because the children were *laughing* and *mocking* at what was happening. Steven Spielberg came out to confront that behavior, and to speak at that high school, and they laughed and mocked him! Maybe that's just California; maybe they're all wacko. Well, in Jonesboro, Arkansas, the shootings happened in the middle school; right next door was the high school—the big brothers, the big sisters of the little kids, who were shot to bits. And, one of the teachers there in the high school told me that, when she walked in and told her students about—they'd heard the shots, they saw the ambulances pulling up—she told her students, and their response was: They laughed and they cheered.

One little girl wrote me from Chatham High School, in Littleton, Colorado, right next to Columbine High School, there—their rival school—she said, that when they announced over the loudspeaker, in that high school that somebody had opened fire and gunned down a bunch of people at Columbine High School, she said the cheers were so loud, that they echoed through the hallways, and you could hear

them in the office, way down the corridor!

Our children are being taught to derive pleasure from human death and suffering, and that's what happened to this little 6-year-old. Now, I'd bet you money, that this 6-year-old, also played the violent video games—

**Steinberg:** Yes, I can confirm that, from some of the news coverage.

**Grossman:** And, again, why do I *know* the kid played the violent video games? I'll tell you why! Because he fired *one shot*, and got a direct hit in the base of the skull. And it takes great skill to point with accuracy. But the video games train you! And many of the video games give bonus effects for head shots. This boy—I believe that the evidence would indicate that he had played on a murder simulator; his father had obviously gotten him extremely whacked-out on media violence, on the violent video games, and now we reap what we sow, at younger and younger ages.

And the result is a tragedy.

I guess the classic example was in Paducah, Kentucky. In Paducah, a 14-year-old boy stole a 22-caliber pistol from a neighbor's house. Now, prior to stealing that gun, he had never fired a pistol before in his life. He fired a few shots, on a couple of nights before the killings, with the neighbor boy. And, then he brought that gun into school, and he fired eight shots.

Now, the FBI says that the average officer in the average engagement hits with one bullet in five. In the Amadou Diallo shooting, they fired 41 shots at point-blank range, against an unarmed man: They hit 19 times.

The guy that went into the Jewish daycare center in Los Angeles last summer, fired 70 shots, and hit five of those helpless children.

So, this boy fires eight shots. How many hits does he get? Eight shots, eight hits, on eight different children. *Five of them are head shots*. The other three are upper torso. *This is stunning*.

I trained the Texas Rangers; I trained the California Highway Patrol; I trained a battalion of Green Berets. And never, in the history of law enforcement, or military, or criminal annals, can we find an equivalent achievement! It is not some deranged Ranger, like me! It's a 14-year-old boy, that's never fired a pistol before stealing that gun! Now, where did he get that *incredible, unprecedented skill*? Well, when he committed that crime, he planted his feet—and, according to all witness statements, he never moved his feet throughout the crime. He held the gun up at a two-handed stance. He never fired far to the left; he never fired far to the right. He just put one bullet in every target that popped up on his screen.

He's playing his stinking video game! *It is not natural to put one bullet in every target!* The natural thing to do, is to shoot at your target until it drops. Anybody who's ever hunted with an automatic weapon, or has been in combat, will tell you, that the natural thing to do, is to shoot at your target, until





*Clueless or complicit? The March 6 issue of Newsweek (left), which served as a promotional for video-game violence directed toward children, and the March 13 issue (right), reporting on the shooting murder of a six-year-old girl in Michigan by a classmate who played violent video games. The connection between the two should be obvious—but to many people, it isn't.*



your target drops, and then go to another. But, what do the video games train you to do? One shot, one kill, with bonus effects for head shots.

This is so stunning, that there is now a \$130 million Federal lawsuit against the video-game industry. But—get this—when we're talking about legislation to control this industry: I testified before the Senate and the House, the New York State legislature, the Washington legislature, the New Jersey legislature, and just last week, I testified before the Minnesota state legislature. Well, the lobbyist from the video-game industry stood up in front of the Minnesota state legislature, after I talked, and said: Police reports say (she said the exact same thing to the New York State legislature), "Police reports say, that Michael Carneal," the Paducah killer, "had his eyes closed when he committed that crime."

Now, his first bullet went between his girlfriend's eyes. He got eight shots, eight hits, on eight different kids—five of them head shots. Now, the truth is this: Not in the police reports, but in one of the psychological evaluations, Michael Carneal says this, "I'm not sure what happened. It's all kinda confused. I think I closed my eyes for a minute." Understand? He says, "I think I closed my eyes for a minute," and the video-game industry—*despicable individuals*, like the tobacco industry—stands up before a state legislature, and says: Police reports say he had his eyes shut. They say no such thing! Every single witness statement says he had his eyes wide open, with this weird, blank look on his face.

Do you understand the kind of industry we're fighting here? As we try to reel this stuff in.

**Speed:** That actually leads to another question I have. Did

you hear about a case—this was in 1997. The *New York Post* covered it, and it involves the show "Pokémon." I'll just read you what the coverage said: "A Japanese TV network cancelled broadcasts"—

**Grossman:** Oh, I did read about that!

**Speed:** Six hundred children rushed to the hospitals with epileptic-type seizures, Tuesday night, after watching the program. The next morning, another hundred. There were various explanations offered for what happened, but no one actually ever quite *concluded* what happened. What comment do you have about that?

**Grossman:** Well, some of the recent statements on that—I think the AMA and others have looked at it—is: They created colors in frequency that basically created epileptic seizures in the kids. This industry is actively seeking—they're spending *billions of dollars* on just the right frequencies, just the right colors, just the right rapid-fire screen changes, to addict the children to these images. And they are seeking, with all their might and soul, with all the cleverness of modern science, to find just the right way to do it. And they went over the top, on that one, and—oops, they back off, now. But, something just short of that is being done every day!

Let me give you some of the stuff we know about TV. We *know* that there's a powerful link between television and obesity, and that's been reported in the national news, and everybody's nailed that one down. Why? Well, number one, you're addicted to TV. You truly are. It's an addictive, toxic substance, with those rapid-fire images. And the *violent* image is the most addictive thing of all to the children—they cannot turn away from it. It is, for them, vital survival data, and within

18 months, they develop the ability to scan their environment for survival information. So, number one, it's physically addictive to the kids.

Number two is the question of obesity. It's very clear-cut, that we're taking an addictive substance and giving it to children. And, they're like some kids sitting on drugs. But it's more than just that; it's more than the lack of activity. The most creative, innovative, ingenious people in America are paid vast amounts of money to convince you, and your child, to overeat. They've got just the right frequencies, they've got just the right colors, just the right screen change, to convince you to go out and consume large quantities of sugary substances—number one. What does that do? It creates obesity—an explosion of obesity. But that, also, has created an explosion of child-onset diabetes. And we know that that is *also* linked to television!

So, we've got obesity, we've got child-onset diabetes. What else have we got? Well, there's great data linking television and anorexia and bulimia. Around the world, we have wonderful little communities, that have never had anorexia and bulimia, like American Samoa. And, then Western television appears, and the twisted, distorted image of American feminine beauty comes on, and, in a *very* short period of time, we've got little girls, who are *literally* starving themselves to death in order to meet that standard.

Anorexia and bulimia, obesity—these things didn't exist before. There's a new factor, a new variable going on.

Let me give you the really hot area of research, and this is quite revolutionary, and quite new, and everything I've told you so far is solid; but now, we're into a realm that, I need to say, up front, is still being researched. But the initial data indicate that there is a *powerful* link between television and Attention Deficit Disorder. What we do is, these rapid-fire screen images are given to the kids—"Sesame Street," for example. A great show in intent, but the rapid-fire images of "Sesame Street" pound away at the kids' brain. MTV, of course, is even worse.

And, these rapid-fire images—bam! bam! bam!—are hammering the child! What happens is, the child learns to take their data in at rapid-fire imagery, like that, and they never develop an attention span! What is Attention Deficit Disorder? It is a child who never developed an attention span. Television *shreds* your attention span. What happens is, the child has spent a lifetime, rivetted in front of that TV, growing fat, and having these rapid-fire images pounded into their brain, and then, at the age of 5 or 6, we put them in school, and the teacher stands up there and says [speaks like a slow-speed recording], "T-h-e t-r-a-n-s-i-t-i-v-e v-e-r-b i-s r-r-r-rrrrr." And, the kid is sitting there, trying to change channels! He's freaked out!

And what's our answer? Drug him! Our answer is to *drug* them. We have messed those kids up *so badly*, in their youth, by doing the thing that the American Academy of Pediatrics, and the Surgeon General, and the AMA, say, "Don't do it!"

And, then, when they're whacked-out, we drug 'em! And the result is horror.

That thing that you talked about with Pokémon, was just the tip of the iceberg, of the way that they're using intense manipulation of screen imagery, colors, rapid-fire imagery changes, in order to make this a *powerfully addictive substance for children*. At the *heart* of the addictive substances, is the violence, which is being fed to the kids: Like nicotine, the violence is addictive; like nicotine, it has an unfortunate side-effect, and the unfortunate side-effect is fear and violence, and violent crime.

**Speed:** You don't seem to buy the argument of the some of the people who were pioneering the Violence Initiative, which is the idea that there are kids that are basically born violent; or, if not born violent, by a very young age, you can separate them out, and then you can track them. In Virginia, at one point, they were actually building jails in anticipation that one segment of the population—many of them, in this particular case, African-American—were going to become violent. And they knew they were going to have a certain number of violent offenders, therefore, they were building jails for them in advance.

**Grossman:** Maybe, *maybe*, there is a tiny percentage of human beings who are going to be violent. But that percentage should not *change*, from decade to decade, or generation to generation. If there is some naturally occurring—and I'm saying *if*, we're not conceding that, but maybe there is—if there is some naturally occurring incidents of violence, then, that is a standard, a stable, a normal process. Like the occurrence of any other genetic process.

When you see an *explosion* of violence, you've got to ask yourself, "What is the new factor? What is the new variable?"

Understand this: When we talk about violent crime, the first thing you have to realize is, you must ignore the murder rate. Because medical technology saves ever more lives, every year. A wound that, nine out of ten times would have killed you in World War II, in Vietnam you would have survived that same wound, nine out of ten times. This last year, I've written three encyclopedia entries, in the entry to the *Oxford Companion to American Military History*, and we've laid the scholarly foundation to say this: If we had 1930s-level technology in America—think of the 1930s now: no penicillin, no cars, no telephones, for all practical purposes, in most places—if we had 1930s technology, the murder rate could easily be ten times what it is. You've got to look at the aggravated assault rate, the rate at which people are trying to kill one another off. With that as our measure of crime—we're allowing for population growth—violent crime, per capita, has gone up *sevenfold* since 1957 to the middle of this decade. It's gone down just a tiny bit, recently, mostly because of a fivefold increase in the incarceration rate, and a good economy, but we're still *six times greater per capita* in the rate at which we're trying to kill one another off, than we were in 1957.



The macabre world of video games as seen in its advertising in a recent issue of Computer Gaming World. Says Colonel Grossman, "They're using intense manipulation of screen imagery, colors, rapid-fire imagery changes, in order to make this a powerfully addictive substance for children. At the heart of the addictive substances, is the violence."

But look: In Canada, since 1964, the per-capita assault rate has gone up fivefold, and attempted murder (a classification we do not have) has gone up sevenfold. In just 15 years, according to Interpol data, per-capita violent crime went up almost fivefold in Norway and Greece; nearly fourfold in Australia and New Zealand. There was a *clean tripling* in per-capita violent crime, in these 15 years, in Sweden. And per-capita violent crime approximately doubled in seven other European nations.

Some of these nations, like Norway and Sweden and Denmark, that have seen these doubling and tripling and quintu-

pling of violent crime, they've been keeping track of violent crime for over a thousand years. And, never, in the last thousand years, have we seen anything remotely like this. *This is unprecedented* for violent crime to just double in 15 years; it's *staggering*, for it to go up fivefold in 15 years. It's stunning!

The question you need to keep asking yourself is: What is the new variable, what is the new ingredient? And, the new ingredient is, that we are creating killers, we are creating sociopaths.

The analogy I use is to AIDS: AIDS doesn't kill people. It makes you vulnerable to be killed by other things. What

happens is, if you get AIDS, then pneumonia, or the flu, or a cold can kill you, because your immune system has been destroyed. What I call—and it's now a widely accepted term—Acquired Violence Immune Deficiency Syndrome, AVIDS. Most of us, have a natural violence immune system. If that violence immune system is destroyed, now, the things that shouldn't have killed us, will result in death: things like poverty, gangs, availability of guns, anger that generates from racism, child abuse. All of these are variables that can cause violence. But, whereas before, we should have been able to control those in a healthy organism, they're now resulting in death and horror to a degree we've never seen before.

There's a new ingredient, a new factor, in the equation that is causing death, and horror, and destruction around the world. In Japan, we saw a 30% increase in juvenile violent crime in 1997 alone. In India, in those same 15 years that Interpol was keeping track, they didn't have the assault rate in India, but they did have the murder rate: And it *doubled* in 15 years. Imagine that vast nation, in just 15 years, seeing the murder rate double. Why? Because, just a little while prior to that, they put a television in every village in India, and every night, the villagers gather together and watch, what? "Dallas." And, all kinds of strange, bizarre, American, violent footage, that has a profound impact on that community.

Brazil and Mexico: Same story. When we see an explosion of violent crime there. They export drugs to us, and we export electronic drugs to them. And, quite frankly, our exporters are just as vile as theirs are, if not more so. Ted Turner is quoted in the California House of Representatives resolution on violence, in May 1999, as saying: "Television violence is the number-one cause of violent crime in America." The president of CBS, after the Littleton shootings, he was asked if he thought the media had anything to do with the shootings in Columbine High School, and his answer was: "Anyone who thinks the media had nothing to do with it, is an idiot."

They know it! They know what they're doing! And they *continue to sell it around the world, like some drug lord selling death and horror and destruction*, just to put money in the pockets of a few. It is despicable. And, what we've got to do is, get these guys reeled in, as a civilization. Otherwise, the very fabric of our civilization is at risk.

It's Abraham Maslow's hierarchy of needs. The foundation of our civilization is providing security and safety. And if the foundation of the building crumbles, the building crumbles. Or, to rephrase what Maslow was saying: People will always sacrifice liberty for security. If the situation gets bad enough, people will do whatever they have to do, to make sure their children aren't butchered on the streets. They will oppress minorities, they will oppress the underclass, they will give up civil liberties. They will do whatever they have to do.

**Steinberg:** Let me go on to something that your point raises. When you gave a television interview at the New Jersey conference, I was very struck by your discussion of a kind of

hierarchy of responsibilities that law-enforcement officers—and, to a similar extent, soldiers—have, in fulfilling their particular role within society: to protect the innocent.

**Grossman:** When I train law-enforcement officers, across America, one of the things I tell them is this: "The single surest way to get a dose of post-traumatic stress disorder—the research is so solid, it shows it over and over again; the surest way to get a dose of PTSD—what we call 'the gift that keeps on giving,' because it doesn't just mess you up, but it messes up your unmet spouse, and your unborn children, in the years to come. Now, the single surest way to make that happen, is to commit an atrocity or a criminal act." Now, in the moment of truth, when you're under great stress, there is a desire for vengeance. And, what I teach them, is, you *must seek justice*, not vengeance. Vengeance will destroy you: and not just you, but your spouse, and your kids. Whoever you think you're avenging, did not want to pay that price. And you must dedicate yourself, ahead of time, *towards justice*, not vengeance.

What I tell them is this: "As a law-enforcement officer, you have three goals: First, and foremost, above all else is: protect the innocent." I make the analogy of the sheep, and wolves, and the sheepdogs: The sheep are kind, innocent, gentle creatures, who can only hurt one another by accident. The wolves will feed on the sheep, without mercy. The sheepdog, is the thing that stands between us and the wolves. And, the thing that makes the sheepdog different from the wolf, is that the sheepdog *can not* harm the sheep. If he does, the shepherd eliminates him.

So, step number one, for the law enforcement officer is, protect the innocent. Above all else.

Step number two is, convict the guilty. It's the goal, but never at the price of number one.

And, step number three is, draw your retirement. Okay?

Protect the innocent, convict the guilty, and draw your retirement. After you've done those first two, and you've served honorably for a lifetime, you deserve that retirement.

And, I'll tell you, the suicide rate of the average law enforcement officer, the average cop out there, has two to four times greater chance of dying from their own hands, than they do from criminal gunfire—and we're losing a lot to criminal gunfire. The average law enforcement officer, according to one body of research, has a life expectancy of over a decade less, than the average citizen. What I try to do is, provide the nuts and bolts for them to accomplish those three things, and to accept those priorities that will make it possible for them to do that.

And, that's what we must do.

**Speed:** In the Amadou Diallo case, one of the things that I raised in an article for *EIR*, is that one had to look at what I believe to be the problem of the "Nintendo cop," the sort of training that doesn't provide what he needs.

**Grossman:** I had the privilege to read that, Dennis, and I

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*When I train law-enforcement officers, across America, one of the things I tell them is you must seek justice, not vengeance. Vengeance will destroy you. And you must dedicate yourself, ahead of time, towards justice, not vengeance.*

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thought it was particularly well-written. But, I hope you'll forgive me, if I tell you that I would take a slightly different angle on that.

What we need to realize, number one, this business of emptying the weapon. That used to be the norm. That was the norm! Our cops were basically Barney Fife, you remember on the Andy Griffith Show? Andy Griffith was very wise, in not letting Barney have any bullets. You understand? Because Barney Fife is the most dangerous human being out there, and you put a loaded gun in his hand, and you're in a heap o' trouble.

Now, what we do, is we prepare our guys for combat. We do the FATS trainers, and we say, "Under this circumstance, when *this* stimulus is in front of you, you *may* fire! Under this circumstance, you *may not!*" And, if you drill and you drill on these things, and you shoot the wrong person, you don't graduate from the academy. And, we put them in "simunition environments," where you are firing paint pellets at one another. These paint pellets are *very* fearsome: They're coming at 200-300 feet per second, they're 9 mm marking capsules; when they hit, they hurt, bad. You're under a great deal of stress—you're inflicting pain on somebody else, they're inflicting pain on you. It's like a boxing match with pistols. What happens is, the first couple of times people do that, their heart rate is through the roof! And they're *very fearful* individuals. But, if we do more and more of this training, they become inoculated against that stress; they become cool, calm professionals.

