

EIR

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Israel's patriots versus Harvard's racists
LaRouche sets tone for Democratic victory
Cargill man nixes U.S. food reserves

**Beijing's Grand Design
for Eurasian development**



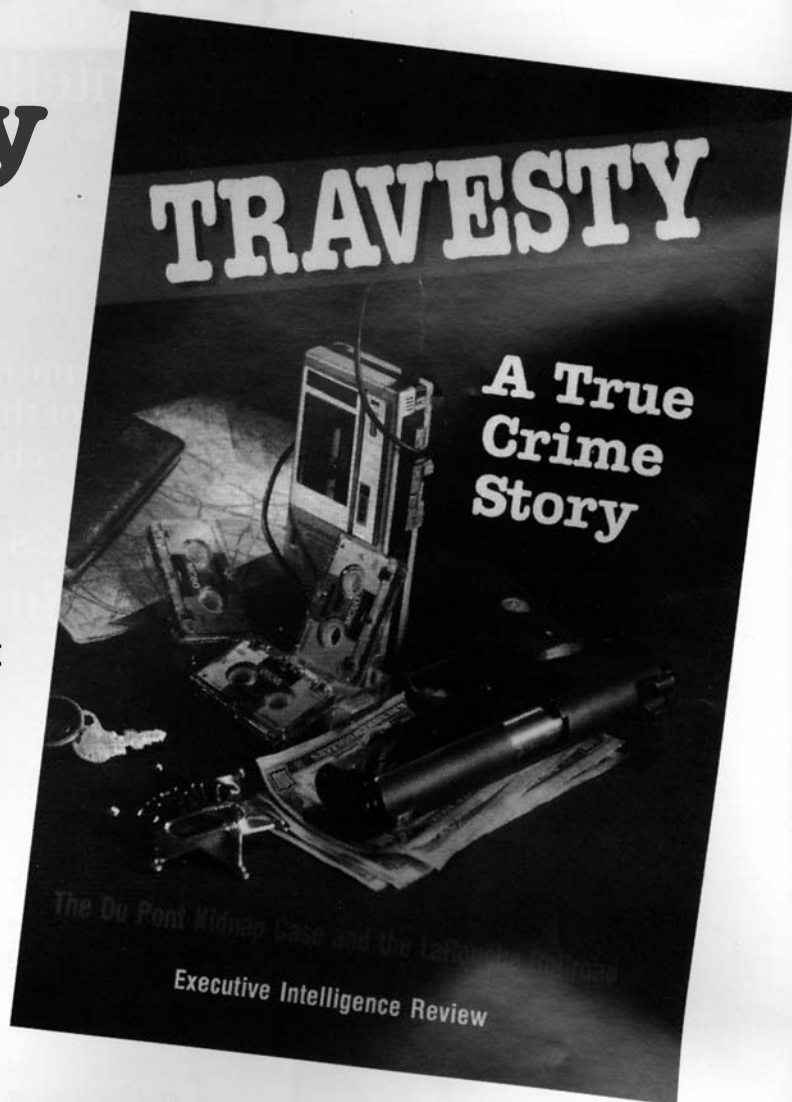
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From the Associate Editor

Helga Zepp LaRouche, the founder of the Schiller Institute, became widely known as “the Silk Road lady,” during her 1994 campaign for election to the German Bundestag. In a Sept. 22, 1994 television broadcast, she said: “We need economic integration of the Eurasian continent. For example, the construction of a land-bridge along the old Silk Road, as far as China and South and Southeast Asia.”

In our *Feature*, you will find an exclusive report on the intervention by “the Silk Road lady,” during a recent conference in Beijing on the New Euro-Asia Continental Bridge. Mrs. LaRouche first visited China in 1971, during the Cultural Revolution. We publish her commentary on the amazing changes that have taken place during the intervening 25 years, and on China’s potential role in “taking the cause of humanity forward,” on p. 48.

The views presented by the Schiller Institute delegation found a strong resonance among many of the speakers from China—and were sharply repudiated by the British representatives in attendance.

Is the British oligarchy upset, that the ideas of Lyndon and Helga LaRouche are being presented to a nation of 1.5 billion people, one-fifth of the human race? You bet they are. A counterattack is now under way in Australia, among other places, where a renewed campaign of slander has been launched against LaRouche. We shall have a report on this next week.

Not coincidentally, LaRouche’s advice to Australians, in a May 1993 speech, was that they play a leading role in developing China. “The great challenge of this period,” he said, “is to bring the Confucian heritage of China to its proper realization. . . . Australia must make itself *indispensable* to the peoples of this region . . . and become an outpost of the very best which the Americas and Europe and the European tradition have had to offer, to the benefit of all the peoples of this region.” No wonder the British, who want Australia to be an outpost for managing hot-money operations in the Asian sector of “the Empah,” are chewing their nails.

Don’t miss Anton Chaitkin’s excellent *Investigation* into who is behind Harvard twerp Daniel Jonah Goldhagen, author of *Hitler’s Willing Executioners: Ordinary Germans and the Holocaust*.

Susan Welsh

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Corrections: In *EIR*, May 24, the article on p. 21, "The Queen's 'Honorary Knights' in America," contained errors respecting British honorary titles, of putative U.S. citizens, which had been supplied by British official sources. Continuing inquiry has developed information from higher authorities. Gen. Colin Powell is actually a Knight Commander of the Order of the Bath, making him the third highest knight in the United States, just below Presidents Reagan and Bush (and above Henry Kissinger). Caspar Weinberger is a Knight Grand Cross of the British Empire.

In the same issue, on p. 25, footnotes 2 and 3 were reversed.

National

72 LaRouche sets the tone for Democratic victory

Having won nearly 600,000 votes during the Presidential primaries, despite a media blackout of his candidacy, LaRouche moves to the next phase of his campaign: "roasting" the fascists who are demanding budget cuts that will lead to the certain death of their poor, sick, and elderly constituents.

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Cargill issues free trade edict, as cupboards go bare

by Marcia Merry Baker

As the 1996 northern latitude crop year proceeds with a much-damaged U.S. June winter wheat harvest (and no “miracle crops” anywhere else), the need for emergency measures to aid domestic food supplies, including in the United States, becomes clearer every day. U.S. grain stocks are now at their lowest since World War II. For 12 months, the European Union has taken repeated actions to protect grain for domestic use. Japan has augmented its rice reserve. Import-dependent nations are seeing scarce grain prices soar out of reach. On June 6, Bulgaria declared a national bread emergency, as the agriculture minister resigned.

Limited measures have been taken by the Clinton administration. On May 30, Agriculture Secretary Dan Glickman asked the White House for permission to release 48 million bushels of government-held grain reserves, to distribute as cattle feed relief to farmers hit by drought, high feed-grain costs, and low prices for their beef. Cattlemen are getting the same beef price now as in 1977, because of systematic underpayment by the meat cartel (IBP, Cargill, ConAgra, and National Beef) which controls 87% of U.S. beef slaughter. The irony is, that the only reason there are any government stockpiles on hand, is because they are “leftovers” from a past era of strategic food reserves policy. The new “Free Market Transition” seven-year national farm law specifically forbids government food reserves, in deference to the food cartel which preens itself as the “free market forces.”

June 7 was the release date for a set of recommendations and a report from a USDA-commissioned Committee on Concentration in Agriculture (formed in February 1996), on how to deal with the unprecedented degree of monopoly control by a few large processing and trade firms in grains, oils, meat, dairy, sweeteners, flour, baked goods, fruits, and vegetables.

EIR, in several issues over the past year, has documented the percentages of control over different food commodities

the prominent companies have, as well as their interconnections to mostly London-serving financial and political control networks. (See especially our *Special Report*, “The Sun Never Sets on the New British Empire,” *EIR*, May 24, 1996.)

To protect their image, even farm state Republican congressmen are breaking ranks with Conservative Revolution anti-government dogma, and have called for national intervention to aid farmers and food. Sen. Larry Pressler (R-S.D.), challenged for his seat this fall by Rep. Tim Johnson (D), has come out for anti-trust action against the meat cartel companies that are underpaying cattlemen for beef. Senate Agriculture Committee Chairman Richard Lugar (R-Ind.) held hearings May 15 and June 5 on commodities speculation in the grain belt.

Cargill: ‘No to national food sovereignty’

Lest the idea of emergency measures catch on, as food becomes more expensive, scarce, and tainted, commodities cartel top gun Daniel Amstutz fired off against any and all types of national food sovereignty initiatives, however small and meek.

On June 3, Amstutz, a former Cargill executive, and now President and CEO of the North American Export Grain Association, Inc. (NAEGA), gave the principal speech, after Secretary Glickman, at an Agriculture Department event on “U.S. Forum for the World Food Summit.” The World Food Summit is being hosted by the UN in November, in Rome, arranged by the UN Food and Agriculture Organization (FAO), and intended as a heads-of-state gathering on world food shortages.

Amstutz, who spoke on “Trade and World Food Security,” held forth on the theme that government action by either the United States, or any other nation, must be outlawed when it comes to food; instead, “private” interests, and the “mar-

kets” must have full freedom to operate in any way that they choose, in production and trade of food commodities—even for international food relief. “The World Food Summit will be held at a time when global supply balances are tight,” he said. “It would be a mistake for the United States or other countries to view this as anything other than a temporary aberration. It would be a mistake to use the current situation as an excuse to mandate multilateral, intergovernmental stockpiling of food products. If incentives are permitted to exist, markets will provide the wherewithal, not only for the production of sufficient supplies to meet current demand, but also to finance the carrying of reserves by the private sector. And if any countries desire to secure reserves for aid-related purposes, the private sector can provide the service *today* for the organization and management of any reserve program that may be desired. NAEGA is ready to assist in this process. There is neither need nor reason for the involvement of governmental bureaucracies in such undertakings.”

Demands new free trade ‘round’ in 1999

Amstutz began his speech with the following demands for even more free trade for the food cartel interests than they now exert.

“The United States should insist that the next multilateral trade round does in fact begin in 1999, as stipulated in the Marrakech Declaration that signaled the conclusion of the Uruguay Round. . . .

“The United States should insist that some of the matters to be addressed in the next trade round include:

- The continued rollback of all export subsidies and their eventual elimination. . . .

- The elimination of State Trading Enterprises (also referred to as single desk export/import monopolies). . . .

- The rollback and eventual elimination of high import tariffs instituted during the ‘tariffication’ process of the Uruguay Round.

- Overall expansion of market access and the elimination of barriers created by unscientific/arbitrary sanitary and phytosanitary regulations. [By this, he means any safe food regulation that the cartels object to—ed.]

- The eventual elimination of green boxes and boxes of all other colors that provide national exemption from trade liberalizing agreements.

“The United States should commit to a goal of eliminating all areas of government control and manipulation of prices that impede the production and economic flow of food products from the farm to the market.”

Who is Amstutz to issue edicts? As they say, there is no such thing as an “ex”-Cargill official. Cargill, a private company based in Minnesota, is the world’s largest grain trader. During his time with Cargill, Amstutz worked in the Cargill Tradax office in Europe, at the hub of commodities trade. From 1983-87, Amstutz was U.S. assistant secretary of agriculture, after which, he served as George Bush’s U.S. representative to the General Agreement on Tariffs and Trade

(GATT) Uruguay Round of world agriculture free trade talks. Now, Amstutz heads NAEGA, which represents Cargill, ADM, Continental, Louis Dreyfus, and the other major grain and oilseed exporters.

Corn belt razed by deregulation, speculation

The results of the kind of free market deregulation demanded by Cargill, and sanctioned in the new U.S. “Free Market Transition” farm law, are to be seen in wild speculation hitting the markets and the grain belt. Spring spikes in wheat prices on the Chicago Board of Trade, and Kansas City Board of Trade have prompted disciplinary investigations of abuses of “volatility.” Corn speculation is even wilder, with July being a bulls-eye month.

It is an “open” rumor that the cartel grain-processing companies (Cargill, ADM, Tate & Lyle, and CPC, all of them under federal anti-trust investigation since 1995) will demand to take delivery on the July corn futures contracts they hold. They will thus suction up all the corn around, and will be positioned to hoard, speculate, and make a killing off stratospheric price rises. Over the past 24 months, vast amounts of private, “smart” money in the London circuits have flowed into all kinds of controlling positions in the world food chain, and in production lines of other strategic commodities (fuels, metals, minerals, gold, etc.).

The background is that the U.S. corn harvest period is September-November, and corn stocks are running down so low, relative to use, that as of mid-summer, the United States will be effectively *out of stock*.

Another part of the July picture is the potential for between \$800 million and \$1 billion in losses in Midwest farms, local elevators, and so forth, as a result of farmers’ inability to meet delivery on corn contracts, due in July, called “hedge-to-arrive contracts” (HTAs); these are derivatives-type deals that farmers were snookered into. They are now hit by “suicide spreads” in prices, and they can neither produce the corn, nor pay up.

Lugar’s Agriculture Committee held hearings on these new HTA contracts on May 15 and on June 5. The conclusion? “We are aggressively investigating,” said John E. Tull, Jr., acting head of the Commodities Futures Trading Commission, the very agency whose past laissez-faire policies in the 1980s under chairman Wendy (Mrs. Phil) Gramm (now on the board of IBP cartel meat company) opened the way for HTA hijinks. Tull says HTAs may be illegal, and “participants may have committed fraud in the marketing” of HTA contracts. He advised HTA “participants” (farmers, elevators) “to try to resolve their differences among themselves,” and he said that the CFTC will carefully monitor the coming expirations of grain futures contracts, especially the July corn contract.

Different advice comes from some of the Midwestern local press. The Lincoln, Nebraska *Star Journal* advised on May 29: “Assume the crash position, please, because a train wreck is coming in the July corn futures contract.”

The dangers of inaction

Germany's hesitation to push big economic cooperation projects with Russia is shortsighted and risky.

A report published for the government in late May, documented that in 1995, German investments in Russia have fallen below those in Slovakia. Rumors here have it that the drop is continuing this year, because of a hesitation to have more than a minimal presence in Russia, before its Presidential elections.

This wait-and-see approach, of speculating whether the Communist candidate Gennadi Zyuganov will win over incumbent Boris Yeltsin, and will return to a state-controlled economy, certainly has the support of many Russia experts and the banks in the West, but it is counterproductive. Worse, a hefty DM 5 billion (roughly \$3.1 billion) has been promised in the last weeks to Yeltsin to help him cover some long-overdue bills and paychecks to select sections of the electorate. This money just papers over holes in the Russian budget, created by the insistence of the International Monetary Fund and the western creditor banks, on budget "consolidation" through cuts.

The money would have gone to much better use had it been put into projects for infrastructural, industrial, and agricultural development, which would increase the productivity of the Russian workforce, and thereby, the tax revenue base of the government.

Improved industrial and agricultural productivity would have resulted in increased Russian orders for industrial machinery, transport technologies, harvesting equipment, engines, and other products which the Soviets used to order from East Germany before 1989. Russian orders from Ger-

many are down to roughly 25% of what they were in the late 1980s, and this very directly has to do with the IMF and the free market prophets who have advised the Russian governments since 1990.

About two years ago, a senior Social Democratic politician from the eastern state of Saxony told this author that the Russian disinterest in harvesters and other machinery, which the Soviets had been buying from Saxony for more than 40 years, could be traced back to the role of the Harvard-type, Anglo-American advisers. He said that these advisers told the Russian government that it was a "big waste" to spend money for capital goods from the West (predominantly from Germany), or to invest in a national industry. The international free market could supply Russia with all its needed goods more cheaply than nationally produced goods, and the "savings" could go into such "safe bets" as western financial markets, said the advisers.

The same source also confirmed that the billions of deutschemarks which the Russian Armed Forces received from mid-1990 to mid-1994, to cover the expenses of Soviet troop withdrawal from eastern Germany, had mostly never arrived in the hands of the soldiers, nor in Russia, but had been deposited in such financial oases as Luxembourg.

Meanwhile, eastern German companies and traditional suppliers to the Soviet farm sector, such as Saxony's Landtechnik, or Deutsche Waggonbau (the main producer of Soviet rolling stock), ran into deep trouble, when they lost their markets in the East.

The German government did little to try to change the situation, sticking with the neo-conservative dogma: "What the market can't achieve, the state won't achieve either." But without explicit government backing, conditions would not develop that would allow the flourishing of trade between Russia and Germany.

The money which German banks have failed to invest in Russia over the last five years, and which is now hurriedly being transferred to Moscow to bolster Yeltsin's reelection, could have been better made as a German donation for joint infrastructural development projects. For example, it could have been donated to launch a high-speed rail line between Berlin and Moscow, which has been much-discussed recently, and even called "important" in numerous public speeches by both German Chancellor Helmut Kohl and Russian President Yeltsin. The project, which would be the main artery of transcontinental European transport between East and West, would also promote the development of industrial and urban centers along its 2,000 km length.

It is certainly true that, for geopolitical reasons, Russian elites tend to oppose a direct rail connection with the West, fearing it might one day be used to invade Russia. But it is even more true that without such a rail link, the Russian heartland will never see genuine economic development, and will remain chronically underdeveloped. Moreover, such a rail link would consolidate an atmosphere of trust and mutual cooperation between Russians and West Europeans, and in the process of completion, this rail line would alleviate Russians' unreal geopolitical fears. The Russians are, naturally, cautious; but, the German wait-and-see approach is shortsighted: The very risks that the Germans claim they want to avoid, they will only create.

Peru doubles its debt

Peru is submitting to the IMF and London's imperial interests as its social woes, and its debts to the banks, grow.

Under the headline "IMF Calls the Tune for Fujimori," the May 23 issue of the London *Times* published an unusual, 14-page supplement recommending that British investors take control of "Peru's vast mineral wealth," as they did during the 19th century, the golden age of British imperialism. The publication of the *Times* report coincided with the signing in Lima of the contract between the government of President Alberto Fujimori and the Anglo-Dutch Shell-Mobil consortium for exploitation of the Camisea natural gas deposit. Located near the southeastern city of Cuzco, the Camisea deposit is estimated to contain on the order of 10.8 trillion cubic feet of gas.

The contract represents outrageous submission by the Peruvian government to purely speculative British interests, not unlike the heyday of the 19th century when Britain exploited Peru's guano deposits on the country's offshore islands. Not only did Peru accept all of Shell-Mobil's demands regarding taxation and repatriation of profits, but it also accepted the fact that, despite the contract's reference to "investment," it really does not guarantee any effective investment by these companies in Peru. The deal establishes that only in 1999, after the "corresponding market studies" are completed, will these companies decide whether or not to invest the \$3 billion they have promised.

In other words, the only thing the contract really guarantees is that Britain's House of Windsor will control these important natural gas deposits

for the remainder of the century. Such precautionary action by these oligarchical interests occurs at a time when the international financial system, eaten away by the speculative cancer of derivatives and similar fictional instruments, is on the verge of collapse.

To guarantee Peru's continued cooperation, International Monetary Fund (IMF) Managing Director Michel Camdessus was just in Peru, where he advised Fujimori in no uncertain terms that continued "restructuring" of the economy, "reform" of social programs, and an intensified privatization campaign, were the conditions for Fund "assistance." Failure to privatize the state oil company Petroperu, in particular, Camdessus emphasized at a press conference, would trigger an "interruption" of IMF support.

London propaganda over the so-called Peruvian "miracle" occurs at the same time that a final agreement was announced between Peru and its bank creditors over signing a Brady Plan for refinancing the debt to private banks which Peru froze back in the 1980s. The creditor banks, headed by Citicorp, could not have struck a better deal. In the first place, Peru acknowledged a debt with the private banks totalling more than \$10 billion; even former Finance Minister Carlos Bologna (whom no one could accuse of being anti-banker) estimated the figure at \$8 billion. That is, through this new Brady agreement, Peru has agreed to add to a debt, whose principal at the end of the '80s was \$4.4 billion, another \$5.6 billion in interest and late fees. Double the initial debt!

Regarding the so-called 50% debt reduction under the Brady Plan, this applies only to the principal, and will reach, under the best of circumstances, only \$2.2 billion. That means that Peru will still be left with a debt of more than \$7.8 billion, which it will have to "honor" with an initial payment of between \$3 and \$3.5 billion. The bulk of that initial payment will, of course, come from Peru's intensified privatization program. The rest of the debt will be paid in "comfortable" annual quotas of \$900 million to \$1 billion, for the next 20 years. In other words, on an initial debt of \$4.4 billion, the banks will receive \$3.5 billion up front, and another \$1 billion a year for the duration.

The announcement of the Camisea contract and the signing of the Brady Plan, presented as proof of investor confidence in Peru, is also intended for domestic use to calm the growing protests, both in Lima and nationwide, against Fujimori's IMF-imposed giveaway program. The government's neo-liberal economic program is a thoroughgoing fiasco, which will only succeed in aggravating the poverty, and desperation, of the Peruvian people. In the first half of 1996, not only has the GNP fallen by 0.1%, according to official figures, but inflation has also begun to take off again, and no amount of credit restrictions or monetary tricks will stop it.

The rise in prices, primarily in food, is wreaking havoc with the population's buying power, and promises only worse things to come, if one considers the fact that 60% of Peru's food needs are currently imported. Agricultural and industrial production for the domestic market are on the verge of disappearing. And darkening the picture is the fact that, as hunger spreads throughout the population, Peru could once again face the nightmare of revived Shining Path narco-terrorism.

Business Briefs

Poland

Economy reaches the breaking-point

The devastation of the Polish economy that has been caused by the International Monetary Fund "shock therapy" policies of the past several years, has entered a dangerous new phase. Leading Polish political figures think that the situation is reaching a breaking-point, with the limits being reached, of the population's ability to tolerate the continuing decline in living standards and demographic collapse.

Recently released official statistics show that, for the first time since World War II, Poland last year experienced negative population growth. Simultaneously, the number of marriages has collapsed, to the point that there were fewer marriages in Poland last year, than there were in Austria, a country with one-fifth Poland's population. The basic reason for this is economic: Young Poles cannot afford the necessities that go along with marriage. Sixty percent of married couples in the 22-34 age-range live with their parents, because they cannot independently afford housing.

Last year, construction of new apartments reached the lowest level since World War II. Simultaneously, there is a precipitous collapse in sectors such as shipbuilding, steel, coal mining, machine tools. The last industry was so advanced only two decades ago, that Poland was even exporting machine tools to the United States. There is also an emigration by many of the country's best scientists, as spending for science by the government has dropped from around 2% of net national income to around 0.5%. The agricultural sector is being undermined by "free trade" policies, through which low-priced foreign imports are undercutting domestic production.

What makes matters more dangerous, is the grip on Polish economic policy of speculator George Soros, and his spiderweb of foundations and "academic" institutions. As he himself boasts in published writings, it was Soros who first brought shock-therapy fanatic Jeffrey Sachs of Harvard into Poland, back in 1988. The Polish branch of the international pro-drug-legalization Soros Foundations is the Warsaw-based Stefan Batory

Foundation, on whose board sits many of the "liberal" politicians who sponsored the shock therapy policies, such as former Finance Minister Leszek Balcerowicz. (More details on Soros's antics are in *International Intelligence*.)

South Africa

Fight under way over control of Central Bank

The battle over South Africa's economic policy has escalated. On May 27, Sam Shilowa, general secretary of the Congress of South African Trade Unions (Cosatu), apparently threatened to mobilize his union apparatus to push for direct government control of the independent Central Bank. Although the details are not reflected in May 28 wire reports, economists from the Standard Bank and South African universities insisted that Shilowa be put in his place by President Nelson Mandela upon Mandela's return from Germany.

Shilowa and his assistant Zwelinzima Vavi complained that their business counterparts in negotiations on a labor pact treated them as though they were stupid. "They thought we would easily swallow Thatcherite positions. . . . They did not contend with us being able to put before them a well-researched, coherent document. We are not partners, we are opposing parties. If anyone thinks we can kiss and hug, then they are wrong," Shilowa said.

On May 21, a South African source explained to *EIR* that economic policymaking has been effectively taken out of the hands of the African National Congress-led government: "All the macroeconomic modelling capacities have been shifted exclusively to the Central Bank. . . . So now we've got some ANC ministers in place in the Finance Ministry, the Trade Ministry, and so on, but there are virtually no economists in those places. The Finance Ministry, their job is basically accounting." This shift, he said, was accomplished prior to April 1994, when Mandela came in: "We're pretty sure this was deliberate. . . . The plan was to monopolize macroeconomic modelling capacities in the Central Bank. So you allow ANC minis-

ters—their job is police the budget—but any capacity to provide *strategic* macroeconomic leadership from the Finance Ministry is extremely limited. So we are working very rapidly to try to correct that—not just to live with it."

"The good news here," he said, "is that there is more resistance to some of those neoliberal assumptions, and it is more broad-based than it was perhaps a year ago. . . . Contrary to the accepted common wisdom, no economy has managed to grow, get out of war-time ruin, colonial backwardness, or serious economic trouble following the recipes that are being advocated to the Third World or to the former Soviet world currently."

Infrastructure

China to launch Yangtze River development plan

A meeting in Shanghai this summer of the governors of the seven provinces in the Yangtze River region (Jiangsu, Anhui, Hubei, Jiangxi, Sichuan, Yunnan, and Qinhai), will kick off the grandest regional development plan in the recent decade, the Chinese paper *Singtao* reported from Hongkong in May. The plan is officially termed the Yangtze River Grand Development, and the meeting could be as significant as the conference on the new Eurasia land-bridge held in Beijing in May.

The Yangtze River region is given priority out of four economic regions outlined in a supplement to the Ninth Five-Year Plan. The other three are the Pearl River Delta of Southeastern China; the Bohai Bay region of northeastern China, headed by Beijing; and Tianjin. The Eurasia land-bridge region stands alone as the biggest but most underdeveloped in the country.

Meanwhile, a new, 4,000-megawatt nuclear power station on the Yangtze River is under study by the China National Nuclear Industry Corp. and the Ministry of Power Industry. The plant would be built in Maozishan in eastern Jiangxi province, and would have four generating units, two to be installed during 2001-05, Xinhua news agency reported.

Agriculture

Business leaders demand second Green Revolution

The urgent need for a second "Green Revolution," to dramatically increase food production, was the demand of nearly all speakers at a conference of the International Fertilizers Association in Berlin in May, *Agra-Europe* reported on May 28.

If the world wants to fight hunger, agriculture has to be intensified, and all policies inhibiting food production, such as ecological regulations and set-aside programs, have to be dropped, Mr. Thomaschewski of the German industrial firm BASF demanded. The key to upgrading production is the increase of fertilizer input, better seeds, and greater mechanization, he said.

Speakers pointed to the fact, that input of fertilizers is in general much too low. In Africa, it is 21 kilograms per hectare on average, and 52 kg/ha in South America, compared to 189 kg/ha in the European Union. In developing countries, only crops for export, such as coffee, are regularly fertilized. How important fertilizers are, is being demonstrated in Russia, speakers said, where the grain harvest declined from 170 million tons, to 63 million tons, mainly for lack of fertilization.

Health

New institution needed to fight disease

The World Health Organization is unfit to fulfill its task of fighting the global reemergence of diseases and has to be replaced by a new international institution, Paul Dietrich, president of the Institute for International Health and Development in Washington, D.C., and Voldemar Ermakov, professor for international health at the Russian Academy for Advanced Medical Studies, wrote in the Swiss daily *Neue Zürcher Zeitung* on May 23. However valid their specific criticisms of the WHO, the authors fail to mention the bigger picture of growing poverty, and the role of institutions such as the International

Monetary Fund in the spread of disease.

In the context of new and reemerging diseases, "it is frightening to see, that the WHO according to its own statements, has no global plan to deal with this threat." Is the WHO fit to deal with a new epidemic of the kind of the Ebola virus? The answer is clearly, "No," say the authors. They note that in the last six months, the *British Medical Journal* has published a series of articles revealing WHO corruption, inefficiency, and mismanagement.

"Twenty-five years ago the WHO led the international campaign to eliminate smallpox. This was one of the biggest successes of the 20th century. However, today the WHO has stopped its campaigns to wipe out diseases and instead has turned into an organization of conferences and study groups."

In the new WHO budget, expenditures for conferences will be increased by 73%, while those for fighting diseases will be cut by 64%.

Germany

Standard of living falls below 1980 level

The purchasing power of the average German worker has fallen below the level of 1980, according to a report by the Berlin-based Institute for Economic Research, the *Süddeutsche Zeitung* reported on May 30. At the end of 1995, purchasing power had fallen to within 3% of the level of 1980, and since then, tax increases, price inflation, and other increasing expenses have reduced the average consumer market basket below what it was more than 15 years ago.

The decline began in 1990, when the government decided to increase the tax burden on the working population in order to, in part, pay the illegitimate East German state debt and the costs of increasing joblessness. Unemployment rose at staggering rates because of the government-promoted deindustrialization of eastern Germany, which has killed no less than 80% of the industrial jobs there in the last five years.

The news comes before the latest planned Bonn budget cuts in unemployment benefits, social welfare, and health care have gone into effect.

SUDAN signed cooperation agreements with Iraq on May 26, according to the Iraqi newspaper *Jumhuriya*. And three days before, Sudan and Iran agreed to expand cooperation in oil, trade, technology, and construction, according to the Iranian news agency IRNA.

CHINESE quarantine officers have burned five boxes of beef in the city of Shenzhen, in order to stop British beef from coming into the country, Xinhua news agency reported on May 31. "The province's quarantine stations will further strengthen controls . . . to prevent Mad Cow disease coming into China," the agency added.

NIR KANTOR, a former assistant vice president in the compliance department at Bankers Trust Securities, was arrested on May 29, charged with illegally trading shares of at least nine companies in 1994. Compliance officers are assigned the task of monitoring employees to make sure such illegal trading does not occur.

BERLIN'S public debt, which was DM 21.2 billion (roughly \$13 billion) in 1991, will more than triple by 1999, if present trends continue, the Berlin accounting office said on May 29, the *Berliner Zeitung* reported. The trend is attributed to loss of productive jobs and the wave of speculation and financial fraud since reunification.

JAPANESE banks announced on May 24-27 their worst losses since World War II, for the fiscal year ending March 31, due to massive write-offs of bad loans. The 11 largest banks' losses were \$13.8 billion, almost entirely in loans to Japan's speculative real estate bubble of the 1980s, engineered by then-U.S. Treasury Secretary Donald Regan.

ZIMBABWE'S Health Minister Timothy Stamps said that AIDS will have killed altogether 270,000 people by the end of this year, Associated Press reported on May 24. Unicef estimates that by the year 2000, there will be a half-million AIDS orphans, 5% of the population.

Beijing promotes Grand Design for Eurasian progress

by Jonathan Tennenbaum

On May 7-9, over 460 experts and leading officials from 34 countries gathered in Beijing, China, to participate in an historic International Symposium on Economic Development of the Regions along the New Euro-Asia Continental Bridge. The subject of the symposium was a grand strategy for developing the entire Eurasian landmass, by means of an integrated, transcontinental network of modern transport, energy, water, and communications infrastructure. Beijing's hosting of the conference reflected a major strategic policy thrust of the Chinese government, to promote economic development along the "New Silk Road" formed by the newly established Eurasian Continental Bridge rail lines connecting the Pacific coast of China with the Atlantic coast of Europe.

Among the prominent guest speakers at the conference was Helga Zepp LaRouche, founder of the Schiller Institute and wife of U.S. Democratic Presidential pre-candidate Lyndon LaRouche—himself the chief proponent, internationally, of the kinds of infrastructure-centered development policies, that were highlighted at the Beijing meeting. Following the symposium, Mrs. Zepp LaRouche was hosted as international leader of the Schiller Institute, at a series of seminars, lectures, and private meetings, including a memorable tour of one of China's most important high-technology projects.