I would say to you, that, around America, the answer is become very clear, that the answer to preventing the Amadou Diallo-type tragedies—which, remember, back in the old days, it was the norm, except the guy would fire six shots. We had two officers, they would fire six shots each; they emptied their revolvers; they go "bang, bang, bang, bang, bang, bang—click, click, click, click, click, click"—and then they'd stopped. Because you get scared out of your wits, and you're going to fire your weapon at your opponent until your opponent drops, or something interrupts you, like you run out of ammo.

But the major difference is—that's happening far less often—that we're giving them more ammo. They've got a 15-round magazine, and the average officer can empty that 15-round magazine in 4 seconds flat. And the average individual can't die that fast. So, you've got this bizarre circumstance, in which they need this, so, how are you going to teach them to use that? Well, the police department of a major

Western city did some very nice research. They contacted many different police departments, and they found out how many shots were fired per officer, per engagement. This is our Amadou Diallo situation. How many guys are shooting too many rounds? And, then they correlated that to in-service training, especially in-service training with "simunition" and FATS, which are our simulators—our paint-ball and our video simulators. What they found out was, that the more in-service training you did, the less number of rounds per officer fired. And, the more hits per officer: That is, when they fired, they hit their target, number one, and number two, they didn't go into this horrendous "spray and pray mode," in which, even at pointblank range against an unarmed man, less than half your bullets hit the target.

The fellow who was doing the research, called another city's police department, and asked: "Do you have trouble with officers firing too many shots?" And the other guy laughs, and says, "Yes! We call it the 'Metro Spray.' That was true a couple of years ago." He asked, "How did you prevent it?" He said, "We did the in-service training. We take every one of our cops, and we bring them through 40 hours a year of in-service training with 'simunition' and FATS."

This is the answer!

What happened in New York, was lack of training. And lack of proficiency. And, when you get a scary situation, and in this tragic situation, these officers, to a certain degree, they become four Barney Fifes, with 15 rounds each in their hands: And the result is tragedy.

How do you prevent a Barney Fife? You train him, train him, train him, with "simunition" and FATS. The result is, you've got an individual who's going to be a cool, calm, collected individual. I mean, who do you want stopping you in the middle of the night? Barney Fife, or Andy Griffith? Marshal Dillon, or Officer Wacko? And, that's what we're talking about, here.

They use a little bit of this training, but they need much, much more, and they need to be held accountable and responsible for it.

I just trained in one major Texas police department, and they don't do *any* in-service training, with this major metropolitan police department, except to get out on the range twice a year. That's unacceptable! But, they are starting to take these guys, and prepare them for school shootings, and having them do "simunition" training; and, the cops love it!

The problem is, that we're not allocating sufficient money and funding to get the training that the cops need.

And, I don't know about you, but, if I'm going to be out on the street, and there's a 22-year-old kid with a semi-automatic pistol on his hip, I want him to be trained to the gills! To perform *appropriately*. And, anything less than that is unacceptable. And, to have major police departments that aren't doing "shoot/no-shoot" and FATS and "simunition" training, at least once a year: I submit to you, it's unacceptable.

**Speed:** If we had had anybody in New York who had been that straightforward, at the point that this whole matter occurred, you wouldn't even *have* the kind of tensions, that you have in the city right now.

**Grossman:** Yes! If they would just stand up and say, "Our guys blew it! It was dumb! It was horrible!" And their answer is more training, and "what we're going to do is, we're going to train them, and we're going to prevent this from happening." That's why they're hiring me, across America, to do all of this stuff. And you're quite right, that this whole business of circling the wagons, is just tragic.

And, I appreciate your saying that, Dennis: It's well said.

**Speed:** Right. It helps a lot.

Now, since you've been going around the country, have you encountered a lot of people who want to do something about the video empire? That includes legislation and litigation. I wanted to know if you can tell us something about that.

**Grossman:** When it comes to these violent video games, a lot of people have real second thoughts about cops and soldiers having them. They have *serious* second thoughts about *adults* having them. But, the one thing, that we can *all* agree on is: that children don't need them.

I believe in an America, in which we can trust the citizens—the adult citizens. I'm an adult. I can have a cigar, I can have a beer, I can have sex, I have a car, I can have a gun. But, if you give any of that to my 9-year-old, you're *criminal*. And, that's what we realize with these murder simulators.

Now, how are we going to deal with that? Well, first off, is simply education. Remember, we have an absolutely irresponsible industry, who will stand up in front of state legislatures and misrepresent things, horrendously. So, what we've got to do, is: We've got to get people educated, number one, and certainly, that's one of the wonderful things your organization is doing.

Number two, is legislation. I tell people, "When it comes to protecting our kids, even the most libertarian of us, understands we need laws." Do we need laws that say, you can't sell guns to kids? Yes. Do we need laws that say you can't sell tobacco, or alcohol, or pornography, to kids? Yes, we need those laws. And, everybody agrees. Now, can kids still get pornography, or tobacco, or alcohol, if they really want it? Sure. Does that mean the laws are no good? No, we need those laws. They're part of the solution.

The best thing that the laws do, is, they are a form of education. I put seat belts on my kids all my life. I was never

buckled up, when I was kid. How did I know to buckle my kids up? Well, it's the right thing to do. That's why I do it. How do I know it's the right thing to do? Because, if I don't do it, a cop will give me a ticket. It's the law, and the law educates you as to what is the right thing to do. And that becomes the goal.

Now, what kind of laws do we need? All we need to do, is, take the industry's own rating system, and simply enforce that. The industry has games they rate "M." An M-rated video game means "mature." What does that mean? That's a pretty vague concept. The industry says, an M-rated game is: no child under 17. In case you haven't been keeping track, MC-17, is what we call X-rated movies, nowadays. An M-rated video game is *identical* to an X-rated movie, according to the industry. Except, the pornography industry accepts regulations on their products, when it comes to kids; this industry is functioning *beneath* the porn industry; *beneath* the tobacco industry; *beneath* the alcohol industry, or the gun industry. Guns, booze, tobacco—they all accept regulation on their product, when it comes to kids.

This one industry says, that you cannot regulate their product—violent visual imagery—when it comes to kids.

So, when it comes to the violent video games, they're wrong. We can regulate those products, and we will.

You know what they say? They stand up and they say, "Look. People buy these violent things, so we sell 'em. The reason why America has all this violent stuff out there, is because Americans want it, and so, we sell it. We're driven by the marketplace."

What I say, is this: "Don't ever let anybody say that, without saying this: 'That's drug-dealer logic. That's pimp logic.'" Except even drug dealers and pimps don't try to sell to little kids.

So, we're going to regulate the video games. We're going to regulate these violent video games, just like we do with pornography, and enforce the rating systems.

There's other things that we can do: We can tax media violence. You have a Constitutional right to alcohol—it was a Constitutional amendment that repealed Prohibition. You have a Constitutional right to guns, according to most people's reading of the Second Amendment. But *nobody* says that that Constitutional right for an adult to have alcohol or guns, means that you have the right to *sell it to children*.

We've got to put taxes on this substance, we've got to regulate this substance: If we don't, we're in a heap of trouble.

We've got the education, we've got the legislation—the final step is litigation—the lawsuits. There is a \$130 million Federal lawsuit against the video-game industry, generated out of the Paducah case. Remember? Eight shots, eight hits, on eight different kids. Clear-cut video-game linkage. And, the lawsuit is progressing quite nicely.

Now, this kind of litigation, we think, is happening across America. I'll give you just one example. There was a subway tollbooth burning in New York: What happened, was a group

of kids poured gasoline underneath the back door of a subway tollbooth. They left a trickle-trail, and then they ignited that trickle-trail, and the gasoline inside the tollbooth ignited, and burned the operator over some 70% of his body. As soon as that crime happened, there was *immediate* talk of lawsuits, because that was a precise copy-cat crime of the movie "Money Train." Step-by-step, precise copy-cat crime.

The family was talking lawsuits, and then, Boom! You never heard another word.

What happened? The head of the Washington Trial Lawyers Association told me that, he believes, in that case, and many others: They settled out of court. And, what they're going to do is, they're going to pay the victims, and their family, and their lawyer, a large sum of money, once a month, for the rest of their lives—as long as they do, what? Keep their mouths shut. And, across America, these lawsuits are being settled out of court, for large sums of money. These people are responsible; they cannot tolerate the lawsuits: We have a legal obligation to hold them accountable. If you had a crib that strangled your child, if you had a gas tank that exploded in flames and burned your child to death, you'd have an obligation to hold that industry accountable.

We have the safest cars, the safest airplanes, the safest toys in the world, because, if they don't give us safe products, we sue them.

And, we have an obligation to hold these people accountable, and we need to let the average American out there know, that, if you connect the dots, and there's a media linkage to what happened, then, you have a responsibility to go after the accessories to the crime.

Now, as I'm training cops across America, I tell them this. I tell them, "Look, we're not necessarily excusing the criminal. This is not an excuse for the killer. But, if you catch a 12-year-old with crack cocaine, what are you going to do? You're going to bust 'em, right? And, what's the first thing you're going to try to find out?"

**Steinberg:** Who the dealer is?

**Grossman:** You got it! And, that's what we're talking about here. We're trying to find the accessories to the crime—the dealers, the dope dealers—and make a direct, one-to-one linkage, between violent visual imagery and a specific violent criminal act. And, when we can see clear-cut linkage, in which kids were inspired by a specific movie, a specific TV show, a specific video game—we're going to pin the tail on the donkey, and hammer these guys into the ground like a tent stake!

Education, legislation, litigation.

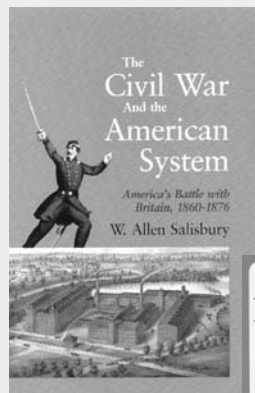
We're doing it; it's the American system. And God bless America, I think we can do it. And, I think we come out the other end of this thing, as a better nation.

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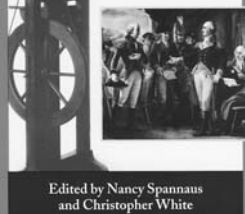


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## Tony Blair's nightmare comes to life in London mayor race

by Mark Burdman

British Prime Minister Tony Blair is facing the most significant challenge to his grip on power since he was elected on May 1, 1997. On March 6, maverick Labour Party figure Ken Livingston, a leading figure of the "Old Labour" traditional wing of the party, announced that he would run as an independent for Mayor of London, a powerful position in the United Kingdom. Livingston is challenging official Blair/"New Labour" candidate Frank Dobson, as well as candidates for the Conservative and Liberal Democratic Parties, in elections to be held on May 4. Numerous British commentators assert that, with this Livingston announcement, Blair's "nightmare" has come to life.

Overnight, Livingston has become the figure around whom the increasingly widespread anti-Blair ferment, not only in London but also across Britain, has rallied. The more Blair and friends have attacked Livingston in the days following March 6, the more his support has grown, nationally.

A senior City of London source told *EIR* on March 7 that the challenge represented by Livingston "probably is the beginning of the end" for Blair, especially should Livingston be voted in as Mayor on May 4. He stressed that Blair has maneuvered himself into a very problematic situation, by having drawn "a line in the sand," to stop Livingston, ever since Livingston challenged former Blair Cabinet Minister Frank Dobson in late February, in the fight to become Labour's candidate. The fact is, "protest against Blair is growing by the day," this source said, adding that Livingston is gaining support, because he is a "symbol of the anti-Blair feeling" spreading throughout Britain. "There are cracks in Blair's control" of the political situation in the U.K., he affirmed.

Also significant, in terms of the broader European political temperature, is that the European press—in Germany, Austria, and other countries—has clearly been sympathizing with Livingston, against Blair.

### **Against rail privatization and brutal vote rigging**

Admittedly, Livingston himself is far from being a saint. Those who know him well, even some who sympathize with what he is doing now, stress that he has always been a difficult person to get along with. He has a monumental ego, and tends to "shoot from the hip" with his political pronouncements, most recently with his support for proto-terrorist agitators opposed to the World Trade Organization. In earlier decades, when he headed the Greater London Council (the governing body for London which then-Prime Minister Margaret Thatcher disbanded in 1986), he was known as "Red Ken" because of his ties to radical elements, often referred to in Britain as the "loony left," in the ambiance of the Trotskyist Socialist Workers Party.

But at the same time, Livingston has remained faithful to the idea of Labour being a trade union- and constituency-based party, and to the state's role in promoting health care, infrastructure, and other vital necessities. He has been a key spokesman for "Old Labour" interests, against Blair's "Third Way"-oriented "New Labour," which aims to appeal to the yuppie-centered elements made rich by the Internet, "information economy" "boom" of recent years.

The main issue that Livingston has put forward, and for which he has garnered mass support, is his opposition to the privatization of London's Underground rail system, or Tube. This has been a hallmark of the policy of Blair, who has followed in the footsteps of former Prime Minister Thatcher. The issue has become a highly emotional one among Londoners and other Britons, especially following the horrifying Oct. 5, 1999 crash at the Paddington Station in London, which killed approximately 30 people (see "Blair's 'Third Way' Crashes, as Reality Intervenes," *EIR*, Oct. 22, 1999).



In a statement given to the London *Evening Standard* after his announcement for office, Livingston stressed that one “principle” he wants restored, is that “the break-up and privatization of the Underground is overwhelmingly rejected by Londoners.” Livingston said that he is determined to “keep the Underground together in the public sector, and raise the billions needed to modernize it.” Noting that Blair’s office circulated a letter to every Labour member “putting [forth] the alternative view,” Livingston affirmed that last month’s mayoral selection process “was a referendum on the government’s proposal.” While voter preference clearly indicated that Blair’s policies respecting rail privatization have been “roundly rejected,” the government “has since announced its intention to impose them nevertheless.”

Livingston is also rallying support with his accusation that last month’s selection process was brutally rigged against him, in favor of Dobson, by the Blair apparatus. It was clear that Livingston had massive support among traditional Labour constituencies, such as trade unions. But, thanks to a contorted selection procedure, and tremendous Blair arm-twisting, the victory went to Dobson. Livingston told the March 6 *Evening Standard* that London voters are not “so stupid that they would not notice blatant ballot rigging. As many Londoners have put it to me, ‘If we let them get away with this, they’ll think they can get away with anything.’” Livingston stressed that he did not intend “to take any lectures from those who have set new standards in ballot rigging.”

Writing in the Labour-linked London *Guardian* on March 7, senior commentator Hugo Young, hardly a fan of Livingston, charged that the Labour machine was “crazy,” when it “brutally rigged” the recent contest for the nomination between Dobson and Livingston. This was as “corrupt as it was grotesque,” he said, adding that within the Labour structure, there are many with “filthy hands,” but those of “the great leader,” i.e., Blair, “are the dirtiest.”

## Humiliations for Blair

The fact that Livingston is getting such a surge of support since announcing his independent candidacy, reflects not only positive support for him, but also the growing disgust, including within Labour ranks, with Blair. Blair and his government have increasingly become the focus of discontent since the beginning of this year, when the underfunded, state-run National Health Service (NHS) could not handle a health emergency caused by the flu virus (see *EIR*, Jan. 21, 2000, p. 7). For many in Britain, this symptom of infrastructure collapse was contrasted with the extravagant \$1 billion-plus spent by the government on the macabre “Millennium Dome,” a Blair pet project. There is also growing disgust at the Blair machine’s spin-doctoring and media manipulation, conducted by the all-powerful Press Secretary Alastair Campbell, and at attempts to assert control over everything going on in Britain, the which practice is known as “control freakery” in the U.K.

On March 7, the *Guardian* conducted a poll among 1,000 backers of Labour in London. The result was that 68% expressed support for Livingston, while only 13% supported Dobson. The same day’s *Evening Standard* reported that 78% of Labourites queried backed Livingston, and only 22% backed Dobson. The paper also reported substantial support for Livingston among members of the opposition Conservative and Liberal Democratic Parties living in London. Making matters even worse for Blair and Dobson, the London *Daily Telegraph* on March 8 reported significant support for Livingston, much higher than that for Dobson, among businesses operating in and around London. Trade-union leaders, especially among railway workers, are enthusiastically backing Livingston.

This is all the more ironic (and devastating for Blair), as the position of elected Mayor of London was created by Blair, as part of his so-called “democratization” reforms for his “New Britain.” For centuries there had been an appointed “Lord Mayor of London,” but that position covered solely the old City of London, the financial/banking area, not the rest of Britain’s capital.

On March 7, the Blair machine suffered a huge embarrassment, at a debate among the four Mayoral candidates—Livingston, Dobson, Liberal Democrat Susan Kramer, and a representative of Conservative Steven Norris—at the London School of Economics (LSE). The LSE is a key “intellectual” bastion of “Blairism.” Its Dean, Anthony Giddens, is Blair’s guru, and the leading propagandist, internationally, for the “Third Way” ideology, i.e., austerity with a liberal face, that Blair has promoted. Dobson himself is an LSE graduate, as is Blair’s wife, Cherie.

But at the March 7 debate, Dobson was greeted with boos, when he was introduced as “the preferred choice of Tony Blair.” One student denounced Dobson as a “stooge,” while another barked like a dog, a reference to the charge that Dobson is Blair’s “poodle.” By contrast, the reception for Livingston was ecstatic, with students cheering from the rafters, and later following him around the campus enthusiastically.

It is not surprising, that as the week of March 6 progressed, Labour insiders were reporting a mood of “panic” at party headquarters in London, and the Blair machine was trying to crush Livingston. Moving with what the March 7 London *Times* characterized as “brutal speed,” the Blairite hierarchy invoked “special powers” to suspend Livingston from the Labour Party. Blair himself declared that Livingston would be “a disaster,” were he to be elected as Mayor.

But all these moves against Livingston are backfiring against Blair, at least for the moment. Between mid-March and May 4, it can be expected that the Blair apparatus will massively escalate the attacks on Livingston. In his March 7 column, the *Guardian*’s Hugo Young warned that what will now ensue, is “two months of hate politics. . . . Labour people who are not sitting on their hands will have them wrapped around each other’s throats.”

# Mozambique victimized by floods and the IMF

by Uwe Friesecke

The scandalous reaction of Western governments to the natural disaster of floods, caused by two successive cyclones, which have destroyed Mozambique during the last five weeks, killing probably thousands and uprooting more than 2 million people, exposes once again the moral indifference and political hypocrisy of these governments in respect to Third World countries.

The floods started on Feb. 9, with heavy rainfall across Southern Africa, and Cyclone Connie hitting Mozambique. Already by Feb. 11, the United Nations warned that the lives of 150,000 people were in immediate danger from lack of food and from disease. In response to a request by the U.S. Embassy, the U.S. Department of Defense on Feb. 17 deployed a Humanitarian Assistance Survey Team to Mozambique and South Africa. By then, all Western embassies in Maputo, Mozambique's capital, were fully aware of the immediate danger, and that the Mozambique government was overwhelmed by the crisis. But almost nothing was done.

Then, on Feb. 22, tropical Cyclone Eline hit with full force the Mozambique coast near the central city of Beira. Combined with continuing heavy rainfall in the rest of southern Africa, torrents of water were sent down the rivers in Mozambique during the following five days, flooding an area almost the size of Germany along the Limpopo and Save rivers, and inundating entire large cities, such as Chokwe. Thousands of people were trapped on rooftops and in trees, and still there was no significant reaction from governments in Europe or the United States.

Only South Africa went into action, sending in military helicopters which started rescuing the stranded people. It took the U.S. President another full week, until March 1, to announce an American rescue effort, in which helicopters were to arrive beginning on March 6. The German government also began making decisions only on the morning of March 1, for deployment of helicopter crews by March 5. The French Navy even had a helicopter carrier on a visit in Cape Town, South Africa, but it wasn't deployed to Mozambique to help in the rescue.

The heroic South African helicopter crews saved more than 12,000 people. We will probably never know how many people drowned because helicopters from the United States, Britain, and Germany arrived too late. Even if one takes into account the logistical difficulties, of long distances and the lack of infrastructure in the region, there is no excuse for

these governments and their embassies to have ignored the catastrophe for weeks, and to have done nothing in preparation for the emergency. Again, only after TV cameras started showing the human desperation, did foreign ministers finally react. These governments, of the European Union, the United States, and Canada, proved once more how shallow their talk of defending human rights everywhere in the world really is.

## Why Mozambique was defenseless

But, there is another reality to Mozambique's catastrophe. The country was praised as a success story of Africa. After the 1992 peace agreement between Maputo and rebels who have been fighting nearly since independence in the 1970s, it supposedly had achieved an economic growth rate of 10% in recent years. But, why was the country completely defenseless against such a natural disaster? Because, Mozambique's success was not in the real economy; it was only a "success" in the eyes of the International Monetary Fund (IMF) and international financial investors.

For the 18 million people in Mozambique, there has been no economic recovery. The average per-capita annual income is still less than \$100. Some 50% of the population are illiterate, and 80% live in abject poverty. There are only 200,000 jobs in the formal economy. But, the country paid about \$125 million every year on its \$6 billion foreign debt obligation.

Therefore, in the seven years since the end of the civil war, neither significant infrastructure development nor broad-based development of agriculture and industry, have taken place. Only those projects which would allow international investors to extract more raw materials from the African continent, such as the aluminum smelter near Maputo, were even planned.

If the rivers in Mozambique cannot be tamed through large-scale water management projects, the country will always be vulnerable to such natural disasters. If Western governments now offer paltry debt relief of some hundred million dollars, it is another form of political hypocrisy, because the same governments still insist that Mozambique fulfill all of the IMF conditionalities, which continue to further ruin the country. If any Western government was seriously concerned with Mozambique's future, it would propose complete cancellation of all foreign debt, and it would work for the creation of a new, just world economic order, in which large-scale infrastructure projects, such as water management for Africa's river systems, could be carried out.

Because, the problem is not just Mozambique's inability to cope with a natural disaster. It is a continent-wide problem. While people drown because there is too much water in southern Africa, they die of hunger for lack of water in Kenya and Somalia. Unless the West breaks with the destructive policy of the IMF and World Bank, cancels all of Africa's debt, and begins a Marshall Plan-type of development for the entire continent, we will see many more so-called "natural disasters" taking their toll among the people of Africa.

# Is the Mideast being set up for a new war?

by Dean Andromidas

The Middle East is, as one observer put it, “being set up, slowly,” for something big. Is that something a new war?

Recent developments, including the suspension of Syria-Israel peace talks and the impasse in talks between the Palestinians and Israel, have heightened tensions among all the parties. Now, adding to this volatile chemistry, is an escalation of the destabilization of the Israeli government, through a sex scandal. A close look at the situation points to the conclusion that indeed, something is being “set up.”

At the end of January, Syria broke off peace talks with Israel, with the demand that Israel make a firm commitment to withdraw from the Golan Heights to a new border, defined by the so-called “June 4 lines” that have formed the cease-fire line between the two countries since the June 1967 war. Since January, fighting has escalated in the so-called Israeli security zone in southern Lebanon. It is feared that if Israel suffers more casualties, it will widen its area of reprisal attacks, and even strike at Syrian military positions in Lebanon.

As we reported last week, a well-connected British strategist told *EIR* that “there is a very real threat of war between Israel and Syria, within the next months, in my view. If Syria doesn’t come to terms with Israel, and Israel has to pull out of Lebanon without any deal, Israel will first waste Lebanon, and then take Syria out.” He predicted that the Americans “will tolerate” such an Israeli military action, especially as the “pro-Israeli sentiment is getting stronger in the administration, since Al Gore is more pro-Israeli than Clinton.” He added that the consensus in London and among European Union circles, is that Prime Minister Ehud Barak should drop the pursuit of an early peace deal with Syria and instead concentrate on a final settlement with the Palestinians.

Meanwhile, a vote by the Israeli Cabinet to withdraw from Lebanon by July 2000, whether or not an agreement between Israel and Syria has been concluded, was viewed by the Arabs states as a move aimed at domestic Israeli politics, and not as a sign of willingness to make concessions on territorial issues with Syria.

## The Syrian referendum bill

More important was a vote in the Israeli Knesset, or Parliament, supporting the first reading of a bill submitted by the opposition Likud Party, which would require a larger than

normal majority for passage, if a referendum were held to approve a Syria-Israel treaty. The aim of this bill is to negate the Israeli Arab vote. In addition, the bill stipulates that if registered voters do not cast a ballot, it is automatically counted as a vote against the treaty!

In addition to the opposition Likud, three government parties voted in favor of the bill, giving it a substantial majority in the Knesset. These included the Shas Party, the National Religious Party, and the Russian Yisrael B’Aliyah Party. All three parties had been in the previous government, with the head of Yisrael B’Aliyah, Nathan Sharansky, having been very close to former Prime Minister Benjamin Netanyahu.

The vote does not mean that the bill will become law. But it has been authorized to be put before the relevant committees for a second and third reading, wherein it could be defeated. Nonetheless, the bill’s first-reading passage—especially with the votes of three parties in the governing coalition—sent a bad signal to Syria.

The stalling in January of efforts on the Syrian track, all but derailed any progress on negotiations with the Palestinians. Only after the intervention of President Bill Clinton and Egyptian President Hosni Mubarak did Israeli Prime Minister Barak and Palestinian President Yasser Arafat hold two days of talks, on March 7-8. The resulting “Ramallah agreement” stipulated that bilateral talks will resume in Washington by the third week in March. It also opened the way for implementing another handover, this time of 6.1%, of West Bank territory to Palestinian control. The Sept. 13 deadline for the completion of the final settlement agreement was reaffirmed by both sides.

Any rescue of the Palestinian-Israeli peace efforts must be seen in the context of the explosive situation in the West Bank and Gaza Strip. Both Palestinian and Israeli observers were predicting that a new Intifada would be launched by disaffected Palestinians, particularly among the youth—but this time without the endorsement of Arafat.

A terror alert has been called in Israel. Israeli and Palestinian authorities have launched several operations against terror networks allegedly planning a major bombing campaign inside Israel. Israeli security forces killed three militants linked to the Palestinian Hamas organization, having traced them to their hideout, in an Israeli Arab village. Other arrests have been made by Palestinian authorities in West Bank towns under their control.

## Scandal-mongering destabilizes Israel

In the midst of this building tension, the destabilization of Israel has escalated with a sex scandal that has cost the Barak government one of its key ministers. On March 7, the Israeli mass-circulation daily *Yedioth Aharonoth* reported that a Cabinet minister was being investigated for sexually assaulting an employee of the Transport Ministry. Within hours, the minister was identified as Transport Minis-

ter Yitzhak Mordechai, the leader of the Center Party. By the end of the day, Mordechai, after having issued a public denial of the charges, announced that he would suspend himself from his ministry until after the conclusion of the police investigation.

Mordechai was a member of the Security Cabinet and Deputy Prime Minister. Still more important, as Defense Minister in Benjamin Netanyahu's government (1996-99), he was among the three individuals who pulled the plug on that disastrous regime.

The scandal hitting Mordechai has uncanny echoes of the Whitewater/Monica Lewinsky attack to bring down President Clinton. As in the case of Clinton, rumors had been circulating for years that Mordechai allegedly had a "problem." But even the attorney for the Transport Ministry employee expressed amazement at how the media exploited the case. The plaintiff's attorney said that the authorities had promised confidentiality: Yet within 24 hours, the affair had become front-page news, and the government found itself a minister short. Although the plaintiff's name was not released to the press, the results of the lie detector test, complete with its explicit questions, have been made public.

According to a report in the daily *Ha'aretz*, Mordechai had already been the object of a criminal investigation by the National Fraud Unit. That case was prompted by a complaint filed by Hannah Ziv, the author of a book that was supposed to be distributed among Israeli Defense Forces personnel. Ziv claimed that Mordechai, while Defense Minister in 1998, for corrupt reasons, cancelled the Defense Ministry's order for her book. In addition, Ziv presented the police with sexual harassment allegations against Mordechai from women who had spoken to her, but had never filed complaints, allegedly for fear of losing their jobs. The police decided to open an investigation a month ago.

Meanwhile, two other women have brought sexual harassment charges against Mordechai, which allegedly occurred in the 1980s. Shockingly, the *Ha'aretz* article reports that the police investigators have purposely put these various plaintiffs in touch with the plaintiff from the Transport Ministry, in order to bolster her determination to follow through with her charges against Mordechai.

### **A pattern in the scandals**

Whether or not Mordechai is guilty, the case fits a pattern of scandals which have beset the other two individuals who helped bring down Netanyahu. These included the cash gifts scandal against President Ezer Weizman, and the campaign finance scandal which has made Prime Minister Barak a target of criminal investigation.

As has happened in western Europe and the United States, the cumulative effect of such scandals is to breed apathy and disgust among voters. Such a negative effect occurs at a crucial turning point in Israel, since the approval of final agree-

ments between Israel and the Palestinians and Syrians, may be determined by a national referendum in which failure to vote is construed as voting against.

One must keep in mind *EIR*'s previous reports concerning the dirty-trick operations of Ya'akov Nimrodi, the former Mossad agent who had been a key player in George Bush's Iran-Contra weapons deals of the 1980s (*EIR*, Feb. 4, 2000). Nimrodi was under suspicion of having been behind the cash gifts scandal that targeted President Weizman. It was also alleged that Nimrodi had directly threatened not only Weizman, but other senior government officials. Since our report, Weizman has been officially exonerated of any wrongdoing, but Barak and the Labor Party have been hit with an election campaign financing scandal, and that in turn has led to a criminal investigation which is targeting Barak himself.

The ostensible reason for Nimrodi's vendetta is the refusal of government leaders to prevent the indictment of his son, Ofer Nimrodi, for attempted murder and corruption. (That case has revealed that the Nimrodis controlled agents of influence throughout Israel's security and criminal justice establishment, including in the police department, Justice Ministry, and State Prosecutor's Office.) It is obvious that Nimrodi's vendetta, and his connections to the Bush networks, have potentially vast strategic implications.

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# Palme murder cover-up comes under attack

by Ulf Sandmark

The controversy over who murdered Swedish Prime Minister Olof Palme on Feb. 28, 1986 in Stockholm, is mounting, as attacks on the cover-up are increasing in Sweden. The police investigation, which is now targetting a patsy named Christer Pettersson, is an ongoing scandal. The narrow debate, focusing on domestic forces and terrorists who could have killed Palme, was broken up in 1996 by former South African secret agent Eugene de Kock, when, during questioning by the South African Truth Commission, he revealed the involvement of South Africans in the Palme murder. Since then, openness to considering the possible involvement of international forces has increased.

## ‘The Independent Palme Investigation’

In a public forum in Stockholm on Feb. 26, 2000, a group of private investigators ripped apart the network of lies that has been put out as part of the official murder investigations. The group, which has met regularly since 1987, pulls together and analyzes everything that can be found about the murder. From rather isolated beginnings, they have now gained more prominence, even though they continue to be totally blacked out by the media, except for the occasional slander. The heroic initiator of the group, Fritz Petterson, has had to cut back on his activity, after being hospitalized with a severe illness. Also, a founder and one of the most active members of the group, Ingvar Heimer, was found dead just a little over a month ago, at a subway station, of causes which remain unclear.

At this year’s meeting, the group, who now call themselves “The Independent Palme Investigation,” identified, flat out, the following individuals and organizations as involved in the murder: George Bush and his Operations Sub-Group (OSG), the Iran-Contra weapons traders, the money-laundering company GMR, and South African intelligence, in collusion with Swedish policemen.

In his introduction, the new chairman of the group, Goeran Lundén, said that the investigation of Palme’s murder is not a case of just one track, but of many tracks which converge. In this way, he cut through the infighting among Sweden’s leftists, who blame the police for Palme’s murder, and others, who work their own favorite angles. “The discussion has to be open, but also follow up active disinformation,” he said. “Outside of our efforts, there is no investigation. The police

investigation has only one job, and that is to find a Magnum revolver that we know did not kill Palme. What is interesting, is who spreads the disinformation about the accused Christer Pettersson, because he is Sweden’s Lee Harvey Oswald.”

Journalist Sven Anér attacked the authorities: “You can start anywhere and you will find cover-up,” he said, using just a few examples. He summed up: “There is shit behind the murder of Olof Palme.”

The police officer who first arrived at the murder scene, Goesta Soederstroem, showed the heavily censored autopsy protocol. He reported that the coroner who wrote it, has said in an interview that Palme was shot with a small-caliber weapon. “Therefore, this protocol is covered up. The only reason for the orientation toward a Magnum revolver was the hope that such a weapon, circulating in the Stockholm criminal underworld, might possibly be connected to the fall guy, Christer Pettersson,” Soederstroem explained.

## Palme’s life

For the first time in Sweden, the meeting opened up a discussion about the life and background of the victim. A former leading conservative journalist, Ulf Nilsson, was invited to make a presentation about Palme. The chairman, Lundén, followed up Nilsson’s remarks by quoting from a publication by Lyndon LaRouche’s associates in the European Labor Party (EAP), and laid out the Nazi past of Palme and his mother’s family, the von Knierems. He presented new information about Palme’s uncle, August von Knierem, who was the head of the law department of IG Farben, and personally inspected the Nazi concentration camps providing labor for the company. Also, Palme’s policies on nuclear weapons were outlined, and the possibility was raised of his having crossed the West in his advocacy of a Nordic nuclear-free zone, or in his activities with respect to the weapons traders.

Presented next were some examples of the 10 to 20 prior warnings of the murder. This background was the basis for a talk by Henry Soederstroem, the son of police officer Goesta Soederstroem, entitled “Pointing to a Solution.” He started to bring together many different tracks, beginning with George Bush and his OSG, the Italian Propaganda-2 organization, GMR, Iran-Contra weapons traders, and the South African intelligence connections to the Swedish police, weaving a picture of a possible murder operation. For example, Soederstroem noted that the South African agent Craig Williamson was in Stockholm at the time of the murder, staying in an apartment along the murderer’s most probable escape route. A group of policemen with neo-Nazi sympathies had extensive contacts with South Africa, and precisely these officers were on duty in crucial positions on the night of the murder.

Sven Anér also presented new information about the existence of another witness, who saw the first head of the official police investigation, Hans Holmér, in Stockholm on the day of the murder, despite the fact that Holmér has claimed that

he was 230 kilometers away. There are many pieces missing from the puzzle, but the interesting thing, is that the possibility that a supranational conspiracy was responsible for the murder of Prime Minister Palme, is now being openly pursued by the group. That possibility brings to mind what Holmér once said: that the truth about Palme's murder "would shake Sweden to its foundations"—something that would definitely not happen if the murderer were Christer Pettersson, or the Kurdish Workers Party.

Thus, the line of investigation that was outlined in the *EIR Special Report* "George Bush and the 12333 Serial Murder Ring," is being followed up by this group, together with a very aggressive attack against the stonewalling of the Swedish authorities and media.

The 1999 trial in Memphis, Tennessee concerning the murder of Dr. Martin Luther King, was also taken up at the meeting, as an inspiration to the group. The chairman quoted from the only newspaper in Sweden to report, so far, on the trial—the monthly newspaper *Ny Solidaritet*, published by LaRouche's associates. In the wrongful-death civil suit, the King family convinced the jury that James Earl Ray, who was imprisoned without a trial 30 years ago for allegedly killing Dr. King, was in fact innocent. The argument by William Pepper, the lawyer for the King family, and the former lawyer of the late James Earl Ray, was read aloud from the podium: "The murder of Martin Luther King was the result of a multi-layered conspiracy, involving police and organized crime on the local level in Memphis, as well as military intelligence, the FBI, and the CIA on the Federal level."

"This is what we also see here in the Palme case," commented the chairman.

### **A trial for slander**

The question of the role of foreign agencies in Palme's murder was also raised in a four-day trial in Sweden that began on Jan. 27. In the trial, "former" British Special Air Services (SAS) agent Anthony White sued the two main Swedish tabloids, *Aftonbladet* and *Expressen*, for a half-million dollars for slander, because they had written about him as Palme's murderer, giving his name and publishing his picture. In their defense, the newspapers called in a former agent from South Africa, Col. Dirk Coetzee, to testify. Coetzee reiterated his statements about the involvement of South Africa in the murder. White denied his involvement in Palme's murder, of course, but, strangely enough, admitted to *Expressen* that he had led a group which was tasked to murder former opposition leader Joshua Nkomo of Zimbabwe, and that he had received a medal for the operation. The verdict in the trial was that the newspapers were not guilty on 65 of 66 counts.