We feature here exclusive coverage of the Euro-Asian Continental Bridge symposium, with texts, maps, and selected excerpts from several of the most notable papers. There is also an article by Mrs. Zepp LaRouche, reporting her personal impressions of the great changes which have occurred in China since she last visited that country, as a young journalist, 25 years ago.

Two policy alternatives

This is material of strategic importance—an importance which is underlined, perversely, by the fact that the major Western press has not published a single word about the Beijing symposium! Studying the materials in this package, the reader may well understand why. As the London-centered financial system reels and



The genie is out of the bottle: The convergence between Lyndon LaRouche's policies, and the Beijing government's drive for a "New Silk Road" development program, caused great consternation among British representatives at the Beijing symposium on the New Euro-Asia Continental Bridge.

lurches at the brink of total disintegration, the fateful choice between only two, alternative policy courses, confronts the world's nations with ever greater urgency: *Either* there will emerge a cooperation among leading powers, to carry out a bankruptcy reorganization of the world monetary and financial system, and rebuild the world economy on the basis of large-scale infrastructure projects; *or* the collapse of the financial system, under conditions of Nazi-like austerity, will plunge humanity into a genocidal "Dark Age," during which the human population would be reduced from its present nearly 6 billion, to 100 million or less.

As Lyndon LaRouche has emphasized, the chance for preventing such a holocaust, rests mainly with the United States, Russia, and China. These three are the only world powers that have an intrinsic common interest, *as well as the ability*, acting in concert, to impose a financial reorganization against the opposition of a still-powerful British Empire.

Helga Zepp LaRouche placed this issue squarely on the table, in her presentation to a spellbound audience at the Beijing symposium. She emphasized Lyndon LaRouche's strategic plan for financial reorganization and establishment of "Hamiltonian national banking" methods, as well as his global economic reconstruction program, which from 1988 on has been centered on the "Productive Triangle" conception: To develop Eurasia by means of an array of "dense infrastructure corridors," combining high-speed rail and magnetic levitation, nuclear power and other modern energy systems, waterways, water management systems, and advanced communications networks, together with health and educa-

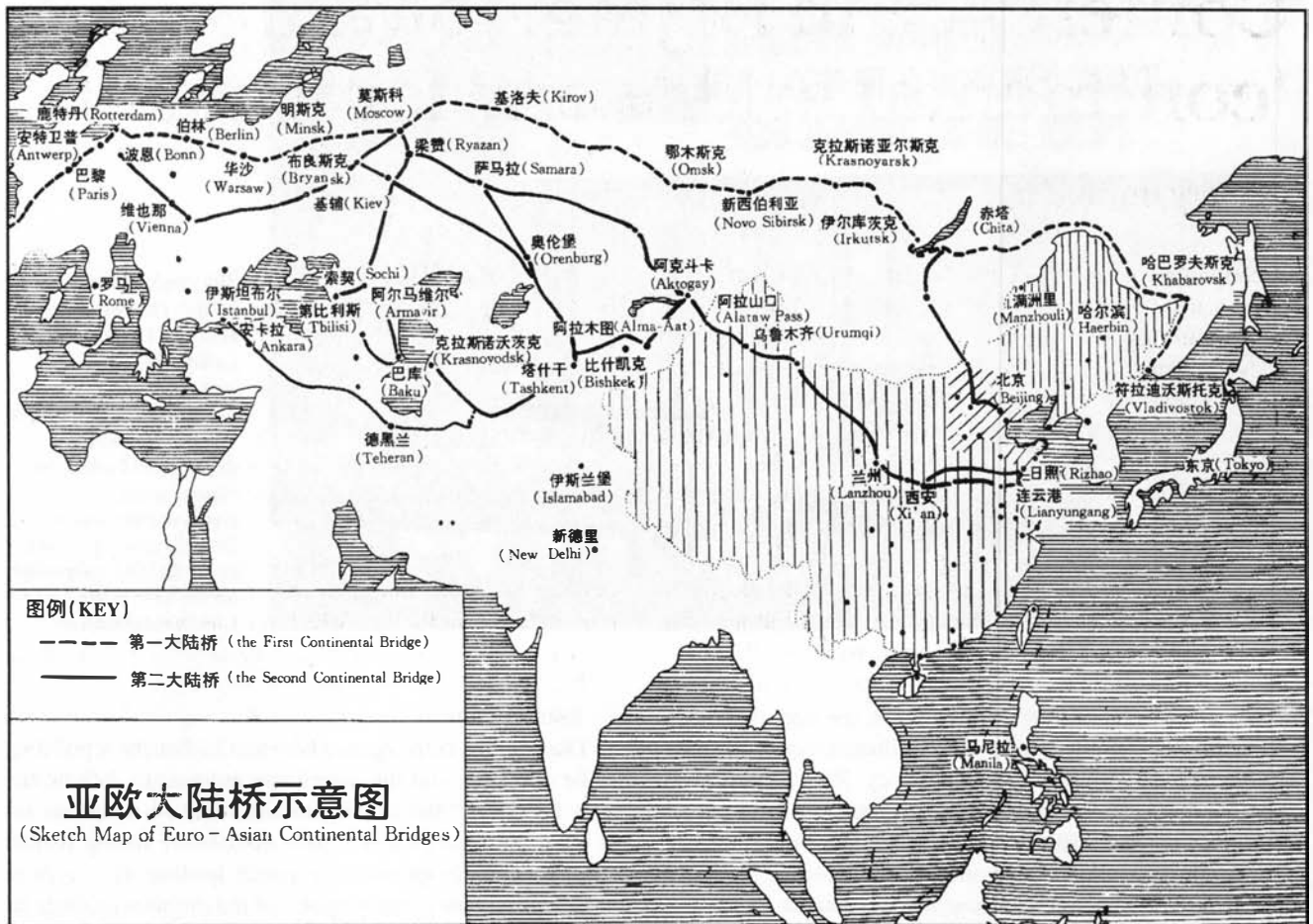
tion infrastructure.

The obvious convergence between LaRouche's policies, on the one side, and the significant momentum behind the "New Silk Road" thrust in China and some other nations, on the other, evidently caused great discomfort among British representatives. In speech after speech, leading officials from China's provinces proudly spoke of the impressive range of infrastructure construction projects, already completed or in progress in the regions along the new Eurasian Continental Bridge. Indeed, large parts of China nowadays present the astonished visitor with the image of a single, gigantic construction site, where railroads, roads, factories, and apartment complexes are springing up overnight. This, of course, is a nightmare for all those British-style racists, who—like the perpetrators of the Club of Rome's "Limits to Growth" hoax—hoped that the specter of industrialization of the "Third World" had been buried once and for all. Indeed, looking at China's "New Silk Road" strategy together with what Helga Zepp LaRouche placed on the table in Beijing, London must be terrified that "the genie is out of the bottle." Hence the thundering silence of the British-influenced international media establishment, on the subject of the recent conference.

The Euro-Asian Bridge symposium revealed some of the strengths, but also some of the important weaknesses, of China's strategic policy.

On the one side, especially since 1993, China has refused to give in to demands for the kinds of radical deregulation and privatization policies, by means of which the friends of Margaret Thatcher and Henry Kissinger have "successfully"

The chief Eurasian Continental Bridge rail lines



Courtesy of Gao Zhengang, Editor, "A Study on the Strategic Significance of the New Euro-Asia Continental Bridge," Jinan, 1996.

destroyed the former Soviet Union and most of the developing nations. The stubborn insistence of China's leadership on maintaining China's economic sovereignty, is the most obvious cause for Sir Leon Brittan's public fit of infantile rage, during the Beijing symposium. Chinese leaders have repeatedly emphasized: With its 1.2 billion population, and an unbroken historical and cultural tradition going back over 4,000 years, China is not going to take orders from anybody.

It is relevant to note, that Lyndon LaRouche's analysis of the collapse function of the world financial system, has been the subject of numerous articles in leading Chinese economic journals. LaRouche's work is being closely studied.

On the other hand, one must ask, how is it possible, that such puffed-up bullies as Sir Leon Brittan—or London's favorite asset, Sir Henry Kissinger—could continue to be received in Beijing as "great friends of China"? Why does Beijing go out of its way to maintain overtly friendly relations with the International Monetary Fund and World Bank, whose policies are largely responsible for destroying the nations of

Africa, Ibero-America, the former Soviet Union, and so on? While Beijing insists on maintaining the economic sovereignty of China, it abstains from attacking the supranational institution and policies that are destroying the sovereignty of most other nations. And yet, what could be more dangerous to China's national security, than a potential civil war in Russia, made possible by the continued toleration of the IMF's so-called reform policies? These paradoxes bear on the axiomatics of foreign policy: the axiomatics of Chinese leaders' perception of the workings of the world outside China.

The Chinese government's promotion of the "New Silk Road" strategy for Eurasian development is more than laudable. It is a crucial contribution to the potential for mankind to survive the present crisis. However, the "New Silk Road" will not work, unless the deeper axiomatic issues are resolved—issues which bear upon the prospects for the United States, Russia, China, and other countries, which wish true development as sovereign nations, to establish a common basis for action in the immediate period ahead.

Conference in Beijing: toward a new 'continental bridge era' for Eurasia

by Mary Burdman

A committed group of national leaders of China, Iran, and other nations along the Eurasian Continental Bridge, from Asia to Europe, presented their vision of a new, "continental bridge era" in human history and development, at the International Symposium on Economic Development of the Regions along the New Euro-Asia Continental Bridge, held in Beijing May 7-9. The meeting was organized by the State Science and Technology Commission, the State Planning Commission, and Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China. It was the result of two years' effort by its organizers, to promote development of the "Silk Road" railroad connecting Asia and Europe. The United Nations Development Program, World Bank, European Commission, and Asian Development Bank, were among the co-organizers.

The symposium agenda was "the linkage between East and West," epitomized by the September 1990 "historic connection of the railway between China and the former Soviet Union." Yet, there was a "clash of cultures" at the conference, between the policy of economic development and peace, on the one side, and, on the other, the British Empire's geopolitical machinations to prevent the creation of a flourishing Eurasian continental bridge—a British policy that has launched two world wars in this century.

This was not the "clash of civilizations" of Arnold Toynbee, Bernard Lewis, and Samuel Huntington—that British imperial fabrication which is an attempt to "divide and conquer" the very nations committed to building the Eurasian continental bridge. The clash of cultures in Beijing, was that between the policies of the nation-builders and the imperial deconstructionists.

The national leaders addressing the conference presented a vision they have worked hard to realize since 1985, when the railroad into northern Xinjiang, which made the connection to Central Asia and Europe possible, was built. The concept of a "continental bridge," put forward by the Chinese organizers of the symposium, is to actually create new, man-designed, economic regions, enabling mankind to bring human society and civilization to the 80% of the Earth's surface now too desolate for such development. Using the most advanced technologies, including the maglev train and nuclear energy, all regions of Europe and Asia, Africa, and the Americas, can be brought into the "continental bridge era."

One book distributed to the participants, on the history of the Euro-Asian continental bridge, even refers to "the 'cantata' of the continental bridge" (see box).

There were some 60 papers presented at the symposium, many with high-level technical content, by government officials, representatives of railroad and energy ministries and international organizations, shipping companies, and other institutions, providing detailed information on the current and potential infrastructure development of the continental bridge. One session was dedicated to projects for reclaiming desert areas, water management, and other measures to improve the terrain through which the railroad passes—which borders some of the greatest deserts and highest mountains on Earth.

During the conference, Prime Minister Li Peng announced to a selected group of delegates, that the new railway linking Asia and Europe, is the "new Silk Road for the twenty-first century," and that the Chinese government had a "cooperative attitude" to development and cooperation among the nations along the railroad.

Iranian Deputy Minister of Foreign Affairs A. Broujerdi, in his speech, proudly announced that his nation was about to celebrate the opening of the "Iron-Silk Route" railroad (Mashhad-Sarakhs-Tajan), built over the mountains between Iran and Turkmenistan. Many Chinese national and provincial officials spoke at the conference, emphasizing the economic achievements of their areas, and how the continental bridge will foster greater development.

Demands of 'the Empah'

However, the imperialists also made their presence felt. Vice-President of the European Commission Sir Leon Brittan, a co-chairman of the symposium, delivered a rude diatribe, announcing that China and all other nations along the continental bridge must comply with the demands of "the market"—i.e., the current world financial system tottering on the brink of collapse—and "international obligations"—the demands of various supranational institutions such as the European Commission, United Nations, and World Bank. If not, he warned, "the market" will see to it, that the project will fail. To add insult, he then, at the opening ceremony of a conference on Eurasian railroad development, demanded that China toe the imperial line on the World Trade Organization

and the free market—issues *not* on the agenda. Another British delegate was Nicholas MacLean, of the Union of Industrial and Employers Confederations of Europe and the British Royal Society for Asian Affairs. In the old “Great Game” tradition of British manipulation, MacLean told how he had “travelled the silk route,” and gave a speech calling for the Eurasian nations to turn to roads, air routes—i.e., everything except railroads—and emphasizing the importance of “prices” in determining use of the Silk Road.

There were other anomalies at the symposium. One was the lack, outside of presentations by the delegates of the Schiller Institute, of discussion of the imminent collapse of the current world financial system—although there is certainly a group, among China’s highest-level officials and economists, aware of the dangers represented by the “financial AIDS” of the current system, including the disaster in Mexico and the Barings Bank debacle.

A second anomaly was the lack of representation of Russia, a nation obviously indispensable to the development of Eurasia. There is no question of the importance both Russia and China accord to their mutual relations, especially after the state visit of President Yeltsin to China April 23-26. This visit, Russian officials announced, consolidated Russian-Chinese relations “within the framework of constructive partnership.” During President Yeltsin’s visit, the leaders of five countries—Russia, China, Kazakhstan, Kyrgyzstan, and Tajikistan—met in Shanghai, to sign the historic, first-ever agreement on military confidence in the border areas in Asia.

That there were no speakers from Russia at the Beijing symposium, although the invitation had listed a deputy prime minister of Russia as among the four honorary chairmen, can only be attributed to the current intense and very uncertain political situation within Russia.

The ‘continental bridge era’

Building continental bridges, will take humankind into a new era of development, independent of seacoasts, rivers, or other natural transport modes. “The continental bridge transportation that is referred to now, is none other than the international through-transport which takes the railway as its chief means, and containers as its medium, combines various modes of transportation, such as ocean shipping, aviation, highway, river transport, and pipelines, runs across a continent, and links up the sea with the land ‘pervading the whole way,’ ” states the *Study on Strategic Significance of the New Euro-Asian Continental Bridge*. The authors, a group of prominent Chinese officials and economists, endorse the use of modern transport, particularly the magnetic levitation (maglev) train, with the potential to run at 500 km an hour.

In his keynote speech May 7, Minister Song Jian, State Councillor of China and chairman of the State Science and Technology Commission, emphasized the 2,000-year-long history of the Silk Road connecting Europe, Africa, and Asia.

With the rapid development of modern science and technology, “the construction and opening of the New Eurasian Continental Bridge will once more brighten the Silk Road, which had once made great contribution to the spreading of ancient civilization and traditional friendship,” he said. Since, as the Chinese proverb holds, “Everything is difficult at its beginning,” cooperation is necessary—but, he stressed, there must be adherence to certain principles, especially respect for national sovereignty, and achieving common economic development as the way to resolve international problems. With a “strategic view focusing on the future,” and “economic development as the first priority,” the continental bridge nations should seek “common ground, while reserving differences, and common development as priority when handling the issues between countries,” Minister Song said. “A thousand-mile journey starts from the first step,” which is the purpose of this symposium, he said. At the beginning of the twenty-first century, “we should revitalize the Silk Road which stands for the essence of opening-up, civilization, evolution, and friendship.”

In his speech to the conference plenum, Rui Xingwen, chairman of the China Development and Promotion Commission of the New Euro-Asia Continental Bridge, stated: “Obviously, continental bridge transportation is just unfolding, and its rise will initiate a great revolution in the history of the world’s communications and push forward the world’s communications and transportation into a new stage. . . . It is imaginable that the future human society will neither be hindered by oceans, nor be frustrated by severe cold, altitude, or desolation any more. . . . People can take advanced civilization and prosperity to the vast, backward land-locked regions . . . to form new environments for the existence and development of human society.”

Zepp LaRouche: man’s universal quality

To these ideas, Schiller Institute founder Helga Zepp LaRouche brought the principle, that the unique potential of human creative reason can take mankind to the level on which any conflict can be resolved. Mrs. Zepp LaRouche led her institute’s delegation of Dr. Jonathan Tennenbaum and this author, to the conference. Mrs. Zepp LaRouche and Dr. Tennenbaum, were invited speakers at two of the three, day-long workshop sessions held by the conference on May 8. The still-much-too-influential “balance of power” politics and “clash of civilizations” propaganda, is nothing other than an intelligence operation, Mrs. Zepp LaRouche said. “There is no such contradiction among world cultures, that cannot be overcome. To the contrary, it is the characteristic of man, which differentiates him from all other living beings, that he possesses the unique quality of creative reason. This is the universal quality which unites all men, and allows man to find the ever-higher levels, on which conflicts can be solved. In China, this philosophy has been well known since the contribution of the great

universal thinker Confucius.”

She described how her husband, American economist Lyndon LaRouche, “based on this thinking . . . proposed an economic program, the foundation-stone of which is that only the global reconstruction of the world economy can create a way out of the present crisis. . . . The strategic reality affecting every region, is the fact that the presently hegemonic financial system is in the end-phase, before its collapse.” She outlined how a new world economic system could be organized by sovereign national governments. “We have to decide,” she concluded, “how we ourselves want to be regarded by future generations.” Do we leave them greed and chaos, or do we face humanity’s crisis of existence, with all that is great and noble, “to win out of it the inspiration for a new renaissance?”

In his presentation on economic planning, Dr. Tennenbaum said, that it is essential to discard calculations based on

GNP, which gives a monstrously distorted picture of economic reality. Instead, he said, we must use the criteria provided by the science of physical economy. Economic planning must be based on “density functions.” The most advanced technologies must be used to build basic economic infrastructure in the most concentrated way, in the “corridors” along the continental bridges. The gigantic scale of infrastructure investments required today, he said, can only be achieved through the use of “Hamiltonian” modes of productive credit-generation by sovereign nation-states.

The Iron-Silk Road

Another remarkable intervention, was the speech by Iranian Deputy Minister of Foreign Affairs A. Broujerdi, announcing the May 14 opening of the Mashhad-Sarakhs-Tajan railway, which he described as “this grand project of the century.”

‘The Cantata of the Continental Bridge’

The following excerpt from the book A Study on the Strategic Significance of The New Euro-Asian Continental Bridge, edited by Gao Zehngang, deputy mayor of the port city of Rizhao in Shandong province, indicates the level on which Chinese officials are thinking, to develop their nation. Mayor Gao not only refers to the relations between city and hinterland development as a “cantata,” but also says, that to develop his city into a world-class port on the scale of the great port cities of Europe, it is required to free the population from peasant-like thinking, epitomized in the Chinese expression, “Do not let the wholesome water flow into others’ fields.”

* * *

To do a good job in effecting “the ‘cantata’ of the Continental Bridge,” featured by the strengthening of the economic cooperation between the bridgehead and the Continental Bridge zone

The relationship between the bridgehead and the Continental Bridge economic zone is one of mutual promotion and common development and prosperity, as the bridgehead serves as the “dragon head,” “display window,” and “pivot,” while the economic zone serves as the “backyard,” “basis,” and “backing force.” That is why the “Continental Bridge cantata” should be made a good job featured by the further strengthening of the economic cooperation of the bridgehead with the Continental Bridge zone. . . .

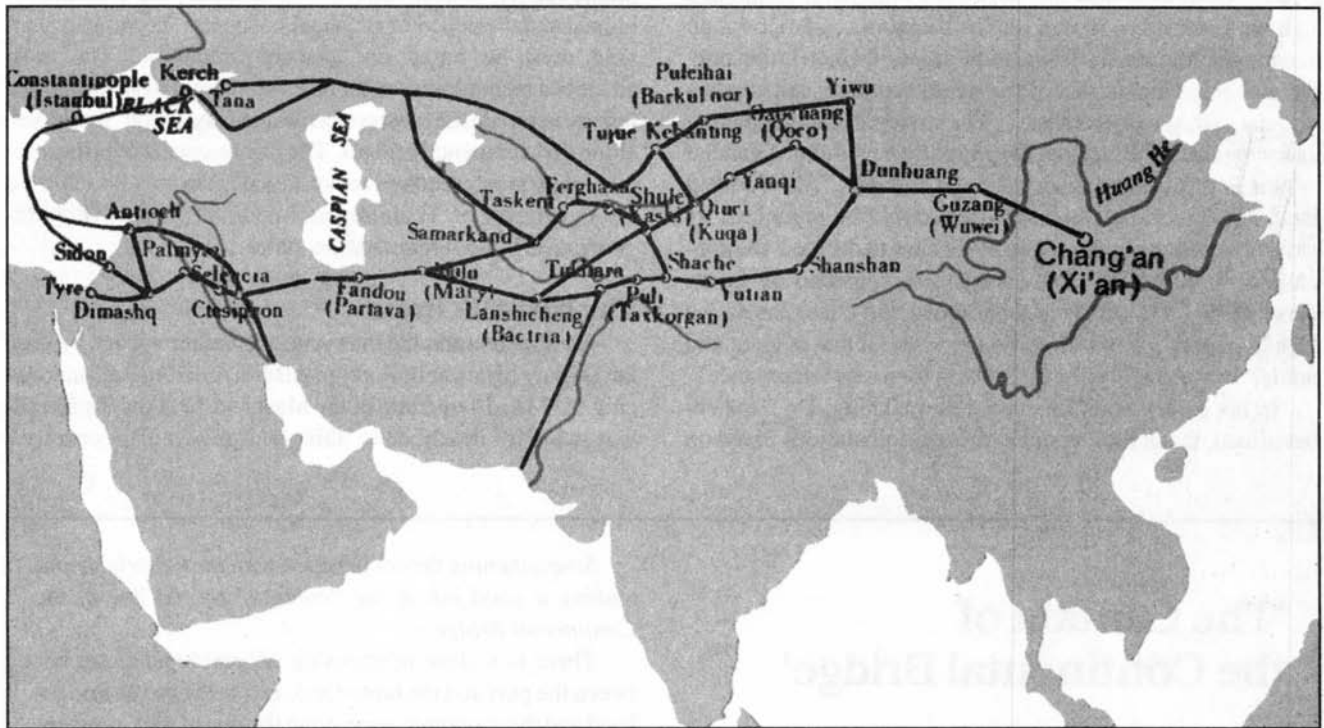
Strengthening the cooperation with the hinterland and making a good job of the “cantata” by the line of the Continental Bridge

There is a close relationship of interdependence between the port and the hinterland, and between the bridgehead and the economic zone along the line of the Continental Bridge. The bridgehead serves as a “door,” while the economic zone, as a “backyard,” or “base.” Therefore, the authorities of Rizhao City have set up the principle of “setting feet in the city, serving the hinterland, developing in cooperation and sharing the development and prosperity,” and have taken the creation of a fine environment of service as a measure of great strategic significance. For this reason, the following points are stressed:

To strengthen the consciousness of service by emancipating the mind

Efforts have to be made to lead the whole city in breaking away from the conservative, localistic idea featured by “do not let the wholesome water flow into others’ fields,” and in adopting a concept of viewing the situation as a whole featured by the idea of “the bridgehead and its hinterland share the same boat,” so that every citizen can fully realize that the city will not be able to fulfill its supposed role as the bridgehead and a port city, if they view the matter only from the angle of the city itself, and that only by cooperating with the hinterland, will it be possible to compete in both the domestic and world markets and turn, at the earliest date, the great potential held by the city as the eastern bridgehead of the the New Continental Bridge into actual productivity. And thus, the continuous emancipation of the mind, and strengthening of the consciousness of serving, will lay an ideological basis for further expanding the hinterland and enhancing regional cooperation. . . .

Main land routes of the silk trade, circa 1100 A.D.



Source: *The Silk Road on Land and Sea*, China Pictorial Publishing Co.

The “Iron-Silk Route,” Minister Broujerdi emphasized, was the result of the collaborative work of nations, not international agencies. It “was finished by our experts and with the help of the brotherly country of Turkmenistan, without any international assistance,” he said. “We have now constructed the missing link in Euro-Asian railway network.” He took the opportunity, “to express our appreciation for the cooperation of the government of China in constructing segments of the railway network, to make possible the first running of a train from Lianyungang port to Tashkent in November 1995. The nations of the region and the world will now see the fruits of collective and regional effort for greater economic prosperity and well-being.”

Plenum speakers included Ling Syargei, deputy prime minister of the Republic of Belarus, who emphasized “achievements in establishing a market economy,” and integration of Belarus with the “European transport corridor,” from Germany and Poland, to Belarus. Mr. Yongjian, United Nations Under Secretary-General for Development Support and Management Services, stated that, for the nations of Europe, Central Asia, and other countries belonging to the Community of Independent States (CIS), and East Asia, “the basic need is the construction of the New Euro-Asian Continental Bridge.” He noted that “the United Nations can act as a facilitator and communicator, but it cannot substitute for the com-

mitment of individual states and their international partners.”

During the conference, official representatives of Mongolia, Kazakhstan, and the Democratic People’s Republic of Korea, announced their ongoing, or planned, cooperation with the continental bridge. Kazakhstan and China, among many other agreements, have agreed to joint use of the Chinese Pacific port of Lianyungang, a great benefit to landlocked Kazakhstan. Razdak Sandalkhan, minister of infrastructure development of Mongolia, said his nation is “interested in . . . connecting to the New Euro-Asian Continental Bridge. Jong U Kim, chairman of North Korea’s Committee for Promotion of External Economic Cooperation, said that, “by beginning, we are already halfway there.” North Korea, he said, “will actively cooperate with the Eurasian Bridge plan.”

The impact of the Schiller Institute presence was made clear on the last day of the conference. In the final general meeting, reports were given on the three programs of the day before. The rapporteur on the “Trade and Economic Cooperation” workshop told the assembled 400 delegates: “We had many helpful suggestions on the conference. . . . One was that there should be more contributions by women. It was the sense of the leaders of our workshop, that the best contributions were by women. These included by the president of the Schiller Institute, and the director of the Development Research Center of the State Council.”

Sir Leon's diatribe

The speech of Sir Leon Brittan, the representative of the European Commission, to the conference plenum, was outrageous. Sir Leon has had previous conflicts with the Chinese government. In March 1994, during a visit to Beijing in his role as then-EC Trade Commissioner, he demanded that China comply with the British Empire's free-trade (looting) policies in order to join the future World Trade Organization (WTO), something China has refused to do. Sir Leon was then subjected to a frosty public reprimand by Mme. Wu Yi, China's minister of foreign trade, when she noted at a joint press conference, that Sir Leon was acting as a "native of the United Kingdom," when he threatened that the *entire* European Community would retaliate for any attempts by China to "discriminate" against trade with Britain. At issue were British machinations against Beijing in its Crown Colony of Hongkong. Sir Leon was incensed; the press conference was shut down.

At the continental bridge symposium, Sir Leon retorted to Minister Song Jiang's principles of national sovereignty and common development, with the demand that the international private sector be in charge. "It is clearly important to ensure that infrastructure planning is *soundly market-based*. . . . The critical mass of funding *cannot* be based on government contributions. . . .

"To put it bluntly, demand to use a land-bridge between Europe and Asia will only be high if certain political conditions are met: . . . there must be stability and a prospect of continued peace, there must be sound *independent* economic structures that allow transporters and economic operators to get on with their business free of the fear of *arbitrary* or *discriminatory* government attention. *Only if these conditions are met* will foreseeable demand for use of a bridge grow to a level where the necessary capital can be attracted," he threatened. He then proceeded, yet again, to raise the issue of the WTO, claiming that "Chinese negotiations for the WTO are not, I fear, a subject for optimism today. . . . WTO is a rules-based organization, and we cannot engineer China membership on false terms." Sir Leon, the guest of the Chinese government, went on menacingly: "If China were a WTO member, then the prospects for continued economic liberalization and development would be surer and a land-bridge would be more attractive as a result" (emphasis added).

Sir Leon's behavior angered conference participants from Europe and Asia. The European Commission, and Sir Leon directly, had acted, more than once, to delay the symposium, which was rescheduled several times since late 1994. His motivation could be accounted for by the desire of his imperialist circles to hold first the Asia-Europe Meeting, designed by the EC, at least, on the theme of Europe and Asia *without* Eurasian development (see *EIR*, March 22, p. 52). Sir Leon began his speech by noting that the Beijing conference "has come to fruition at exactly the right time, just eight weeks after the historic Asia-Europe summit meeting" in Bangkok

in March.

However, it should be noted, that Asian nations, especially the Republic of Korea, put building the Eurasian railroad on the agenda in Bangkok.

It is possible, that Sir Leon's offensive behavior caused reactions among China's government leaders as well. The Beijing symposium, the invitation announced, had been scheduled to take place in the Great Hall of the People, "the most important center of political, economic, cultural, and diplomatic activities in P.R. China." While there is no question of the view of the Chinese government, as to the strategic importance of the continental bridge, it is possible that the symposium was moved to the Beijing International Conven-

The conference was the scene of a "clash of cultures" between the policy of economic development and peace, on the one side, and, on the other, the British Empire's geopolitical machinations to prevent the creation of a flourishing Eurasian continental bridge—a British policy that has launched two world wars in this century.

tion Center, in reaction to the unacceptable rudeness of the European Commission's representative.

But the British imperialists got their comeuppance. Not only were Helga Zepp LaRouche and Jonathan Tennenbaum able to place Lyndon LaRouche's name and policies before the conference, but delegate Mary Burdman also spoke from the floor in one workshop, on the political battle in the West—especially the United States—between the nation-builders, and the free-trade looters. She said that, while she is always impressed, on coming to China, with the commitment of its people and leaders to national economic development, nevertheless the people of China and Asia, in order to understand the current world situation, must also understand that there are two, opposing traditions in the West. One, is the American System tradition that built the United States, Germany, Japan, Russia, into industrial powers, and was the inspiration for Dr. Sun Yat-sen. Lyndon LaRouche is now the leader of this tradition. Opposing this is the oligarchical, free-trade policy, centered in the City of London, which has, among other things, utterly destroyed the economy of Russia. Britain's MacLean, who was in the workshop audience, turned red, at these words, and was barely able to maintain his aplomb.

Secure peace through common development

by Song Jian

The following is the speech at the opening ceremony at the International Symposium on Economic Development of the Regions along the New Euro-Asia Continental Bridge (May 7-9) in Beijing, by Mr. Song Jian, State Councillor of the People's Republic of China, chairman of the State Science and Technology Commission, and chairman of the State Environmental Protection Commission.

Mr. Co-Chairmen, distinguished delegates, ladies and gentlemen, I am honored, as the chairman of this symposium, to announce the opening of the International Symposium on Regional Economic Development along the New Eurasian Continental Bridge. I would like to take this opportunity to sincerely thank Your Excellency Mr. Leon Brittan, Mr. Jing Yongjian, Mr. Ling Syargei, and Mr. James Gustave Speth for your support and co-chairing of this conference. At the same time, I would like to extend my warm welcome and sincere greetings to all participants attending the symposium.

We have a long history of economic and trade cooperation as well as cultural exchanges between Europe and Asia. Dating back to over 2,000 years ago, during the Hanwu Emperor's reign in the Han dynasty, when the only land transportation corridor, namely, the Silk Road, was opened, which connected Europe, Africa, and Asia, groups of commercial "camel forces" crossed mountains and traveled in areas amidst China, Central Asia, West Asia, South Asia, Europe, and North Africa, and spread the seeds of civilization and friendship among the countries along the road. With the revolution of the traditional international transportation pattern, resulting from the rapid development of modern science and technology and international trade, which expedited the express, highly efficient, and reliable multicontinental system of integrated transportation taking shape, and hence, pushed the civilization of mankind into a new stage, the world is becoming small and the distance between east and west is becoming shorter and shorter.