### **Political direction of the police investigation**

On June 30, 1999, a special government commission had presented a 900-page report on its five-year investigation

of Palme's murder. The report continued the cover-up, but on a higher level, and in so doing, revealed a lot of very interesting information—including identifying who had given orders to the police to limit their investigation of Palme's murder.

A memo was made public, in which Social Democratic diplomat and Deputy Foreign Minister Sverker Aastroem, only four days after Palme's murder, gave directions to the chief police investigator, Hans Holmér, about where *not* to look for the murderer. The investigation should limit itself to "Western European and Middle East terrorist organizations," Aastroem's memo read. Neither the KGB, the CIA, nor their surrogates should be looked into. Aastroem, the "foreign policy adviser" to the police investigation, kept the lid on.

There are many hints in the report that every time a piece of information drew the police investigation close to the "red areas" in international politics, the censorship came down in two ways: a diversionary witch-hunt started against some political enemy of Palme, or the tip was just "disappeared," or filed without any further investigation. "Red areas," for example, included the arms producer Bofors, the weapons trade generally, and Palme's role as UN negotiator in the Iran-Iraq War.

The massive witch-hunt against Lyndon LaRouche and his collaborators in Sweden, based on allegations that they were somehow involved in Palme's murder, was one of the major diversions. As early as March 5, 1986, LaRouche had issued a memorandum, entitled "Operation Edgar Allan Poe," outlining an approach for a competent investigation of the murder. What should be investigated especially, he wrote, was the "Trust," the unholy cooperation across the Iron Curtain by factions within the secret service organizations, and their oligarchical controllers, in both the East and the West.

The disinformation against LaRouche was spread by Aastroem, East German secret service (Stasi) officer Herbert Brehmer, and major U.S. media. The U.S. media used the allegations to crush the March 1986 victory of LaRouche's associates in the Democratic primary races for Illinois Lt. Governor and Secretary of State, and later, in 1988-89, to help railroad LaRouche and several of his associates into prison.

The media continued the attacks, but four years after the murder, a memo by the official police investigation, dated June 20, 1990, dropped LaRouche and his associates in the EAP as suspects. The police memo summed it up in the following way:

"There is nothing concrete in the substance, which would indicate that the EAP, as a party, or that a group inside the EAP, were involved in the murder." Further, "according to what is known, neither the EAP, nor its sister parties around the world, have ever used violence directed against politicians or other public persons."

This memo became public only in 1999.

# Beijing sharpens its stance on eve of Taiwan election

by Jonathan Tennenbaum

With the March 18 Taiwan Presidential election just days away, and the outcome uncertain, the Chinese government and military continue to sound dire warnings about the consequences of any new moves toward formal “Taiwan independence.”

In his report on the work of the government, delivered at the newly opened Ninth National People’s Congress in Beijing, Prime Minister Zhu Rongji reiterated the Chinese government’s basic position on Taiwan, as laid out in the Feb. 22 White Paper on the “One China” policy (excerpted below). Later in that session, the Vice Chairman of the China’s Central Military Commission, Zhang Wannian, gave a speech whose strong language was reported in the March 6 edition of the *People’s Liberation Army Daily* under the title “‘Taiwan Independence’ Means War.” Referring to Zhang’s remarks, the article states that “putting an end to the separation situation across the Taiwan Straits and realizing full reunification of the Motherland at an early date concerns the fundamental interests of the Chinese nation and is an irreversible trend. . . . China is consistently opposed to any foreign forces meddling in the Taiwan issue and is against a handful of U.S. Congressmen who attempted to sell advanced weapons to Taiwan by concocting the Taiwan Security Enhancement Act and utilizing all kinds of pretexts. . . . We will do our utmost to seek peaceful reunification. However, we must explicitly point out that ‘Taiwan independence’ means war. . . . There is no room for compromise on this important matter of principle which concerns the future and fate of the Chinese nation.”

## A ‘better concept’ is needed

In the meantime, more rational voices in the United States are reflecting on the fact, that the major danger of a military escalation across the Taiwan Straits, does not come from Taiwan per se, but from influences outside the region, including via the United States itself (see *International* lead article on p. 50, in last week’s *EIR*). In testimony before the U.S. Congress following his return from a visit to Beijing, the Commander in Chief of the U.S. Pacific Command, Adm. Dennis Blair warned against passage of the deliberately provocative Taiwan Security Enhancement Act. Admiral Blair declared that the bill, which purportedly is designed to strengthen the defense of Taiwan, “doesn’t give me the ability to do my job better than I can today,” and, in fact, “would move us away

from peaceful resolution” of the Taiwan conflict. He further expressed the desire to see a change in policy away from “balance of power and containment thinking, to a better concept.”

Unfortunately, voices of moderation, including from President Clinton himself in his call to Congress to ratify China’s permanent normal trading status with the United States, will not suffice to defuse a situation in which operations like Richard Mellon Scaife’s “Blue Team” (see last week’s *EIR*) are allowed to run wild trying to provoke a military conflict between the United States and China. The neo-McCarthyite anti-China hysteria generated by such tools of the “flight-forward” faction in the Wall Street and London financial oligarchy—the same ones most strongly backing both Bush and Gore at this point—is not only calculated to undermine any positive U.S. policy toward China, but also to evoke as much *anger* as possible inside China itself.

An indispensable insight into nature of the situation as seen through Beijing’s eyes, and the dangerous way the United States is being played off against China, is provided by the Chinese government’s “White Paper” itself. The circumstance, that no substantial part of this important policy statement has been published or even covered in the Western media until now, speaks for itself.

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## Documentation

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*The following are excerpts from the government of the People’s Republic of China’s (P.R.C.) White Paper on “The One-China Principle and the Taiwan Issue,” released by the Information Office of the State Council on Feb. 22. Subheads have been added.*

. . . Taiwan is an inalienable part of China. . . . In April 1895, through a war of aggression against China, Japan forced the Qing government to sign the unequal Treaty of Shimonoseki, and forcibly occupied Taiwan. In July 1937, Japan launched an all-out war of aggression against China. In December 1941, the Chinese government issued the Proclamation of China’s Declaration of War Against Japan, announcing to the world that all treaties, agreements, and contracts concerning Sino-



*The Cairo Conference during World War II. Left to right: Kuomintang leader Chiang Kai-shek; U.S. President Franklin D. Roosevelt; British Prime Minister Winston Churchill; Madame Chiang. "In December 1943, the Cairo Declaration was issued by the Chinese, U.S., and British governments, stipulating that Japan should return to China all the territories it had stolen from the Chinese, including Northeast China, Taiwan, and the Penghu Archipelago," China's White Paper reads. The "One China" policy was the policy of both the People's Republic of China and the Republic of China, until the latter's Lee Teng-hui came along.*

Japanese relations, including the Treaty of Shimonoseki, had been abrogated, and that China would recover Taiwan. In December 1943, the Cairo Declaration was issued by the Chinese, U.S., and British governments, stipulating that Japan should return to China all the territories it had stolen from the Chinese, including Northeast China, Taiwan, and the Penghu Archipelago. The Potsdam Proclamation signed by China, the United States, and Britain in 1945 (later adhered to by the Soviet Union) stipulated that "The terms of the Cairo Declaration shall be carried out." In August of that year, Japan declared surrender and promised in its instrument of surrender that it would faithfully fulfill the obligations laid down in the Potsdam Proclamation.

On Oct. 25, 1945, the Chinese government recovered Taiwan and the Penghu Archipelago, resuming the exercise of sovereignty over Taiwan.

On Oct. 1, 1949, the Central People's Government of the P.R.C. was proclaimed, replacing the government of the Republic of China to become the only legal government of the whole of China and its sole legal representative in the international arena, thereby bringing the historical status of the Republic of China to an end.

This is a replacement of the old regime by a new one in a situation where the main bodies of the same international laws have not changed and China's sovereignty and inherent territory have not changed therefrom, and so the government of the P.R.C. naturally should fully enjoy and exercise China's sovereignty, including its sovereignty over Taiwan.

Since the KMT [Kuomintang] ruling clique retreated to Taiwan, although its regime has continued to use the designa-

tions "Republic of China" and "Government of the Republic of China," it has long since completely forfeited its right to exercise state sovereignty on behalf of China and, in reality, has always remained only a local authority in Chinese territory. . . .

On the day of its founding, the Central People's Government of the P.R.C. declared to governments of all countries in the world, "This government is the sole legitimate government representing the entire people of the People's Republic of China. . . ." Shortly afterwards, the Central People's Government telegraphed the United Nations, announcing that the KMT authorities had "lost all basis, both de jure and de facto, to represent the Chinese people," and therefore had no right to represent China at all. One principle governing New China's establishment of diplomatic relations with a foreign country is that it recognizes the government of the P.R.C. as the sole legitimate government representing the whole of China, [and] severs or refrains from establishing diplomatic relations with the Taiwan authorities.

These propositions of the Chinese government met with obstruction by the U.S. government. On Jan. 5, 1950, the U.S. President Truman issued a statement, saying that the U.S. and other Allied countries recognized China's exercise of sovereignty over Taiwan Island in the four years since 1945. However, after the start of the Korean War in June 1950, to isolate and contain China the U.S. government not only sent troops to occupy Taiwan, but it also dished out such fallacies as "the status of Taiwan has yet to be determined," and later, step by step, lobbied for "dual recognition" among the international community in order to create "two Chinas." Natu-



rally, the Chinese government resolutely opposed this. China has evolved the One-China Principle precisely in the course of the endeavor to develop normal diplomatic relations with other countries and the struggle to safeguard state sovereignty and territorial integrity.

The above propositions constitute the basic meaning of the One-China Principle, the crucial point being to safeguard China's sovereignty and territorial integrity.

During the 30 or 40 years after 1949, although the Taiwan authorities did not recognize the legitimate status of the government of the P.R.C. as the representative of the whole of China, they did insist that Taiwan is a part of China and that there is only one China, and opposed "two Chinas" and "Taiwan independence." This shows that for a long time there has been a common understanding among the Chinese on both sides of the Taiwan Straits on the fundamental question that there is only one China and Taiwan is a part of Chinese territory. . . .

In October 1971, the United Nations General Assembly adopted at its 26th session Resolution 2758, which expelled the representatives of the Taiwan authorities and restored the seat and all the lawful rights of the government of the P.R.C. in the United Nations. In September 1972, China and Japan signed a Joint Statement, announcing establishment of diplomatic relations between the two countries, and that Japan recognizes the government of the P.R.C. as the only legitimate government of China, fully understands and respects the Chinese government's position that Taiwan is an inalienable part of the territory of the P.R.C., and promises to adhere to the position as prescribed in Article 8 of the Potsdam Proclamation. In December 1978, China and the U.S. issued the Joint Communiqué on the establishment of diplomatic relations, in which the U.S. "recognizes the government of the People's Republic of China as the sole legal government of China" and "acknowledges the Chinese position that there is but one China and Taiwan is a part of China. . . ."

### **'One country, two systems'**

The One-China Principle is the foundation stone for the Chinese government's policy on Taiwan. On Comrade Deng Xiaoping's initiative, the Chinese government has, since 1979, adopted the policy of peaceful reunification and gradually evolved the scientific concept of "one country, two systems." On this basis, China established the basic principle of "peaceful reunification, and one country, two systems." The key points of this basic principle and the relevant policies are: China will do its best to achieve peaceful reunification, but will not commit itself to rule out the use of force; will actively promote people-to-people contacts and economic and cultural exchanges between the two sides of the Taiwan Straits, and start direct trade, postal, air, and shipping services as soon as possible; achieve reunification through peaceful negotiations and, on the premise of the One-China Principle, any matter can be negotiated. After reunification, the policy of "one country, two systems" will be practiced, with the main body

of China (Chinese mainland) continuing with its socialist system, and Taiwan maintaining its capitalist system for a long period of time to come. After reunification, Taiwan will enjoy a high degree of autonomy, and the Central Government will not send troops or administrative personnel to be stationed in Taiwan. Resolution of the Taiwan issue is an internal affair of China, which should be achieved by the Chinese themselves, and there is no call for aid by foreign forces. The aforementioned principles and policies embody the basic stand and spirit of adhering to the One-China Principle, and fully respect Taiwan compatriots' wish to govern and administer Taiwan by themselves. . . .

The Chinese government's declaration in 1979 on implementing the principle of peaceful reunification was based on the premise that the Taiwan authorities at that time upheld the principle that there is only one China in the world and Taiwan is a part of China. Meanwhile, the Chinese government took into account the fact that the U.S. government, which for many years had supported the Taiwan authorities, had accepted that there is only one China in the world, Taiwan is a part of China, and the government of the P.R.C. is the only legitimate government of China, and saw this acknowledgment as being beneficial to the peaceful resolution of the Taiwan issue.

### **The use of force**

While carrying out the policy of peaceful reunification, the Chinese government always makes it clear that the means used to solve the Taiwan issue is a matter of China's internal affairs, and China is under no obligation to commit itself to rule out the use of force. This is by no means directed against Taiwan compatriots, but against the scheme to create an "independent Taiwan" and against the foreign forces interfering with the reunification of China, and is intended as a necessary safeguard for the striving for peaceful reunification. Resort to force would only be the last choice made under compelled circumstances. . . .

As for Taiwan, upholding the principle of one China indicates that it acknowledges that China's sovereignty and territory are inalienable. . . . If Taiwan denies the One-China Principle and tries to separate Taiwan from the territory of China, the premise and basis for peaceful reunification will cease to exist.

As for the United States, if it promises to follow a one-China policy, it should earnestly implement the three communiqués between the Chinese and U.S. governments and fulfill the series of promises it has made. It should maintain only cultural, commercial, and other non-governmental relations with Taiwan; oppose "Taiwan independence," "two Chinas" or "one China, one Taiwan," and not stand in the way of the reunification of China. Acting otherwise will destroy the external conditions necessary for the Chinese government to strive for peaceful reunification. . . .

Taking Taiwan's political reality into full account and out of consideration for the Taiwan authorities' request for the

negotiations to be held on an equal footing, we have put forward one proposal after another, such as that the negotiations should be held between the Communist Party of China (CPC) and the Chinese KMT on a reciprocal basis and that the talks between the two parties may include representatives from all parties and mass organizations of Taiwan, and we have never spoken of negotiations between the “central and local authorities.” The Chinese government has also proposed that dialogues may start first, including political dialogues, which may gradually move on to procedural consultations for political talks. . . . First, negotiations should be held and an agreement reached on an official end to the state of hostility between the two sides under the principle of one China, so as to jointly safeguard China’s sovereignty and territorial integrity and work out plans for the development of the future inter-Straits relations. . .

### **Separatist forces in Taiwan**

Separatist forces in Taiwan are bent on violating the One-China Principle. In 1988, after Lee Teng-hui became the leader of the Taiwan authorities, he publicly stated time and again that the basic policy of the Taiwan authorities was that “there is only one China, not two,” and “we have always maintained that China should be reunited, and we adhere to the principle of ‘one China.’ ”

However, since the early 1990s, Lee Teng-hui has gradually deviated from the One-China Principle, trumpeting “two governments,” “two reciprocal political entities,” “Taiwan is already a state with independent sovereignty,” and “At the present stage the Republic of China is on Taiwan and the People’s Republic of China is on the mainland.” Moreover, he went back on his words, saying that “I have never said that there is only one China. . . .” Under the direction of Lee Teng-hui, the Taiwan authorities have adopted a series of measures toward actual separation. In matters of Taiwan’s form of government, the Taiwan authorities are seeking to transform Taiwan into an “independent political entity” through a “constitutional reform,” so as to suit the needs of creating “two Chinas.” . . .

Since 1993, for seven years running, the Taiwan authorities have maneuvered for participation in the United Nations. In military affairs, the Taiwan authorities have bought large quantities of advanced weapons from foreign countries and sought to join the Theater Missile Defense System (TMDS), in an attempt to establish a military alliance of a disguised form with the United States and Japan. . . .

Since 1999, Lee Teng-hui has stepped up his separatist activities. In May, he published the book *The Road to Democracy*, which advocates the division of China into seven regions, each enjoying “full autonomy.” On July 9, he went so far as to publicly distort inter-Straits relations as “state-to-state relations, or at least special state-to-state relations,” in an attempt to fundamentally change the status of Taiwan as a part of China, sabotage the relations between both sides of the Taiwan Straits, especially the basis for cross-Straits political

dialogues and negotiations, and wreck the foundation for peaceful reunification. . . .

After Lee Teng-hui’s “private” visit to the United States in June 1995, the Chinese government has waged a resolute struggle against separation and against “Taiwan independence,” and made strong protests and representations to the U.S. government for openly allowing Lee Teng-hui to visit the United States, violating its promises made in the three Sino-U.S. joint communiqués, and seriously prejudicing China’s sovereignty. . . .

The relevant department of the Chinese government has clearly stated that the attempt of the Taiwan separatists to implement the “two states” theory in “legal” form was an even more serious and dangerous step toward division and a grave provocation against peaceful reunification. Were the attempt to succeed, it would be impossible for China to achieve peaceful reunification. . . .

### **Support for the ‘One-China’ policy**

Most countries in the world have reaffirmed their position of upholding the One-China Policy. The U.S. government has also reasserted its adherence to the One-China Policy and its commitment to the “Three Non-supports” for Taiwan. Finally, the Taiwan authorities have been compelled to announce that they will not amend their “constitution” and “laws” according to the “two states” theory. Nevertheless, separatists in Taiwan are still attempting to detach Taiwan “de jure” from China in the name of the “Republic of China” by various forms. . . .

Special vigilance should be maintained to the fact that the Taiwan separatists are continually scheming to disrupt Sino-U.S. relations and provoke conflicts and confrontation between the two nations to achieve their aim of dividing China.

. . . The Chinese government remains firm in adhering to “peaceful reunification” and “one country, two systems” . . . and [is] doing its utmost to achieve the objective of peaceful reunification. However, if a grave turn of events occurs leading to the separation of Taiwan from China in any name, or if Taiwan is invaded and occupied by foreign countries, or if the Taiwan authorities refuse, sine die, the peaceful settlement of cross-Straits reunification through negotiations, then the Chinese government will only be forced to adopt all drastic measures possible, including the use of force, to safeguard China’s sovereignty and territorial integrity and fulfill the great cause of reunification. . . .

### **Reasoning of ‘two states’ theory is untenable**

The Taiwan authorities support their position on “two Chinas,” including the “two states” theory proposed by Lee Teng-hui, with the following arguments: Since 1949, the territories on either side of the Straits have been divided and governed separately, with neither side having jurisdiction over the other; the government of the P.R.C. has never ruled Taiwan; and since 1991 Taiwan has witnessed a form of government that has nothing to do with that of the Chinese mainland.

These arguments are absolutely untenable. . . .

Firstly, state sovereignty is inseparable. The territory is the space in which a state exercises its sovereignty. In the territory of a country there can only be a central government exercising sovereignty on behalf of the state. As we have already said, Taiwan is an inalienable part of Chinese territory and, after replacing the government of the Republic of China in 1949, the government of the P.R.C. has become the sole legal government of China, enjoying and exercising sovereignty over the whole of China, including Taiwan.

Although the two sides of the Straits have not been reunified, Taiwan's status as a part of Chinese territory has never changed, neither, therefore, has China's sovereignty over Taiwan ever changed. Secondly, the international community recognizes that there is only one China, that Taiwan is a part of China, and that the government of the P.R.C. is the sole legitimate government of China. Thirdly, the reason that the Taiwan question has not been settled for such a long period of time is mainly due to the intervention of foreign forces and the obstruction of the separatist forces in Taiwan. . . .

. . . The Taiwan separatists' attempt to change Taiwan's status as a part of China by referendum on the pretext that "sovereignty belongs to the people" is futile. Firstly, under both domestic and international laws Taiwan's legal status as a part of Chinese territory is unequivocal, and there can be no premise for using referendum to decide any matter of self-determination. Secondly, the phrase "sovereignty belongs to the people" refers to all the people of a state, and not certain people or the people of a certain area. The sovereignty over Taiwan belongs to all the Chinese people including Taiwan compatriots, and not to some of the people in Taiwan. Thirdly, at no time in history has Taiwan been a state in its own right, and since 1945 Taiwan has not been a foreign colony, nor has it been under foreign occupation. The issue of national self-determination, therefore, does not exist. . . .

### **'Two German states' analogy does not apply**

Some people in Taiwan have suggested that cross-Straits relations should be dealt with according to the "two German states formula," since Germany was divided into two states after World War II, and was later reunified. This proposal shows a misunderstanding of history and reality. The division of Germany after the war and the temporary division between the two sides of the Straits are questions of a different nature, the difference lying mainly in three aspects. The first is the reasons for, and the nature of, the division. After its defeat in World War II in 1945, Germany was divided into zones occupied separately by the four victorious nations of the United States, Britain, France, and the Soviet Union according to a declaration on the defeat of Germany and the assumption of supreme authority and the subsequent Potsdam Agreement. The reunification of Germany became a focus of the confrontation in Europe between the United States and the Soviet Union during the Cold War. The Federal Republic of Germany and the German Democratic Republic were estab-

lished in the zones occupied by the United States, Britain, and France, and that occupied by the Soviet Union. Thus Germany was divided into two states. Obviously, the German question arose entirely from external factors, while the Taiwan issue, left over by China's civil war, is a matter of China's internal affairs. The second aspect is the difference in status between the two under international law. Germany was divided according to a series of international treaties during and after World War II, while the Taiwan question involves provisions of the Cairo Declaration, the Potsdam Proclamation, and other international treaties, stating that Japan must return Taiwan, which it had stolen from China, to the Chinese. The third is the difference between the two in their actual conditions of existence.

Against the backdrop of the confrontation between the United States and the Soviet Union, the two German states had foreign troops stationed in their territories and so were compelled to recognize each other and co-exist in the international community. The Chinese government has always persisted in the principle of one China. Before Lee Teng-hui assumed power, and during his early days in office, the Taiwan authorities recognized only one China and opposed "two Chinas," and the One-China Principle has also been widely accepted by the international community.

For these reasons, the Taiwan issue and the German issue cannot be placed in the same category, nor can the "two German states formula" be copied to settle the Taiwan question. . . .

In recent years the Taiwan authorities have repeatedly declared that "democratization on the China mainland is the key to the reunification of China" and that "the real essence of the cross-Straits issue is a contest between systems." The demand for democracy should not be used as a reason for refusing reunification. The essence of the difference between the two sides of the Straits on this question lies by no means in the controversy over whether to practice democracy or in the controversy over what system to practice, but rather a controversy over the choice between reunification and separation.

The Taiwan question is the most crucial and most sensitive issue in the relations between China and the United States. The three Sino-U.S. joint communiqués are the basis for the healthy and steady development of relations between the two countries. . . . Regrettably, the United States has repeatedly contravened its solemn understandings with China made in the August 17 Communiqué and continued its sale of advanced arms and military equipment to Taiwan. Recently, some people in the U.S. Congress have cooked up the so-called Taiwan Security Enhancement Act and are attempting to include Taiwan in the TMDS (Tactical Missile Defense System). This is gross interference in China's internal affairs and a grave threat to China's security, obstructing the peaceful reunification of China, and jeopardizing the peace and stability of the Asia-Pacific region and the world at large.

## After Wall Street election fix, sane leaders endorse LaRouche

by Debra Hanania Freeman

Approximately 48 hours after the polls closed on the March 7 “Super Tuesday” primary elections, two volunteers organizing support for Lyndon LaRouche’s drive for the Democratic Presidential nomination, in a Maryland suburb just outside the nation’s capital, prominently displayed a sign that read, “Over 100 International VIPs Endorse LaRouche — *You Got Stuck with Gore and Bush! Feel Stupid Yet?*” It seemed to be a fair question.

Since the New Hampshire primary on Feb. 1, the American people have stood by and watched what has been, without doubt, the most blatant, top-down rigging of both major parties’ primary campaigns, in an effort to secure the anointing of two otherwise unelectable men — Al Gore and George W. Bush — by March 7. As one extremely knowledgeable and well-placed analyst remarked, “The dirtiest money Wall Street could muster has bought the most corrupt and incompetent candidates you could imagine.” And without a doubt, part of the game was to try to postpone any eruptions of the inevitable blowout of the global financial system until after that date.

### International endorsements for LaRouche

March 7 has now come, and gone. Bill Bradley and John McCain are out of the way. But, despite the lies being spewed out by America’s print and electronic media, the Presidential campaign is far from over. Indeed, perhaps the most telling — and important — development during the course of that week, has been the accelerating pattern of endorsements by prominent international figures and institutions for Lyndon LaRouche’s Presidential candidacy.

Although it is highly unusual, perhaps even unprecedented, for foreign dignitaries to voice their support for a particular candidate, LaRouche has, from the beginning of his campaign, enjoyed high-level international support. Former

Mexican President José López Portillo, many well-known Russian Academicians, and other prominent figures from Europe, as well as South and Central America, have voiced their support. Each stresses LaRouche’s fight for a new, more just financial and monetary system, and his fight to defend the sovereignty of all nations against “globalization,” and to avert the dangers of war and economic disintegration it necessarily carries along with it.

The latest endorsements are from a prestigious think-tank, the Robert Schumann Center for Europe; from Gen. Luigi Ramponi, a four-star general who served as Military Attaché at the Italian Embassy in Washington, D.C., as the head of the Italian Military Secret Services, and as a member of the Italian Senate; and from Prof. Alberto Servidio, a founding member of the Christian Democracy, and former president of the Cassa del Mezzogiorno, the Italian state lending institution created after World War II, to promote the industrial, agricultural, and infrastructural development of Italy’s southern regions.

Clearly, the acceleration of vocal support for LaRouche’s candidacy from Europe is linked to the fact that most high-ranking Europeans, and the European financial press more generally, are acutely aware of the fact that the U.S. financial bubble is about to burst, and that the entire U.S. government, including the Clinton administration, is (hysterically) avoiding that reality, thereby endangering the entire world. And, it is their growing assessment, that not only is LaRouche the only person qualified to lead the United States at this time, but that it is important that they identify themselves with him.

### DNC exclusion of LaRouche continues

In stark contrast to the statements from abroad, which come from individuals who not only know LaRouche personally in many cases, but who have also studied his work, are

the actions of the Washington-based leadership of the Democratic National Committee (DNC). The latter, operating under the combined influence of Wall Street and the most corrupt elements of the Washington, D.C. permanent bureaucracy, particularly inside the Department of Justice, continues its suicidal attempt to exclude LaRouche and his supporters, with an unending barrage of black propaganda and slanders.

On March 6, DNC Chairman Joe Andrew fled the podium in panic during a National Association of Counties conference in Washington, following a sharp confrontation with LaRouche supporters. Andrew had just concluded a presentation, and was fielding questions from the audience, when Ted Andromidas, a leading LaRouche representative from the West Coast, challenged him on his racist exclusion of delegates pledged to support LaRouche.

Andromidas cited the fact that close to 1,000 civil rights leaders and Democratic elected officials have demanded that Andrew stop the assault on LaRouche's candidacy and his attempts to overturn the 1965 Voting Rights Act. A clearly disgusted Andromidas insisted that Andrew explain why he knowingly lied in a letter sent to Democratic leaders, in which, ironically, Andrew called LaRouche a racist.

When Andrew attempted to evade the question, another LaRouche supporter, Stu Rosenblatt, refused to let him off the hook. "Joe Andrew, you are a liar! You stole *my* vote in Virginia. We won the [1996] caucus, and you refused to allow our delegates to be seated! You did the same thing in Michigan last week. LaRouche won the Democratic primary, and now you say you won't allow his supporters to participate in March 11 caucuses. You are a liar, a vote-stealer, and a racist!" Rather than respond to the charges, Andrew fled, as the audience erupted in pandemonium.

### **A suicidal policy**

It is a well-established fact that each and every time the Democratic Party has engaged in operations against LaRouche, the results have been disastrous and led to major defeats for the party. In 1986, two LaRouche associates won statewide primary bids for the offices of Lieutenant Governor and Secretary of State in Illinois. DNC officials, and others, forced the Democratic gubernatorial nominee, Adlai Stevenson III, to disassociate from the LaRouche Democrats, and withdraw from the ticket. Since then, *all* Democrats have consistently been shut out of any leading statewide position in Illinois.

Similarly, in Houston, Texas, in 1988, a LaRouche Democrat was elected chairman of the Harris County Democratic Party, one of the largest local organizations in the nation. He was prevented from taking office, and the Democratic Party was defeated in elections across the state, and has not held a statewide office since.

In Virginia, despite the fact that LaRouche Democrats were responsible for Oliver North's humiliating defeat in his bid for a U.S. Senate seat against incumbent Democrat Chuck

Robb in 1994, the Democratic Party moved aggressively against the LaRouche Democrats. Today, Senator Robb is the only remaining Democratic statewide officeholder, and during this year's primaries, some leaders of the Virginia Democratic Party urged Democrats to come out and vote for Republican John McCain!

### **International observers in Michigan**

As we go to press, a high-powered team of international observers is in Detroit, to monitor the conduct of the March 11 Michigan Democratic Caucuses. So far, the Michigan Democratic Party, acting on instructions from the DNC, says that it will not permit LaRouche supporters to participate, despite the fact that LaRouche won the Feb. 22 primary.

A letter addressed to Mark Brewer, the Chairman of the Michigan Democratic Party, asks that the observers be given access to a select number of the Saturday caucuses. It states, "As you know, the U.S. State Department and various U.S.-based private organizations, have been very prominent in criticizing various foreign nations, including Peru, Indonesia, Malaysia, and China, for alleged violations of democratic electoral procedures and principles. However, it has come to our attention that the Democratic National Committee and, under its directions, various state Democratic parties, including the Michigan Democratic Party, may be engaged in practices, which violate both the U.S. Voting Rights Act of 1965 and universally recognized standards of fair elections, which the State Department and various international agencies insist should be adhered to by all members of the international community of nations, who wish to be considered democratic."

The team of observers includes Dr. Godfrey Lukongwa Binaiisa, former President of Uganda, and his nation's first Attorney General elected after independence; Amelia Boynton Robinson, a recipient of the Martin Luther King, Jr. Freedom Medal, and a leader of the 1965 "Bloody Sunday" march from Selma to Montgomery, Alabama—the event that led to the long-overdue passage of the Voting Rights Act; Prof. Ernst Florian Winter, former Director of the Diplomatic Academy in Vienna, Austria; JL Chestnut, one of America's most respected civil rights attorneys and author of *Black in Selma*; and Ortrun Cramer, representing the International Progress Organization, a non-governmental organization. They were scheduled to report on their findings at a press conference in Washington, D.C. on March 13.

Meanwhile, LaRouche continues his drive to bring the vast majority of Americans who are otherwise frozen out of politics, back into the process. On March 11, LaRouche held a webcast town meeting with constituencies in Texas, Oklahoma, Louisiana, Mississippi, and Tennessee, all states whose Democratic primaries are on March 14. LaRouche's Michigan delegates also participated. The proceedings will be available on LaRouche's campaign website ([www.larouchecampaign.org](http://www.larouchecampaign.org)).

# Leading figures in Europe, Russia endorse LaRouche for President

*Lyndon LaRouche's campaign for the Democratic Party Presidential nomination reports that it has received a number of endorsements from influential figures in Europe and Russia. Below is a selection of material from the campaign's press releases.*

**Russia—Academician Dmitri Lvov**, a prominent Russian economist, has released a letter to Lyndon H. LaRouche, Jr., pre-candidate for the Democratic Party nomination for the U.S. Presidency. Academician Lvov's statement on LaRouche's "critical analysis of the real situation . . . in the world economy as a whole," is the latest endorsement of the American economist's candidacy from inside Russia, where LaRouche is known as the author of *Physical Economy* and the leading advocate of a "New Bretton Woods." Fourteen Russian scientists issued an endorsement of LaRouche in February (see *EIR*, Feb. 18, 2000).

Dmitri Semyonovich Lvov is the current Academic Secretary for the Economics Division of the Russian Academy of Sciences. He is the longtime Deputy Director of the Central Mathematical Economics Institute (CEMI) of the Russian Academy of Sciences, having worked closely with Academician N. Fedorenko, co-founder of CEMI.

In recent years, Academician Lvov has battled to save Russia's real economy, its industry and skilled manpower, from destruction through the neo-liberal monetarist assault that is misnamed "reform." In April 1996, together with Academicians Nikita Moiseyev, Gennadi Osipov, and Boris Raushenbakh, Academician Lvov issued an appeal to Russian Presidential candidates to seek "national conciliation," because, "The country is in danger; it is on the brink of social catastrophe." A separate statement, titled "A New Economic Policy for Russia," calling for the state to exercise some guidance in economic policy, was circulated in 1996-97 by Academician Lvov, together with Academicians Leonid Abalkin, Oleg Bogomolov, Valeri Makarov, and others, and U.S. recipients of the Nobel Prize for Economics Lawrence Klein, Wasily Leontieff, Robert Solow, James Tobin, and Kenneth Arrow.

At parliamentary hearings in June 1997, Academician Lvov testified that Russia was "in the grip of a profound financial crisis. The real economy is not working. As a result, the real tax base is shrinking and, effectively, we are cutting our economy off from the possibility of economic growth." More than a year before the financial collapse of August 1998

in Russia, Dmitri Lvov proposed an array of maneuvers, to activate idle industrial capacities in Russia, and identified the untenable situation, wherein over two-thirds of investments were going into strictly monetary profiteering in the financial sector. In May 1998, Academician Lvov chaired a national conference, "An Assessment of Russia's National Wealth." After the August crash, he initiated an "Open Letter to the President, Federal Assembly, and Government of the Russian Federation" (September 1998), from the Economics Division of the Russian Academy of Sciences, elements of which were used as a policy guideline by the Primakov government (September 1998-May 1999).

Academician Lvov's letter to Lyndon LaRouche, below, is translated from Russian.

Dear Mr. LaRouche,

It is with great interest, that I am following your participation in the Presidential electoral campaign. Your bold and profoundly argued addresses to American voters have impressed me greatly, as does your critical analysis of the real situation not only in the U.S.A., but in the world economy as a whole, including Russia. I can understand, therefore, the obstacles to the growth of your popularity among American voters, which are set up by your opponents and the mass information media, serving them.

Knowing you personally and sharing your economic ideas, I believe that people such as yourself, Mr. LaRouche, are best suited to the spirit of our time. Today, we need to have in power highly qualified politicians, who are capable of tackling extraordinarily complex social and economic, moral, financial, and political problems. This is important for the U.S.A., for Russia, and for the whole world.

I sincerely wish you success in your difficult political struggle!

**Italy—Gen. Luigi Ramponi** is a four-star general Ramponi who has been, among other things, General Commander of the Italian Finance Police (Guardia di Finanza) between 1989 and 1991, head of the Italian military secret services (SISMI) in 1991-92, and a senator in the Italian Parliament in the 12th Legislature.

Even though many in Italy are shutting their eyes to an international financial reality that is becoming ever more unstable and threatening, dreaming about magical profits and easy

wealth (in recent weeks, the new Italian Internet company Tiscali achieved a stock exchange capitalization equal to that of the giant FIAT, replicating similar examples in the international financial markets), the danger of explosion of the “speculative bubble” is undeniable. From an authoritative standpoint, among other things, we were also reminded about this by Bank of Italy governor Antonio Fazio in an interview he gave recently.

Having followed for years the analyses of the magazine *Executive Intelligence Review*, and having had the honor to meet Mr. LaRouche in a long private conversation, and during seminars and conferences organized here in Rome, I find myself on the same wavelength with analyses that expose the evident damage which an uncontrollable “financialization” is inflicting on the real economy, not only here in Italy, but to some extent, everywhere around the world.

As a military man who has served his country in various high-responsibility functions, including abroad, such as military attaché at the Italian Embassy in Washington in the late 1970s, it is easy for me to share Mr. LaRouche’s view, that economic instability internationally, accompanied by increasingly adventurist ideologies, also threatens international peace, and that the spread of local and regional conflicts since the end of the so-called Cold War, is an evident demonstration of that.