The brand-new era for the people in every country has come, in terms of cultural exchanges, trade, and economic and technical cooperation between one another. On Sept. 12, 1990, the historic connection of the railway between China and the former Soviet Union was accomplished at Alatau Pass, which marked the completion of the new comprehensive transportation line connecting the Pacific and the Atlantic, and crossing Europe and Asia. The construction and opening of the new Eurasian continental bridge will once more

brighten the silk road, which had once made great contributions to the spread of the ancient civilization and traditional friendship, and will offer new opportunities and provide a strong base for the expansion of economic cooperation, trade relations, and technical exchanges among the countries along the bridge.

Today, we gather in Beijing to discuss the regional economic development along the new Eurasian continental bridge, to seek new channels and forms of cooperation on economy, trade, and technology between Europe and Asia, to shoulder the task created by our predecessors, and to make our contribution to the mutual prosperity of Europe and Asia.

Some principles

Now, the regional economic development along the new Eurasian continental bridge is faced with good opportunities. The Euro-Asia summit meeting held this March in Bangkok reflects the common wishes and requirements of Eurasian countries to establish a new type of partnership in facing up to the twenty-first century, as well as to strengthen dialogue, deepen economic relations, and expand cooperation in order to adapt to the historical trend. However, the development along the new Eurasian continental bridge is still at a primary stage, and there are some problems and issues caused by economic and non-economic factors yet to be solved. As mentioned by a Chinese proverb, "Everything is difficult at its beginning," we need cooperation of all countries and regions along the bridge and the international communities to address these issues and to solve these problems. In this respect, we advocate some principles as follows:

- Identify economic development as the first priority and respect national differences. Different countries along the bridge possess different features of geography, cultural tradition, religious belief, and customs, and have different political and economic systems at different levels of development. We advocate sticking to the principles of seeking common ground, while reserving differences and common development as a priority when handling the issues between countries, so that the dynamics and prospective future of the regional economic development along the new Eurasian continental bridge can be secured.

- Adhere to the principle of reciprocal benefit, complementarities, and common development. The countries along the new Eurasian continental bridge have their own advantages with complementary characteristics in the formation and development of the land bridge economy. Europe possesses developed economy, advanced technology, and sufficient capital, while Asia has seen fast and dynamic development of its economy in the recent couple of years, marked with large markets as well as high investment returns. Therefore, it is possible for the countries and regions along the bridge to carry out bilateral or multilateral economic and trade cooperation to achieve mutual benefits.

- Adhere to the development strategy of facing up to the future and development in sequence. The new Eurasian

continental bridge goes across the midwest part of China, Central Asia, and West Asia, and at the current stage it is necessary to strengthen the coordination on the operation and management of the land transportation channel already connected. I hope that the countries along the bridge take a strategic view focusing on the future and take a down-to-earth attitude for partial implementation.

Comprehensive planning

The Chinese government attaches great importance to the good opportunities resulting from the development of the new Eurasian continental bridge, and is willing to expand Eurasian economic cooperation, and secure the peace, stability, and prosperity of Europe-Asia and the world as a whole. The Chinese government has mapped out a series of measures and taken actions to push the development, opening-up, and construction of the China section along the new Eurasian continental bridge in recent years. With respect to the soft environment, China has projected the guidelines for the development pattern of the cities and towns along the bridge; completed the remote-sensing research on the 4,131 kilometer-long and 200 kilometer-wide area in China along the bridge, and conducted initial analyses on natural resources and environment; placed the sustainable development of the area of China along the bridge on the priority list of the China Agenda 21; in 1996, the Chinese government incorporated the construction of the Eurasian Continental Bridge Economic Zone into the Ninth Five-Year Plan and the Outline of the 2010 Long-Term Development Target, in order to make planning comprehensive and to quicken the development pace.

With respect to the hardware construction, China has successively completed the construction of some double-tracking railways, the expansion and rehabilitation of relevant harbors, and the construction of Euro-Asia optical cable communications engineering in the China part, and other major infrastructure projects. The high-level highway from Lianyungang to Hurgos/Xi'jiang is under construction. The gradual perfection of such major infrastructure will play its positive role in the course of the regional economic development along the new Eurasian continental bridge.

Aim to reach agreement

"A thousand-mile journey starts from the first step." This conference is a good beginning. I would like to suggest that discussion concerning the following issues will be conducted at this conference so as to reach consensus and make decisions, and thus enable the conference to be fruitful and productive.

- Firstly, to conduct study on the measures to quicken the construction of infrastructure facilities in which railways are emphasized. The precondition for the formation and development of the New Eurasian Continental Bridge Economic Zone is the smooth operation of the railway, while the target is to secure the safety, punctuality, and swiftness of the transportation lines, and this can be reached through the fast

construction of railway infrastructure and the strengthening of the coordination concerning the mechanism, management, and services of the multinational railways. Furthermore, the multinational network incorporating telecommunications, highways, civil aviation, pipelines, and ports in accordance with railroad transportation, should be set up accordingly, thus to make full use of the efficiency and effectiveness of the transportation.

- Secondly, to strengthen policymaking and coordination on the improvement of the investment and trade environ-

At the threshold of the twenty-first century, we should revitalize the Silk Road, whose essence stands for opening-up, civilization, evolution, and friendship.

ment. The new Eurasian continental bridge should not be regarded merely as a transportation line, but also an important tie linking the commodities flow, technical exchanges, cultural communication, and the friendship between the people of Euro-Asia. It is necessary to carry out the pre-feasibility studies on the managerial system of transportation, the customs, and trade, as well as investment risks and intellectual property, so as to facilitate the bilateral or multilateral cooperation and coordination.

- Thirdly, to carry out activities of poverty alleviation, focusing on improving the environment and tapping manpower resources. The central part of the new Eurasian continental bridge is endowed with rich resources and has large potentials for development. But the eco-environment is fragile and some people are still very poor. The construction and development of the continental bridge provides the new opportunities of employment for these people which are conducive to poverty eradication. Farsighted politicians and entrepreneurs will also be paid off from this cause.

Ladies and gentlemen, I believe, in the near future, with the further development of the regional economy along the new Eurasian continental bridge, and through the concerted efforts made by the peoples of each country and the international communities, a dynamic economic corridor along the new Eurasian continental bridge, supported by the large- and medium-sized cities alongside it, will take shape. The corridor will be outstandingly characterized by the integration of the east and the west, two-way development, mutual promotion, and common development. At the threshold of the forthcoming twenty-first century, we should revitalize the Silk Road, whose essence stands for opening-up, civilization, evolution, and friendship.

I wish the conference great success, and sincerely hope that every delegate will enjoy your stay in Beijing.

China must play by 'free trade' rules

by Sir Leon Brittan

The following remarks by the Rt. Hon. Sir Leon Brittan, vice president of the European Commission, were delivered in Beijing, on May 7 under the title, "Economic Development along the Euro-Asia Continental Bridge."

The European Commission is pleased to be able to support this important symposium, and I am grateful to our chairman, Mr. Song Jian, for inviting me to take part. The task of creating an adequate infrastructure for cooperation between Asia and Europe is indeed immense. At the end of the century of space travel and space age telecommunications, it is perhaps ironic that we are struggling to recreate something of the land-based connection that existed 500 years ago. But if we can recreate them, with the full benefits of modern technology, the stimulus to growth and well-being in China and in the European Union will more than justify our efforts.

Asia-Europe cooperation

This symposium has been carefully planned over a long period. But like all the best projects, it has come to fruition at exactly the right time, just eight weeks after the historic Asia Europe Meeting [ASEM] that was held in Bangkok in March. Heads of state and government from China, the European Commission, the European Union member states, and a large number of other East Asian countries met to give their personal commitment to the strengthening of ties between our two regions.

The dialogue in Bangkok was concrete and constructive. We have agreed a forward program: There will be not only further meetings at the highest level, but a wide range of follow-up actions to be implemented in the interim by ministers and senior officials. Unlike APEC [Asia Pacific Economic Cooperation forum], which concentrates on economic issues, ASEM deliberately covered both economic and political issues, and follow-up will be the responsibility both of economic and of foreign ministers.

What is the relevance of the Bangkok platform to the objectives of this conference? I am not suggesting that every country along the continental bridge must participate in ASEM, if ASEM is to be useful. But the fact that countries at both ends of the bridge are turning their attention at the highest level to closer cooperation suggests that there is a real need

for the connections which this symposium is setting out to build. It is therefore not by accident that the Bangkok meeting referred in positive terms to both the concept of multicountry economic development strategies within the Asia region, for example, in the Mekong region, and the need to study the prospects for land connections between the two ends of our continent.

The political will is there. But what needs to be done? This symposium is rightly focusing on three issues: how to build the necessary infrastructure, how to provide a framework for cooperation and to ensure sustainable development among all the partners along the continental bridge.

Infrastructure

Turning first to infrastructure, it is clearly important to ensure that infrastructure planning is soundly market-based. We in government must ensure that businessmen are brought into our planning process from the start, so that the infrastructure we build is the right infrastructure. This need not rule out pump-priming contributions from central government, but the critical mass of funding cannot be based on government contributions. As we are discovering in Europe, where we are trying on a smaller scale to build Trans-European Networks, we cannot escape the market, but must rather work with it.

This emphatically does not mean that big projects are impossible. Already in Asia, as in Europe, Build-Operate-Transfer contracts are a familiar tool. They are particularly suited to transport links, where user fees can generate the necessary revenue during the initial operating period to attract private funding for even dauntingly large projects of the sort that this symposium must address. The problem will not be the techniques, but the prospects for a healthy rate of usage.

A framework for cooperation

And that brings me to the second point—the need for a sound legal framework for inter-regional cooperation. To put it bluntly, demand to use a land-bridge between Europe and Asia will only be high if certain political conditions are met: There must be peace along the land-bridge, there must be stability and a prospect of continued peace, there must be sound independent economic structures that allow transporters and economic operators to get on with their business free of the fear of arbitrary or discriminatory government attention. Only if these conditions are met will foreseeable demand for use of a bridge grow to a level where the necessary capital can be attracted.

On this score, the picture so far is mixed. I would pay tribute to the great strides made by the government of China, by the countries of eastern Europe, and by many of the independent states which grew out of the former Soviet Union. Their governments are tackling with courage and determination a Herculean task of economic reform and regeneration. This is necessarily a long-term exercise, with ups and downs along the way. In the industrialized countries, we have found

it helpful to make a common front against protectionist pressures from special interests by joining together in international commitments to sustain open economic policy. That is the real value of membership of the World Trade Organization, or of the OECD [Organization for Economic Cooperation and Development]. That is why I have favored consistently in my role as vice president of the European Commission, the fastest possible negotiations for Chinese membership of the WTO, for example, or of eastern European accession to the OECD.

Chinese negotiations for the WTO are not, I fear, a subject for optimism today. Very few observers believe that the prospects of an early breakthrough in talks are great. I continue to believe that China wants to be in the WTO as much as we want China to be a member. But WTO is a rules-based organization, and we cannot engineer China membership on false terms. There is good will on both sides, but we must look carefully at the details of the deal. What the WTO members need from a new applicant is a clear indication of the applicant's commitment to accept the rules of the WTO, all the rules.

Once that is clear, there is very wide discretion for the WTO to allow transitional periods, which can be substantial, in which a new member can adapt its economy to the requirements of WTO. We certainly need a substantial down-payment of commitments by China at the moment of entry, combined with an agreed timetable to meet these commitments during the transitional period. But the changes that this process will require are in China's interest, and are not a series of one-sided concessions being sought by foreign interests at the expense of the Chinese people. If this is accepted on both sides, I believe we ought to be able to do a deal on this basis.

It is often put to me, that in fact China does not need to join WTO at all costs, because the process of economic reform is irreversible and will continue in future, irrespective of WTO membership. That may be, but the governments of western Europe have themselves found that it is not always easy to sustain the right policy trends, in the absence of international obligations. Nor is it easy to get credit for domestic reforms if they are not bound internationally. And I think that in the development of a land-bridge, the absence of certainty for the future and the absence of international recognition for Chinese reform would be real handicaps. If China were a WTO member, then the prospects for continued economic liberalization and development would be surer and a land-bridge would be more attractive as a result.

In case anyone in this room believes that to advise membership of the WTO is to advise perfection, let me add that the picture of WTO progress in recent months is at best patchy, particularly in the transport and infrastructure sector. Last week I was in Geneva with the ministers of the European member states, so that we could be on the spot to finalize, successfully as I thought, the WTO negotiations to liberalize worldwide provision of basic telecommunications.



European Commission Vice President Sir Leon Brittan arrogantly demands that "certain political conditions" be met, as a precondition for support for the Euro-Asia Continental Bridge: namely, that British free-traders run the show.

As this conference is taking place in China, I venture to remind the audience how important a liberal and least-cost telecom network is to support not only a vibrant national industry, but also for all our countries' efficiency on worldwide markets.

Indeed, telecommunication is a key part of the land-bridge we must build. As you all will know by now, we failed to conclude the negotiations.

For Europe, this was a surprise and a disappointment. We had consulted closely at the political level with the U.S., Japan, Canada, and other trading partners. I was pretty sure that others would share Europe's unambiguous conclusion that the offers on the table for telecommunications were enough to close the deal, even if we would continue to work for improvements of those offers in the years ahead. The U.S. administration decided at the last minute that the offers on the table were inadequate, and that the talks would have to continue into next year before a successful conclusion could be envisaged. We have managed to save what was on the table, at least for the moment, because we have set ourselves a new deadline of next February and agreed that we will all seek to improve the position by then.

I take this as a worrying sign that the momentum of multi-lateral liberalization may be dropping. I would also draw the broader lesson that rules are needed and are difficult to draw up where many countries are involved and vested interests are great. For a land-bridge to work, the rules must be in place before the prospectus is issued. And among those rules must be the most liberal rules possible for access by transport opera-

tors to a land-bridge network, and a guarantee that those willing to operate over the network will have pay a reasonable but not an exorbitant fee to those who run the network, particularly because those running the network are likely to be the commercial companies that build the network rather than the governments of the states along the line. . . .

As part of its new policy toward Asia, the European Commission has developed a long-term strategy for our relationship with China. This was deliberately called a long-term strategy, in order to take account of temporary hiccups which have occurred in China's rush toward the future and which may well continue to occur in the coming years. The basic premise of our strategy is that China has taken major, positive, and irreversible steps to alter its economy and society, and that Europe must cooperate with China in its continued development. . . .

In conclusion, I believe that we are at a critical moment in discussion of the land-bridge project. If we can make it marketable, if we can clearly demonstrate that the legal framework for economic activity along the land-bridge is in place and that the prospects for sustained growth are real, then I believe the project will become a reality.

Mr. Chairman, I would wish you and your colleagues here every success in the discussions ahead. I will look forward to studying closely the results of this important symposium.

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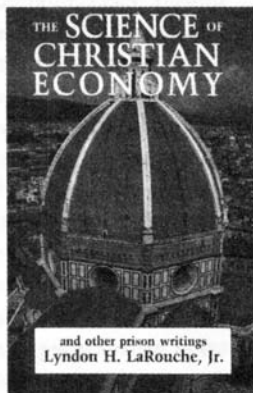
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The start of a new economic era for a new civilization

by Rui Zingwen

A report by Mr. Rui Xingwen, chairman of the China Development and Promotion Commission of the New Euro-Asia Continental Bridge, to the plenum of the International Symposium on Economic Development of the Regions along the New Euro-Asia Continental Bridge, on May 7.

Respected chairman and vice chairmen, distinguished guests and friends, ladies and gentlemen, the International Symposium of Economic Cooperation in the Regions along the New Euro-Asia Continental Bridge has been opened successfully in Beijing. The theme of the symposium is to accelerate the economic development and cooperation in the regions along the new Euro-Asia continental bridge, as we are on the threshold of the twenty-first century. The convening of the symposium raises the curtain on the economic development and cooperation in the regions along the new Euro-Asia continental bridge. The symposium is also an important event of Euro-Asia economic development and cooperation following the Bangkok Euro-Asian Summit, on March 1, 1996. Leaders of China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan signed the Agreement on Strengthening Military Trust along the border areas on April 26, in Shanghai, which will also have a positive impact on the symposium and the development of the regions along the land-bridge. On behalf of the China Development and Promotion Commission of the New Euro-Asia Continental Bridge, I would like to express my warmest congratulations to the opening of the symposium. . . .

My topic is: Start the new economic era of the continental bridge for a new human civilization, which falls in four parts.

I. Start the new economic era of the continental bridge

The economic development and cooperation in the regions along the new Euro-Asia continental bridge is an inevitable trend and result of the land-bridge economic law. It will, on the one hand, develop with the development of world's land-bridge economy, and, on the other hand, powerfully push the world's land-bridge economy forward.

The land-bridge economy, based on the emergence and development of the world's land-bridges, is a newly developed economic pattern in the world. Its emergence and formation will broaden the ways of solving common problems of

existence and development faced by human society, usher human society into a new era, i.e., an economic era of the continental bridge.

The term “continental bridge” is a figurative one. It should be defined as a new, modern, transcontinental, and international ocean-land corridor, which connects ocean transportation with land transportation directly by means of railways, as well as highways, aviation, ocean shipping, water transport, and pipeline transportation, and is equipped with fiber optics communications facilities. It is developed on the basis of various kinds of advanced transport facilities, which are brought up by modern industrial civilization, and science and technology, and is a combination and unity of various kinds of advanced transportation facilities. With the rapid advancement of science and technology since the 1950s, man’s ability to utilize nature, create inventions, etc., has been largely increased. The development and utilization of microelectronics, nuclear energy, biotechnology, and so on, enhanced production quality. The distance between people is also sharply narrowed, by means of both the manufacturing of high-speed, spacious, and high-capacity means of transportation, such as locomotives, cars, airplanes, and ships, and the emergence of pipeline transportation and fiber optics communications. The invention of container transportation, like glue, conglomerated the above-mentioned various transportation means into a unified one, and thus, enabled the formation of the land-bridge communications and transportation system.

Following the internationalization, grouping, and regionalization of the world’s economy, and the integration of economy and technology, international and transcontinental transportation, besides connection via oceans, requires more access directly toward land. This calls for a new process that links continents with oceans, and can combine production, circulation, markets, and consumption to achieve better efficiency. Thus, continental-bridge and land-bridge transportation come into being, e.g., the America continental bridge in the 1950s, the Euro-Asia continental bridge from Nakhodka to West Europe via Siberia, and the current new Euro-Asia continental bridge, which draws worldwide attention.

Now, some countries are considering establishing a Euro-Asia-Africa continental bridge across South Asia, Southeast Asia, and West Asia, ending in Europe and Africa, and the Euro-Asia-America continental bridge, by means of building a dam or tunnel across the Bering Strait.

It is imaginable, that future human society will neither be hindered by oceans, nor be frustrated by severe cold, altitude, and desolation any longer. Transcontinental high-speed trains and expressways will circle the globe, and bring unprecedented new opportunities for existence, development, and prosperity to human society. It will further promote the reciprocity and cooperation of the regional economy, integration and opening of the market system, joint development and comprehensive utilization of resources, development and sharing of science and technology, construction and operation

of transcontinental energy, transport, and communications networks, and improvement and enhancement of the regional environment. All these aspects will help the land-bridge economy become prosperous; hence, human society will enter into a new era—the continental bridge era, which is the third development era of human society.

Ever since human existence, there have been two periods in terms of development activities. First, people availed themselves of the conveniences of rivers and lived there, generation after generation; thus, the ancient civilizations of the Yellow River and the Nile River were created. This was the natural economic period, from the primitive to the commodity economic period. After that, there was the industrial period, especially the great industrial times which is dominated by the commodity economy. When the steam locomotive and the electric motor were invented, oceans became the main channel to exchange commodities among the continents. Man started to gather along the seashore, and he built cities, especially where rivers empty into the sea. That was the start of modern civilization.

Up to now, 60% of the world’s population lives in areas along rivers and near seas, which only accounts for 19.2% of the total land, now the prosperous and developed regions. We call the previous period “rivers economy time,” while the latter can be regarded as “seashore economy time.” Meanwhile, some serious social and economic problems crop up:

1) the resources in the developed regions along seashores become exhausted, while the population is still growing at an exceeding speed;

2) the economic gaps between the developed coastal cities and the underdeveloped land-locked cities become wider and wider; and

3) owing to the shriveling of markets and the deterioration of the ecological environment, people’s existence space and the development of civilization are threatened.

However, the emergence of the land-bridge brings about not only hope for us, but also a new concept, i.e., the coming of the land-bridge economy time. People could take the advantages of communications of the land-bridge, to convey advanced civilization and prosperity to the vast, backward, landlocked regions, to develop the undeveloped or underdeveloped areas taking up 80.8% of the total land area, and to exploit new development areas, discover new materials, make new cultivation, and form new environments for the existence and development of human society.

There is an old saying in China: “Pan Gu (creator of the universe in Chinese mythology) separated heaven and earth.” Undoubtedly, the construction of the land-bridge is a great project, inheriting the “Pan Gu separated heaven and earth.” It takes a long time for the “land-bridge economy time” to come into being. For example, it took thousands of years for the “rivers economy time” to come into being, hundreds of years for the “seashore economy time.” Therefore, it will take at least a couple of centuries for the “land-bridge economy



China's next generation. "It is imaginable," says Rui Zingwen, "that future human society will neither be hindered by oceans, nor be frustrated by severe cold, altitude, and desolation any longer. Transcontinental high-speed trains and expressways will circle the globe, and bring unprecedented new opportunities for existence, development, and prosperity to human society."

time" to come into being. Mencius, an ancient Chinese philosopher, said: "One only becomes modest after travel afar, and becomes humble upon climbing high." If we walk forward consistently, our goals will finally be reached. The great mission to promote the economic development and cooperation of the regions along the new Euro-Asia continental bridge and construct a comprehensively prosperous international economic corridor across Europe and Asia, will have the possibilities and potentials to become the pioneer toward the third era, i.e., the land-bridge time, and to promote the world's land-bridge economic development.

II. Construct a comprehensively prosperous international economic corridor across Europe and Asia

Regional economic development and cooperation is a trend of the world economy. The new Euro-Asia continental bridge economic region, starting east from Lianyungang and Rizhao port in China, ending west in Rotterdam, the Netherlands, with a total length of 10,900 kilometers across Europe and Asia, is a new international economic region, connected by the giant international corridor. To the east, it links up with Northeast Asia and Southeast Asia, through numerous seaports in China, and can further connect with the western coastal cities of the U.S.A.; to the west, after track-transfer at the Alataw pass, in Xinjiang, China, it joins the Central Asian railway network in the border station in Kazakhstan, extends westward further to Aktogay, and from there, via three routes,

namely, the northern one, the middle one, and the southern one, can join the European railway networks and reach Europe.

The northern route: connecting Aktogay in Kazakhstan, or Bishkek in Kyrgyzstan, northward via Siberian railways and onward to West Europe and North Europe.

The middle route: starting from Kazakhstan via Russia, Belarus, Ukraine, Slovakia, Hungary, Austria, Switzerland, transship from Germany and France to the ports of the English Channel. Or it can go south from Aktogay, Kazakhstan, along the border of Kyrgyzstan, through Tashkent, Uzbekistan and Ashkhabad, Turkmenistan, west to Krasnovodsk, via the Caspian Sea to Baku, Azerbaijan, then to Tbilisi, Georgia, the Black Sea, Varna in Bulgaria, Romania, Hungary, thus reaching the Central European countries.

The southern route: starting from Ashkhabad, Turkmenistan, south down into Iran, then from Mashhad go west via Teheran, Tabriz, to Turkey, through the Strait of Bosphorus, and via Bulgaria and Yugoslavia, reaches Central Europe, West Europe, and South Europe. It can even go south, and reach the Middle East and North Africa via Turkey.

In view of the above, the Euro-Asian continental bridge links up more than 40 countries and regions: China, East Asia, Central Asia, West Asia, the Middle East, Russia, East Europe, Middle Europe, South Europe, and West Europe. This accounts for 22% of all the countries of the world, and covers 39.7 million square kilometers, equivalent to 26.6% of the total land area, with a population of 2.2 billion, amount-

ing to 36% of world population.

The most distinct characteristic of the region of the new Euro-Asia land-bridge, is that it links, from east to the west, the Pacific and Atlantic economic centers, which fundamentally belong to the developed region, but lack space capacity and natural resources.

Except for some countries, most countries located in the vast, long, and narrow middle region belong to the least-developed or underdeveloped region, especially the mid-west part of China, Central Asia, West Asia, the Middle East, and South Asia. These regions are stricken with inconvenient transportation and bad natural environment, yet they are rich in land capacity, resources, including all the natural resources needed by human society, and thus have good prospects and great potential for development and for becoming suitable places for a flourishing human society. . . . Energy resources are also abundant in this region. . . . We can call it the home of energy resources of the world. Because of this characteristic, the new Euro-Asia land-bridge region has a very strong nature of interdependence and advantage complementarity, which foretells a promising future of cooperation.

Asia and Europe have a long history of economic and cultural exchanges and cooperation. Two thousand years ago, the ancient Silk Road linked the two continents. Economic cooperation and cultural exchanges along the ancient Silk Road had a great impact, not only on the splendid ancient civilization achieved by human society, but also on the formation of modern civilization. Up to now, it is still one of the most important spiritual ties that links Asia and Europe. The new Euro-Asia continental bridge is developed on the basis of these ties, and therefore is also called the Modern Silk Road. It will be bound to play a more important role in promoting the modern Euro-Asia economic and cultural exchanges and cooperation, and in enhancing the development of modern Euro-Asia civilization.

With the achievement of modern science and technology, and the dreadful lessons learnt from the two world wars, human society has acknowledged interdependence as a common discipline from which it shall not depart. Promotion of Euro-Asia economic cooperation and expansion of Euro-Asia economic exchanges, is not only the need of the least-developed and underdeveloped countries and regions, but also the need of developed countries and regions. On one hand, development of least-developed and underdeveloped countries and regions mainly depends on self-reliance, but also requires capital and technical support from developed countries and regions. On the other hand, developed countries and regions require the development of the least-developed and underdeveloped countries and regions to be the supplementary aid to their self-adjustment to recover from crisis, avoid stagnation, and maintain prosperity.

At the present time, the least-developed and underdeveloped countries and regions are facing great exploitation, construction, and development, whereas the developed

countries and regions are facing new challenges and new crises. Therefore, cooperation based upon defending state sovereignty is the basic objective required for both sides to achieve mutual benefits. . . .

III. The strategic plan of China's construction of the new Euro-Asia continental bridge economic corridor

The Chinese government will always be positive on constructing, exploiting, and utilizing the new Euro-Asia continental bridge, and also on forwarding the cooperation between Asia and Europe by the bridge. . . .

The Proposal for the Ninth Five-Year Plan and the Long-Term Targets for the Year 2010, was raised at the fifth session of the 14th CCP's [Chinese Communist Party] congress in September 1995; the Outline for the Ninth Five-Year Plan of National Economic and Social Development, also for the 2010s Long-Term Targets, was passed at the fourth session of the Eighth Peoples' Congress in March 1996. These two papers formed the grand blueprint of China's socialist modernization structure for going beyond this century. . . .

For realizing the great plan, the Chinese government has made the corresponding policies and measures, in which the government mapped out plans to develop several economic circles or corridors, depending on the main city and traffic road. The circles and corridors include: the corridor of the Yangtze River delta and area along the river, with Shanghai as a key city; the economic zone of the southwest coastal area, mainly in the Pearl River delta and southeast of Fujian; the Bohai coastal economic circle, mainly formed by the Liaodong peninsula, Shandong peninsula, Beijing, Tianjin, and Hebei province; and the corridor tied by the Euro-Asia bridge, Jingjiu railway, and the other main railways.

For solving the imbalance of development between the east and central-west of China, it has been pointed out in the Proposal and Outline, that the government should adopt powerful measures to support the development of the mid-western underdeveloped areas, the ethnic areas, and the poverty-stricken areas. . . .

The new Euro-Asia bridge is continuous over 4,131 kilometers in China. It connects 10 administrative regions in the east and midwest of China. . . . The region is very important for Chinese social and economic development. . . .

Since the founding of the People's Republic of China, the government has invested substantively and improved the infrastructure conditions along the continental bridge. The total length of the rail along this bridge is 30% of the overall railway across China. . . . There are 16 large and medium-sized cities, half of the total number of that of the country, with the civic population of over 1 million. . . . Ever since 1949, the Chinese government has put emphasis on the layout of industrial sectors along the bridge, and has already set up a group of main industrial enterprises which are playing an important role in national economy. . . .

The China section of the bridge is the cradle of Chinese nationality. The northern river of the Chinese people, the Yellow River, runs parallel to the bridge. . . .

Due to historical reasons, generally speaking, although the area along the bridge is endowed with rich resources and saw great social and economic development, the economic level still lags behind. . . . Therefore, the opening and development of this area has received the attention of the Chinese government, and relevant policies and measures have been adopted and implemented. The whole line of the new Euro-Asia continental bridge was connected in 1990 and put into operation for international use in 1992. Subsequently, the area along the bridge was decided for opening to the outside in 1993, and, in 1994, the Chinese government determined to regard the opening and development of the region along the bridge as the practical action for China to actually implement the decision reached at the United Nations Environment and Development Conference (1992), and it put related activities on the list of the first priority projects of the "White Paper for China Agenda 21—Population, Environment and Development in the Twenty-First Century of China," and recently, in 1995, identified and determined to set up the China New Euro-Asia Continental Bridge economic corridor.