It is because of all this, that I support Mr. LaRouche’s programmatic efforts to define great infrastructural projects, such as his idea of a new “Silk Road” for the integrated development of the Eurasian continent, as the solution to the economic crisis, and as an economic development antidote to geo-political instability.

The United States needs the ideas of a man like LaRouche.

**Luxembourg**—The **Robert Schumann Center for Europe** (Centre Robert Schumann pour L’Europe) is named after the economic leader Robert Schumann, who was instrumental, together with Italy’s Alcide de Gaspari, Germany’s Konrad Adenauer, and others, in the immediate postwar period, for launching policies that brought the previously warring nations of continental Europe together, around programs for economic, scientific, and technological development. The 50th anniversary of the “Schumann Plan,” which consolidated and furthered this development process will be celebrated in May 2000.

The Center released the following statement on Feb. 28, over the signature of its Director, Bernard Zamaron:

Having studied his political action over the last years, the Robert Schumann Center for Europe supports the program of economic and financial restoration and of Eurasian cooperation promoted by Lyndon LaRouche in his Presidential campaign.

**Italy**—**Prof. Alberto Servidio** is former President of the

Cassa del Mezzogiorno (1976-78), the state banking institution created after the World War II to promote the industry, agriculture, and infrastructure development of the southern regions of Italy; he spent most of his career as a high-level manager of various Italian state participating banks and large construction and industrial companies, including Italstat, Condotte, and Bonifica. He was one of the leading organizers of the Christian Democratic party immediately after the war, and from 1964-73 was a member of its National Council. He was President of the Naples region of Campania in 1972-73.

The candidacy undertaken by the economist Lyndon LaRouche for the Democratic nomination in the U.S. Presidential primaries deserves more attention, at least at the moment, than what the mass media are giving it.

Two particular merits of this candidacy must be recognized: first, of having taken part in creating an unusual level of voter participation, which demonstrates a willingness of the voters to reassert their rights to make decisions, outside of the logic of the political apparatus; second, that of having raised concerns about the threat of a financial crisis as a possible result of a process of globalization which has allowed speculation to run rampant, to the detriment of the real economy.

If the changed attitude of the American electorate in the primaries has an essentially domestic value, then the shift in the electoral debate toward a discussion of the limits of the “global village” is a question which concerns the entire world, and especially the developed countries, which have everything to lose in a crisis.

The globalization of trade and finance is certainly positive, inasmuch as it represents an alternative to war and the traditional power politics in the competition between peoples and nations for progress and well-being; but it can also mean, as it has, due to the absence of regulations, the perfect environment for the expansion of speculation which damages the real economy.

The solution is the return to an international financial system, such as that created at Bretton Woods in 1944, which facilitates trade linked to investments and productive activity, and penalizes trade directed at merely speculative operations.

Freedom doesn’t mean arbitrariness or anarchy. A system of freedom is necessarily a system of limits, in order to avoid any prevarication that damages the rights of the individual, and of the whole.

But this is not enough. A concomitant action aimed at repairing the damage caused to the real economy by the hijacking of resources in favor of the “speculative bubble” is needed. For that reason, it seems useful to re-launch a policy of infrastructure building at all levels, which policy would benefit the development of productive activity both directly and indirectly—directly, with the investments made available, and indirectly, through the opportunities created by a better equipping of the territory and by the large interconti-

mental systems created.

For these reasons, Italy has an interest in affirming the worries and initiatives regarding this crisis, and in reviving the types of intervention which were practiced in the past, although in a different political and institutional context, with the Cassa del Mezzogiorno.

The problems which were dealt with during the experience of the Cassa, are now posed to the country as a whole, and call for adequate and up-to-date actions. The evolution toward solutions in line with greater federalism is not in contrast with this need, as there is a need for the modernization and integration of national interest infrastructure systems which connect the nation with the areas of Europe and the Mediterranean.

Therefore, the role of the United States of America in this international context concerns questions which go beyond mere momentary problems, which explains why the events which are taking place in that country today should be followed in our area, which is often entangled in a squalid debate reeking of provincialism.

In this perspective, the battle which LaRouche is carrying forward concerns us, and interests us. Thus, I express my wishes for all possible success.

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## LaRouche Webcast

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# 'Escape from fantasy into the hope of reality'

*Democratic Party Presidential pre-candidate Lyndon H. LaRouche, Jr. gave a webcast videoconference speech on March 4 to simultaneous town meetings in New York, California, Massachusetts, Michigan, and Iowa. The following are excerpts from his opening remarks. The full text and audio are at [www.larouchecampaign.org](http://www.larouchecampaign.org).*

First of all, the general situation with the election is, we have a couple of bozos running, who don't amount to anything, and don't have an idea that means anything, as far as the nation's future is concerned.

We're headed now, as I've said before, and we're on the edge of it still, for the worst financial crisis in more than 100 years, probably worse than in several hundred years. It's going to hit very soon, it's rumbling.

We're in the phase-shift, or terminal phase of a phase-shift, in which this is inevitable. The only thing that is uncertain in this respect, is exactly when, and in exactly what form will the blow-out occur? It could come as a deflationary col-

lapse, such as a Wall Street collapse; it could come as a hyper-inflationary explosion; it could come through crises, social or political crises, which are triggered by this globally. Wars and so forth.

But very soon, it's going to hit the U.S. population with the equivalent of what we experienced on Dec. 7, 1941, with the bombing of Pearl Harbor.

## Bread and circuses

These Americans, who have been sitting, whether voting or not, behaving like the proletariat in the Roman Circus, living on welfare, in a sense, of one kind or another, handouts, bread and circuses, and watching entertainment, either in the Colosseum, that is, the stadiums, the sports stadiums, or the rock concert stadiums, or on television in the form of pornography and violence; the American people are doped-up on entertainment. They're so doped-up on entertainment, that they have lost sight of reality, even when they experience it.

You have people who are much poorer and aware of it than they were 30 years ago, 20 years ago, 10 years ago, senior citizens and others. People in the lower 80% of family income brackets are worse. The conditions of life in most cities for most people, is worse. The job opportunities, the industries, all are much worse.

And yet, these idiots say, "We've been living in prosperity," including the President of the United States, who babbles this nonsense on and on, when everyone in the country, or nearly everyone, knows we're worse off than we were before. So how can people mouth, "Well, how can you argue against the prosperity?" They're living with threats to health care, where they're trying to cut health care in the name of balancing it. That's called "prosperity." They're out to cut Social Security, in the name of "protecting" it and "improving" it, and they call that "prosperity." They're cutting all kinds of things on which we used to depend, and they're calling that a result of "prosperity."

So, we have to realize that the American population is largely disassociated, in the same way that Romans sitting inside a sick and dying civilization, the old pagan Roman Empire, were going to the circuses, living on bread and circuses, and imagining that they were in the most powerful country in the world, just like many of our Americans today.

That illusion is going to be popped, and we're not going to have much success with the American population, until that illusion is popped. And it's going to be popped soon.

## Return to reality

The other side of the formula, is a crisis is necessary to shake the country up, to get it back to its senses, so people begin thinking about reality, not which candidate has some loathsome disease that makes them a "front-runner." They're going to start thinking about which candidate, or what candidates and what policies are needed, not which ones are popular on the news media, or on the entertainment media.



You need also leadership. *You need clearly articulated ideas, presented in a form that, with much discussion perhaps, but in a fairly short period of time, people can begin to get these ideas, because people are mobilized about ideas.*

We have two kinds of ideas that are most important today. One, are ideas from the past, which mostly senior citizens and people over 55 or 60 know. That is, people over 55 or 60, who are sentient and intelligent, know what the difference is between the conditions of economic life in the United States under Roosevelt, during the war, the postwar period, up until about 1966. And they can compare that with the situation, the experience we've had since 1971, with the beginning of the floating exchange rate system, and Carter, and all the other diseases that have hit us from front-runners. Diseases are generally carried by front-runners, apparently.

But, people who are senior citizens *know* that. They can compare the past with the present. Therefore, it's not difficult to explain to them, that what we must do, in terms of ideas, is junk ideas which in the past 30 years have failed us, and resume, as a starting point, the kinds of things we used to do, which worked.

Now, Clinton's going to resist that, but he's going to have to accept it.

The other thing is, there's some new things we have to do, and those also have to be explained. Our best ally in this, we who are senior citizens, is among young people, generally 25 and younger, who are largely on our campuses, or similarly intellectually involved in life. They're spunky, they have energy. They don't know much, because they haven't been educated properly. But they're eager to learn, and have the brainpower to learn.

If we could put together senior citizens and these young fellows under 25, thinking, we can do something to salvage a panic-stricken rest of the population, like the dumbos between 35 and 55, like Clinton, and his tribe.

That's the way to win. Now . . . some of you are acquainted with what Helga<sup>1</sup> presented at the recent conference in Virginia, in Northern Virginia, on this question of the Internet, game theory, and such things as Pokémon, Nintendo games. . . .

[Mr. LaRouche discusses the video-game craze, and the related new breed of violence, as typified by the police killing of Amadou Diallo in New York City.]

This is typical of an entertainment society, of a society which has fled from reality into "entertainment values." Just like people sitting at home, watching a television set, watching pornographic gore or blood-and-violence gore, or outrightly Satanic gore. People going to mass football games and world class wrestling matches—of course, highly moral edification of the population is occurring all the time. You see the sincerity and honesty of these great competitions, eh?

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1. Helga Zepp-LaRouche's speech to the conference of the Schiller Institute and International Caucus of Labor Committees is the *Feature* in this issue.

This is where people are: *They are buried in entertainment, because they are in flight from reality.* People in the upper 20% of income brackets, are largely in flight from reality. What do they believe in? They believe in the market. They believe in the Nasdaq. They believe in the Dow Jones, some of the older ones. They believe in all kinds of games. They don't believe in reality.

They say the economy's better. Who says the economy's better? These idiots? *Our economy is worse than it ever was.* Most people are suffering. The economy is dying. We've lost our factories, we've lost our farms. We've lost our infrastructure, we're losing our power sources. We're losing—the airlines are no longer trustworthy. Planes are crashing. The market's next.

Management is incompetent. The automobile industry's management is increasingly incompetent, as we have a strike going on in Seattle now. And the people on strike are right: The management is incompetent! And these planes are going to come down, crashing, unless we end that incompetence.

We live in a society where the upper 20% is insane, most of them, and the lower 80% are people who are largely fleeing from a reality they don't know how to fix, into the consolations of entertainment and related kinds of escapism.

We used to talk in the 1930s—there was a famous poem, about a poor woman going into a theater, buying a movie ticket for 10¢ and there was a poem: "For Ten Cents, a Cheap Escape From Reality." The television set, the mass entertainment, are exactly of that form. Just like poor Romans, sitting in the Colosseum, cheering for the destruction of their society and themselves.

Now these issues, these little, very much "at home" issues, as well as the economic crisis, are the issues which will move this population, in a sense of crisis, to come back to reality, because it's not safe in the fantasy world of entertainment any more.

Another example of this on the global scale, which is going to hit the United States: what's happening in Mozambique. Millions of people are dying in Mozambique. What killed them? *The IMF killed them! The IMF praised Mozambique, as a model case of a lack of infrastructural development.*

Why are the people dying of these floods? Because there was no infrastructural development, no water management, no infrastructure to support them, as we have in the United States when we get hit by a flood or an earthquake or something. Nothing there.

And nobody came to their aid, except a few helicopters from South Africa. The United States wasn't there. The European nations weren't there. And what's happening in Mozambique, is something which warns us what can happen here, and in other parts of the world.

So, the only hope of survival, is that the shocks of the crises hitting us, prompt people to come back to reality, because they realize that fantasy is no longer a safe place to live.

## The requirements of leadership

I remember this as well from the 1929-31 period. And I do remember, even as a young fellow, I remember how silly our neighbors were, and most of the people I knew. It was the Flapper Era. They believed in Wall Street — less than they do today, but they were insane. It was a crazy time.

And then, in 1929-31, a terrible reality hit. People were dying in the United States in the winter of 1932-33. They were dying in all kinds of places. Evicted, dying, particularly in the northern states, dying frozen in hobo jungles, things of that sort. Lots of them. It's going to be much worse now.

So, as the people come back to reality, because fantasy is no longer a safe place to live, we have to be there. Say "Calm down." Say, "Don't say 'Fire!' in a crowded theater. Don't run, don't panic. *We have ideas.*"

Roosevelt solved the problem once. You can criticize what he did for shortcomings or mistakes or whatever. It doesn't make any difference. The point is, he was there, he was concerned about the general welfare of the population as a whole, he took measures in that direction. Without those measures, this nation would have not gotten through the Depression and through the war as it did, and the postwar period.

So, if we have the leadership, even if it's a small minority of actual leaders now, with a minority support, in a time of crisis, that can change, as the American attitudes changed suddenly on Dec. 7 and 8, 1941, in the wake of the bombing of Pearl Harbor.

We have to be there. We have to provide leadership. We have to educate our fellow-citizens, whether they think they want the education or not. We have to spread, not slogans, but ideas, concepts.

Our fellow citizens can think. They just have to take a lot of encouragement to get them to do so. And that's what we're doing, I believe. And that's why you're sitting there in these various locations today, to assemble ourselves as a hard-core minority of people who are not only prepared to think, but are prepared to represent to our fellow citizens, a core of people on the day when reality strikes, that people can turn to, that neighbors can turn to, and say, "Okay, you were right. What is it we're supposed to do now?"

And then I think we'll do just fine. It's a tough thing. It's like fighting a war. You're sitting there, holding a nerve, waiting to take the flanking operation that might win the battle. It takes a lot of nerve. Don't jump out of the foxhole and go crazy. Or don't sit there too long and wait for somebody to drop a hand grenade in on you.

Be tight. Tight nerves. Clear-headed. Prepare to act, prepare people around you and the ground around you, to provide the kind of intellectual leadership, the leadership of ideas, which will be received by a population which has decided to escape from fantasy, which has become dangerous, into the hope of reality.

## DNC to U.S. Supreme Court: We are exempt from Voting Rights Act

In his response to Presidential candidate Lyndon LaRouche's appeal to the U.S. Supreme Court, which charges that the Democratic National Committee (DNC), by seeking to exclude LaRouche from the Presidential election process, is violating the Voting Rights Act, DNC attorney John C. "Cracker Jack" Keeney, Jr. claims that the Voting Rights Act (VRA) does not apply to any actions taken under authority of the DNC. In his argument, Keeney has invented a non-existent "exemption" from the preclearance requirements of the VRA for national political parties, and then, attributing virtually supernatural powers to the DNC, claims that the DNC can impart this exemption to state parties in covered jurisdictions (that is, jurisdictions which, under the VRA, must submit their election plans to the Justice Department for preclearance).

Keeney's logic stinks of the sophistries employed by the Texas Jaybirds and other racists, who, until the passage of the Voting Rights Act in 1965, sought to exempt themselves from the U.S. Constitution, by claiming similar extra-legal authority. The VRA, and the subsequent court cases, were supposed to put an end to this evil. Now, Keeney is saying that the DNC is a safe haven for racist policies and election-rigging practices. What state governments and state political parties can't do under the law, the DNC can — and, if the DNC waves its magic wand over these lesser sovereigns, it's all legal.

### LaRouche's response

LaRouche's attorneys filed an immediate response to Keeney's arrogant attack on the Voting Rights Act, demonstrating the similarity between Keeney's argument and those of his racist, pre-1965 predecessors.

Like the Jaybirds, Keeney molds reality to his own liking. For example, Keeney claims that Don Fowler, then DNC chair, did not "nullify votes previously cast" for LaRouche in 1996. "All votes were counted," Keeney states. It's only that the votes were disregarded when determining delegates to the Democratic National Convention, in the party's privately run delegate-selection procedure.

In LaRouche's reply, his attorneys show that precisely this ruse was thrown out by the Supreme Court in 1953. At that time, the white Democrats of Fort Bend County, Texas sought to keep blacks from having an effective vote, by setting up the so-called "Jaybird" primaries. These elections took

place in March and were limited to white voters only. The winner of the Jaybird primary would then run, usually unopposed, in the regular Democratic primary in June, in which blacks could vote. LaRouche likened the DNC's disregard of his vote to the Jaybirds of 1953: "The 'counted' votes in the actual primary and caucuses were just as empty as the public votes in the old Jaybird primary process in Texas," he said, and quoted from the Supreme Court findings:

"To be sure, the Democratic primary and the general election are nominally open to the colored elector. But his must be an empty vote cast after the real decisions are made."

### Keeney's flight from reality

Keeney's wildest flight from reality is his claim of an "explicit exemption" for national political parties from the preclearance requirements of the VRA. Keeney cites the Attorney General's Regulations, which say, "Changes with respect to the conduct of primary elections at which party nominees, delegates to party conventions, or party officials are chosen, are subject to the preclearance requirement of Section 5. Where appropriate the term 'jurisdiction' (but not 'covered jurisdiction') includes political parties."

Keeney argues that, since the state parties that implemented Fowler's edict to "disregard all votes cast for LaRouche," did so under the authority of the DNC, not that of a state, their actions did not need to be precleared. Thus, Keeney claims for the DNC (which he falsely insists is a private organization) a power above and beyond any sovereign authority in the land. The DNC, according to Keeney, has the power to implement changes in voting that would otherwise be illegal, if carried out by lesser powers such as states.

That was, of course, exactly the sleight of hand run by the Jaybirds and their Democratic Party accomplices before the adoption of the Voting Rights Act.

Sensitive to the affinity between of his argument and the racism of the past, Keeney nowhere in his argument mentions the "white primary" cases which LaRouche and his voters have demonstrated are the controlling legal precedent for this case.

Finally, Keeney claims that the First Amendment allows the DNC to exclude LaRouche and anyone who votes for him, and to nullify elections. This is just a matter of the Democratic Party's right to "define itself," he argues. Here again, the stench of Jaybird droppings. In the bad old days, the Democratic Party "defined" itself as all-white in many parts of this country. When this was outlawed, the South Carolina Democrats came up with a new way to exclude blacks under the guise of "defining" themselves. Any black could join the South Carolina Democratic Party, as long as he or she swore an oath of allegiance to uphold racial segregation! The party claimed it was just defining itself as a segregationist party,

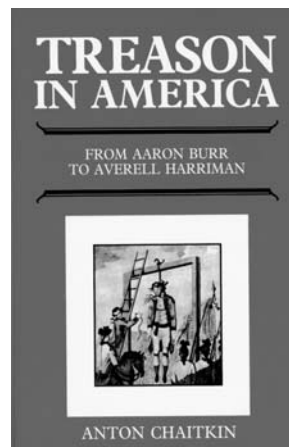
and claimed that was protected by the First Amendment, just like "The Forest Lake Country Club or the Colonial Dames of America."

In 1953, the Fourth Circuit Court of Appeals saw through this charade, and struck down the scheme, ridiculing the idea that a political party is a private club. What was rejected for South Carolina almost 50 years ago, Keeney now claims for the DNC.

Keeney claims that the First Amendment rights of a clique of bandits in the DNC, trump the First Amendment rights of the voters who supported LaRouche. In his reply, LaRouche notes, "This claim totally ignores the minority voters who joined with LaRouche to bring this action and the repudiation of Chairman Fowler's calumny against LaRouche by the civil rights veterans, minority office-holders, and former Democratic Party office-holders who defended LaRouche within the Democratic Party (J.S. App. 78-79A). The only reason for venting it again appears to be the vain hope that it might find resonance in this Court. A Motion for Leave To File an Amicus Brief has been filed in this case supporting Appellants' position by present and former Democratic Party office-holders and civil rights veterans. Appellees' emphasis of the candidate's race also underlines their extremely delimited view of the reach of the Voting Rights Act."

## Treason in America

From Aaron Burr To Averell Harriman



By Anton Chaitkin

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# Dubya's scum is rising to the top

by Scott Thompson

Texas Gov. George "Dubya" Bush is proving to be one of the most corrupt politicians that ever came down the pike. In the latest case in point, on March 6, a *New York Times* editorial entitled "Those GOP Attack Ads," called for a Federal Election Commission investigation of \$2.5 million worth of ads taken out by an entity known as "Republicans for Clean Air." The ads, which praised Dubya while attacking the record of Sen. John McCain (R-Ariz.), began to air on the eve of the March 7 SuperTuesday elections in key states. It emerged that they had been paid for by Sam Wyly, a longtime backer of both former President Sir George H.W. Bush and Dubya. The *New York Times* acknowledged that an FEC investigation would be "slow-moving," while Senator McCain's spokesmen charged that the smear campaign may have constituted an "illegal campaign contribution."

Secondly, on March 5, the London *Sunday Times*, in an article by its New York bureau chief Tom Rhodes entitled "Bush's Backers in Fraud Inquiry," pointed out that there is an ongoing investigation by U.S. Attorney for Connecticut Stephen C. Robinson, FBI Special Agent-in-Charge Michael Wolf, and IRS Criminal Investigation Division Chief Gregory Szczeszek, into how \$500 million of Connecticut state pension funds were allegedly laundered through Wayne Berman's Washington, D.C.-based lobbying firm, Park Strategies. Berman is one of Dubya's "Pioneers," who "bundled" \$100,000 or more of \$1,000 contributions to Dubya's bid for the Republican Presidential nomination. Frequently, "bundling" involves passing money under the table to a person, who then ponies up the maximum \$1,000 contribution.

According to four published sources, this investigation may also include one of the cornerstones of the "Bush League," the Carlyle Group, a Washington, D.C.-based merchant bank which not only employed Dubya as a board member on one of its subsidiaries until he was elected Texas Governor in 1994, but currently employs President Bush as one of its "senior advisers." The Carlyle Group also employed "Pioneer" Berman as a consultant, and he reportedly received \$1 million as a "finder's fee" for getting \$60-100 million of the Connecticut state pension funds placed into Carlyle by former Connecticut State Treasurer Paul Silvester. Silvester has subsequently pleaded guilty to multiple charges involving bribery, money-laundering, and running

a Racketeering Influenced and Corrupt Organization (RICO) conspiracy.

Let us now look into these two scandals in more detail.

## Sam Wyly: shutting down America's industry

On March 3, Sam Wyly cleared up the mystery of who was behind the \$2.5 million worth of ads attacking Senator McCain on clean air. In a press release, Wyly announced that *he* had formed Republicans for Clean Air, whose focus is to deregulate the energy industry and remove the "grandfather clause" in the Clean Air Act protecting fossil-fuel-burning power plants that supply most of America's electrical power. He also seeks to outlaw nuclear power plants in favor of such "renewable sources" as solar and wind power. The ads attack McCain for voting against Federal funding for highly inefficient solar and wind power programs, which the Senator considers pork barrel projects.

In announcing the creation of his group, Wyly had said: "I believe that the party that embraces Adam Smith and Thomas Jefferson can also embrace Rachel Carson. Air pollution threatens the health of our children. It causes smog, acid rain, and is clearly linked to global warming. . . . The number-one air polluting industry in the U.S. today is the generation of electricity. Most people don't know that. Much of that pollution comes from these old, coal-burning power plants that have been exempted from clean air standards. When a Republican takes a step toward clamping down on these polluting plants, I recognize them."

It was because of Wyly's lobbying that Dubya signed a bill passed by the Texas Legislature last year that would deregulate the energy industry and require 136 older, coal-fired plants to halve pollution. Said Wyly: "Our goal was to get the monopolies busted and get dirty coal plants to meet some emission standards. We think the Federal government ought to do that. We want to do it pretty quickly after the new Congress comes in next year."

In addition to running the multibillion-dollar hedge fund Maverick Capital, with his brother Charles Wyly, Jr., Sam Wyly is also founder and chairman of GreenMountain.com, which, according to his press release, is "the nation's leading retailer of environmentally cleaner electricity. The Vermont-based company sells cleaner electricity to more than 100,000 residential customers in deregulated markets, including California and Pennsylvania." GreenMountain.com sells electricity generated by solar and wind power.

The legislation signed by Dubya to eliminate energy industry regulation and retire the grandfather clause of fossil-fuel-burning power plants would greatly benefit the Wyly family financially. And if the legislation that the Wyly family lobbied Dubya to pass in Texas became the law nationwide, through yet another Bush Presidency, it would force the shut-down of what little industry remains in the United States, because electricity produced by "renewable" energy sources

would be insufficient to supply industry.

On March 6, the *Wall Street Journal* reported, “The McCain campaign says it strongly suspects that the ads were coordinated with the Bush campaign. Such coordination, if proved, could render the ads an illegal campaign contribution to the Bush campaign.”

What is known, is that Sam and Charles Wyly had been the ninth-largest career patrons of Dubya in his 1994 and 1998 gubernatorial campaigns, to which they gave \$222,773 through political action committees and individual contributions. And, Charles Wyly is also a member of Dubya’s “Pioneers.”

### **A RICO conspiracy in Connecticut**

On Sept. 23, 1999, according to a press release from U.S. Attorney for the District of Connecticut Stephen C. Robinson, former Connecticut Treasurer Paul Silvester, together with his brother Mark Silvester and his brother-in-law Peter D. Hirschel, “waived indictment and pleaded guilty to charges in an ongoing multimillion-dollar corruption probe involving charges of racketeering, bribery, and money-laundering.” According to the Justice Department, Paul Silvester abused his office by laundering some \$500 million out of the \$18-billion Connecticut state pension fund, for equity placement in five other funds, as yet unnamed, in exchange for kickbacks and bribes. A spokesman for U.S. Attorney Robinson said that there is an ongoing investigation involving multiple agencies, although the spokesman refused to confirm or deny whether or not a grand jury has been empaneled in the case.

According to a spokesman for the Connecticut State Treasurer’s office, most of the \$500 million was first placed with Dubya’s “Pioneer” Wayne Berman, director of Park Strategies and a former Assistant Secretary of Commerce in the Bush administration. Berman refused to answer questions about the extent of his involvement in the RICO conspiracy, referring *EIR* investigators to his attorney in the matter, Fred Fielding, of the Washington, D.C.-based firm of Wiley, Rein, and Fielding. Fielding did not return *EIR*’s calls.

According to a Connecticut State Treasury spokesman, after Silvester, who had been the Acting State Treasurer with full fiduciary responsibility over the state pension fund, lost his campaign to be re-elected to the post in November 1998, Berman invited him to join Park Strategies upon leaving office in January 1999. According to published sources, Berman is also a consultant to the above-mentioned Carlyle Group. As reported in “How George W. Bush Got Rich Through Graft, Kickbacks, and Family Connections” (*EIR*, Feb. 25, 2000), the Carlyle Group is today run by a high-powered “troika,” which includes former Bush administration Secretary of State and White House Chief of Staff James A. Baker III, the Carlyle Group’s senior counsel; former Reagan-Bush Secretary of Defense Frank Carlucci, the Carlyle Group’s chairman;

and, former Bush Cabinet officer in charge of the Office of Management and Budget, Richard Darman.

Two published accounts, based on leaks from the Silvester investigation, say that Berman invested a significant portion of the \$500 million of Connecticut state pension fund money with the Carlyle Group. In a February 2000 issue of *Harper’s*, investigative reporter Joe Conason wrote: “Lately, the prestigious political connections used by Carlyle’s management have brought some unwanted attention. The firm is now under pressure from Federal prosecutors who are investigating the alleged abuse of Connecticut’s state pension fund. The FBI is reportedly interested in determining whether millions of dollars were illicitly steered from the Connecticut fund to Carlyle in 1998 through Park Strategies, a Washington lobbying and consulting firm.”

The *Sunday Times* of London reported that Berman had invested \$60 million of the \$500 million in the Carlyle Group. Investigative reporter John Lender of the *Hartford Courant* claims that as much as \$100 million in pension fund money may have been invested through Berman’s intercession with Paul Silvester in the Carlyle Group.

As this author reported in the Feb. 25 issue of *EIR*, Dubya served as a member of the board of a Carlyle Group subsidiary known as Caterair, which serviced major airline companies, from the time of its takeover by the Carlyle Group in 1989 until he was elected Texas Governor. (Dubya failed to report his income from Caterair on his Texas financial disclosure form.)

Moreover, the Carlyle Group has frequently paid large honoraria to President Bush for speaking at its meetings, and, more recently, according to Conason, in 1998, President Bush joined Baker, Carlucci, and Darman as a “senior adviser” to Carlyle’s Asia Partners, which is picking over the businesses of the former “Asian Tigers.” This so-called “emerging market” opportunity arose after Dubya’s former business partner in the oil firm of Harken Energy, George Soros, led a hedge-fund attack on the “Tigers” which destroyed those nations’ currencies and stock market valuations, wiping out 50 years of development overnight.

According to the *Sunday Times*, several members of the Carlyle Group have joined Dubya’s exclusive circle of “Pioneers.” But, the ties between the Carlyle Group and the Bush dynasty do not stop there.

As soon as Dubya became Texas Governor, one of the first major pieces of legislation that he signed—which had been initiated by leveraged-buyout billionaire bandit Tom Hicks—was to “privatize” the \$13-billion University of Texas system’s endowment, forming the University of Texas Investment Management Co. UTIMCO, which was run by Dubya’s pal and campaign contributor Hicks until just last year, invested \$10 million in the Carlyle Group. And, UTIMCO under Hicks invested \$96 million in the Wyly family’s hedge fund, Maverick Capital.

## Hopes for China trade bill hang on Senate

With House Democrats becoming increasingly rebellious against giving China permanent normal trade relations status, the White House is pinning its hopes on the Senate. U.S. Trade Representative Charlene Barshefsky told reporters on March 6, "The Senate has basically indicated, particularly the Senate Finance Committee, that it wishes to proceed immediately with consideration of legislation, and certainly the administration is not about to suggest to the Senate that it not do so." She echoed President Clinton's promise of a few days earlier that legislation would be sent to the Hill by mid-week.

However, the bill will still face a rough ride in the Senate. About an hour after Barshefsky's comments, a staffer for the Finance Committee told reporters that Committee Chairman William Roth's (R-Del.) goal is "to build momentum for the deal as a whole," rather than focussing on getting it through the House. Constitutionally, the bill will be a revenue bill, and revenue bills have to originate in the House, which makes it unlikely that, were the Finance Committee to report the bill before the House Ways and Means Committee, the Senate would vote on it first, at least, not without some procedural maneuver that would make a Senate vote acceptable to the House. However, committee action is not likely to occur before all the issues of concern are aired.

In the House, Minority Whip David Bonior (D-Mich.) claimed on March 2 that there are 128 Democrats opposed to the bill. With at least 71 Republicans also opposed, that would be 199 votes against the trade agreement, 19 short of the number needed to kill it. However the House GOP leadership is not confident that they

have all the votes, and they're urging President Clinton to round up more Democrats to vote for the deal.

## Richardson grilled on oil prices and OPEC

While Democrats and Republicans argue about who is ultimately responsible for the current situation in the oil markets, they are united in their demands that the Clinton administration take dramatic action to lower the price of crude oil, and thus lower the prices of gasoline, home heating oil, and diesel fuel. And, hardly anybody on the House International Relations Committee was satisfied by the responses of Energy Secretary Bill Richardson, during a hearing on March 1.

Richardson had just returned from a tour of Saudi Arabia, Kuwait, Norway, Mexico, and Venezuela, the purpose of which was "to convince, not coerce" oil-producing countries to increase production. He called his tour a success, he said, because he believed he succeeded in convincing the relevant government officials of those countries that they need to consider increasing production. He said that he is "guardedly optimistic" that OPEC will decide to increase production at its March 27 meeting. However, he continued to resist pressure to release oil from the Strategic Petroleum Reserve.

Members of the committee, in contrast to Richardson's tepid response to the crisis, demanded immediate action. Committee Chairman Benjamin Gilman (R-N.Y.) announced that he will be introducing a bill to impose sanctions on any oil-producing nation that receives arms or other aid from the United States if it engages in price fixing. This is especially aimed at Saudi Arabia and Kuwait, which re-

ceive U.S. arms and military aid, and yet, in the view of committee Republicans, are participating in a price-fixing scheme that is hurting the U.S. economy.

The day after the hearing, a group of Congressmen from northeastern states emerged from a White House meeting where they pressured the Clinton administration to take some kind of action. Sen. Charles Schumer (D-N.Y.) said that he had never seen the administration more open to releasing oil from the Strategic Petroleum Reserve than at that meeting. Sen. Robert Torricelli (D-N.J.) told reporters, "I think the President recognizes that there is a structural problem that needs to be dealt with long-term while we await the OPEC decision that hopefully is responsive to the economic consequences internationally."

## Social Security earnings limit voted down by House

On March 1, the House voted unanimously to repeal the earnings limit for Social Security benefits for people over 65 who elect to continue working. House Ways and Means Committee Chairman Bill Archer (R-Tex.) called the limit, currently \$17,000 per year, "unfair," because it "actually cuts Social Security benefits for many working seniors over the age of 65 and it discourages them from working." Many Democrats echoed Archer's remarks and President Clinton has promised to sign the bill when it gets to his desk.

However, the unanimity of the vote is not an indication of some newfound comity between the parties. Democrats used the opportunity to agitate for their agenda. Fortney "Pete" Stark (D-Calif.) called the whole exercise a "Republican charade," because

“while we are doing this, we are still denying under Republican leadership the chance for the Patients’ Bill of Rights to go forward.” Lloyd Doggett (D-Tex.) added that while the bill provides “well-justified relief” for 5% of senior citizens, “it does nothing for the 95% . . . who rely on Social Security. It does nothing for those seniors whose health does not permit them to work and who would benefit more from getting access to prescription drugs.”

On the Senate side, John Ashcroft (R-Mo.), the chief sponsor of the bill there, on March 7 promised quick action on the bill. He said that repealing the earnings test would help 1.2 million senior citizens who can, and want to work. However, Bob Kerrey (D-Neb.) is threatening to put a hold on the bill because it doesn’t address structural reform of the Social Security system. When asked about this, Ashcroft replied, “We should accommodate the President with a clean bill.”

## **DOE reorganization gets House scrutiny**

Energy Secretary Bill Richardson rode out a storm of hostile questions from the House Armed Services Committee on March 2, on the reorganization of the nuclear weapons functions of the Department of Energy. Legislation passed last year, in the wake of charges of alleged Chinese spying at U.S. nuclear weapons labs, mandated the creation of a National Nuclear Security Agency, which was to be in place by March 1.

Committee Chairman Floyd Spence (R-S.C.) said that a review of the implementation of the act “suggests that the goal of the Department was not to implement the fundamental

changes required by law, but rather to ensure that the existing organizational structure lines of authority and fiscal and managerial practices of DOE remain intact.” He went after the practice of “dual-hatting,” where some DOE officials have positions both DOE-wide and in the new agency. The fact that only 18 employees out of 2,013 in the new agency are dual-hatted did little to appease committee Republicans.

Richardson assured the committee that the new agency is now in place and that the dual-hatting is perfectly legal and necessary. He said that he would be seeking legislation to make changes which would restore the Secretary’s authority over all employees in the Department, a provision which was included in the Senate version of last year’s legislation, but was removed in conference committee.

Richardson complained that he hasn’t been provided with adequate funds to fully implement the reorganization. He said that he had asked for funds for the additional positions, environmental cleanup, counterintelligence, the labs, and for other functions, and hadn’t gotten them. “So I would ask,” he said, “if you want to have a strong, semiautonomous agency, maybe you can help us get some of this money.”

## **Gun control gets renewed emphasis**

President Clinton and Congressional Democrats turned up the heat for gun control legislation, after the fatal shooting of a six-year-old girl by a six-year-old boy in a school in Flint, Michigan on Feb. 29, and a shooting incident in Pittsburgh the following day that left five wounded. Administration efforts culminated in a meeting at the

White House on March 7 between the President and leaders of a conference committee which is negotiating a juvenile crime bill that was passed by both Houses last summer. The conference committee has yet to meet, because of differences over gun control provisions in the bill; Clinton’s intent was to get that process started.

Senate Judiciary Committee Chairman Orrin Hatch (R-Utah) told reporters after the meeting that he was concerned about convening the conference committee because “instead of helping us to get there, it might help to polarize even more.” He said that the major difference between the GOP and the White House is the provision, originally sponsored by Sen. Frank Lautenberg (D-N.J.), to provide for background checks at gun shows. Hatch said that the Lautenberg amendment “would basically do away with gun shows and . . . push these people out into the streets where we’d have more problems with guns.” He said that the crime bill is “99% not about guns,” but “some have succeeded in making this a debate about guns when the bill itself is so much more important than that.”