The strategic policies and special measures made by the Chinese government show that the area along the continental bridge has great potential and prospects for development. We are confident that the further development of the "International Steel Corridor," which crosses China's east-middle-west part and opens toward both the west and the east, will become the new growth corridor of China's economy, and will develop into an international and outward-oriented corridor of transportation and economy. Hence, we will take such measures as follows:

- adopt and implement the opening-up policies in the region along the bridge as implemented by the coastal areas, and continue to set up various kinds of development zones and bonded zones;

- experiment on the model of setting up natural resources development zones. To set up resources and resources-processing enterprises according to the requirements of a high starting point and integration with the world. To facilitate the industrialization and urbanization of the area along the bridge;

- use foreign funds to set up a China West Part Agricultural Cooperation and Development Zone, and to establish a Euro-Asia Agricultural Products Wholesale Trading Center;

- set up several economic development zones along the bridge based on centered cities, taking into account transportation, resources, and geographical location. For example, the Huaihai Economic Zone is based on Xuzhou, the Zhongyuan Economic Zone is based on Zhengzhou (including the north part of Hubei province), the Guanzhong Economic Zone is based on Xilan (including the northwest of Sichuan province), the Northwest Economic Zone is based on Lanzhou, and the West Economic Zone is based on Urumqi, and etc. And to

make Urumqi the center of international finance, commerce and trade, industry, and agriculture in the west of China, and foster the development and prosperity of the market of China's west and central Asia;

- develop Lianyungang, the east end of the new Euro-Asia bridge, into an international container pivot port with some functions of a free port, and also identify special access to the sea for inland countries. At the same time, to establish the ports along the east coastal area (including Tianjin, Qingdao, Shanghai, Ningbo, Guangzhou, and Shenzhen, etc.) as the entrance and exit connecting the hinterland of Euro-Asia and the Pacific region;

- construct the pipelines of oil and gas connecting East and Central Asia and establish the petrochemical industry corridor, in accordance with needs and requirements;

- develop tourism of the new Silk Road, tap the potentials of the culture of Yellow River and western regions, and foster the development of tertiary sectors;

- implement the policy of supporting the development of midwest regions in the area along the bridge as a top priority in accordance with the construction emphasis of the government;

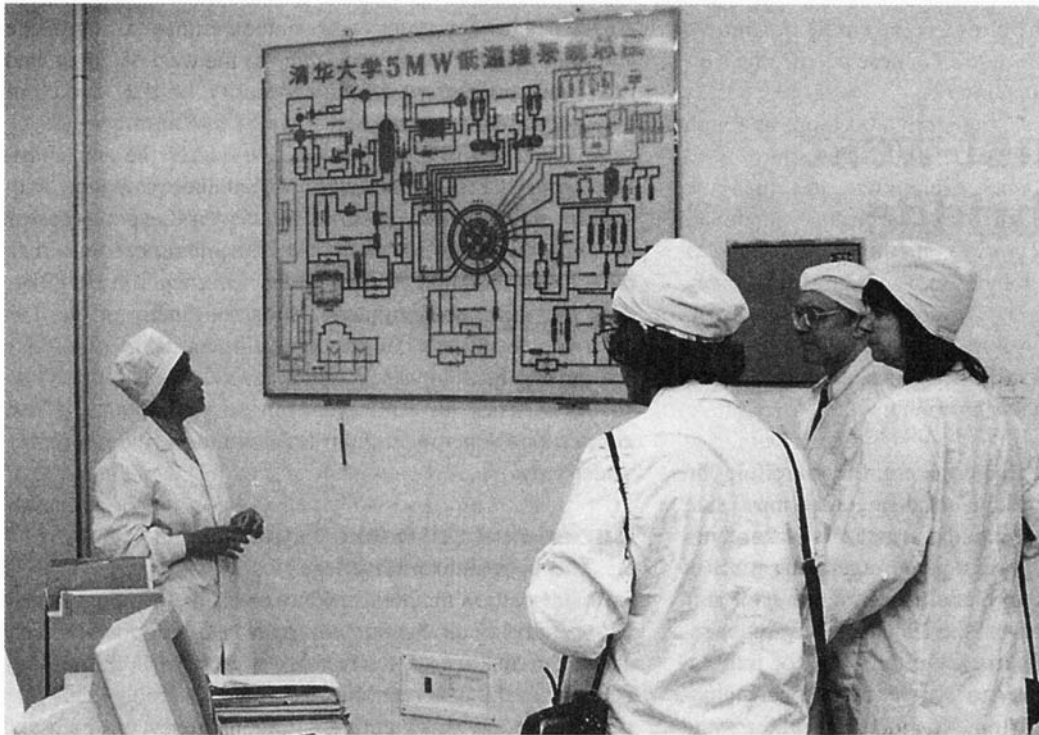
- accord foreign enterprises national treatment status.

We believe that through the hard work of the Chinese people, the golden area will soon be developed, and we will take our best efforts to contribute to the prosperity and development of the Euro-Asia economic corridor. We warmly welcome friends from every country of the world, and friends from the circle of real estate, finance, and enterprises to jointly develop the area. We will take positive attitudes toward cooperation.

IV. Suggestions on the promotion of economic cooperation in the regions along the new Euro-Asia continental bridge

Promoting the economic development and cooperation in the region along the new Euro-Asia continental bridge requires the joint effort of the two continents. It falls within the line of the Euro-Asia Bangkok meeting, and will be further supported by the European and Asian countries and the international organizations concerned, with more and more concrete actions and steps coming forthwith. To our gratefulness, before this conference, many countries and international organizations carried out in-depth researches on expansion of the continental bridge, removal of obstacles in continental bridge transportation, and regional economic development. Many good suggestions and proposals were made and some agreements have already been endorsed after bilateral and multilateral negotiations. Some are as follows:

- In October 1994, the ministers of railway (or transportation) from China, Russia, and the five countries of Central Asia attended the multilateral conference in Beijing. The minutes were written and the project of "Development of the International Railway Artery Passing through Youyi Pass-



Schiller Institute representatives (right to left) Helga Zepp LaRouche, Jonathan Tennenbaum, and Mary Burdman tour the Nuclear Technology Institute of Qinghua University, where the first Chinese High Temperature Reactor is being built. Here, a project leader explains the construction of another project, a reactor for room heating and desalination applications.

Alataw Pass on the Border of China" was approved.

- In September 1995, the governments of the People's Republic of China and Kazakhstan jointly endorsed "The Contract on Development of Loading, Unloading, and Transporting the Transit Goods of Kazakhstan via Lianyung Port."

- The Industrial Ministry of Japan entrusted its Engineering Consulting Firm Association with studying the development of the new Euro-Asia continental bridge. The association proposed a cooperation plan known as the "Twenty-First Century Silk Route." The Japan Federation of Economic Organizations has decided to take the development of the regions along the new Euro-Asia continental bridge as an important international cooperation project.

- In 1995, the European Union Commission determined its strategy toward the Asia-Pacific area and its new strategy toward China. Organizations concerned have proposed a Euro-Caucasus-Asia Transportation Corridor project.

- In September 1994, on the 49th session of the UN Assembly, the UN secretary general presented a report on "Transit Transport Systems in the Newly Independent and Developing Landlocked States in Central Asia and Their Transit Developing Neighbors: Current Situation and Proposals for Future Action."

- In June 1995, the Second Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions, was held by UNCTAD [UN Conference on Trade and Development] in New York, with the Proposals for the Development of a Global Framework for

Transit Transport Cooperation proposed;

- In November 1995, UNCTAD conducted a "Central Asia External Trade and Transit Transport Initiative" technical meeting in Ankara, where the issue of a Euro-Asia corridor was again discussed;

- Recently, many international organizations put forward some related projects, such as UNESCAP [UN Economic and Social Council for Asia and the Pacific] with the project of a New Iron Silk Route, ADB [Asian Development Bank] with the project of an Asian Expressway, and the GIF [Global Infrastructure Fund of Japan's Mitsubishi Research Institute] with the EATTS [Euro-Asia Terrestrial Transport System] project.

- Not long ago, the President of Korea proposed the plan of Euro-Asian railway network at the Euro-Asia meeting in Bangkok, and was praised by many heads of countries concerned.

All these sound development activities and initiatives clearly indicate the great potential of economic development and cooperation within the new Euro-Asian continental bridge region. We can highly expect, after this international symposium, the Euro-Asian continental bridge regional economic development and cooperation will achieve rapid progress. . . .

Hand in hand, let us march together and develop a flourishing Euro-Asian international economic region, reach a splendid future of human society. May the flower of cooperation, friendship, peacefulness, development, and prosperity be ever-blooming, be everlasting!

Iran: an east-west strategic bridge

by A. Broujerdi

The following is a speech by Mr. Broujerdi, Deputy Minister of Foreign Affairs of Iran, on May 7.

In the name of God, the compassionate, the merciful: Mr. Chairman, distinguished participants, dear guests, may I start by expressing my appreciation to the organizers of this symposium for holding this important gathering. In the wake of the Soviet Union's dissolution, and political and economic developments in the latter part of the 1980s, the new independent Central Asian republics became the focus of international attention. This was due to a number of reasons, including the immense economic potentials, fertile plains, and mines, in these republics. The republics have come under the spotlight of international firms from the East and the West, and over the past two years, have been witness to major investments by large multinational corporations. With the breakup of the Soviet Union and the formation of the new republics, good opportunities became available. Two international phenomena occurred. First, the Islamic Republic of Iran became the hub of global economic and political relations of Central Asia and the Caucasus. This role of a linking hub has its roots in Iran's geographical location, as well as its pragmatic foreign policy.

All Central Asian republics, except Georgia, are landlocked, and should pass through Iran for direct and indirect economic connections with the rest of the world. Those countries that see economic ties with the republics of Central Asia and the Caucasus have no alternative but to use the land and air routes of Iran, China, and Russia. Among these countries, Iran and China enjoy, uniquely, a very advantageous position.

China borders a part of Central Asia in Kazakhstan, Kyrgyzstan, and Tajikistan, and has various land and air routes to Central Asia. Iran also borders the region of Central Asia and the Caucasus, and its land and sea routes are linked to Central Asia, the Caucasus, and Russia. An international study on Iran's connection routes to Central Asia would be very constructive.

The emergence of these new republics brought about great cooperative relationships with the Islamic Republic of Iran. In addition to geographical contiguity with the Central Asian countries and the Caucasus, the two sides have many things in common, including shared faith, culture, and his-

tory. They have since time immemorial enjoyed strong bonds of amity that have withstood the test of time and the ordeals and tribulations of the past decades. Iran warmly welcomed the independence of the republics by embarking on an all-out and relentless effort to expand mutually beneficial and reinforcing political, commercial, economic, cultural, tourist, oil, and marine relations. To this end, and for greater regional solidarity, Iran welcomed the joining of these countries to the Economic Cooperation Organization (ECO) as new members, and proposed the establishment of the Caspian Sea Economic Cooperation Organization (CSECO), comprising Russia, Iran, Azerbaijan, Kazakhstan, and Turkmenistan. They have all agreed in principle with this new cooperation scheme, and the final formalities are currently under way.

Euro-Asian rail hookup completed

The geopolitical advantage of the Islamic Republic of Iran, its position as a regional and continental linking bridge between the Central Asian countries and the open sea, have made the linkage of its railway system with the railway network of the new republics and Russia a reality. This new railway linkage will greatly facilitate transport of goods and trade between Central Asia and destinations in other parts of the world, and contributes to better understanding of the culture, religion, and history of these nations. Construction of the 300-kilometer Mashhad-Sarakhs-Tajan railway, which complements the 700-kilometer-long Bafq-Bandar Abbas railroad, has been finally materialized. This railway network will be inaugurated on May 14, 1996, before heads of state and dignitaries of more than 30 countries.

This grand project of the century, that was dubbed by ESCAP [UN Economic and Social Commission for Asia and the Pacific] as the Iron Silk Route, was finished by our experts and with the help of the brotherly country of Turkmenistan without any international assistance. We have now constructed the missing link in the Euro-Asian railway network.

With the operation of this railway, Lianyungang port in east China will be connected to Bandar Abbas at the Persian Gulf via the cities of Urumqi, Almaty [formerly Alma-Ata], Tashkent, Sarakhs, Mashhad, and Teheran, providing access to the open seas for land-locked Central Asia nations, on one side, and linking this railroad to Rotterdam via Teheran, Istanbul, and Europe, on the other side.

I should seize this opportunity to express our appreciation for the cooperation of the government of China in constructing segments of the railway network to make possible the first running of a train from Lianyungang port to Tashkent in November 1995. The nations of the region and the world will now see the fruits of collective and regional effort for greater economic prosperity and well-being. The length of this railway reaches 2,750 kilometers, as outlined below:

Central Asian rail link to Persian Gulf port is now complete



Bandar Abbas-Teheran	1,500 kilometers
Teheran-Mashhad	950 kilometers
Mashhad-Sarakhs	170 kilometers
Sarakhs-Tajan (Turkmenistan)	130 kilometers

Implementation of this project is of international economic significance and can provide the best and safest transportation and transit routes to the CIS states, particularly in Central Asia, and China. Starting in Xi'an, China, this route will revive the historical Silk Road, that has been called the East-West bridge. The Silk Road had been in existence 1,800 years. This ancient route was the most important trade and travel road in the past centuries, with a travel distance of 8,000 kilometers. A branch of this road began in Xi'an, crossed the Pamir Plains, and passed through Marv, Samarkand, and Balkh in Transoxania. This route contributed to consolidation of trade and cultural interaction among the nations on its path.

Mr. Chairman, linking of the Silk Road land connections from Central Asia to the Persian Gulf and the Indian Ocean in the south and west, to China and the Pacific coast in north and east, and subsequent connection of sea routes from the Persian Gulf and Indian Ocean to ports in Canton [Guangzhou], Shanghai, and Lianyungang via the Malacca Strait, will create a new cycle of exchanges of raw materials, fin-

ished products, and technology between west and south Asia. With this new development, cooperation between the two regional groupings of ECO and ASEAN [the Association of Southeast Asian Nations], and China, will be of special importance, as it will consolidate economic and political independence, and will help restore the cultural identity of Central Asian people.

Other projects planned

As I have explained in my presentation, Iran has always occupied an important strategic position for its location as a continental bridge between Asia, Africa, and Europe. The revival of the Silk Road will enhance this advantageous position. In addition to this project, the Islamic Republic of Iran plans to implement other important railway and road projects to enhance its strategic capacity. Among these projects, mention can be made of the grand Kerman-Mashhad Railway. With this project completed along the Iran-Pakistan border, the distance of rail travel from Sarakhs to Bandar Abbas will be reduced from 2,750 kilometers to 1,850 kilometers, which is 900 kilometers shorter.

Excellency, it has become possible once again for Iran to benefit from new communication possibilities and historical and cultural bonds, to promote amicable relationships and consolidate economic, technical, and spiritual ties with a vast part of Asia and the Far East. The road network from Central Asia to China, and shipping lanes from the Indian Ocean to the Pacific, herald a prosperous future and greater friendly and fraternal relationships among nations of the region. In this very connection, we have had constructive talks with Bangladesh, India, and the Philippines. These countries will use this transit route for transport of their goods to be traded beyond their region.

As you are all aware, economic development of any region depends, most importantly, on its communication and trade routes. I want to seize this opportunity to state our support and appreciation for the constructive decision at the ASEAN Summit in Bangkok in March 1996 to construct the Singapore-Thailand railroad, which complements the historical Silk Road. It is indeed a good step for the development of countries in the region. When this grand project is materialized, the railway network of Singapore and Malaysia will be linked to Thailand and China, and will pave the way for much greater commerce and economic exchanges between the member countries of ASEAN, China, Iran, and the Commonwealth of Independent States. It will also impart fresh momentum to commerce and industry, promotion of tourism, and cultural and technological exchanges, and will ultimately lead to the creation of a powerful trade and industrial bloc.

To conclude, I want to thank the organizers of this symposium and wish them success and happiness. I should also express my sincere appreciation to the government and people of China for their warm hospitality.



LaRouche Campaign Is On the Internet!

Lyndon LaRouche's Democratic presidential primary campaign has established a World Wide Web site on the Internet. The "home page" brings you recent policy statements by the candidate as well as a brief biographical resumé.

TO REACH the LaRouche page on the Internet:

<http://www.clark.net/larouche/welcome.html>

TO REACH the campaign by electronic mail:

larouche@clark.net

Paid for by Committee to Reverse the Accelerating Global Economic and Strategic Crisis: A LaRouche Exploratory Committee.

Building the Silk Road land-bridge

by Helga Zepp LaRouche

Mrs. LaRouche is the president of the Schiller Institute in Germany and the chairman of the Schiller Institute Board of Directors in the United States. Her speech, delivered on May 8, was titled: "Building the Silk Road Land-Bridge: The Basis for the Mutual Security Interests of Asia and Europe."

Although the opening of the east-west European borders in 1989 brought to an end, irreversibly, the postwar order defined by the Yalta agreement, and the world, since the end of the Soviet Union, is no longer defined by bipolar constellations, the old ideas of "balance of power" politics are, unfortunately, still having an effect in many places. This school of thought considers a nation's "interests" to be defined by such criteria as the struggle for control of resources, and "spheres of influence." In recent years, a well-known Ameri-

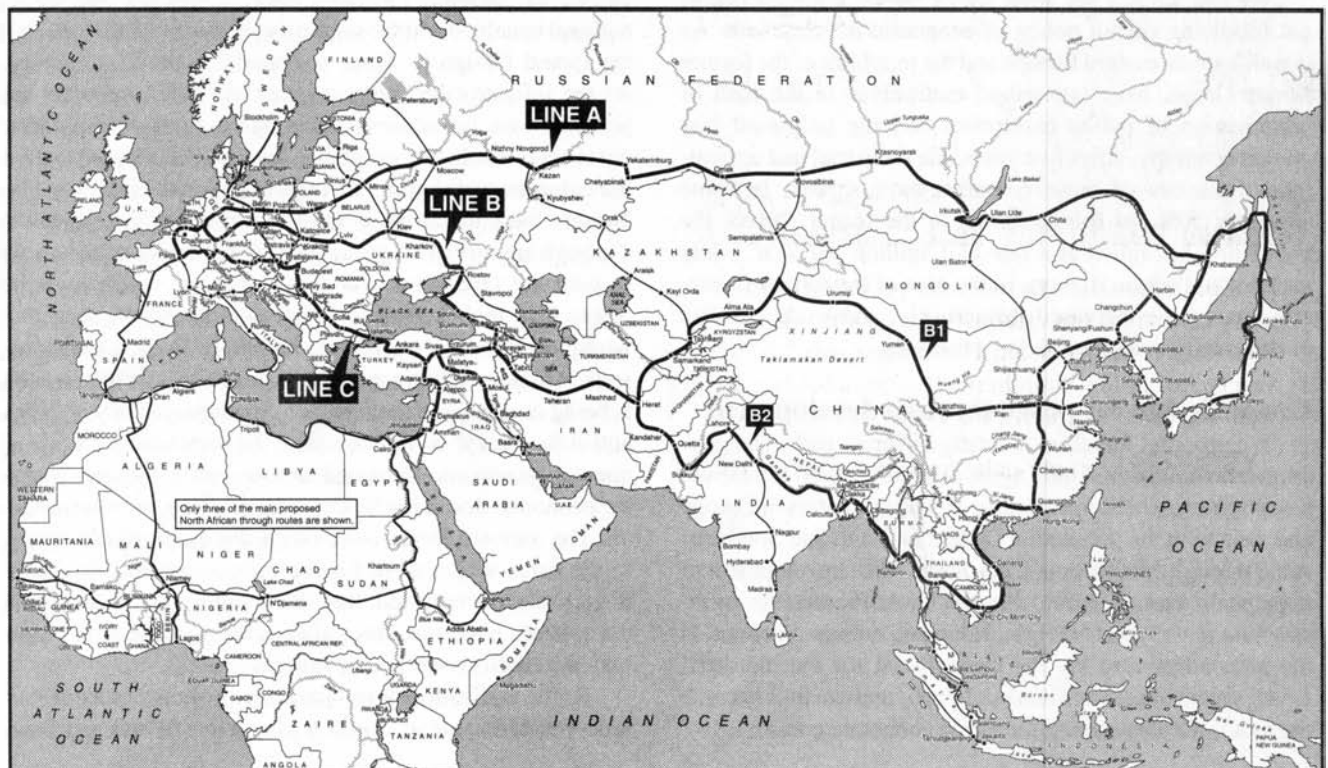
can author put into circulation a "thesis" about the coming "clash of civilizations," namely that supposedly unbridgeable differences between the different cultures of the world, would cause the launching of new waves of military conflicts.

It were tragic, if we were to fall for such nonsense, which is nothing more than an intelligence operation, fed by geopolitical motives. There is no such contradiction among world cultures, that cannot be overcome. To the contrary, it is the characteristic of man, which differentiates him from all other living beings, that he possesses the unique quality of creative reason. This is the universal quality which unites all men, and allows man to find the ever-higher levels, on which conflicts can be solved. In China, this philosophy has been well known since the contribution of the great universal thinker Confucius.

Based on this thinking, American economist Lyndon LaRouche proposed an economic program, the foundation-stone of which is that only the global reconstruction of the world economy can create a way out of the present crisis. The development of the Eurasian land-bridge, and the integration of the Eurasian continent, must play the central role in this program.

LaRouche made the first proposal in this direction, in a press conference in Berlin in October 1988, and it was shortly thereafter presented to the U.S. public in a nationally

The Schiller Institute's Eurasia Rail Plan



broadcast television show. In November 1989, after the Berlin Wall had fallen, LaRouche proposed a program for the "Productive Triangle," in which he defined the guidelines for East-West cooperation, in the development of western Europe. The essential concept, was to use the industrial and technological potential of the economic region, defined by the cities of Paris-Berlin-Vienna, via a system of "corridors," for the development of all Eurasia.

The opening of the land-bridge between China and the CIS [Community of Independent States] nations in 1992, represented a first important breakthrough. Since then, a number of conferences and publications on this theme, in China and other countries, shows that the impulse to overcome the economic crisis in this way is very much alive. A few years later, European Commission President Jacques Delors presented a similar plan, named for him. This is, however, restricted to Europe, and, because of the "logic" of the Maastricht Treaty, has not even begun to be realized.

Any competent economic consideration, must start from the point that already today, three-fourths of the world's population, 4.4 billion people, live in Eurasia, and that, given normal "development," without catastrophe, that population will grow to 7-10 billion.

If, in the next years, we are to prevent seismic economic and demographic collapses, it would be urgently required to overcome the current underdevelopment of vast parts of the former Soviet Union, China, India, South and Southeast Asia, in basic infrastructure (water supply, modern transport networks, energy production and distribution).

We can already see what would be the consequence of not following such a policy of economic development: As is well known, eastern Europe and the republics of the former Soviet Union, have committed themselves to the path of privatization of public enterprises and the unlimited free market economy. After five years, the industrial and agricultural capacities of those countries have shrunk, in some areas, by 50%. In Russia alone, in the recent period, the population has fallen at a rate of 1 million per year, while national and ethnic tensions in the area of the former Comecon states have increased dangerously, above all, because of drastically worsened living conditions.

Grand design for peace through development

We propose, therefore, a totally different path. The governments of Eurasia should agree on an integrated infrastructure program, which connects the industrial centers of Europe and Asia with the population centers in South and Southeast Asia, through "development corridors." The development of those main axes of traffic, through Great Projects for infrastructure in transport, energy, water, and communications, is the precondition, to lay the groundwork for the industrial development of the Eurasian land-mass, and can thus become the motor for overcoming the world economic crisis.

At the same time, only this form of economic cooperation, in the interests of all participating nations, can represent the basis for a durable peace for the twenty-first century. The concept is: "Peace through Development."

The central aspect of this program, is an Eurasian network of high-speed trains for transport of persons and goods, in which the three main lines indicated on the map, connect most of approximately 60 big cities with each other. This infrastructural integration will mean an enormous increase of the economic efficiency of the connected economic area of more than 1 billion people living alongside these lines. In connection with this rail network, internal waterways must be modernized and extended. The construction of new ports will lay the foundation for a dramatic expansion of maritime trade, the which can be anticipated, given the expected growth of the population of the Pacific-Indian Ocean Basins, in the coming century. At the same time, long-delayed water projects, like the regulation of rivers and flood control, must be realized.

Production of electricity should be central for the necessary production and distribution of energy, which should first occur in the main "corridors." To make possible, in all of Eurasia, an electricity consumption for households and industry on the level of the industrial states, there is a deficit of over 5,000 gigawatts, five times today's capacities.

It is important, that the governments of the nations of Eurasia, first come to agreement on a unified plan, since, only in this way, can the optimal development of the region be realized. If such a Eurasian Grand Design exists, then any partial realization in its construction, brings not only direct national benefit, but at the same time, is a step toward realizing the Grand Design to shape our world in the 21st century. As the infrastructure program sketched here represents the preconditions for economic and agricultural development, but is not immediately profitable, but is rather oriented toward the common well-being, the right to generate credit must be brought back under the control of sovereign governments. Through appropriate legislation, national banks must be able to generate credit lines for these projects, which must be oriented in their scope, to the requirements of productive workplaces and the workforces employed in these great projects. As these credits are related to future production, wealth is being created, and they are not inflationary. They are even anti-inflationary; on the one side, the unproductive costs of unemployment are eliminated, and, secondly, the real costs to the economy, due to the lack of infrastructure, are eliminated.

The national banks issue credit through regional banks, to the firms which work for the various projects. It can be historically documented, that the resulting tax revenues, in the western countries, have always been, ultimately, bigger than the credits issued in the first place.

As the realization of infrastructure projects of this magnitude—in China alone, 100,000 kilometers of new rail lines,

1 million kilometers of modern roads, and several thousand kilometers of new waterways are needed—will require all available industrial capacities of the participating nations, and, as new capacities have to be created, the different countries should work in a division of labor, and thereby balance existing three-way trade flows through so-called clearing-houses. A newly founded Eurasian Development Bank could take over this task.

This conference in Beijing is taking place in an extraordinarily important historic context. The strategic reality affecting every region, is the fact that the presently hegemonic financial system is in the end-phase, before its collapse. If this system, bankrupted through decades-long mistaken economic and financial policy, is not reorganized through an orderly bankruptcy procedure, and replaced by a new system, the entire planet is threatened with a new dark age, best compared to the collapse of civilization in the fourteenth century. The threatening global collapse, can be compared to the collapse of earlier dynasties.

Ultimately, any solution for the crisis, must include a central aspect: that the American President, as leader of the currently most influential nation, pursue this reorganization. He

must use the emergency powers of the Presidency, and put the U.S. Federal Reserve into bankruptcy receivership, and under the supervision of the U.S. Treasury. According to Paragraph 1 of the U.S. Constitution, the President can obtain the right from Congress to issue, in the tradition of the late President Franklin Roosevelt, several trillion dollars worth of credit for financing well-defined infrastructure projects to overcome economic depression. The administrations of George Washington and James Monroe are precedents for establishing a National Bank.

At the same time, the President must convene an emergency monetary policy meeting, of the principal nation-state powers, for the purpose of establishing a new international monetary system, based on stabilized parities of currencies, to the purpose of fostering a global revival and expansion of agricultural and industrial production, based upon capital-intensive, energy-intensive modes of investment, in scientific and technological progress.

The Renaissance ahead of us

These problems cannot be solved at this conference, but we can and must consider how the economic reconstruction

Tennenbaum presents LaRouche's economics

Schiller Institute representative Dr. Jonathan Tennenbaum, in his presentation to the international symposium, called for the creation of a system of infrastructure development corridors from the Atlantic to the Pacific. He stressed that in planning Eurasian land-bridge development going into the 21st century, we must discard "GNP" and related statistical methods which—especially given the huge speculative "bubble" in the world economy today—give a monstrously distorted picture of economic reality. Instead, we must use the criteria provided by the science of physical economy.

Tennenbaum presented the concept of "density functions," illustrating them by a comparison of the United States, West Germany, and Japan (before the present depression) in terms of per-capita and per-square-kilometer energy requirements. By concentrating on combined development of basic economic infrastructure within the 100-150 kilometer-wide corridors defined by the "Eurasian bridges," we obtain the relatively greatest rate of increase in the physical productivity of the Eurasian economy as a whole. The same criterion of "density functions"

applies also to the choice of technologies for infrastructure development. Tennenbaum stressed the importance of building chains of new, nuclear-powered industrial cities along the Eurasian bridges, emphasizing the role of the High Temperature Reactor (HTR) technology. We also need to develop high-density, automated freight transport systems based on magnetic levitation, he said.

Tennenbaum attacked the Thatcherite policies of indiscriminant privatization as "irresponsible and dangerous." The gigantic scale of infrastructure investments required today, can only be achieved through the use of "Hamiltonian" modes of productive credit-generation by sovereign nation-states. The fact is, that large-scale investments in basic infrastructure—with emphasis on increasing levels of technology—are the most profitable form of investment which exists for a national economy as a whole. Well-designed investments of this type will be paid back many times over, by the resulting expansion of the tax base. Multilateral trade agreements, with emphasis on the development and sharing of advanced technology, will play a crucial role in development of the Eurasian "infrastructure corridors," providing favorable conditions for tapping the capabilities of the military-industrial complex in the former U.S.S.R., for example. But to clear the way for this, we urgently require a reorganization of the presently bankrupt world monetary and financial system, Tennenbaum concluded.

should look, under the much more favorable conditions of a new financial system. If we look to the future optimistically, and begin from the assumption that the renaissance connected to the development of the New Silk Road will be successful, in the next 50 years, thousands of new cities, with 300,000 to 1 million people each, will have to be built. Many of these cities should be nuplexes, in which inherently safe HTR [high-temperature reactor] nuclear plants produce electricity and process heat for regional industry and agriculture.

As these cities are planned, completely new and conceptualized in their entirety, the whole infrastructure can be built underground, in modular form. City-building is not only oriented to potential expansion, but also so that the best traditions of the cultural diversity of Eurasia, can be expressed in their architecture. Many of these new cities should be "science cities," which serve multidisciplinary, fundamental research and teaching.

In the Renaissance ahead of us, the thinking that, through non-proliferation treaties, so-called "dual use technologies" will be kept from the majority of the world's people, will be an issue of the past. We can only positively create the future of the one human species, if we think at least as modernly, as Nicolaus of Cusa, the founder of natural science, thought in the fifteenth century. This great universal thinker was convinced that every scientific invention was so precious for all humanity, that all nations must have immediate access to it, so that no one's development would be held back. He proposed a "science pool," in which all discoveries should be collected for universal benefit. The new science cities in Eurasia could realize this ideal.

If we meet the historic challenge before us, then let us remember that growing markets and growing purchasing power for all, are in the interests of all involved, because the source of general wealth, is not the possession of raw materials and the right to "buy cheap, sell dear." The only source of wealth is the creative reason of the individual, which enables each to make new discoveries, and therefore to make scientific and technological progress. The resulting increase in productivity of the workforce is what creates wealth.

We have to decide, how we ourselves want to be regarded by future generations. Do we wish that they look upon us with contempt, because we did not leave behind anything but an "every man for himself" society, the manifestations of limitless personal greed, and a world in chaos? Or, do we want that our grandchildren and great-grandchildren, proudly and lovingly remember us, because in the face of humanity's crisis of existence, we brought together everything that universal history has brought about that is great and noble, to win out of it the inspiration for a new renaissance? Then, perhaps, our next generations will say about us: Yes, they were like the people of the Italian Renaissance and the Sung dynasty. Yes, perhaps they will even say, they even were a little better.

History of the new continental bridge

by Ma Hong

The following introduction to the book, A Study on the Strategic Significance of the New Euro-Asian Continental Bridge, was written by one of China's most famous economists.

An epoch-making choice

While the Northern Xinjiang Railway was under construction, I put forward a proposal in 1985 that the Northern Xinjiang Railway connect the New Euro-Asian Continental Bridge. At a symposium on economic development of the zones around the New Euro-Asian Continental Bridge, I predicted that, "This Bridge would not only be a railway for transportation, but also an economic belt that would have bright prospects, greatly promote commodities circulation, and converge and blend east-west economic development." The past ten years saw the realization of our long-cherished ideal, for a series of major events were recorded in the annals of the Euro-Asian Continental Bridge.

- On Sept. 12, 1990, our Northern Xinjiang Railway connected the Tuxi Railway of the former U.S.S.R., which marked completion of the 11 kilometer-long New Euro-Asian Continental Bridge. CPC General Secretary Jiang Zemin cut the ribbon at the opening ceremony.

- On Dec. 1, 1992, the New Euro-Asian Continental Bridge was opened to containerized transit traffic, marking the start of trial operations of the Euro-Asian Continental Bridge.

- During the 11 years from 1985 to 1996, our enormous investments were put in for renovation of railways in connection with the Euro-Asian Continental Bridge. The 2,000-plus kilometer-long Lanzhou-Xinjiang Railway was double-tracked and the 500 kilometer-long Baoji-Zhongwei Railway started operations. . . .

- In 1994, Premier Li Peng visited four Central Asian countries. During his visit, Premier Li Peng and leaders of the four countries reached a consensus of opinion with regard to connecting the New Euro-Asian Continental Bridge and constructing a modern Silk Road.

- With the Houma-Yueshan Railway completed on Nov. 20, 1994, a new transportation artery of the Rizhao-Xi'an Railway came into existence that runs parallel with the Longhai Railway. Thus, a railway artery in parallel with the eastern part of the New Euro-Asian Continental Bridge, with Rizhao and Lianyungang as terminuses, came into existence. On Dec. 26, 1994, the Houma-Yueshan Railway started trial operations.

- From Oct. 26 to Oct. 28, 1994, a meeting was held in

Beijing attended by ministers of railway transportation from seven countries concerned. At the meeting, Minutes of Talks on Developing International Railway Passenger and Freight Transportation were signed, that paved the way for transportation by the New Euro-Asian Continental Bridge. On Sept. 8, 1995, railway experts from the seven countries concerned signed an agreement on opening the Alatau Pass-Druzhba (Friendship) international passage.

- In 1995, the first and second phase of the world's greatest ecological systems engineering—three northern shelter forest belts—were brought to completion. These forest belts prevent 10% of moving deserts and 40% of loess erosion, which created favorable conditions for the railway artery that passes through northwestern China.

- In 1995, the laying of the Chinese section of Euro-Asian telecommunications cable was completed.

- In July 1995, the State Scientific and Technological Commission, the State Planning Commission, and the Ministry of Foreign Trade and Economic Cooperation formally approved in a document, Rizhao of Shandong Province and Liangyungang of Jiangsu Province as the eastern terminus of the New Euro-Asian Continental Bridge.

- In January 1996, the Xi'an-Baoji Expressway was opened to traffic, and the first phase of electrifying the Houma-Yueshan Railway was completed, which was a key construction project in the Eighth Five-Year Plan (1985-1990). The railway has started trial operations.

In recent years, the CPC Central Committee and the State Council have adopted a series of strategic measures to promote developing and opening the New Euro-Asian Continental Bridge. In the international arena, they proposed that a modern Silk Road be jointly constructed and exchanges between Europe and Asia be expanded. They received positive responses from the countries concerned. Domestically, the Fifth Plenary Session of the Fourteenth CPC Central Committee ranked the Euro-Asian Continental Bridge economic zones as one of five economic zones for key construction and development, following the inclusion of [the statement] "zones around the Chinese section of the New Euro-Asian Continental Bridge will develop sustainedly" in "China Program of Priority Projects on Agenda 21." In May 1996, the two State Commissions and the Ministry aforementioned will jointly sponsor an International Symposium on Economic Development of Zones around the New Euro-Asian Continental Bridge.

That large-scale development and opening up of the zones around the Euro-Asian Continental Bridge have been placed on the agenda of our times, is of strategic significance in transforming the situation, in which the vast central plain and western and northern China are relatively lagging behind in development and opening, in promoting sustained and coordinated development of southern and northern China, eastern and central and western China, narrowing gaps in economic development between different regions, enhancing solidarity between nationalities and in maintaining long-

term peace and stability. . . .

As the world is approaching toward the twenty-first century, developing relations between Asia and Europe are necessitated by world peace and economic development. In October 1994, Singaporean Prime Minister Goh Chok Tong proposed convening a meeting for Asian and European heads of state to discuss cooperation between Asia and Europe, and received positive responses. After serious preparations for a year, the first Asia-Europe Meeting was just convened in Bangkok, Thailand, March 1-2, 1996, which was attended by leaders from seven Asian countries, China, Japan, R.O.K., 15 European Union countries and the European Council. Chinese Premier Li Peng attended the grand meeting and delivered an important speech at the meeting. The meeting will serve as an important bridge for promoting cooperation between Asia and Europe, usher in a new epoch of Euro-Asia cooperation, greatly promote economic and prosperity between Asia and Europe, and provide a historical opportunity for developing the New Euro-Asian Continental Bridge. With more than a decade's efforts made, the Chinese section of the New Euro-Asian Continental Bridge has entered a new stage as whole, and developing the zones around the Euro-Asian Continental Bridge is getting in gear. . . .

I am firmly convinced that with long-term efforts made before and beyond 2000, the New Euro-Asian Continental Bridge will become an international economic and trade corridor, that will have the glory the Silk Road enjoyed in ancient times.

Maglev for the future

The authors of A Study on the Strategic Significance of the New Euro-Asian Continental Bridge, advocate the use of the most advanced technologies to build the New Euro-Asian Continental Bridge economy, including magnetic levitation (maglev). Here is the relevant passage:

The modernization and rapidity of transport means will give an unestimable impetus to the continental-bridge transportation. The rapid progress in science and technology promotes the modernization and rapidity of all the transport means, including the railway, automobiles, airplanes, and ships. Particularly, the success in the trial operation of the magnetic suspension train which travels at a speed of over 500 km per hour, will usher in a new era for railway transportation. It will exert an unmeasurable promotion on the continental-bridge transportation which takes railway as its chief means. . . .

Provincial leaders and infrastructure experts endorse the 'New Silk Road'

In the course of the Beijing conference, over 60 technical papers were presented by Chinese and foreign experts, covering a wide variety of economic, technological and environmental questions related to development along the Eurasian Continental Bridge. To give our readers an idea of the flavor of the discussion, and the range of topics included, we present below, with minor editing, and subheads added, excerpts from draft papers given by Chinese contributors to the conference. The complete proceedings are expected to be published, later, by the organizers of the conference.

Joining with the European Triangle

Gui Lintao contributed a paper on "Cities along the Bridge Join Hands in Building the Modern Silk Road." Gui Lintao is a member of the standing committee of the Shaanxi Provincial Commission of CPC, secretary of the Xi'an Municipal Committee, and president of the Long Hai Lan Xin Economy Promotion Council.

... Both the Asian and European continents were the birthplaces of world ancient civilizations, having made indelible contributions to the spread of human civilization, science, and cultures. During the course of 1,400 years, from 138 B.C., when Qian set out on his trek to the Western Regions, to A.D. 1388, when gunpowder was introduced to Europe, the "Silk Road" had all the while been the link between Oriental civilization and Occidental civilization. It made the economy and culture of Middle Asia, West Asia, and even East Asia and parts of Europe achieve unprecedented prosperity. . . .

The development of economy and society reveals such a fact: the concentration of population, production and exchange, namely the development of cities, without exception depends on natural rivers, lakes, seas and ports, as well as man-made communication corridors like land routes and water routes. For example, the opening of the ancient "Silk Road" once caused one new city after another to be set up in the Western Regions, whereas the opening of the modern Continental Bridge marks the beginning of the era of common development of urban and regional economy. The steel and iron artery greatly reduces the distances between different

cities and between different regions. And through this main axis, one economic network after another, centering on cities and radiating to vast surrounding areas, will be formed. . . .

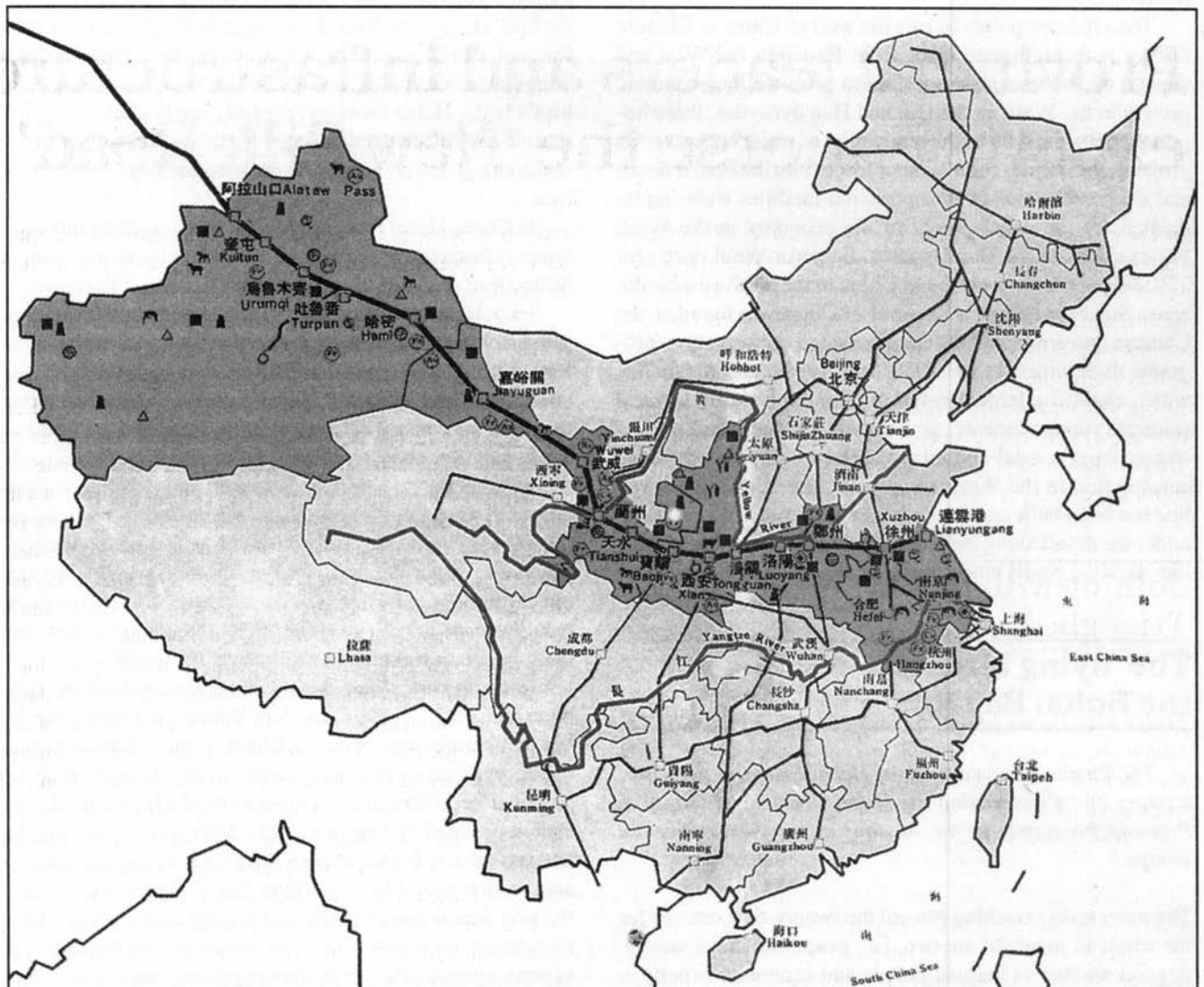
The opening of the North American Continental Bridge played a decisive role in the development of Midwestern North America and the revival of the American and Japanese economies; the construction and operation of the first Eurasian Continental Bridge brought about the emergence of more than 60 industrial and mining cities along the route.

This Continental Bridge of today connects in the East with the Northeastern Asian Economic Rim, which is composed of Japan, Korea and China, passes through Middle and Western Asia, which are endowed with rich mineral resources, and joins in the west to the Central European Region, which is formed by triangle of Paris, Berlin, and Vienna. . . .

A city is the production, circulation, science, technology, finance, and information center in a given region, and is therefore the accumulating place and source of radiation of advanced productivity. The survival and development pace of the urban area have to be sustained by communication and transportation networks. But the easy accessibility of the networks of communication and transportation depend on city development for the furnishing of supplies of energy. At present, the global economy has entered a stage featuring city-centered development. And the urbanization process will be greatly quickened. It is estimated that by the end of the century the urban population globally will surpass that of the rural population, reaching 51.6% (the developing countries will reach 45.8%); and China will have 40% of its population living in cities. . . .

If you take a bird's eye view over the map of Asia and Europe, you will see that the New Continental Bridge looks just like a brilliant and eye-catching necklace, linking up 100-odd cities scattered around the Eurasian continents and the surrounding towns in their thousands, as though they were pearls. The substance of the Continental Bridge economy in question is the construction of a Continental Bridge transportation systems-based industrial chain, to bring about a sound cycle of urban and regional economy and its speedy development. In the end, an economy corridor of powerful cohesive force and radiative force will be formed, which takes the Continental Bridge as the main axis, the large and medium cities along the bridge as props, and the multitude of small cities as net knots. . . . The economy corridor will further

Chinese provinces along the new Eurasian Continental Bridge, with major rail connections



Courtesy of the Organizing Committee for the International Symposium on Economic Development of the Regions Along the Euro-Asia Continental Bridge.

promote the mingling of the economy and culture of the two continents, and in particular accelerate the process of industrialization and urbanization of the Middle Asia and Midwestern region of the Chinese section, and form new city rims or city belts, thereby speeding up the economic takeoff of the underdeveloped regions and realizing a coordinated development of the regional economy.

Judging from the development in different areas along the Eurasia Continental Bridge, the cities in the western part of the bridge, such as Rotterdam, Paris, Bonn, Minsk, Moscow, and Kiev, have marched into the advanced industrial society, whereas the areas in West Asia, Middle Asia, and East Asia are still in the process of industrialization and urbanization. Even in the Chinese section of the New Continental Bridge,

distinctive differences in social and economic development still exist between the Eastern, Middle, and Western areas. For example, among 66 million poverty-stricken people in China, 80% live in the Western area and about 80% of the rural labor in Western China is engaged in agriculture. . . . The only way to narrow the difference between inland areas and developed areas is to develop in-depth processing and high-tech industry in the inland areas with their abundant resources, to promote continuous industrial growth, instead of sticking to the traditional model of supplying natural resources and primary products. The important way to solve the unbalanced development between different areas is to rely on the railway line and bring the role of the central city into full play by amassing technology and manpower, which is

significant for the development of small towns as well as the creation of a sound environment for the development in poor regions. . . .

The effective policy to rule the west of China in Chinese history is to immigrate labor from East into the West and depend on the transportation line to promote the economic growth in the West. In the Qin and Han dynasties, three important policies, such as the renovation of water conservation projects, the immigration of labor forces into the border areas, and the construction of transportation facilities were implemented for the development of the economy in the West. For example, in the Han Dynasty, Emperor Wudi once sent 720,000 people from northeast China to the northwest border areas. Since the People's Republic of China was founded, the Chinese government has also launched immigration programs three times, in the 1950s, the 1960s, and the 1970s, which enabled a large number of demobilized officials and soldiers, young students, government officials, and professionals from coastal and inland areas, to join the economic construction in the West. As a result, the Xinjiang railway line has been built up and a number of outposts, buried deep under the desert along the ancient Silk Road, are now shining like dazzling pearls along the Continental Bridge.

The 'flying bird' of the Bohai Bay Rim

The People's Government of Hebei Province presented a paper on "Constructing the Hebei Bridgehead Group to Promote Prosperity in the Regions along the Continental Bridge."

The main tasks marching toward the twenty-first century for the whole of mankind are two, i.e., peace and development. A good number of learned people and economic experts in the world predict that the focus of economic growth in the world is shifting towards the Asia-Pacific Region, and this prediction has been verified by the economic development tendency of recent years. While the Northeast Asia Region which surrounds Bohai Bay is the most brisk region in economic development, the upsurging region of economic development in the near future in China will be centralized in the Bohai Bay Rim Region. . . .

At the end of the nineteenth century and the beginning of the twentieth century, the Bohai Bay Rim Region had been one of the regions which initially received advanced Western productive forces. Entering into the twenty-first century, on the basis of the past combination and cooperation, the Bohai Bay Rim Region is showing its new position to all people in the world. . . .

From its geographic position and its functions in the Bohai Bay Rim Region, if the whole region is taken as a flying bird,

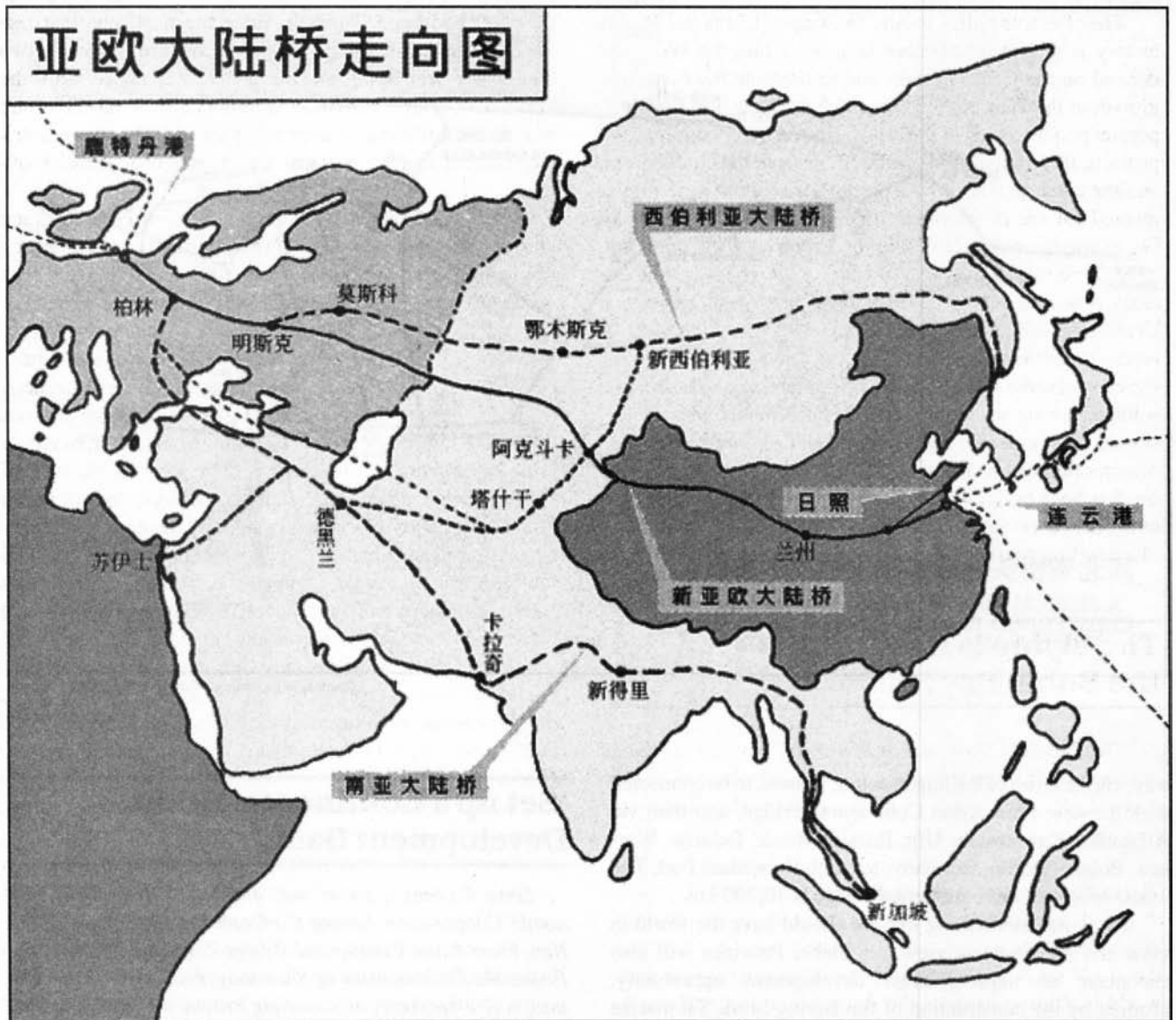
Beijing and Tianjin, the two municipalities, can be the brain of the Bohai Bay Rim Region; and Liaoning and Shandong Peninsula can be the two wings of the bird; Hebei Province is the bird's body, and Shanxi Province, the most important base for coal, can be said to be the tail of the bird. Now, the two wings have been flying, and the tail has been raised, while the bird's body, Hebei Province, urgently needs to have a strong muscle and full-fledged impressive stature. This raises a new requirement to the economic development of Hebei Province. . . .

In China, Hebei Province has the excellent conditions and unique character as well as rare opportunity to construct a bridgehead group of the Asia-Europe Continental Bridge.

First, Hebei Province has an excellent port condition. Located in the northeast part of Hebei Province, Qinhuangdao Port, since it was opened as a trade port in 1898, has been operating nearly 100 years. Now the port has 53 berths, among them one has the capacity of 100,000 tons, and the port has cargo-handling capacity near 0.1 billion tons yearly, next only to Shanghai Port. . . . For the port there are three main channels with water depths more than 13.5 meters, through which 50,000-ton cargo ships can go smoothly; another main channel with a water depth of 16.5 m, through which 100,000-ton cargo ships can pass, is under construction. Therefore its handling capacity can meet the full requirements of third- and forth-generation container transport in the world. . . .

Jingtang Port, which is only 65 nautical miles from Qinhuangdao Port. . . . Here, Dr. Sun Yat-sen, the forerunner of the democratic revolution of China, proposed to construct the "Large Port in Northern China" in his "General Plan for National Reconstruction" written in 1919. He said this [port] should be equal to America's New York in size; it would be the passageway for world trade, and a supply and distribution area, which would be larger than that of New York. Finally, the port would connect Asia and Europe into a whole. After foundation of the new China, the concerned departments sent experts several times to do investigations, and experts from Germany, Britain, France, Austria, Japan, and so on also have come on inspection early. . . . All deemed that here is an ideal site for constructing a deepwater port. On Aug. 10, 1989, the port began to be built formally; in July 1993, Tangshan City signed an agreement formally for jointly constructing the port with Beijing Municipality, and the port was named "Jingtang Port." The port will be the biggest one in scale of the construction in China; the first phase of the project, including eight berths with a capacity of 15,000 tons each, was essentially finished at the end of 1995. . . . According to the plan, by the end of this century, [the port's] handling capacity surpass 12 million tons yearly; in 2010 it will reach 22.1 million tons, and by 2020, 36 million tons per year. Meanwhile, Jingtang Port is planning to build a large deepwater berth in Caofeidian Port. Caofeidian is located 30 nautical miles southwest of Jingtang Port. . . .

Huanghua Port, which is located in the eastern part of



Courtesy of the Organizing Committee for the International Symposium on Economic Development of the Regions Along the Euro-Asia Continental Bridge.

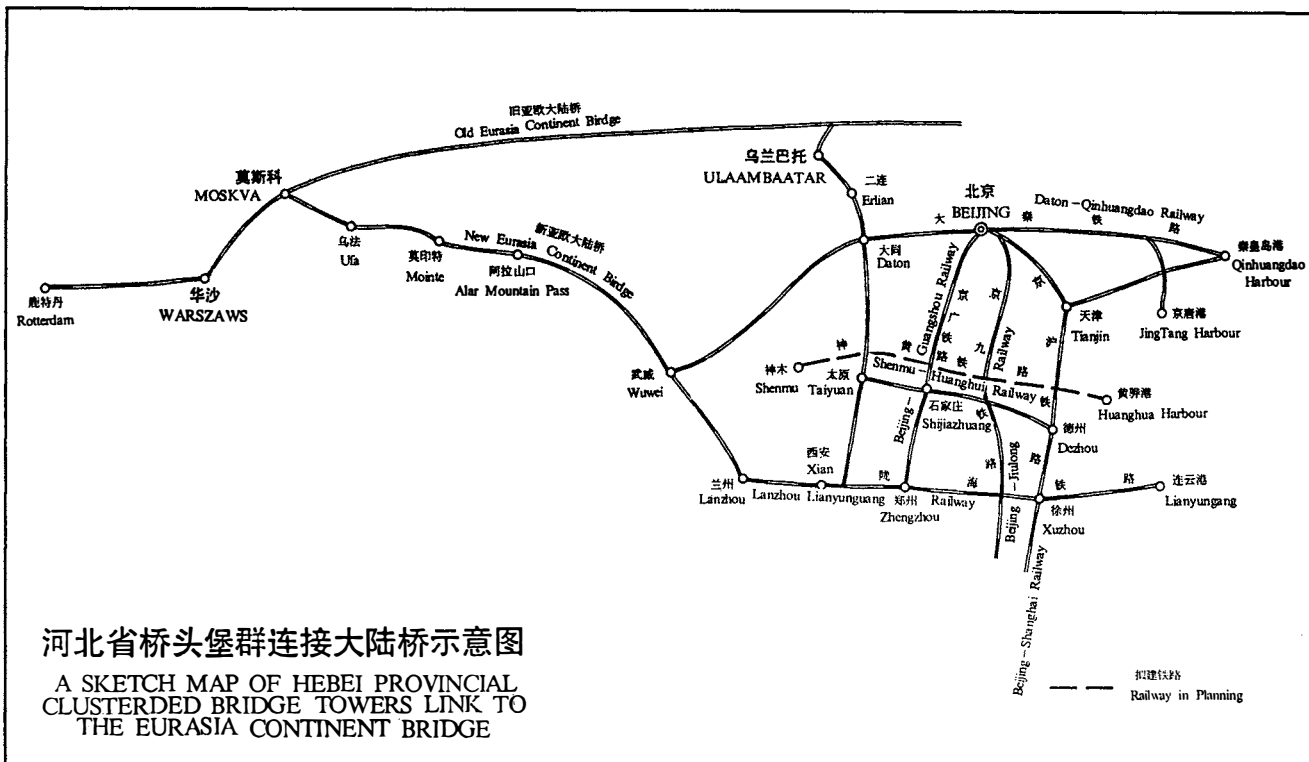
Hebei Province, was certified officially in 1993 to be the special port site for Shenmu coal. At the moment, the port area is under construction. The Shenmu-Huanghua Railway has been already listed in the Ninth Five-Year Plan and the long-range program of 2010 of the national economy and social development; it goes via Dongsheng to reach Baotou, connecting there with the railways of Beijing-Baotou and Baotou-Lanzhou. Along with the construction of the port and routes and the need for economic development, Huanghua Port already has the condition to become one part of the Oriental Hebei Bridgehead Group of the New Asia-Europe Continental Bridge.

The three ports mentioned above, together with Tianjin Port, compose the oriental bridgehead group of the Euro-Asian Continental Bridge. . . .

Taking Qinhuangdao Port and its neighbor, Jingtang Port, as a starting point, one route is to go along the Da-Qin Railway to Ulan Bator, in the People's Republic of Mongolia, via the cities of Beijing, Datong, and Erlianhaote, and then further enter into Russia to be connected with the Siberian Asia-Europe Continental Bridge. The whole length of this continental bridge is 11,200 km from Qinhuangdao Port of Hebei Province, China, to Rotterdam Port, Holland.

Another one is to go to Alashankou along Da-Qin Rail-

Schematic of Eurasian Continental Bridge connections to Chinese harbors via Hebei province



Courtesy of the People's Government of Hebei Province.

way, via the cities of Beijing, Baotou, Wuwei, to be connected with the new Euro-Asian Continental Bridge, and then via Alkdouka, Kazakhstan; Ufa, Russia; Minsk, Belarus; Warsaw, Poland; Berlin, Germany; to reach Rotterdam Port. The whole length of this continental bridge is 10,700 km. . . .

It is worth mentioning that we should have the world in view and the future in view. . . . Hebei Province will also encounter an unprecedented development opportunity, brought by the construction of the Bering Strait Submarine Tunnel. The narrowest location of the Bering Strait between Chukchi, Russia and the North American Alaska Peninsula, is only 85 km wide. Already in 1905, the "Cross Alaska-Siberia Railway Company" was set up by Russia and America. In 1986, a tentative plan for establishing a Bering Strait Undersea Tunnel was put forward. After that, in 1992, 1993, and 1996 three successive international meetings have been held especially to discuss this issue. As soon as the Bering Strait Tunnel is finished, the U.S.A., Russia, China, and some Asian countries will be connected together. So, the Qinhuangdao Port, Jingtang Port, and Huanghua Port of Hebei Province will be one of the nearest ports of China from west exit of the tunnel, and it, also, will become one of bridge-heads connected with the Asian and North American Continental Bridge.

'Set up a Continental Bridge Development Bank'

Song Fa-tang's paper was entitled, "Strengthen Economic Cooperation Among the Countries and Areas of the New Euro-Asian Continental Bridge Zone and Promote the Economic Development of Shandong Province." Song Fa-tang is vice-secretary of Shandong Provincial Party Committee and managing vice-governor of Shandong Province.

The New Euro-Asian Continental Bridge Zone (NEACBZ) lays a very good foundation for establishing a new type of companion relations and for developing regional cooperation. The Chinese government has already appointed the Rizhao Port of Shandong Province as the eastern bridgehead of the NEACB. . . .

Shandong is in the eastern part of China, bordering on the sea. It is a big economic province of China, located at the east point of the new Euro-Asian Continental Bridge and facing the Korean Peninsula and the Japanese Islands across the sea. Shandong's resources are abundant, and railways and highways radiate in all directions. There are many seaports in Shandong. Rizhao Port, the continental bridgehead, is very

wide and the water is deep enough. One kilometer away from the coastline, the natural water depth is 13 meters. . . . The opening of the new Euro-Asian Continental Bridge makes the nature of Rizhao City change greatly: changing from an ordinary port city into the pivot city of land and sea, which connects Europe in the west and Asia and the Pacific Ocean area in the east. . . . Rizhao has favorable conditions (that are rarely found elsewhere in the world) to build a large deepwater port and maritime industry. We can build an international container transshipment center here. . . . Seize the opportunity to build an ore wharf of the scale of 150,000-200,000 tons, and open as quickly as possible sea lines from Rizhao to South Korea and to Japan. At the same time, we shall set up a bridgehead opening-and-developing experimental district in Rizhao City, delineating a certain area which will include the seaport, and giving it favorable policies similar to those of the special economic districts. We shall also select certain regional central cities in the Continental Bridge area to set up "Special Continental Bridge Districts" for the sake of giving impetus to the growth of the bridgehead economy area and the Continental Bridge Economic Belt. . . .

[Our proposals are:]

- Complete as quickly as possible the construction of the necessary infrastructure networks that tally with the needs of the NEACBZ. The main line skeleton of the new Continental Bridge railway has already been completed; the immediate thing for us to do now is speed up the necessary adjuncts for the skeleton. We should have the spirit of "joint construction, joint ownership, and joint responsibility," complete the necessary constructions in railway, highway, communication, and pipelines. . . .

- Set up a continental bridge development bank to strengthen the ability of circulating capital for the economic cooperation of the NEACBZ. The Chinese part of the new Euro-Asian Continental Bridge is mostly located in those areas of our country still awaiting development. Both the construction of infrastructure and the economic construction along the continental bridge line need to be speeded up and need a great amount of investment. In order to make Europe, Asia, and the Pacific area join in the economic operation of the NEACBZ more effectively, we may consider setting up a continental bridge development bank, whose special function is to be responsible for the economic development of the NEACBZ and establish bank branches in the important cities along the continental bridge, using a new financial system to promote the opening, development, and joint cooperation of the NEACBZ.

- Found a continental bridge international center for the training of qualified personnel to promote the exploitation of labor resources. The labor resources along the continental bridge line are abundant. . . . We should help the people in these areas to master the skills of developing production and strengthen cooperation in such respects as education exchange and vocational training. Currently, Shandong Prov-

ince has made investment in this field and set up a training organization in Rizhao to train qualified personnel for the sake of serving for the exploitation of labor resources along the continental bridge line. We imagine that through the joint efforts of all sides, we shall develop this organization into an international personnel training base, which will keep its foothold in China, but will be geared to the needs of Asia and Europe, in order to better serve the regional cooperation of the NEACBZ.