President Clinton said that “for the past eight months, the leaders in Congress have done virtually nothing to complete a final bill.” He called on Congress to send a bill to him by April 20, the first anniversary of the tragedy at Columbine High School in Littleton, Colorado. The President asked for the bill to include provisions requiring child safety locks on handguns, banning the importation of large capacity ammunition magazines, extending the Brady law to violent juveniles, and “closing the gun show loophole.” He argued that the Brady law is stopping criminals from buying handguns in gun stores, and its provisions need to be extended to gun shows.

# National News

## Black Secret Service agents file complaint

A group of veteran black U.S. Secret Service agents filed a class-action complaint with the Equal Employment Opportunity Commission (EEOC) on Feb. 24, accusing the Service of a pattern and practice of racial discrimination. The complaint charges that the pattern of discrimination involves performance evaluations, transfers, assignments, training, promotion, and a "racially hostile work environment."

The two lead plaintiffs in the complaint are Reginald Moore, a lead agent in President Clinton's security detail, and John Turner, a member of Vice President Gore's security detail.

One of the lawyers representing the group, attorney John Relman, called "for the direct intervention of the President or the Vice President to assure that these practices are investigated and are stopped."

Another of the plaintiffs' lawyers, David Shaffer, has also represented agents at the Federal Bureau of Investigation (FBI) and the Bureau of Alcohol, Tobacco and Firearms (ATF) in similar actions. "What makes it so compelling at the Secret Service is that they are willing to take a bullet for the President, but they can't get promoted because of their race," Shaffer said.

## Judge won't reinstate black U.S. Marshal

U.S. District Judge Thomas Penfield Jackson on Feb. 25 refused to order the U.S. Marshals Service to reinstate a black Deputy U.S. Marshal who was dismissed from his position, after having complained of a pattern of racial discrimination within the Marshals Service, the weekly *New Federalist* reported on March 6. Judge Jackson said that he will allow Deputy Marshal Matthew Fogg \$300,000 in compensatory damages, and back pay up through September 1995, but he denied the rest of the equitable relief sought by Fogg, and said the matter will have to be decided by the U.S. Court of Appeals.

Fogg, a highly decorated 20-year Deputy Marshal, was awarded a \$4 million judgment and other relief in April 1998, by a Federal jury which found that the U.S. Marshals Service (USMS) had carried out a 13-year vendetta against him, in retaliation for his efforts to expose and eliminate racial discrimination and corruption within the Marshals Service.

In its opposition papers filed in the Washington, D.C. Federal court, the Justice Department argued that Fogg, should not be reinstated, because he maintains a website on the Internet "where he makes brazen allegations of racism and corruption against various USMS officials," and because "plaintiff gave an extensive interview to a newspaper, *The New Federalist*, a Lyndon LaRouche publication, wherein plaintiff made statements against the USMS and the Department of Justice."

The Justice Department also complained that Fogg "has been using his free time to become a public speaker against racism."

The government included as an exhibit, a copy of the Fogg interview, which was published in *New Federalist* on Dec. 7, 1998.

Both Fogg and the government will appeal Jackson's ruling.

## Labor leaders quit U.S. trade commission

On Feb. 25, AFL-CIO President John Sweeney and two other labor leaders—President Jay Mazur of UNITE! and President Lenore Miller of the Retail, Wholesale and Department Store Unions—resigned from President Clinton's Advisory Committee on Trade Policy, in a dispute over trade policy with China.

Improvement of U.S. relations with China is one of the keystones of President Clinton's foreign policy, and one of the most crucial for world peace and economic development.

Sweeney's letter said, "We are not willing to put up with a role that consists entirely of writing minority dissents to reports that do not give adequate weight to workers' legitimate and urgent concerns." Sweeney ac-

cused the "business leaders" on the panel of pushing through a "pro-China agenda" over the objections of labor. The Advisory Committee is expected to soon issue an endorsement of the trade agreement that President Clinton negotiated with China.

The White House has been lobbying heavily in Congress to gain approval for normal trade relations status (formerly most favored nation) with China, and for China's membership in the World Trade Organization. Vice President Al Gore is reported to have put out the word that if the approval of the China trade agreement and WTO fails, he would negotiate "a much tougher" package with China. Gore's actions have been considered a direct assault against White House policy.

## McCaffrey: U.S. is center of drug trafficking

The headquarters of international drug trafficking is in the United States, not in Mexico, said Director of the Office of National Drug Control Policy Gen. Barry McCaffrey (ret.), the Mexico City daily *La Jornada* reported on Feb. 26. McCaffrey was responding to charges by U.S. Ambassador to Mexico Jeffrey Davidow, that the "world headquarters of drug trafficking" is located in Mexico.

Asked to respond to Davidow's statement, McCaffrey said "no," those headquarters "are here, in the United States. . . . We have five million addicts; our country is spending more than \$30 billion on drugs. I always hate hearing about who has the worst drug problem. The United States has 52,000 deaths each year. . . . We spend millions on cocaine" (quotes retranslated from Spanish).

On Feb. 25, the Mexican Foreign Ministry called in the U.S. Embassy's Chargé d'Affaires James Derham (Davidow was out of the country) to express anger over Davidow's statement, "which neither contributes to, nor reflects Mexican and U.S. efforts to cooperate in the battle against drugs." Acting Foreign Minister Carmen Moreno told Derham to communicate to Davidow that the Mexican government finds his remarks "strange," as they contradict statements by McCaffrey and Secretary of State Madeleine



## Briefly

**SADDAM HUSSEIN** will be toppled by a military coup, said Frank Ricciardoni, formerly the number-two man in the U.S. Embassy in Ankara, the Turkish daily *Milliyet* reported on March 2. Ricciardoni was recently appointed by Secretary of State Madeleine Albright as Special Representative for Transition in Iraq, to work with the Iraqi opposition. He told *Milliyet*: "Most probably, there will be a military coup. . . . All I can say is that it will be very sudden and without warning."

**UNITED AUTO WORKERS** President Stephen P. Yokich said that his union may not endorse any Presidential candidate, *UAW Solidarity* magazine reported in its March issue. "I know who I'd vote for, but I'll keep that to myself, as we haven't endorsed. And maybe we won't endorse," he said.

**MINORITIES** make up 74% of Federal death row inmates, according to the Death Penalty Information Center. Of the 188 defendants against whom the Attorney General has authorized the government to seek the death penalty, since capital punishment was reinstated in 1988, 45 have been white, 35 Hispanic, 10 Asian/Indian, and 98 African-American.

**RICHARD HUBER**, the CEO of Aetna-U.S. Healthcare, resigned in February, as the company's stocks plummet and lawsuits mount. William H. Donaldson, the former head of the New York Stock Exchange, will replace him. Aetna insures 47 million Americans.

**YOUTHS** under 18 are increasingly being sent to state prisons as adults, according to a study by the Department of Justice. The number of such youths more than doubled, from 3,400 to 7,400, between 1985 and 1997. Defendants under 18 are prosecuted in either adult or juvenile courts, depending on state law. The study estimated that about 61% of those under 18 sent to state prisons in 1997 were incarcerated for a violent offense, including 7% for murder.

Albright, both of whom have lauded U.S.-Mexican cooperation in the anti-drug war. Moreno reminded Derham that very large criminal organizations operate in the United States, dedicated to the production, trafficking, and distribution of drugs, as reported in the "Joint Diagnosis on the Drug Problem" document, which both governments recently approved.

### Court rules against Giuliani's workfare

The fascist policy of New York City Mayor Rudolph Giuliani toward homeless New Yorkers was dealt a blow on Feb. 22, when State Supreme Court Justice Stanley L. Sklar ruled that New York may not force homeless adults to accept workfare jobs in exchange for city shelter.

Giuliani denounced the decision, saying, "I expect the Court of Appeals to reverse it pretty quickly." The law requiring the homeless to work or be evicted or even jailed, stems from a 1995 regulation of the State Department of Social Services at the city's request. Judge Sklar ruled that the law which city officials cite in support of the work requirement may be constitutional, but it violates a consent decree that requires the city to give shelter to every needy adult who seeks it.

### Weinberger: U.S. may go to war with China

Sir Caspar Weinberger, the former U.S. Defense Secretary, said that the United States might have to go to war with China, according to Insightmag.com on Feb. 29.

Weinberger was commenting on a warning in the Chinese *People's Liberation Army Daily*, that the United States would pay a "high price" if it went to war with China over Taiwan. China "is a country with certain strategic attack capabilities, and long-distance strike capabilities. It would not be wise to fight a country like China," the PLA newspaper said.

Weinberger told a meeting on Capitol

Hill on Feb. 28, "It might not be wise for America to go to war with China, but it might be necessary." Weinberger said that what he called the threat by the PLA to attack the U.S. mainland with long-range missiles, needs an "unequivocal, immediate, unambiguous, firm response."

Speaking to the Monday Club, hosted by former newspaper editor M. Stanton Evans, Weinberger criticized Clinton's new Ambassador to China, Joseph Prueher, as too weak; he noted reports of China's missile deployment aimed at Taiwan, and said that the United States should have built the missile-defense shield proposed by President Reagan. But, blaming the Clinton administration, Weinberger said, "I don't think we are ready for military conflict with China."

### FBI probes Virginia 'supermax' prison

The Federal Bureau of Investigation is conducting a preliminary investigation at Wallens Ridge Prison in southwest Virginia, in response to allegations of abusive treatment of New Mexico inmates who were housed there, the *Richmond Times-Dispatch* reported on Feb. 28, in an article on the state's infamous "supermax" prisons.

Virginia has two supermax facilities, and guards have fired their weapons—either warning shots or rubber pellets—more than 250 times since the beginning of 1999.

At the Red Onion Prison, there were 167 shooting incidents last year, and, as of last August, at least 63 inmates had been hit. As of early February, 24 shots had been fired this year, with seven inmates hit. According to a Human Rights Watch report on Red Onion Prison, staff members fired at inmates with shotguns, for misconduct that should have been handled by unarmed staff, and inmates should have been shocked with electronic stun devices instead.

Dr. Stuart Grassian, an expert on solitary confinement who is a psychiatrist and professor at Harvard Medical School, was quoted by the newspaper: "In my experience, these places are breeding grounds of sadism." He was speaking at a conference on supermax prisons.

## Editorial

### *Stupor Tuesday, the world's laughing-stock*

The shameless rigging of the American primary process by Wall Street money, which reached its acme on Tuesday, March 7, has confirmed America as the “giant with a head of clay,” and laughing-stock of the world. As Lyndon LaRouche had forecast since 1998, the primaries were totally rigged, so as to choose Al Gore as the only potential Democratic candidate who is repugnant enough to make the otherwise unelectable George W. Bush, the President of the United States.

Europeans, South Americans, and others outside the United States, don't know whether to laugh, cry, or scream in terror. This is no exaggeration: Just speak with them, or read their press. And how else should they respond, when Wall Street has positioned a homicidal nitwit, “Dubya” Bush, into the succession to George Washington, John Quincy Adams, Abraham Lincoln, William McKinley, Franklin Roosevelt, and John Kennedy? And this in no ordinary period, but a period of deep, existential world crisis.

If “Dubya” were actually to become President, the only comparison would be to the final months of the so-called Woodrow Wilson administration (another Wall Street stooge), after that President's nervous breakdown, when the psychotic Wilson spent his time hiding in a closet somewhere in the White House, and saw no one, apparently, except for his wife.

Do you want a homicidal puppet as President, a non-entity, at a time when the very existence of the United States and other nations is threatened by looming economic collapse, and probably by war as well?

If you didn't vote for Lyndon LaRouche, then you brought this mess on yourself “fair and square,” as they say, and you have no one to thank but yourself. If it was the general election, instead of primary elections, which had occurred on March 7, then you had just as well kiss your family and yourself good-bye. You would have made your last really bad mistake, right then and there.

Fortunately, there is another chance — if, probably, only one. An unavoidable financial mega-crash, which was barely postponed past March 7 by Alan Greenspan's printing-presses, is about to bust loose. Neither the exact day, nor its exact form can be forecast, but it will be very soon, and very severe — one of the worst in history. And that will overthrow the apple-cart of the

rigged primaries and rigged nominating conventions.

For a short period — days or weeks, perhaps — Wall Street will become a joke, rather than a power to be feared. If you prepare now, so that you and those around you are ready at that point, you will then have your chance to make Lyndon LaRouche President — the only man with the competence to take on this crisis, as Franklin Roosevelt did in his time, in taking on the Depression and World War II.

If you think that that is an exaggeration, then look at the endorsements for Lyndon LaRouche as U.S. President, which are coming in daily from leading statesmen, scientists, artists, and scholars in Europe, South America, Asia, and Africa. Certainly never before in this century — perhaps never in history — have such numbers of senior leading figures around the world, involved themselves in trying to ensure anyone's election as President of the United States.

What is it that they know, that you don't? A lot. There is no population in the world, which has been “dumbed down” the way Americans have. To believe in 108 months of increasing prosperity, when health care and Social Security are being destroyed, and when families must work three or four jobs or more, just to survive. When record numbers of Americans — never mind Asians and Africans — must go to bed hungry, night after night. To believe in “business as usual,” when the world is in a crisis which will destroy civilization, unless we make a sudden, sharp turn in all our policies.

To believe you can survive without thinking and without caring — that is the biggest mistake of all. That sort of stupid, desperate confidence in the usual routine, is always found precisely before the greatest historical crises and catastrophes. If you continue in that way, if you don't reform, then you and your family will not survive. You won't make it.

So listen to your friends in Europe and elsewhere overseas, generally the smartest people in their own countries, who are telling you we need Lyndon LaRouche as U.S. President. Be smart enough yourself, to act on their advice while there is still time.

The time will come, but no one can know exactly when. Will you be ready?

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12 Midnight
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(E. Suffolk)  
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- BROOKLYN—BCAT  
Time Warner Ch. 35  
Cablevision Ch. 68  
Sundays—9 am
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MediaOne Ch. 32/6  
Wednesdays—3 pm
- HORSEHEADS—Ch. 1  
Mon., Fri.—4:30 pm
- HUDSON VLY.—Ch. 6  
2nd, 3rd Sun.-1:30 pm
- ILION—T/W Ch. 10  
Saturdays—12:30 pm
- IRONDEQUOIT—Ch. 15  
Mon., Thu.—7 pm
- ITHACA—T/W  
Ch. 78: Mon.—8 pm  
Ch. 78: Thu.—9:30 pm  
Ch. 13: Sat.—4 pm
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Tuesdays—4 pm
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T/W Ch. 34; RCN Ch. 109  
Sun., Mar. 12, 26: 9 am
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- QUEENS—QPTV  
Ch. 57: Mar. 12—8 pm  
Ch. 58: Mar. 23—1 pm
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Thursdays—7 pm
- RIVERHEAD—Ch. 27  
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- ROCHESTER—Ch. 15  
Fri.-11 pm; Sun.-11 am

## OHIO

- ROCKLAND—Ch. 27  
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- SCHENECTADY—Ch. 16  
Tuesdays—10 pm
- STATEN ISL.—Ch. 57  
Thur.-11 pm; Sat.-8 am
- SUFFOLK—Ch. 25  
2nd, 4th Mon.—10 pm
- SYRACUSE—T/W  
City: Ch. 3  
Suburbs: Ch. 13  
Fridays—8 pm
- UTICA—Ch. 3  
Thursdays—6 pm
- WATERTOWN—Ch. 2  
Tue: betw. Noon-5 pm
- WEBSTER—Ch. 12  
Wednesdays—8:30 pm
- WESTFIELD—Ch. 21  
Mondays—12 Noon  
Wed., Sat.—10 am  
Sundays—11 am
- W. SENECA—Ch. 68  
Thu.—10:30 pm
- YONKERS—Ch. 37  
Saturdays—3:30 pm
- YORKTOWN—Ch. 34  
Thursdays—3 pm
- NORTH CAROLINA  
• MECKLENBURG  
Time Warner Ch. 18  
Saturdays—12:30 pm
- NORTH DAKOTA  
• BISMARCK—Ch. 12  
Thursdays—6 pm
- OHIO  
• FRANKLIN COUNTY  
Ch. 21: Sun.—6 pm
- OBERLIN—Ch. 9  
Tuesdays—7 pm
- REYNOLDSBURG  
Ch. 6: Sun.—6 pm
- OREGON  
• CORVALLIS/ALB.  
AT&T Ch. 99  
Tuesdays—1 pm
- PORTLAND—AT&T  
Tue.—6 pm; Ch. 27  
Thu.—3 pm; Ch. 33
- RHODE ISLAND  
• E. PROVIDENCE—Ch. 18  
Sundays—7 pm

## Texas

- EL PASO—Ch. 15  
Wednesdays—5 pm
- UTAH  
• GLENWOOD, Etc.  
SCAT-TV  
Ch. 26, 29, 37, 38, 98  
Sundays—about 9 pm
- VIRGINIA  
• CHESTERFIELD  
Comcast Ch. 6  
Tuesdays—5 pm
- FAIRFAX—Ch. 10  
Tuesdays—12 Noon  
Thu.-7 pm; Sat.-10 am
- LOUDOUN—Ch. 59  
Thu.-7:30 pm, 10 pm
- P.W. COUNTY  
Jones Ch. 3  
Mondays—6 pm
- ROANOKE—Ch. 9  
Thursdays—2 pm
- SALEM—Ch. 13  
Thursdays—2 pm
- WASHINGTON  
• KING COUNTY  
AT&T Ch. 29/77  
Thursdays—3 pm
- SPOKANE—Ch. 25  
Wednesdays—6 pm
- TRI-CITIES  
Falcon Ch. 13  
Mon-Noon; Wed-6 pm  
Thursdays—8:30 pm
- WHATCOM COUNTY  
AT&T Ch. 10  
Wednesdays—11 pm
- YAKIMA—Ch. 9  
Sundays—4 pm
- WISCONSIN  
• KENOSHA—Ch. 21  
Mondays—1:30 pm
- MADISON—Ch. 4  
Tue.-2 pm; Wed.-8 am
- MARATHON COUNTY  
Charter Ch. 10  
Thursdays—9:30 pm;  
Fridays—12 Noon
- OSHKOSH—Ch. 10  
Fridays—11:00 pm
- WYOMING  
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