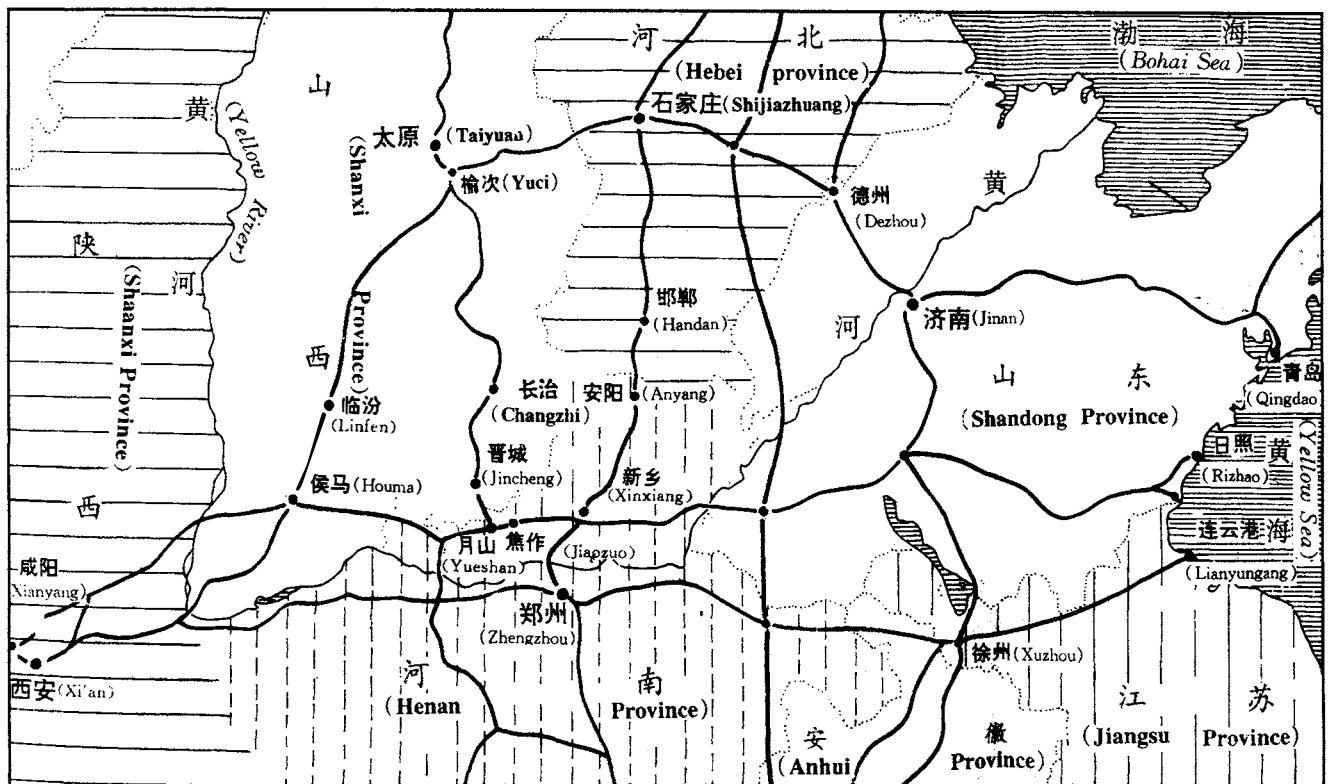
Eurasia needs 'development poles'

The paper by Hou Chen Yi, vice-mayor of the People's Municipal Government of Jiaozuo, was entitled, "A Primary Analysis of the Role of Jiaozuo in the Economic Development of the Regions along the Euro-Asia Continental Bridge."

With the construction emphasis of China advancing from the east to west, a new development pattern of the national economy has formed. The "four modernizations" drive of the country started with the prosperity of Eastern parts brought about by the "open to the outside world" policy, and will only be fully fulfilled with the opening up, developing, and soaring of the Western parts. But from the prosperity of the East to the economic soaring of the West, the transitional zone in the center takes an important part. That is to say, the development and soaring of the West will rely on a highly developed central, transitional zone. And the key step for the central part of China to develop quickly is to concentrate development emphasis on a few cities of relatively sound foundation, i.e., to foster several "developing poles" or to break through at a few points. . . . By having a bird's view of the map of China, you will find that Jiaozuo is right at the juncture of the East and the West, the South and the North, right at the center of the Longhai and Lanxin new economic zone along the new Euro-Asia Continental Bridge. The superior geographic position provides Jiaozuo with the practical possibility of acting as a linkage between the South and the North, and between the East and the West. But to turn the possibility into a reality, Jiaozuo should have a sound economic basis for introducing, digesting, absorbing, and spreading advanced technology and management skills. . . .

From the viewpoint of its communicational conditions, Jiaozuo is located at the juncture of the two large economic zones to the East and West, at the boundary of Henan with Shanxi. Five railways extend across the region. They are the Beijing to Guangzhou Railway, the Jiaozuo to Liuzhi Railway, the Jiaozuo to Xinkiang Railway, the Jiaozuo to Taiyuan Railway, and the Houma to Yueshan Railway. The National No. 207 and No. 107 highways and seven interprovincial highways connect Jiaozuo with the surrounding regions. From the viewpoint of its development potential, Jiaozuo is one the three important members of the "Middle Golden Tri-

Eastern end of the new Eurasian Continental Bridge



Courtesy of Gao Zhengang, Editor, "A Study on the Strategic Significance of the New Euro-Asia Continental Bridge," Jinan, 1996.

angle" mapped by the provincial government of Henan. Numerous experts have come to a common understanding since the proposal of Prof. Fei Xiaotong was put forward, that the Middle Golden Triangle shall be the Dragon Head of Henan's economy, the central pivot of the economic corridor along the New Euro-Asia Continental Bridge and the relay station of the hot economic spot on its way shifting to the West. At present, key national projects like the Key Water Control Project of Xiaolangdi, Qinbei Power Plant, and the Water Transferring Project from the South to the North are under construction in or near the region, with an enormous amount of investment pouring in a very short period.

... Basic industries like energy and raw materials have long been known as the "bottleneck" industries and will remain one of the major factors that restrain a quick development of the national economy in the Ninth Five Year Period and an even longer period after that. The immense area of Central and Western China is rich in natural resources and has a great potential in exploiting and utilizing these natural resources. To transform the resource advantage into an economic advantage, is the only practical way of vitalizing the economy of the Central and Western parts of China. ... Jiaozuo is also rich in natural resources. ... Jiaozuo is one of the earlier developed bases of anthracite in China. ... Output of

raw coal in 1995 hit more than 10 million tons and the yearly export volume of its anthracite accounts for one-fourth of that of the whole country. ... The region is rich in both superficial and groundwater resources. The Yellow River, Danhe River, and Qinhe River run across the region. The total available water reserves amount to 2.83 billion cubic meters, 884 cubic meters per capita. ... The verified reserves of limestone hit 0.3 billion tons, those of bauxite amount to 50 million tons. Both of them are essential raw materials for the aluminum industry. ... The reserves of bauxite in nearby Luoyang and Sanmenxia reach 0.3 billion tons. ...

Since the beginning of economic reform and implementation of the opening-up policy in China, Jiaozuo has focused its efforts on the development of power, coal, chemical, and aluminum industries to make its resource advantages yield well. By attracting investments through various channels, Jiaozuo has launched a batch of large enterprises influential both at home and abroad. And a base for energy and heavy chemical industries is taking shape. ...

The vast region of Central and Western China is rich in arable land resources. But the land resources remain insufficiently developed and of poor productivity. ... So it is of prime importance to accelerate agricultural development and help the rural economy thrive. In this respect, the Jiaozuo

region has successful experiences and practices for other regions in Central and Western China to learn from. . . . It has a long history of agricultural development and a tradition of intensive and meticulous farming. . . . In 1995, the average output per *mu* [1 hectare=15 *mu*] reached 476 kilograms . . . among the four counties north of the Yellow River, where one *mu* of land can produce one ton of grain, three are under Jiaozuo jurisdiction. . . . A new strategic plan, however, has been worked out recently for the further development of agriculture and the rural economy, based on a new and high starting point. Jiaozuo will accelerate the speed of industrializing the rural economy and integration of urban and rural areas. . . . It is targeted to establish a comprehensive exemplary area of agriculture for the nation, integrating high technology and bio-ecology with high efficiency, and to set up a base for processing and export of farm products and by-products, a base for earning foreign currency, so as to provide Henan and other regions along the Continental Bridge more and better experiences.

Organizing railway transportation

"On the Organization of the New Eurasian Continental Bridge Railway Transportation," was submitted by the Eurasian Continental Bridge International Transportation and Trade Co. Ltd. Research and Development Center.

Since the connection was completed in 1990, the New Eurasian Continental Bridge (the NECB) has become the most popular topic concerned with Eurasian cooperation. In January 1996 seven nations, including China, Kazakhstan, Japan, and South Korea, signed an agreement to increase the volume of the goods transported through Druzhba-Alataw Pass on the basis of cooperation and mutual benefit. At the Asia-Europe Summit Meeting, at the beginning of March, this topic was again widely mentioned by the conference participants.

We think, that in order to take advantage of the Continental Bridge's convenience and safety for railway transportation, and to make it a significant breakthrough for Eurasian cooperation and a Eurasian economic corridor in reality worthy of its name, we must quickly build an organization of the New Eurasian Continental Bridge Railway Transportation (abbreviated as NECBRT). . . . Led by an international organization with participation by the railway transportation departments and/or major Eurasian enterprises, especially those from along the line, this organization should be a transnational coordinating institution which accords with international practice. Only on this basis, can a series of organized measures be adopted.

(Proposed measures:)

1. To standardize the gauge. For historical reasons, there exist different gauges in each section of the NECB. For

instance, in the section of the countries of CIS, there is a 1,520 mm-wide gauge, but in China and European nations, there is a 1,435 mm standard gauge. The gauge difference makes the trains on either end of the bridge unable to pass through it directly. Two transshipments are needed, thus wasting time, raising the loading and unloading expenses, and increasing the risk of damage to or loss of goods. In this sense, the gauge difference can be regarded as the key element in slowing down the high-speed transportation ability of the NECB. For this reason, it is the main task of the organization of the NECBRT to construct a new main line in the countries of the CIS to standardize the gauge and finally to realize direct passage from one end of the bridge to the other.

2. To unify customs inspection. The NECB passes through many countries, and every country has its own rules for customs inspection. . . . After unification, no matter where the goods are transported, they will not be re-inspected by other nations once they have been inspected by one of the member nations of the NECB organization. In this way, time can be saved, and transportation expenses reduced.

3. To unify transportation expenses. . . .

4. To unify settlement of payments. As the NECB runs through many different countries, it would be very difficult for the goods' owners to pay freight [charges] separately to individual countries—more expenses may be charged and unnecessary disputes may occur. It would be preferable if the goods' owners could pay the whole transportation charge through a unified settlement center, which would assign the deserved part of the charge to each nation. . . .

5. To coordinate the different aspects of the transportation system.

The NECB is a system in which railway transportation is only one significant part. To develop a whole system, other fields are needed, such as modernized storehouses, linkups between sea and railroad transportation, statistical information about the transported goods, retrieval of empty containers, and modernized tracking services, etc. Just as a conductor is needed in an orchestra, without a powerful, highly efficient coordinating institution, it would be hard to coordinate each subsystem's operation. . . .

6. To unify arbitration. In the process of carrying goods through the NECB, it is inevitable that economic disputes will occur between the goods' owners and carriers, typically when goods are damaged or lost. . . . If an arbitration institution is set up, all lawsuits and claims can be presented to it for settlement, and proper rights can be safeguarded.

7. To arrange and utilize funding. The differences in speed and gauge are the main factors limiting the rapid development and standardization of the NECBRT. The different facilities and conditions in each section cause the speed differences. For example, in the sections of China and Central Asian nations there exist substandard sections, which require technical transformation. As for the unification of

gauge, a new main line is needed to go through the countries of the CIS. It can have two routes: one is northward from Kazakhstan, via Russia and Belarus, linking up with European railways in Warsaw, Poland; the other is southward from Kazakhstan, via Uzbekistan and Turkmenistan, ending in Iran. The construction of the new main line needs a large investment. . . . For this reason, a transnational development bank should be established by the international community and nations along the bridge. On the basic principle that whoever invests benefits, the bank would raise funds from the international community for the construction of the NECB and technical transformation of the basic facilities, and finally, under a properly formulated plan, construct a high-speed railway in the Asian section, to achieve the rapid development of Eurasian railway transportation.

Network planning along the continental bridge

A paper on "Multimodal Transport Network Planning in the Regions along the Euro-Asia Continental Bridge," was submitted by Mao Bao Hua, Yuan Zheng Zhou, and Shen Fei, Department of Transportation and Management Engineering, Northern Jiaotong University, Beijing, and by Zhu Jun Feng, Institute of Comprehensive Transportation, National Planning Committee of the P.R.C. The excerpts below are mainly from the section on railroad construction.

After the successful linkage between the Beijing Railway of China and the Tuxi Railway of Kazakhstan, a new Euro-Asia Continental Bridge has been formed. The regions related with the Continental Bridge include 4,100 km of railway lines in China, and include 11 provinces, 411 cities and counties, 220 million population. . . .

As an East-West corridor, the Longhai-Lanxin Railway from Lianyungang of Jiangsu Province to Alashankou of Xinjiang Autonomous Region, links many other railways. Eight railways South and seven railways North of the corridor are available. These 15 railway lines connect most of China. However, there still exist problems in the corridor, such as the following:

1.1.1. Baoji-Tianshui section is a single line of lower standards. Maximum speed in parts of the section is only 45 km/hour, which limits the capacity of the whole line.

1.1.2. The utilization on some of the line and related marshalling stations have exceeded 90%. The Yanzhou-Shijiu line, a single line, is near saturation in capacity.

1.1.3. The Ciyao-Bengbtu line has touched its saturation point, which would affect the absorption of the bridge in Southeastern areas.

1.1.4. Western lines have greater unit operational cost. . . [which] has affected the operational profits. . . .

According to the national railway network plan, total rail kilometers in China will be 65-70,000 by the year 2000. The rail line technical improvements related to the [Eurasian Bridge] corridor are as follows:

- Double-tracking of the Xuzhou-Lianyungang Railway. Part of the line, 254.4 km long, has been double-tracked, and the entire length will be completed soon.

- Technical improvement of the Baoji-Lanzhou Line. This 503 km-long line has very bad geographic conditions. The present loading rate at Tianshui station is very high, which forms a bottleneck for the Northwestern areas. As a main artery between the West and the East, it is necessary to extend its capacity to 45 million tons by 2000; the Baoji-Zhongwei Railway has been constructed as a channel to share part of the volume.

- Doubling the Houma-Yueshan-Xinxing-Heze-Shijiu Railway

- Electrification of the Baotou-Lanzhou Railway
- Electrification of the Gantang-Wuwei Railway
- Reconstruction of the Lanzhou-Xining Railway
- Reconstruction of the Nanjiang Railway

On the south-north axis lines, the main improvements are as follows.

- Electrification of the existing Beijing-Shanghai (Jinghu) Railway and construction of a high-speed line. The present loading rate on the existing Jinghu Railway has been saturated, especially in the section between Xuzhou and Bengbu. Simultaneously with its electrification, it is necessary to build a high-speed passenger railway, to increase the carrying capacity of the Jinghu corridor as well as the absorption of the bridge.

- Electrification of the Beijing-Guangzhou Railway
- Double-tracking the Jiaozhi Railway
- Construction of the Beijing-Jiulong Railway: This railway greatly improves the transport between south and north, directly to Hongkong.

- Construction of the Xian-Nanjing Railway
- Construction of the Baotou-Xian Railway. This railway, 914 km long, provides connection with Inner Mongolia, North Xianxi and Middle-China.

- Xian-Ankan Railway. . . .

- Xingyi-Changxing Railway. As a regional rail line, it plays an important role in the economic promotion of North Jiangsu. After 2000, it is also necessary to perfect the rail corridor. For example, it may take various seaports as nodes to construct a coastal railway such as the Longkou-Weifang-Linyi line, the Suide-Liulin-Xuzhou line, the Lanzhou-Yangpingguan line, the Xining-Chengdu line, the Alashankou-Jinghe-Buole-Yining line, the Wusu-Aletai line, the Xining-Zhangye line, etc. From a long-term point of view, it is necessary to build the Zhongwei-Taiyuan line, the Shang-Lanzhou line, the Geermu-Kuerle line, the Ledun-Beidun line, etc. The total length will amount to 100,000-140,000 km. . . .

On pipelines, it is necessary to construct the Wuwei-Lan-

zhou-Baoji-Chengdu-Zhongqing pipeline and the Baoji-Luoyang pipeline for end-product oil. After 2000, we should build the Akesu-Kuerle-Tulufan line, the Wulumuqi-Yumen-Lanzhou-Baoji-Xian-Luoyang line and Luoyang-Nanyang line for crude oil transport; and the Jining-Luoyang-Xiangfan line, Luoyang-Pingdingshan line and Zibuo-Jinan-Xuzhou line for end-product oil transport. The coal pipelines technique must also be emphasized.

Container transport

The Science Research Center of the COSCO Group contributed a paper, "On Container Transportation of the COSCO Group and the New Euro-Asia Continental Bridge."

... Along with the development of the national economy and the increase of foreign trade, container transportation has become an important part of China's national traffic. ... In the five years of the end of this century, on the basis of containerized traffic in China, we are going to do the following: The international container shipping industry will be the focal point of development. The containership fleet will be optimized and enlarged. The infrastructure construction of central seaports and the ports along the main shipping routes will be sped up. The container distribution systems of railroad, waterway and highway are going to be established and improved. ...

... The COSCO Group, the largest shipping enterprise in China, has applied the world's most advanced technologies in shipping, international logistics, and information processing, to keep in step with world advanced science and technology, in developing the ocean shipping industry of China. ... The amount of container ships owned by COSCO Group is in the second place in the world. The COSCO containership fleet operates 156 ships of total capacity 174,000 TEUs [trailer equivalent units, the equivalent of a 20-foot trailer—ed.]. ... As a transnational shipping corporation, COSCO fully utilizes the continental bridge in its business. ...

A continental bridge is a bridge of transcontinental intermodal traffic, usually from coast to coast to form international intermodal transportation.

The main continental bridges in the world are the following:

1. The continental bridge of North America transcrosses from the East Coast to the West Coast. In the United States and Canada there are several railways which transcross from the Pacific Coast to the Atlantic Coast. The distance between the two coasts is 4,500 km. Every day the Burlington Northern Railroad Co. of America sends out eight double-stack container trains from the Port of Seattle. The number of containers transported by train each year is about 300,000 TEUs. ... [The continental bridge] can speed up the traffic: 100 hours from Seattle to New York, 62 hours from Seattle

to Chicago. Canadian Pacific Rail System, another railway company of North America, also engages in transport through the continental bridge of North America. The railway mileage of the CP Rail System runs is about 11,850 km. The service railways are as follows: Port of Vancouver to Toronto and Montreal, running time 70 hours and 110 hours respectively. ... Each year about 200,000 TEUs are transported.

The COSCO Group has opened the shipping route from China to the East Coast of America, once a week. We have also opened up sea routes from China to Long Beach and Oakland [California]. China to Seattle and Vancouver [operates with] one voyage each week, using large container liners. ... The world's largest containership, of 5,250 TEUs, will be operated on this sea route this year. ... The cargo transported is mainly, consumer goods used in the continent of North America. Those goods are transferred by the continental bridge door-to-door through an international, intermodal container system.

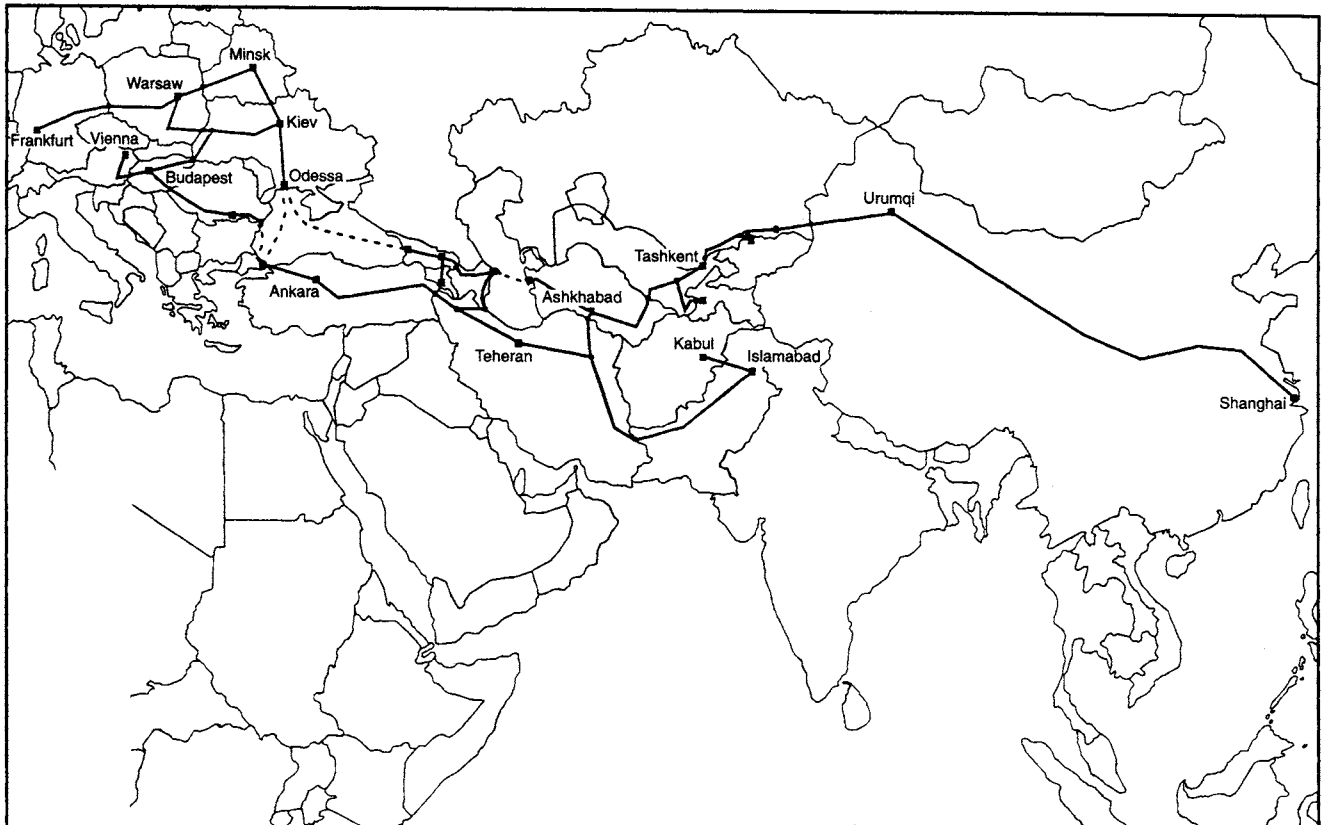
2. The Trans-Siberia Euro-Asia Continental Bridge links up the Far East region of Russia and Europe. ... This continental bridge makes favorable geographical conditions, speeds up the turnover of ships and trains, and greatly increases the traffic efficiency. The container transport by this continental bridge developed steadily and is highly praised by transfer companies and customers of other countries. The traffic of this continental bridge started in 1967. For the reasons of management, only 511 TEUs were transported during the years 1967 to 1970. In September 1970, Japan and the U.S.S.R. held negotiations and reached an agreement on developing transport between Japan and West Europe by the Trans-Siberia Euro-Asia Continental Bridge. ... Although the traffic on the Trans-Siberia Continental Bridge fluctuated, enormous profits were gained by the bridge transport. ... According to relevant documents, income is US \$130 million from transports of 70,000 TEUs each year from Japanese ports to the city of Brest (at the Polish-Russia border) via the Port of Vladivostok and the Trans-Siberia continental bridge. ... According to estimations, as many as 300,000 TEUs will be transported each year by 2000.

The container traffic on the Trans-Siberia Continental Bridge is mainly transport between Japan and Europe, or Japan and Near East Asia (Iran, Afghanistan). ... The time period of transportation is about 35 days. ...

3. The New Euro-Asia Continental Bridge. ... It has been a key problem for world transport industry and customers to find out and open up a new continental bridge between Asia and Europe. The realistic New Euro-Asia Continental Bridge is as following: The bridgeheads at one end are the Port of Rizhao, Port of Lianyungang, Port of Shanghai in East China, and Port of Guangzhou and Port of Shenzhen in South China; the bridgeheads on the other end, are ports along East coast of the Atlantic Ocean, Black Sea, and the Mediterranean Sea. ...

The characteristics of the new Euro-Asia continental bridge are as follows:

Sketch of the 'Trans-Asia-Europe Optical Cable Trunk System'



From paper of Wang Hongjian, Ministry of Post and Telecommunications of China.

a) There are a lot of bridgeheads at the two ends of the continental bridge. . . .

b) . . . Because the New Euro-Asia Continental Bridge attracts cargo sources from a large area and has a broad hinterland, so, in the future, there will be plenty of containers. . . .

c) The regions along the continental bridge are rich in resources. . . .

d) . . . The New Euro-Asia Continental Bridge is 3,000 km shorter than the Trans-Siberia Continental Bridge. . . .

e) A favorable natural condition and mild climate. The East and West bridgeheads are all ice-free ports, so that cargo handling can operate all the year round. . . .

f) According to the forecasts, the traffic volume may be 70,000-80,000 TEUs every year under normal conditions. So it is possible to launch a through train each day from both the East and West terminals. . . .

tions of the Ministry of Posts and Telecommunications of China, presented a paper on "The Trans-Asia-Europe Optical Cable Trunk System."

The proposal to construct a Trans-Asia-Europe overland optical cable trunk system was first made by the Ministry of Posts and Telecommunications of China. The system starts from Shanghai, China in the East and terminates in Frankfurt (Main), Germany in the West. It shall go through Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan, Turkmenistan, Iran, Turkey, Ukraine, Poland, Azerbaijan, Georgia, Armenia, Belarus, Romania, Hungary, Austria, Pakistan, and Afghanistan. It serves 20 countries in all, measuring some 27,000 km in total length.

When it comes into being, it will be the world's longest terrestrial cable system.

Proposal of the project: With the rapid growth in international economic relations since China's reform and opening policy, a serious shortage of facilities for international communications has long been felt, as the overseas telephone traffic in China has been increasing at a rate of over 30% annually at the beginning of the 1990s. . . .

Fiber optics communications

Wang Hongjian, director of the International Engineering Division at the Directorate General of Telecommunica-

Communications with European countries have greatly grown in volume, but, hitherto, transmission has had to use satellite. Compared with satellite transmission, optic fiber cables have the advantages of much larger capacity, less time delay, and better quality in transmission; especially in view of the prospective development of various information services in the twenty-first century. . . .

Therefore, the Ministry of P&T of China made the proposal for the project of the Trans-Asia-Europe Optical Fiber Cable (TAE) System. Many telecommunications carriers in Asia and Europe expressed their great interest in such a project and responded to the proposal.

At a TAE project seminar held in September 1992 in Beijing, the representatives from five Central Asia countries at first expressed their interest to join the project and believed that this is the best way for them to communicate directly with other countries.

Germany, Poland, and Ukraine also expressed their interest in such a project, with a view that the rapid economic development occurred in Asia, especially in China. . . .

In April 1993, the Agreement on the Construction and Organization of the Trans-Asia-Europe Optical Fiber Cable System was signed by representatives of the eight countries taking part in the construction of the cable system, at a meeting held in Urumqi in China, and the project was formally started.

In January 1994, Turkey and Iran joined TAE as parties. They called this project a "Silk Road," since the cable line in West Asia follows generally a route of the ancient silk road. . . .

The technology and service of the circuit: All of the cables are buried or ducted at least 1 meter deep. Restoration has been established at each segment for the safety of the whole system.

The number of fibers in a cable is 18, 24, 30, or 48, as the volumes of capacity are different in each segment. Most of the transmission stations will install the advanced SDH 622 megabits per second or SDH 2.5 gigabit per second transmission equipment. It means that 7,500 to 30,000 circuits can be passed through one pair of fibers.

The TAE system can provide high-quality digital circuits for the transmission of voice, data, fax, graphics, and other kinds of information. . . .

Progress in construction: The construction of the cable system may be divided into three stages, as follows:

1. The preparatory stage (September 1992-June 1994). . . .

2. The construction stage (June 1994-January 1997): during which the signatory countries are to construct their respective cable segments, to complete the installation of equipment, and, as necessary, to conclude agreements regarding maintenance, border division, etc.

3. Check and acceptance stage (January 1997-March 1997): Tests will be conducted on every segment of the

system as well as the system as a whole; any outstanding problems are to be solved.

Some countries, such as China, Turkey, and Germany, etc., have almost finished the construction of their segments. It is expected that the cable system of main route will be completed and ready to start operation by April 1997.

Oil and gas pipelines

A paper on "Strategic Thoughts on Constructing an Asian Oil and Gas Continental Bridge (AOGCB)" was submitted by Li Dai of the Commission for Integrated Survey of Natural Resources, Chinese Academy of Sciences, Beijing.

The Asia Oil and Gas Continental Bridge (AOGCB), linking up the Middle East oil-gas resources and the Far East market, will become an important route of international oil and gas trade, which to some extent will replace the shipping route between the Middle East and Far East. . . .

The AOGCB would join the most plentiful oil and gas resources and the main oil-gas import area in the world. . . .

The Caspian Sea, surrounded by Russia, Kazakhstan, Turkmenistan, Azerbaijan, Iran, probably ranks third, following the Persian Gulf and Siberia, in richness in petroleum and natural gas. . . . The international cooperation of the AOGCB will be very helpful for these countries to exploit their resources and participate in the oil and gas international trade. . . .

The Chinese petroleum shortage is an increasingly big problem in the future. Most of the main oil fields in eastern China are exhausted. . . . The AOGCB would promote the import of . . . oil and gas and exploitation of the western China oil fields. . . . The petroleum reserve along the AOGCB is about 40% of China's reserves, especially in Northwest China. . . .

The AOGCB would realize the plan of building a pipeline from Xinjiang to Eastern China. . . . If the AOGCB is set up, the freight volume to Japan and Korea would reach at least 30 million tons, which is one-sixth of their petroleum import.

The AOGCB would be a multifunctional economic system. [As an] international petroleum and gas conveyance system, this oil and gas pipeline of about 4,000 km in length would be an important thoroughfare for Middle Asian countries, providing connection to the sea once the pipelines are connected to those of Eastern China, Xinjiang Province and the Middle Asian countries. Next, we would connect to the Middle East pipeline and link up the Middle East resources with the Far East market. Once the Asia Petroleum Continental Bridge is built, the distance between petroleum resources and Japan and Korea would be shortened by some thousands of kilometers. Chinese ports would become the starting-point of international petroleum trade in the Asia-Pacific area.

China 25 years later

A personal report on this vast nation's optimism and will to develop, by Schiller Institute founder Helga Zepp LaRouche.

It should not be surprising, that the picture that Western "studies" and media reports paint about China, has little to do with the real historical processes going on in this country, whose culture is one of the cradles of humanity. Twenty-five years after my first visit, I have just visited the People's Republic of China for the second time. I believe that the comparison of the situation, then and now, says more about the reality of the situation in the "Middle Kingdom," where one-fifth of humanity lives, than all the widespread reports about China.

When I first visited China in summer 1971, the Cultural Revolution was in full swing. The Gang of Four dominated politics, the Red Guards had done everything possible to drown China's ancient cultural heritage in red paint, and the intellectuals were considered "class enemies" who had to be re-educated through physical labor in the countryside or in cadre schools. Among the strongest of my impressions, were the propaganda and the revolutionary Beijing Operas which were blasting from ever-present loudspeakers.

China, which Leibniz called, with Europe, one of the two poles of civilization, lived through one of the darkest chapters of its 5,000-year history. As a young journalist, I was one of the first Western visitors who could visit China after years of isolation. When I just now returned to Beijing at the beginning of May, to participate in the International Symposium on Economic Development of the Regions Along the New Eurasian Continental Bridge, I felt, during the first days, like a traveller in a time machine. Beijing was hardly recognizable. Of course, I had been hearing and reading numerous reports about the impressive development of China, but only this personal comparison enabled me to find the expression which these reports omitted: There is no country in the world, which has seen such a dramatic change in the past 25 years, not only in vast parts of the country, in economic terms, but also psychologically!

The comparison to Germany between 1945-70 struck me. Even if China is, certainly, still governed by communist structures, fear and paranoia in the population had given place to a kind of calm optimism, and a very different dimension of the culture of the country, besides communism, became evident.

The enormous optimism and the will to develop, alone, which were expressed by the Chinese side at the symposium, were impressive. While the title of the conference already contains the concept of "development corridors," as proposed

by Lyndon LaRouche, several provincial governors said explicitly, that the aim of this program was not only the infrastructural integration of Eurasia, but also that the inner and western regions of China had first to be brought to the economic level of the developed east of the country, and then to a world level. This thought alone represents the exact opposite to that of the Gang of Four.

Beyond the economic component, the chairman of the symposium, State Councillor Song Jian, emphasized the great, civilizing effect which the building of the Silk Road has represented for the development of humanity for 2,000 years. According to Song Jian, when the first land corridor connected Europe, Africa, and Asia, during the reign of Emperor Han Wu of the Han dynasty, when commercial camel transport crossed the mountains and travelled across China, and Central, South, and West Asia, to Europe and North Africa, these contacts laid the seeds of civilization and friendship along the Silk Road. According to Song Jian, the new Continental Bridge, also, should not be regarded only as a transport line, but also as an important connection for the exchange of goods and technology, cultural communication, and friendships among the peoples of Euro-Asia.

The worth of this kind of political approach, cannot be overestimated. The contrast to the evil geopolitical theses of Samuel Huntington, about the alleged "looming clash of civilizations," is obvious. Huntington today is on the spiritual level of the Cultural Revolution: "Let the foreign devils kill each other!" was the rallying cry then; now, it is today the essence of his "study."

British sabotage efforts

Despite the effort from the side of the British faction, through the European Commission, and especially Sir Leon Brittan, to delay and sabotage this symposium, and finally, when all these tactics failed, to force the programmatic perspective of the Continental Bridge into the vise of British free-trade politics, by, at least, integrating it into the framework of the March Asia-Europe Meeting in Bangkok, this conference represents an historical breakthrough.

Now, with the establishment of the New Eurasian Continental Bridge, the issue is on the table, and, at least, ratified as government policy by the government of China: this, which might be called the project of the twentieth century, which



Helga Zepp LaRouche addresses professors and students during her second visit to China, in May 1996. "There is no country in the world," she writes, "which has seen such a dramatic change in the past 25 years, not only in vast parts of the country, in economic terms, but also psychologically!"

the British-dominated oligarchical faction has already started two world wars to prevent. Since the times of French Foreign Minister Gabriel Hanotaux, Georg von Siemens, Count Sergei Witte of Russia, and Dr. Sun Yat-sen, the father of modern China, at the turn of the twentieth century, it is clear that the economic and cultural integration of the Eurasian continent is the decisive step needed to overcome the oligarchical system and its imperialist and colonialist variations.

The geopoliticians around Karl Haushofer, Neville Stuart Chamberlain, and Halford Mackinder, have, since that period, been painfully aware of the danger that successful national economic cooperation, on the basis of community of principle, would render British balance-of-power political manipulation ineffectual, and make the British empire irrelevant. The potential for such cooperation was demonstrated through the construction of the Berlin-Baghdad Railroad and the railroad from Paris to Vladivostok.

Edward VII used all his evil energies, first as Prince of Wales, and later as king, to destroy this potential cooperation, through the anti-German Entente Cordiale, and later the Triple Entente, the Russo-Japanese War, and wars in the Balkans, until, finally, the chessboard had been set up for the First World War. The larger portion of the tragedies of the twentieth century, including two world wars, were the result of these British policies.

Now, at the end of this century, China is the country which, more than any other, has made the expansion of the

Continental Bridge its state policy. This year, the government integrated the expansion of the Continental Bridge into the Ninth Five-Year Plan of National and Economic and Social Development, and the Long-Term Targets for the Year 2010.

Rich culture, complex history

But, is not China ruled by the last important communist dictatorship? Does not China represent the biggest military threat of the future? Did not Lester Brown, of the Worldwatch Institute, recently say, that the earth's food chain is threatened by so many Chinese?

Perhaps the picture becomes clearer, if one takes the following into consideration: Like Germany, China is a country with a very rich culture, and very complex history. Some of these problems are, so to speak, home-grown, i.e., they result from Chinese or German philosophical tendencies; others are the result of universal conflicts of history. Yet, if you study universal history, in its entirety, it emerges that the only thing that matters, is whether the axioms that underlie the thinking and direction of politics, are such which characterize a developing society, or a society destined to destruction.

Even if it perhaps shocks the reader: From this standpoint, one can only draw one conclusion from the lack of cultural optimism in the United States today, as compared to 30 years ago, and the lemming-like tendency towards self-destruction of the Europeans: The West, the United States and Europe, but also Russia, are on a course that is taking them to their



Helga Zepp LaRouche in Beijing; the lion is supposed to drive away evil spirits.

own deconstruction. China, on the other side, is developing itself in a direction, that is striving to build, and to overcome backwardness, and which even has the potential to enable China to, once again in its long history, make a universal contribution.

The 10 years of the Cultural Revolution, one part of which I experienced in the summer and autumn of 1971, was a time of waves of open denunciations, kidnappings, and lasting terror against intellectuals, “pessimists,” “Party enemies,” and “reactionary elements,” who wanted to “institutionalize capitalism” in China.

First Mao personally, and then the Gang of Four, had given free rein to the Red Guards, the radicalized Maoist youth, to go after the alleged dissidents and class enemies. Art treasures from the old China, and foreign representatives of world literature, were considered equally reactionary, and often fell victim to blind destruction. Sending scientists and highly qualified workers to work camps and the countryside, meant an immense waste of productive resources.

At the time, I visited Shanghai, Qingdao, Tianjin, and

Beijing, and from these cities I was able to make a number of excursions into neighboring areas. I visited some industries and workshops, housing areas for workers, some of the then-famous children’s palaces, several villages, schools, kindergartens, and performances of the revolutionary Beijing Opera.

In many personal discussions, people reported to me—many of them older people, especially in Shanghai, who spoke German or English—about their experiences and the conditions which had existed before the foundation of the People’s Republic, and the improvements which had taken place since then. At times, an old man or woman telling me this, would have tears in their eyes.

The streets in the cities were dominated by huge numbers of bicycles, rickshaws, but few cars. The apartments in workers’ housing areas, with one or two rooms, had to shelter families of three generations. Many houses in the countryside had dirt floors, and were heated by ovens, which extended from the kitchen to the bed. Usually there was no electricity or running water.

Today, the cities such as Beijing or Shanghai give the impression of a huge construction site. There is already a large number of modern buildings, business centers, banks, and housing areas. During rush hour, there are traffic jams no smaller than in other big cities of the world. The number of cars is the same as bicycles, and many of the roads in and between the cities have been expanded, and, in some parts, they are comparable to modern highways in Europe. Investment in agriculture during the past years has led to sometimes impressive increases of productivity. Also in the countryside, roads are being built everywhere. New villages with much better houses have been built, which now, often, have central heating and running water.

But, perhaps the most telling difference, is the changed psychology of the population. They express a calm determination to go forward, and a will to never again let such catastrophic events happen, as did during the Cultural Revolution.

The experience of the extreme deconstruction of those 10 years, has brought about a shock which could perhaps be compared to the experience of the collapse in Germany in 1945. One should add, that there are Chinese intellectuals today who compare the rule of the Gang of Four with the “Gang of the Führer” of the Nazis. However, while Germany, through the policies of “re-education,” was not allowed to find the way back to the roots of its own positive culture, the German classics, but rather had Anglo-American values forced upon them by diktat, at least part of the Chinese elite have found their way to the more profound foundations of Chinese culture. Confucian thought is reflected in many political examples.

The Confucian concept of ‘li’

Confucius (born 551 B.C. in the southwest of today’s Shandong Province) himself lived in a time of profound social change. He opposed the despotism and arbitrariness of his

time, with a moral teaching whose highest aim was a reconstruction of society out of chaos. For Confucius, the society of his time had left the right track, and was without *Dao* (path). The destruction of the previously valid rules of human society, the attack on traditional authority from below, and the decay of order; all this Confucius tried to work against. He thought that there is correspondence between cosmic and human order, a conception which is coherent with Platonic natural law. "It was Heaven which brought about the moral forces, which are in me," he said.

The idea of correspondence between cosmic and earthly order became a lasting foundation of political culture in China.

A central notion of Confucianism was *li*, which demanded that one had to fulfill the place one has in society. Acting according to *li*, is a precondition for the ordering of the social cosmos. It also means that society should not allow any break between past and present; it is the expression of being human, of cultured humanity.

"The virtuous man knows his duties, the lower order only sees his own advantage."

For Confucius and Confucianism, therefore, the position of the individual depended on the grade of his or her moral perfection. As for Nicolaus of Cusa, it was not birth or family relations that determined rank in society, but rather morality and way of life. In addition, every individual has to perfect himself morally through the acquisition of knowledge.

The moral quality, *ren*, which means humanity, or "love of man," defines a whole scale of behavior. *Ren* and *li* also give man the duty to take care of the well-being of his own people. Confucius demanded that morality and power form a unity. These thoughts, which can only be sketched here, put Confucius among the highest order in the history of humanity thought.

Mencius versus Mo-zi

Mencius, born about 100 years later, who developed Confucius' ideas further, led the fight against the ideology of Mo-zi (Micius), and of Mohism, which is named after him. This is the idea that every individual is only trying to maximize his own benefits, including at the cost of others. According to Mencius, the orientation to "benefits" was preventing the unity of society. Mencius was deeply convinced that the world could be brought into order, only on the basis of Confucian values. Like his teacher, Mencius' thinking was also characterized by deep cultural optimism. The nature of man is good, therefore also the world can become good.

There is no doubt, that there is a real elite in China, which is thinking about the problems confronting the world today, on the basis of this philosophy. On the basis of Confucian and neo-Confucian thinking, both the nation's own history and the problems of the world are considered. Thus Mencius' rejection of Mo-zi represents a point of departure

against the negative effects of free trade.

Representatives of this elite are convinced that a society in which every individual is only running after material values and only wants to maximize his personal benefit, will lose control over civilization. One asks, what should the meaning of civilization be, in the coming century? If the presently dominant philosophy of the West would simply be expanded worldwide, humanity falls into catastrophe.

Therefore, there is consideration of how to re-define the notion of wealth, from the standpoint of common well-being, and also, how a new international system of law and a new parliamentary system can be created.

Representatives of this elite, are convinced that something must urgently be done to change the course of the world and that a new civilization has to be created, which will allow a real dialogue between the cultures of East and West for their mutual benefit. China is ready to bring into this dialogue, the entire wealth of its old classical culture, of which not least is the beauty of its art, which is of such value for society.

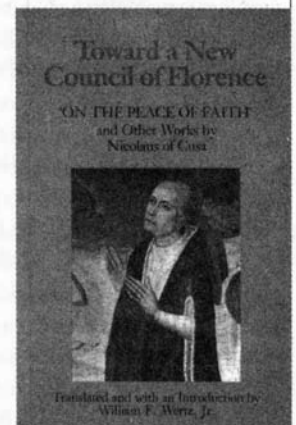
In conclusion, I want to say, that my travel to China 25 years later is among my most rewarding experiences. Schiller and Leibniz would agree with me when I say: If it is China that thus takes the cause of humanity forward, so be it!

Toward a New Council of Florence

'On the Peace of Faith' and Other Works by Nicolaus of Cusa

The Schiller Institute has released this new book of translations of seminal writings of the 15th-century Roman Catholic Cardinal Nicolaus of Cusa, who, through his work and writings, contributed more than anyone else to the launching of the European Golden Renaissance. The title of the book, *Toward a New Council of Florence*, expresses our purpose in publishing it: to spark a new Renaissance today.

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Yeltsin goes for broke in pre-election scramble

by Konstantin George and Rachel Douglas

Before the first round of Russia's Presidential elections on June 16, Boris Yeltsin is on a spending spree, supplemented with other manipulations, to secure victory over the "popular-patriotic bloc's" candidate, Gennadi Zyuganov, head of the Communist Party of the Russian Federation (CPRF). The Russian President arrived at campaign destinations, such as Arkhangelsk on May 24, saying things like, "I've come with full pockets." Yeltsin's final sprint took off with his high-publicity May 27 proclamation of the "end" of the war in Chechnya.

In a decree on May 13, Yeltsin restored financing to the military-industrial complex (MIC), ravaged by nearly five years of "shock therapy" prescribed by the International Monetary Fund (IMF). The government must transfer 2.8 trillion rubles to MIC enterprises, to fund state weapons and equipment orders. Yeltsin also ordered the government to pay MIC firms by May 31, the 6 trillion rubles owed them by the state since 1994. Armaments Minister Zinovi Pak announced a tripling of Russian arms exports, from \$3 billion to over \$10 billion annually by the year 2000.

Yeltsin is desperate for institutional support from the MIC; this defines his short-term, political purpose. There has been a behind-the-scenes battle between the MIC, and the energy, metals and raw materials sector, which, being oriented to exports, is the main beneficiary (in nominal financial-profit terms) of the IMF plundering policy, at the expense of the rest of the Russian economy and the majority of the population. Yeltsin has support from top Russian banks and affiliated firms, plus the top and middle layers of *biznismeny*. Banks control the Russian news media, which have been churning out publicity for Yeltsin as the only "real leader" for Russia.

But the Russian *nouveaux riches* are, chiefly, a Moscow oligarchy. Elections are lost and won in the provinces, where the MIC can open doors for the incumbent President. Accord-

ing to Moscow sources, Yeltsin has promised the MIC and the regional bosses a significant share of central power, if he wins. Some of the latter expressed support for him at a May 16 meeting in the Ural city of Yekaterinburg, which drew over 1,000 businessmen and regional leaders from all over Russia. During May, regional bosses such as Yekaterinburg's Eduard Rossel and Boris Nemtsov of Nizhny Novgorod, publicly called Zyuganov "stupid" and unworthy to become President.

Yeltsin's next stunt was the May 17 gathering in Moscow of the 11 other heads of state of the Community of Independent States, who endorsed him and told the press what a "disaster" a Zyuganov victory would be. Armenia's President Levon Ter-Petrosyan went so far as to say that should Zyuganov win, the CIS would "no longer exist the next day." The message was clear: Anyone who, like most Russians, really wants a smooth reintegration of the former Soviet republics with Russia, should vote Yeltsin.

The Chechnya stunt

A priority for Yeltsin was to lead the Russian population to believe he had ended the war in Chechnya. First, he signed a decree ending conscription into the Armed Forces by the year 2000. The popularity of such a measure stems from the fact that some 4,000 Russian soldiers have been killed in Chechnya, not to mention the deaths caused by brutal practices in the Army. The decree stipulated that from now on, no conscript would be forced to serve in Chechnya or other "conflict zones." The promise of an all-volunteer Army is a costly one that Yeltsin will not have to fulfill: By the year 2000, that would be his successor's problem.

Yeltsin's May 27 meeting with Chechen rebel leader Zelimkhan Yandarbiyev in Moscow, to agree on a cease-fire as of May 31, also took advantage of the calendar. The cease-

fire might hold till the elections, but a pause in the fighting is desirable for the rebels, too. They need a breathing space to rest, regroup, and resupply. The rural areas could use a hiatus, to plant and harvest the next supply of foodstuffs for the population and guerrilla forces. The rebels and their civilian support infrastructure took heavy pounding from Russian air and artillery bombardment throughout the spring.

Yeltsin's visit to Chechnya on May 28, when he proclaimed the victory of Russian forces "over the Jokhar Dudayev rebels," was pure electioneering. In a village 20 km north of Grozny, Yeltsin boasted, "Here I am in Chechnya, [and] not a shot has been fired." Perhaps he wasn't told, that there has been no fighting in this area.

Prospects for peace to continue after the elections are anything but bright. The political future of Chechnya was not even discussed during the two days of Moscow negotiations. A Russian draft document providing Chechnya with "the largest possible degree of autonomy within the Russian Federation," is supposed to be signed, according to a May 29 announcement from its author, ex-Deputy Premier Sergei Shakhrai, by Moscow and the Moscow-installed Chechen government of Doku Zavgayev. That ensures a resumption of fighting.

How will bills be paid?

Buying an election is expensive, and the bill will have to be paid after the vote. Yeltsin has attempted to pay back wages to the workforce, and back pensions owed. He has also raised wages and pensions. In a decree on May 27, he increased minimum monthly pensions by 50%.

On May 16, Finance Minister Pankov warned of a disaster in state finances during the second half of 1996. He reported that state revenues for the first half were coming in at only 40% of the level originally estimated, while the President's decrees had increased state spending 41% above the first-of-the-year estimates. In a letter to Prime Minister Viktor Chernomyrdin on May 27, Economics Minister Yevgeni Yasin concurred, saying that Russia faces a "complete collapse" of state finances after June.

National survival versus IMF

A Yeltsin victory is far from a foregone conclusion, as a by-election in St. Petersburg and results from eastern Europe serve to remind. St. Petersburg Mayor Anatoli Sobchak, the person in Russia's second largest city most identified with "reforms," lost his June 2 reelection bid to ex-Deputy Mayor Vladimir Yakovlev. Although Yakovlev had support from non-communists like Grigori Yavlinsky's Yabloko party and Moscow Mayor Yuri Luzhkov, Sobchak had tried to scare voters by labelling Yakovlev "communist." It didn't work.

The same day, in the Czech Republic, IMF darling, Prime Minister Vaclav Klaus suffered a setback in parliamentary elections. Klaus, together with most of Yegor Gaidar's 1992-93 Russian government, belonged to a clique of East Euro-

pean and Russian economists trained by the Mont Pelerin Society in the 1980s, to implement "shock therapy" in the Soviet bloc, if they could take power. The Czech Republic under Klaus is often cited as a success, in contrast to Russia's havoc, but his coalition fell one vote shy of a parliamentary majority, while the Social Democratic Party quadrupled its vote by campaigning against "shock therapy." Social Democratic leader Milos Zeman hit Klaus's failure to deal with declining health care and falling wages for Czech workers, and charged that there was corruption during the privatization of state industries. The *Financial Times* of London lamented that Klaus's "rapid economic reforms" would likely be "suspended indefinitely."

In Russia, the incompatibility of IMF demands with the country's survival is highlighted in the economic platform of Zyuganov's bloc. "Our position is that we are not going to break relations with the IMF," economist Tatyana Koryagina said at a May 28 press conference to unveil the bloc's program, but the Russian people "have to know the essence of the secret part of the talks between Mr. Yeltsin and Mr. Chernomyrdin and the IMF. . . . If the IMF insists . . . on IMF control of key indicators of the Russian economy and near total renunciation of government control of natural monopolies, notably railway transport, all these aspects, considering the secrecy of talks, will be included in the agenda."

Departing from a Russian habit of seeing the country's crisis as in absolute contrast to prosperity elsewhere in the world, Koryagina situated it within the crisis of "world economic science" and the Western economies. A participant with Lyndon LaRouche at the April 24 Russian Free Economic Society round table on this question (see *EIR*, May 31), Koryagina added, "That's why we have established close contact with scholars from various countries and schools in order to try to understand . . . how representatives of the school of monetarists try to explain their fiasco. . . . The failure of Margaret Thatcher's economic policy and Reagan's underscores the importance for scholars in Western countries to look for the optimum options of how to use the idea of state economic regulation in their countries."

The Zyuganov program calls for measures to stimulate domestic demand, "first and foremost, to revitalize mass purchasing power; organize the relaunching of shut-down industries; modernize production; defend domestic goods producers." It anticipates state intervention to build "modern productive infrastructure—construction of roads, ports, modernization of the means of transportation, communications, etc.," and a "Russian State Bank for Reconstruction and Development," to generate domestic credit "exclusively for long-term capital investments, with the controlling shareholding being in the hands of the state."

There remains a high level of concern among Zyuganov-linked, as well as other opposition circles, that Yeltsin's team might still resort to "the force option," and cancel elections if his defeat in the second round appeared to be imminent.

International Intelligence

Nazi-lover Genoud finds Nazi-style exit

The Italian daily *Corriere della Sera* reported from Lausanne, Switzerland on June 2 that François Genoud, 81, called in one Mr. Schar, head of the Swiss "right-to-die," Kevorkian-style organization "Exit," to administer to him 10 grams of a white powder, which brought about his death. The Milan daily says that Genoud was "convinced that a lucid mind cannot surrender to a collapsing body," and so he wanted to be "assisted" in dying.

As in life, so in death, Genoud promoted Nazi policies, in this case, euthanasia. Back in the early 1980s, the Lausanne banker was very angry about *EIR*'s exposés of his role at the center of the global Nazi/Soviet terror apparatus, and his promotion of Middle East terrorist and fundamentalist movements.

Schiller music manual debuts in Italian

Canto e Diapason, the Italian edition of *A Manual on the Rudiments of Tuning and Registration* published by the Schiller Institute in 1992 in the United States, was presented to the public at a conference in Milan, Italy, on May 29.

The Italian book was published by Casa Editrice Musicale Carrara of Bergamo. Despite a small first run, the book is expected to be available in major music bookstores, and to quickly saturate the music profession. On June 9, the manual was presented in Rome at a conference sponsored by the Schiller Institute and the Pontifical Institute for Sacred Music.

The manual was written at the urging of Lyndon H. LaRouche, Jr., who contributed the introductory chapters, in order to catalyze an international campaign to save Classical music by re-establishing the connection between art and science. It urges abandoning the modern practice of arbitrarily raising the pitch of musical performance in defiance of the nature of the human singing voice. The manual shows why music

must return to the scientifically based tuning of middle C=256 Hz, which corresponds to a concert A between 427 and 432 Hz. The current tuning of orchestras ranges from "standard pitch" of A=440, to as high as A=450 in some theaters.

The conference was held at the Casa Verdi, a retirement home for musicians endowed by Italy's great operatic composer Giuseppe Verdi, who fought for the C=256 tuning over a century ago.

Soprano Antonella Banaudi, who has studied at Carlo Bergonzi's Academy for Verdian Voices, showed how the higher pitch affects the singing voice adversely, by singing the same arias at C=256 and at a higher pitch. Organist and conductor Arturo Sacchetti, physicist Bruno Barosi, and the Schiller Institute's Verdi expert, Liliana Celani, addressed the gathering.

LaRouche sent a written message to the conference. The Schiller Institute's campaign has gained the endorsement of world-renowned opera singers, such as Plácido Domingo, Carlo Bergonzi, and Piero Capucilli.

Taiwan leader hits the nail on the head

Taiwan President Lee Teng-hui denounced Singapore's Lee Kuan Yew in a recent *Newsweek* interview. Lee said that the "Confucianism" of Singapore is "Confucianism distorted by politicians." He denounced the effort by Lee Kuan Yew to define an "Asian Way" that exempts Asians from universal principles. "Lee Kuan Yew doesn't know classical Chinese thinking," he said. "Chinese thinking is very humanistic, not just feudalistic, as it was in the imperial era. . . . I don't think there are distinctly Asian values. There are human values. Confucianism has been distorted by politicians. Now Singapore has adopted this distortion."

Lee Teng-hui also said he believed Jiang Zemin, the President of the government in Beijing, is "quite reasonable," and that he believes they can work together.

While Lee Teng-hui has played a role in the British efforts to destabilize China, the

attack on Lee Kuan Yew is both very useful and precisely targeted. Lee Kuan Yew has courted Beijing for the British Empire, both through the advocacy of the "special economic zones," and as the honorary chairman of the new Confucian Society in Beijing. His distorted view of Confucianism is actually Taoist and Legalist, giving backing to a mystical "Asian Way," while demanding an oligarchical form of government as "appropriate" for Asians.

Bad court ruling favors CAP in Venezuela

Venezuela's Supreme Court found former President Carlos Andrés Pérez guilty of corruption, but cleared him of embezzlement charges, and granted a reduced sentence of only 28 months of confinement on May 30. Because prisoners over 70 years old in Venezuela are not jailed, he will continue to serve his time under house arrest. Because he has been detained for two years already, the court's decision means that CAP, as he is nicknamed, will walk free on Sept. 19. The most damaging ruling by the court, was the decision to reduce his sentence to below three years. Any sentence longer than three years, in Venezuela, carries with it a prohibition of all further involvement in politics.

Thus, Pérez, one of most evil narco-democrats to afflict the Western Hemisphere throughout the last 40 years, already announced, in a press conference at his mansion on May 30: "In September, I will go to the streets and start visiting all Venezuelans to continue my fight. . . . What is established from this day forward is my return to Venezuelan politics." Privately, sources report, CAP has said that he is counting on the jacobin operations of retired Lt. Col. Hugo Chávez—a stooge of Fidel Castro and his São Paulo Forum—to create the conditions for his own return to power. CAP argued that Venezuela will be "burning up" in four months when he is free, and at the point of civil war, so he can then promote himself as the only leader with the stature required to stop Chávez.

Briefly

CAP has a few obstacles yet in his way, such as the fact that his Democratic Action party threw him out two years ago, for corruption. Some Venezuelan congressmen, who have been running their own investigation into CAP, promised that further charges might be brought against him, now that he has finally been found guilty.

U.S. helps fund Soros operations in Poland

The official brochure of Poland's Stefan Batory Foundation, the Warsaw-based Polish branch of the international Soros Foundations, lists a number of institutions and foundations that "co-finance" their operations in the country. One of these listed, to the tune of some \$13,000, is the American Embassy in Warsaw. Although the amount is small, the symbolic significance of U.S. official support is great.

As *EIR* reported in a recent cover-story, the Hungarian-American speculator George Soros is financing drug legalization in the United States and elsewhere through such foundations.

The Stefan Batory Foundation board contains most of the gang who have run the "shock therapy" atrocities in the country, including former Finance Minister Leszek Balcerowicz. Balcerowicz has his own foundation, on economic policy, located a couple of hundred yards away from the Batory Foundation.

The spring 1996 edition of *Open Society News*, the newsletter of Soros's New York-based Open Society Institute, has an article entitled "Drug Policy Alternatives," by Jean-Paul Grund, described as "an internationally recognized expert in the field of drug policy research." Grund pushes "harm reduction" as the preferred policy at a time of vastly increasing drug usage throughout the former communist sector, writing that this approach seeks to "limit the damage to society and drug users" caused by drug use, "instead of trying to wipe it out." At this point in time, he says, the notion of "harm reduction . . . is beginning to enter the public debate on drug policy in Central and

Eastern Europe. . . . Now is the time for the rapid implementation of harm reduction programs, such as methadone maintenance, education, and needle exchanges."

Harm reduction advocates, in their efforts to mold public opinion, "must counter the efforts of the U.S. government and the United Nations international drug control program to enlist former communist countries in a global war on drugs," Grund brazenly advises.

Dope lobby encounters vocal foes in Australia

The appearance of Prof. David Penington, the chairman of Victorian Premier Jeff Kennett's Drug Advisory Council, on May 31 before a joint session of the parliament of Victoria, Australia, to argue for decriminalizing marijuana, was extraordinary: No one except a parliamentarian has ever, for any reason, addressed such a joint session of the state parliament. The purpose of the address was to "get out the vote" for decriminalization, which is expected to come up for a vote by mid- to late June.

While Penington was inside brainwashing legislators, a boisterous counter-rally was conducted outside by Lyndon LaRouche's Australian cointinkers in the Citizens Electoral Councils. CEC National Secretary Craig Isherwood was interviewed by the Associated Press, SBS Radio and SBS TV, the *Herald Sun* newspaper, and Channel 7's "Today Tonight" (evening news) TV show. "Today Tonight" interspersed Penington's speech to the parliament with footage of the CEC's demonstration, including the chants and singing. All major evening TV news shows ran coverage of the rally.

Both the Catholic archbishop of Melbourne, Sir Frank Little, and the Uniting Church of Australia (the Anglicans and some others combined into one church) released their endorsement of the Penington Report. However, the CEC found few parish priests or pastors of the Catholic or Uniting Church in agreement with these official positions.

COLOMBIAN narco-President Ernesto Samper Pizano, confidant of ex-oneration in a congressional investigation for his drug ties, is trying to form a "national unity government" that can "put the scandal behind us," Bogotá papers reported May 31. The only problem is, no one wants to be associated with such a government.

SINN FEIN, the Irish nationalist party, received 15% of the votes and elected 17 delegates to peace talks scheduled for June 10, out of 110 in all. This represents a 50% increase in Sinn Fein's showing compared to the 1992 election. Sinn Fein campaigned on the slogan, "Vote for Peace."

TWO NEPHEWS of Syrian dictator Hafez Assad, the sons of Rifaat Assad, who oversees the Syria-Lebanon drug networks, were arrested after a hit-and-run accident in Syria that injured two motorcyclists. They were driving a bulletproof Cadillac with Texas license plates, the *International Herald Tribune* reported June 1.

THE IRANIAN Majlis, or parliament, reelected Ali Akbar Neteq-Nouri as speaker after parliamentary elections, the *Financial Times* reported June 4. He is a member of the conservative Assembly of Combatant Clergy. The key issue continues to be economic policy, and resistance among conservatives to the reforms of Iranian President Hashemi Rafsanjani.

A BRAZILIAN military delegation, linked to the Workers Party (PT), traveled to Cuba on May 29 to spend a week.

SIR DAVID HANNAY, former British ambassador to the UN and one of three top British operatives who, according to the London *Guardian*, sabotaged U.S. operations in Bosnia, has now taken up a new assignment as Britain's Special Representative in Cyprus.

Israel's patriots vs. Harvard's racists

by Lyndon H. LaRouche, Jr.

Wherever reference is made to the widely circulated new book of Harvard University deconstructionist Daniel Goldhagen,¹ the former teachers and parents of America's "Generation X" should blush. That author's current mind-set suggests, that during an earlier phase of his protracted adolescence, not only might he have insisted on wearing skis to regular hockey practice, but launched a graffiti campaign, denouncing the other players as "Nazis," for wearing skates. Such, in effect, is the view of Goldhagen's book which tends to be shared among most of the book's visible reviewers, in London and elsewhere.

The book's sponsorship has but one redeeming feature. Like a shocking mass-murder, the pedigree of those who published this bit of trash, warns us of the propensity for most disgusting crimes among the residents of a neighborhood one would prefer to ignore. If he lacked all else, Goldhagen has a pedigree: that of the Tavistock-like frauds of the cronies Theodor Adorno, Hannah Arendt, and Arendt's former lover, the Nazi philosopher Martin Heidegger.

What the Adolf Hitler's Nazi regime did to Europe's Jewry, during approximately a dozen years of slave-labor camps and kindred actions, is perhaps the most hideous crime-wave seen since Aztec rule within Mexico. The shock was worse for all of us who were veterans of World War II, because, unlike the Aztecs, pre-Hitler Germany and Austria had been civilized nations. The Jewish victims of Hitler's regime were a minority among the many victims of the Nazi

holocaust, but, for those of us in western Europe and North America, the victimization of the Jews made the deepest impression.

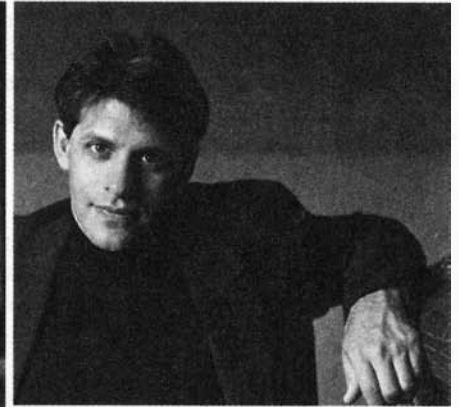
The impact of this upon the mind of many Jewish victims and survivors alike, was described with clinical precision, and compassionate great sadness, by the psychologist Bruno Bettelheim. In contrast to Dr. Bettelheim, the head of Britain's psychological-warfare teams, Dr. John Rawlings Rees of the London Tavistock center, the employer of Sigmund and Anna Freud, and of Melanie Klein, gloated over the kinds of mental disorders which are more readily induced in minds disoriented by such horrors.

Rees' actual and de facto agents within Jewry (such as the "deconstructionist" Frankfurt School of existentialists Adorno, Arendt, and Heidegger), exploited the shock to the Jewish conscience in evil fashion. Those deconstructionists have played a leading part in creating a second, post-Nazi holocaust, a torment of the mind, among the post-1945, surviving Jewry of western Europe and the Americas. Goldhagen is a product of that sordid tradition.

Heidegger's 'Holocaust'

It is relevant to what I write here, that, since my adolescence, a large portion of my closest friends and collaborators have been Jewish. At times, I had been mistaken for Jewish myself, and experienced in areas of the U.S.A. where anti-semitism flourished even during the post-war 1940s and 1950s, thus, the hot blast of real-life anti-semitism. I have shared, at that close range, the shock of what many reference today as "the holocaust." I also shared, thus, the experience of a deep division which emerged within post-war Jewry,

1. Daniel Goldhagen, *Hitler's Willing Executioners: Ordinary Germans and the Holocaust* (New York: Alfred Knopf, 1996). A project of the Harvard University Minda (née Bronfman) de Gunzburg Center for European Studies.



Assassinated Israeli Prime Minister Yitzhak Rabin, in Washington, Oct. 25, 1995, for the Jerusalem 3000 celebration. Inset: Daniel Jonah Goldhagen. As a result of the evil done by the assets of Britain's Tavistock Institute, says LaRouche, world Jewry has been divided between those who defend Jewry in terms of the achievements of "2,000 years of survival," and those poor wretches who define Jewry as virtually a mere predicate of a dozen monstrous years of Nazi persecution.

world wide. Since the evil done by such assets of Tavistock as Adorno and Arendt, world Jewry has been divided between those, of the pre-Hitler tradition, who defend Jewry in terms of the achievements of "2,000 years of survival," in opposition to those poor wretches who define Jewry as virtually a mere predicate of Hitler's evil: a dozen monstrous years of Nazi persecution.

That axiomatic division, is key to understanding the circumstances leading into the assassination of Israel's martyred Prime Minister Yitzhak Rabin, the circumstances of a campaign of trans-Atlantic hate, which had targetted him from Anti-Defamation League-linked circles inside Daniel Goldhagen's United States. Goldhagen's book has placed its author, next to the grubby, right-wing thugs of the Anti-Defamation League (ADL), such as Abe Foxman: on the wrong side of that division within Jewish opinion today.

Rabin's survivor, Prime Minister Shimon Peres, underscored the relevant issues of the post-Hitler world, during the May, 1996 election campaign. He stated then, as many of us have shared that view over the past score years, or more, that the time has come to cease to think of Israel as merely a place of refuge for Jews fleeing memories of the Nazi atrocities. It is long past the time to begin to think of Israel as a nation, with long-term interests in finding peace, prosperity, and security, within the community of nations of, chiefly, Israel's Arab neighbors. In other words, it is past

time to scrap the popular U.S. tabloid caricature: a "Zionist fanatic" having tantrums in Brooklyn, or a nerd in a Harvard niche. Focus, instead, upon a living, breathing Jew, such as one among Shimon Peres's circles, a patriot of the republic of Israel, who is applying the heritage of 2,000 years of "Jewish Survival" (the tradition of Moses Mendelssohn, for example), to relations with non-Jews of today's Middle East and wider world.

That said, focus upon the left-wing, atheist roots of ADL-style, "neo-conservative" Zionism inside the U.S.A. today.

Although forms of actual or nominally Jewish religious "fundamentalism," shading into some wildly deranged cults, serve more readily as topics for tabloid and TV sensationalism, it should be Kristol clear, that the hard-core of today's right-wing Jewish fanatics, is drawn from rabidly non-religious, political Jews, such as those formerly based at Jay Lovestone's and William Gomberg's old "Communist International Opposition" nest, at David Dubinsky's ILGWU headquarters in New York City.²

2. Jay Lovestone was recruited, while a student social-democrat at the City College of New York, into the U.S.A.'s "underground" Communist Party of the early 1920s, and rose, under the patronage of then-Soviet dictator N. Bukharin, to become head of the Communist Party U.S.A. during the period immediately preceding Stalin's coup against Bukharin. Lovestone became then a leading figure of the so-called right-wing opposition within the Communist International, closely associated with Germany's Thalheimer, et al.

As J. Edgar Hoover grew older, the core of the U.S.A.'s formerly left-wing, Jewish atheists, typified and led by veterans of the Lovestone-centered, rent-a-spook profession, were regrouped around entities such as *Commentary* magazine. Such was the transition of devotees of Bukharin and Trotsky, from among leftists of this type into the neo-fascist, "Contract with America" movement.

Similar were the shifts from left to right, feeding into the growth of the Nazi Party of post-Versailles Germany's 1920s and 1930s. If we know by whom Nazism was fostered, know the inner history of the rise of Nazism within pre-Hitler, post-Versailles Germany, we understand the old intimacy of Adorno, Arendt, and Heidegger yesterday, and the origins of the pathetic Daniel Goldhagen and his backers today. In effect, what Goldhagen is attempting to persuade himself in his book, might be summed up: "You could call me a fascist, if I were not Jewish." In his time, Mussolini devotee Vladimir Jabotinsky was not so evasive. The backers of Goldhagen's book have significant motives for insisting, that the crimes of Hitler were not a product of his being selected (by, among other New Yorkers, President George Bush's father) to be a Nazi dictator. For them, Nazism is not the cause of the crime; the cause of Hitler's crime, for Goldhagen, is that he was of a German "racial" extraction.

Heinrich Heine wrote about it, in his attacks upon Kant and Hegel, *Philosophy and Religion In Germany*. The combination of the disgusting little Corsican aristocrat, Napoleon Buonaparte, and Metternich's even more evil, mass (sexual) Congress of Vienna, plunged both Russia-occupied France and post-Carlsbad Decrees Germany into a morass of deep cultural pessimism, into the decadent Romanticism of the Madame de Staël and her Saint-Simonist cronies, and of Franz Liszt, Arthur Schopenhauer, F.K. Savigny, and of the cronies Jacob Burckhardt, Richard Wagner, and Friedrich "I am the anti-Christ" Nietzsche. The most nearly comparable present-day experience, is the 1960s agony of the "Baby Boomers" generation, or the worse conditions coming to the surface in IMF-looted eastern Europe and the former Soviet Union today, and throughout post-"Desert Storm" western

During the early 1930s, Lovestone was deeply involved in an international intelligence operation which interfaced with both the Soviet and U.S. State Department intelligence channels, among others, an operation which continued under the rubric of the International Rescue Committee. In New York City, he operated out of the organization of David Dubinsky's International Ladies' Garment Workers' Union (ILGWU), where he was associated with such fellow alumni of CCNY as Gomberg. The Anglo-American intelligence community's cover, Freedom House, serving as the base for spook Leo Cherne, is an outgrowth of Cherne's connections to Lovestone. Lovestone's intelligence operations inside organized labor, inside and outside the U.S.A., were closely associated with such scurrilous figures of the U.S. intelligence community as the FBI's J. Edgar Hoover and the CIA's James J. Angleton. Gomberg's career took him to service under British intelligence official Eric Trist's operations targetting trade-union operations for sundry union-busting operations. Lovestone and Cherne epitomize the center of dirty, ADL-linked, right-wing operations inside the labor movement internationally.

Europe as a whole, too.

We see in the instances of the "Contract with America" set, and such governors as Massachusetts' Weld, New Jersey's Whitman, Pennsylvania's Ridge, and California's Wilson, a heartless mass-killing, done through means of the same kinds of austerity policies for which Nazi officials and professionals were condemned during the post-war Nuremberg trials. Now, in the wake of Robert McNamara's and Henry Kissinger's diplomatic apocalypse in Indo-China, and the subsequent rise of the Mont Pelerin Society's influence, we are confronted today by the rapid rise—out of the Bushes, so to speak—of the same quality of "conservative" movements which fed into the rise of Mussolini, Hitler, and Third Republic France's Pierre Laval, during the 1920s and 1930s.

Consider thus, the perverted mind of that neo-conservative Jew who has rejected 2,000 years of Jewish survival within predominantly Christian and Islamic cultures. For that right-winger of the von Hayek and von Mises genre, the urgent thing is to insist, as hysterically as possible, that it was not Hitler's conservatism which made him evil. As Goldhagen does, that right-winger seeks to shift the blame for Hitler's crimes, away from Nazism, to nothing more than the "deconstructed" fact, that Hitler was a German, that Hitler was a representative of that mixed breed of Slavs, Germanic tribes, Celts, and others, which call themselves Germans today. Otherwise, without such lies as those of Goldhagen, the cry of "Never Again!" would haunt the present-day conservatives among Goldhagen's sponsors.

The crux of the issue of Goldhagen's book, is this. The murderous effects of the neo-conservative's monetarist austerity policies today, are following that same pathway to Auschwitz crimes which was trodden by the Nazis of the 1930s.

In a futile effort to deny their own Nazi-like proclivities, two fallacies are employed by deconstructionists such as Goldhagen. First, their hysterical insistence, that any attempt to include the Slavic and other victims of Hitler's extermination squads and death-camps among the list of victims, is "to belittle Jewish suffering in the Holocaust," and, thus, *prima facie*, an "anti-semitic" act. That is the first of the fallacies of composition used by Goldhagen, the ADL thugs, et al. Second, they insist upon the lie, that the cause of these crimes was not the Nazi derivative of Nietzsche's and Heidegger's deconstructionist dogma, but is an epiphenomenon of purely mythical "German blood." So, Goldhagen et al. imply, that it is not Nazism which is evil, but rather, being a member of the "German race"!

Thus, it could be suggested, plausibly, that if such a deranged racist as Hitler, were a "Generation X" protégé of Harvard's Minda de Gunzburg Center, today, he might be another Daniel Goldhagen. The following report gives the reader a flavor of the author and his patrons. It is a relevant report on the Metternichean decadence of our times, that such hoaxes as Goldhagen's are all too widely tolerated today.

The British fraud behind Harvard's Goldhagen provocation

by Anton Chaitkin

This report is divided into the following sections:

1. Preface: Neither the book, nor Harvard, are American
2. Meeting with Goldhagen
3. Official story: Why Germany pays Goldhagen's salary
4. What does Germany say about this?
5. Guido Goldman versus Nahum Goldmann
6. The Brits dance on JFK's grave: Lord Harlech, Harri-
man, Kissinger
7. British Empire war against the nation-state
8. That Nazi money behind the book: Is it "atonement"?

1. Preface: Neither the book, nor Harvard, are American

This is a report from an ongoing investigation into the actual origins of a literary dirty trick. The 1996 book *Hitler's Willing Executioners: Ordinary Germans and the Holocaust*, by Harvard University Assistant Professor Daniel J. Goldhagen, is an incitement to ethnic and religious hatred and international destabilization. The book alleges, absurdly, that the Nazi mass murder of Jews stemmed from the supposed intrinsic anti-Semitism of Christianity, from the supposed intrinsic anti-Semitism of the German nation and people, and indeed, from "nationalism" in general.

Goldhagen denounces as "anti-Semites" those Germans who resisted Hitler, as well as those 18th- and 19th-century Germans who sought the emancipation of the Jews.

In the second half of the book, he cites case after case of Nazi shootings of helpless, terrorized civilians. The method is to bludgeon the reader with the record of such gruesome crimes, so that the reader suspends his reasoning and accepts the outrageous "explanation" of these crimes which Goldhagen offers in the first part of the book.

Such a blatant anti-German provocation, in an American-authored book, leads to the suspicion that it is intended to bring on a German reaction against America, or a reaction against Jews. It turns out, not surprisingly, that the book is not American at all; rather, it is one project from a center of British intelligence projects, a center organized at Harvard as part of a scandalous fraud perpetrated by British geopoliticians and their agents, a fraud against Germany and against

the United States.

By investigating the sponsorship of the Goldhagen provocation, we are better enabled to see through some other false, "American" disguises, as well; how Britain's policy of austerity and deindustrialization is carried out against the world's nations by Harvard's Prof. Jeffrey Sachs and his cohorts; and how the U.S. Democratic Party is directed against the outlook of Franklin Roosevelt and John F. Kennedy.

Meanwhile, the financing of the Goldhagen book itself unearths within Germany strong traces of the original London-New York-German apparatus which sponsored Nazism, whose exposure will be embarrassing to the present British policy domination of Germany.

2. Meeting with Goldhagen

This author met with Daniel Goldhagen on May 17, near Goldhagen's office at the Minda de Gunzburg Center for European Studies at Harvard. The meeting was arranged after a message was left with Professor Goldhagen, stating that the author's father, Jacob Chaitkin, had been an anti-Nazi strategist employed in the 1930s by Jewish leader Nahum Goldmann and his associates. Nahum was the father of Guido Goldman, who now heads the German studies program at the de Gunzburg Center and who pays Goldhagen his salary.

The discussion lasted a half-hour. Goldhagen is about 35 years old, and has been affiliated with Harvard University as an undergraduate, graduate student, and associate professor. That is, his only adult activity has been under the direction of Harvard personnel.

He was asked, regarding the implications of his book, where we go from here, with respect to Germany? Goldhagen said that Germany today, is a different country. It poses no real problem. This is a stance which he now takes in public forums, and on media interviews. That this contradicts the entire thesis of his book does not bother him. Perhaps it is thought that he can thus not be reproached for his work, it is "only history"; that he is not biased against Germany.

What would he have done, had he been in charge of the Nuremberg trials? Would he have conducted a general inquiry into the whole Nazi phenomenon, including its origins? This would have led to some shock, concerning Western sponsor-



President John F. Kennedy with German Chancellor Konrad Adenauer in Washington, December 1961. Kennedy's British enemies, from a nest at Harvard, sponsored the Goldhagen provocation against the U.S.-German friendship.

ship for Hitler. Goldhagen said no, he would have imposed stiffer sentences, and put more defendants on trial. But there was, he thought, a sufficient inquiry.

A discussion then followed concerning the thesis Goldhagen wrote in 1982 for his bachelor of arts degree, entitled "The 'Humanist' As a Mass Murderer: the Mind and Deeds of SS General Otto Ohlendorf." Ohlendorf had ordered the shooting of tens of thousands of Jews, and the essay's title naturally appears to be an irony, pointing to an exposure of Ohlendorf's false pretension to being a "humanist." But the essay text repeats the use of the word humanist, without quote marks. Goldhagen claims that Ohlendorf was in fact a humanist and his only real failing was his anti-Semitism. Goldhagen describes Ohlendorf as a highly committed Nazi, a strongly ideological Nazi.

In the Harvard encounter, Goldhagen was asked, how could he call a Nazi mass murderer a humanist? The Nazis rained contempt upon the humanist tradition, which is the precious heart and soul of our civilization. What of the Renaissance artist Albrecht Dürer, the poet of freedom Friedrich Schiller, the German Christian philosopher Gottfried Leibniz, or his follower the German Jewish philosopher Moses Mendelssohn? Mendelssohn criticized attempts to coerce Jews into converting to Christianity; but he also wrote in German, and urged Jews to learn and speak the beautiful German language, and to participate fully in German society. And wasn't Nahum Goldmann a humanist?

Goldhagen vaguely assented that there was something known historically as "humanism," that this might have something to do with Germany. But he insisted that Ohlendorf was in that tradition, a decent man who sought the best for his

country; Ohlendorf was simply blinded by the anti-Semitism, which, according to Goldhagen, arose from the historical mind of the German people.

In the book, Goldhagen writes that the Nazi Party "was founded as the German Workers' Party in Munich on Jan. 5, 1919. . . . The 29-year-old Adolf Hitler, who, after having served as a corporal in the war, was living in Munich, gravitated to it in September of that year as its seventh member. He soon was put in charge of the party's propaganda."

The statement, that Hitler "gravitated to" the Nazi Party, is a clear error. Hitler was *assigned* to the party as a political intelligence agent of the Nordic cultist Gen. Erich Ludendorff, who had a close affinity to Britain's rulers. Hitler officially continued in his army intelligence position until after becoming chief of the party's propaganda. This error in Goldhagen's book is significant because it reflects an ignorance of, or unwillingness to report, anything about the history of Nazism which does not fit with the "sociological" propaganda line against Germany.

Asked about this error, Goldhagen seemed startled, and asserted that the story of Hitler's assignment is not true. He was told that the main historical sources, of the type he would find acceptable, tell the story that way. He then said that, even so, Hitler still "gravitated to the Nazi Party."

It is surprising, Goldhagen was told, that there is no reference in his book to eugenics. The British pseudo-science of eugenics, or "race-purification," has had its most important American center right there at Harvard since the beginning of the 20th century. Hitler's race laws were written by Ernst Rudin, an employee of this movement. And the movement continues fomenting race hatred and persecution through

such Harvard channels as Prof. James Q. Wilson and his Aryan-race-style genetics posing as criminology; and Prof. Richard J. Herrnstein's Ku Klux Klan-line book, *The Bell Curve*. Goldhagen said that this "racist thinking, such as with Herrnstein," goes far back in American and British tradition, but it is "irrelevant—eugenics is not Nazism."

He was asked if he is familiar with the paper entitled "Empires or Nations?" presented last year by the director of the de Gunzburg Center, Charles S. Maier (see below for a discussion of this paper). Goldhagen answered that he is familiar with it. And does he agree with its point, that the empire is to be preferred to the nation-state? After all, empires have been known as reactionary, and even bad for the Jews. And isn't Israel a nation-state? Goldhagen replied that "the nation-state is not good, but for now, what's the alternative?"

Has the German government reacted adversely to his book? No, he replied. But might the German government *stop paying his salary*, as the controversy grows? To this question, Goldhagen said, "They wouldn't dare."

Goldhagen would say nothing about the origin of his book, or who suggested he write it, except that it had "occurred to him in the early 1980s that the Holocaust had never been dealt with in this way" by anyone else, and so he has been working on this book since then.

When this author turned the discussion to Shell Oil, Montagu Norman, Averell Harriman, and Prescott Bush (George Bush's father), and the relationship between such Hitler-sponsors and the German Krupps, whose bloody money financed Goldhagen's book, he announced that time was pressing, and politely ended the meeting.

3. Official story: Why Germany pays Goldhagen's salary

The dust jacket of *Hitler's Willing Executioners* says that "Daniel Jonah Goldhagen is Assistant Professor of Government and Social Studies at Harvard University and an Associate of Harvard's Minda de Gunzburg Center for European Studies. His doctoral dissertation, which is the basis for this book, was awarded the American Political Science Association's 1994 Gabriel A. Almond Award for the best dissertation in the field of comparative politics."

Goldhagen, in the book's acknowledgments, writes: "My research was aided by grants from the Fulbright program, the Krupp Foundation, and the Minda de Gunzburg Center for European Studies at Harvard University and its Program for the Study of Germany and Europe. The Whiting Foundation, the Littauer Foundation, and the Simon Wiesenthal Center in Los Angeles also provided financial assistance. To all of these institutions, I am grateful." He calls the de Gunzburg Center his "intellectual home." There is no further description, in the book, of the de Gunzburg Center.

The Center is at 27 Kirkland Street, across the street from

Harvard Yard. An official brochure of the Center is printed each year and is available to visitors at the center. The brochure says that the Center, "organized within the Harvard Faculty . . . was established in 1969 to promote the study of Europe."

The brochure further explains: "In 1989, through generous endowment by the family of Minda de Gunzburg, the Center moved into its present quarters in the renovated Adolphus Busch Hall." In fact (as one learns from a privately printed book, available only as a display item in the Center's lobby), the Center took on the name "de Gunzburg" in 1989, upon the receipt of construction money. The Center provides no explanation of the identity of Minda de Gunzburg or her family. Upon investigation, she turns out to have been Baroness Aileen "Minda" Bronfman de Gunzburg, who died in 1985 at the age of 60. Her father was Sam Bronfman, the founder of Seagram's liquors and a 50-50 partner with the British Whisky trust. Her brother Edgar Bronfman is head of the World Jewish Congress and a chief funder of the Anti-Defamation League. Her husband, the French Baron Alain de Gunzburg, has been a high official of the Seagram's liquor interests since 1971, and is a member of the 1001 Club, an elite gathering of the aristocracy and moneyocracy of Europe who support the power and policies of the British monarchy.

The official Center brochure also reports, "The Program for the Study of Germany and Europe [was] established at the Center in 1990 by a ten-year grant from the German government." Another brochure, specifically about this German government-financed program within the Center, says that "programs have also been established [by the German government] in the United States at the University of California and at Georgetown University, and in the United Kingdom at the University of Birmingham." There is no further explanation of the nature or origin of this grant.

From discussions with the director of Georgetown University's companion program, it was determined that the German government pays Daniel Goldhagen's salary. A spokesman for the North American office of the Deutsche Akademischer Austauschdienst (DAAD, or German Academic Exchange Service) in New York City, told *EIR* that the DAAD receives the money from the German Foreign Service, and passes it to Guido Goldman, who pays it to Daniel Goldhagen.

4. What does Germany say about this?

The German Foreign Office published in 1996, through the German Information Center in New York City, a report entitled "The Transatlantic Challenge: German Contributions to the German-American Partnership in the Cultural and Public Relations Spheres; a Report by the Coordinator of German-American Cooperation in the Fields of Intersocietal Relations, Cultural and Information Policy, Professor Werner

Wiedenfeld.” The report begins, “It remains of vital importance to a united Germany to maintain the closest possible relations to the United States, for this partnership constitutes a major investment in the future.” It goes on to say, “It would be a dangerous mistake to think that the rich tradition of German-American solidarity no longer needs public support because it has become self-sustaining. . . . [We seek] an intense exchange at all levels of society, which will allow personal experience to make up for a lack of information and dispel stereotypes.”

The specific program which pays Goldhagen for his bizarre contribution to “German-American solidarity” and “dispelling stereotypes,” is explained thusly: “As a result of discussions with the presidents of leading American universities, the Federal Chancellor undertook an initiative in 1988 to foster and intensify German-American scholarly exchange. This initiative . . . aims to inform prominent young Americans about Germany so they may become involved in the German-U.S. dialogue established by the generation before them.

“[Among the initiatives in 1988 were the] Centers for German and European Studies.

“Three top American universities [Harvard, the University of California, and Georgetown] . . . have each been receiving 1.5 million marks annually since 1990 to develop centers for German and European studies and will continue to do so until the year 2000. The respective agreements were signed in Washington on Nov. 1, 1990.”

The report explains that a certain “McCloy Academic Scholarship Program” is funded jointly by Germany and the United States. It is Guido Goldman who heads both the German Studies program at Harvard’s de Gunzburg Center, and this McCloy program. The German government report says, “Each year the McCloy Academic Scholarship program offers the opportunity for up to 10 highly qualified German graduate students . . . to study for two years at the John F. Kennedy School of Government at Harvard University.”

Oh, that *Kennedy* name certainly opens doors around the world! And one might naturally infer, from the above information, that Guido Goldman and the Harvard apparatus under scrutiny here, have some pleasing, positive relationship to the legacy of the progressive American President and martyr. The truth is otherwise, and disturbingly so.

5. Guido Goldman versus Nahum Goldmann

In the 1984 book which Harvard published to celebrate its 1959 graduates (on their 25th graduation anniversary), Guido Goldman is listed as Director, Harvard Center for European Studies; that is, the Center before it was re-christened “de Gunzburg.” Goldman is described as “Treasurer, U.S. Committee for the International Institute for Strategic Studies,” the think-tank for British military intelligence.

In the 1984 alumni book, Goldman accounts for the origin of the Center, which was soon to house Daniel Goldhagen, in the following terms:

“Since graduating, I have stayed pretty much in the same orbit: based at Harvard but with extensive travel, primarily to Europe. After a year in Germany, I returned to complete graduate studies—as slowly as possible!—in the Harvard Government Department, finally completing a dissertation under the direction of Henry Kissinger just as he departed for Washington [in 1969 to become national security chief]. With Kissinger, I had launched the German Research Program at Harvard in 1967. That subsequently grew into West European Studies in 1969 and then the Center for European Studies some years after. This enterprise . . . is now the biggest of its kind in the United States.”

Goldman goes on to say, “In 1971-72 I chaired an American group that conducted negotiations with the government of the Federal Republic of Germany, leading to the establishment of the German Marshall Fund on the 25th anniversary of George Marshall’s historic Harvard speech . . . which had announced . . . [what] came to be known as the Marshall Plan. This German expression of gratitude for U.S. aid in the post-war period was unprecedented both in its magnitude (150 million deutschemarks) and in its trust, for it assigned all responsibility for disbursement to an entirely American [sic] group and created a truly American [sic] foundation, which I briefly headed until a full-time president was named.”

This “German Marshall Fund,” with Goldman its current board chairman, has in fact merely usurped the name of the U.S. aid program which put Europe on its feet after World War II. The fund works as an adjunct to the British and allied banking oligarchy, creating cadres and propaganda for world government, economic globalization, environmentalism, and British-agent journalism.

We learn more by consulting a profile of Guido Goldman, which the *Boston Globe* published on April 4, 1976. Excerpts from the *Globe* article follow, in which one may observe the gulf between the father’s humanistic self-identity and the son’s immersion in the squalid aristocratic jet set:

“It is said around Harvard that Guido Goldman knows everyone.

“That is not precisely true. But Goldman does know more of the powerful, the rich and the famous than your average government instructor.

“He knows the Rockefellers, the Harrimans, the Kissingers, ambassadors, international bankers, and political leaders on both sides of the Atlantic.

“He shuttles between New York and Washington, Paris and Bonn, the way other professors commute between Cambridge and Newton [two Boston suburbs].

“He has a private, bright red push-button phone on his desk next to the standard Harvard model because he makes so many long-distance calls that he hates to waste time dialing.

“He entertains elegantly in a spacious bachelor apartment filled with those pieces of his . . . metal sculpture collection

that are not on loan to . . . the Museum of Modern Art. . . .

"A few years ago he was the key American figure in negotiating a \$60 million gift from the German government to set up the German Marshall Fund of the United States. In 1974 he was instrumental in getting a \$2 million endowment from the Krupp Foundation for a professorial chair and fellowships at Harvard.

" . . . Goldman readily admits that his family connections—he is the son of Nahum Goldmann, world-famous Zionist leader of the 1930's and '40s, founder and still president of the World Jewish Congress—and his background opened doors for him that would have been closed to others."

Nahum Goldmann was replaced as World Jewish Congress president in 1978 by the degenerate British Empire billionaire Edgar Bronfman; Nahum Goldmann died in 1982. The *Globe* profile of Guido Goldman continues:

" 'I want to be frank,' he says. 'If I were John Smith who had learned high school German and had a letter of recommendation from some obscure professor, I wouldn't have gotten very far. . . . [Because of my father,] I knew half of the German cabinet on a first name basis.

"But the [\$60 million] gift was made, he points out, 'not because they loved me' but because the German government was looking for a way to commemorate the 25th anniversary of the Marshall Plan and to help build an enlightened American attitude toward Europe.

" . . . Goldman points out that his own ability to negotiate large money deals pales in comparison with the accomplishments of his father, who got well in excess of 50 billion marks (about \$11.4 billion) in reparations for Jews from the German government after the war."

Indeed, Nahum Goldmann had an excellent relationship with Konrad Adenauer; he considered Adenauer and Franklin Roosevelt the two greatest leaders he had met.

"[Guido] Goldman was born in Zurich in 1937 but the family moved to New York two years later. . . . It was, he remembers, a pleasant and privileged childhood, rich in European culture, music and the arts, and spiced by a steady stream of famous people who came by to talk with his father.

"[Goldman went to a private school] . . . and 'was always thinking up money-making schemes. Everyone thought I'd be a businessman.'

"He entered Harvard in 1955. . . .

"After getting his degree in 1959, Goldman took five years out to travel and dabble a bit in international banking before returning to Harvard for his graduate degrees. He wrote his Ph.D. thesis on the influence of the German iron industry on foreign policy after 1918. The research led to a friendship with Berthold Beitz, chairman of the board of the Krupp Foundation, and that led, eventually, to the Krupp gift to Harvard. . . .

"According to faculty club gossip, Goldman is 'close to Henry Kissinger' and 'Henry's protégé.' Goldman smiles at that. 'I don't see him that often,' Goldman says. 'I see Nancy more than Henry. But I know him quite well. Our relationship

has endured over the years. . . .' [Reliable Harvard sources report that Kissinger has been so close to Guido Goldman that whenever Henry would go to New York City, he would stay at Guido's bachelor apartment there—AHC.]

" 'If I went to Washington [to take up a foreign policy position, in 15 years or so] I would want to go in a senior capacity. I don't believe very much in learning on the job. A lot of what went wrong in the 1960s was that very young guys with no perspective were running things.' [Is this a dig at Kennedy?—AHC]

"Right now Goldman's time and energy are stretched to the limit . . . [including] entertaining or going out almost every night. . . ."

Thus, to summarize, Guido Goldman's family background and father's reputation, and his family relationship to the painful process of German reparations for the Holocaust, were usurped by new sponsors at Harvard, to be used for purposes *opposed to the objectives of his father*, or those of his father's valued strategic partner, Konrad Adenauer.

6. The Brits dance on JFK's grave: Lord Harlech, Harriman, Kissinger

We get closer to seeing who is ultimately responsible for these fraudulent "German studies," by reviewing what happened at Harvard, in the de facto British coup d'état against America associated with the 1963 assassination of John F. Kennedy.

In 1964, plans were under way to use the murdered President's name to cover for a British geopolitical center at Harvard, a center that would oppose and destroy everything positive JFK stood for. In 1966, Harvard announced the creation of the "John F. Kennedy School of Government," to be built around the core of a new "Institute of Politics." The new JFK School was described as a transformation and enhancement of Harvard's existing Graduate School of Public Administration, founded in 1935. The former school was underwritten by Lucius N. Littauer, a Jewish glove manufacturer who had been convicted of smuggling jewelry and wanted a good name for himself. (Littauer destroyed his personal papers, but we have an account of his politics, and the history of the Harvard operation, from the JFK School of Government's own official history, published by Harper and Row in 1986.)

Littauer had been a U.S. congressman from New York from 1897 to 1907. He was very close to Teddy Roosevelt, the fanatically Anglophile President, and worked as TR's Congressional floor manager. But Littauer despised the administration of TR's anti-royalist cousin, Franklin D. Roosevelt; and the purpose of the conservative school, for which Harvard's Anglophile blueblood managers used Littauer's money, was to train future high-level career bureaucrats who could "avoid the mistakes made by the New Deal," as the JFK School of Government's self-history puts it. (Littauer's Foun-

dation also helped fund the writing of the Goldhagen book.)

In the post-Kennedy era, a "Senior Advisory Committee" was established to guide the transformation of Harvard's teaching about government, in its new JFK School home, and to run the new Institute of Politics. The school's official history says this committee "took its duties seriously"; the photographs of certain key committee members are displayed prominently in the history book. The committee, which in effect founded and guided the politics of the JFK School, consisted of:

- W. Averell Harriman, committee chairman; former partner of Montagu Norman in the Nazification of Germany; controller of the foreign, security, and military policies of the Truman administration.

- 4th Baron Harlech (David Ormsby-Gore). At the time he co-founded the Kennedy School of Government, Lord Harlech was Tory Party deputy leader of the British House of Lords. Later, while supervising Harvard politics, Lord Harlech simultaneously served (beginning 1979) as chairman of the Royal Institute of International Affairs (RIIA), otherwise known as Chatham House, the home base of the British intelligence services. The RIIA continued the Dark Ages imperial policy associated with Lord Harlech's maternal great-grandfather, Prime Minister Lord Salisbury. Lord Harlech had been British ambassador to Washington during the Kennedy Presidency. (Lord Harlech's father, the 3rd Baron, had been a leader of the Arab Bureau of British intelligence.)

Lord Harlech continued to dominate the Advisory Committee supervising Harvard's politics until his death in 1985. In his person, Lord Harlech represented the very political forces most anxious to reverse John Kennedy's nationalist, dirigist policies, and to eliminate even the memory of those ideas from the minds of America's younger generation.

- Robert A. Lovett, partner of Averell Harriman and Prescott Bush at Brown Brothers Harriman investment bank, and former U.S. secretary of defense under Truman and Harriman. Lovett had submitted the "Establishment" list of nominees from which JFK picked his cabinet, giving Kennedy the mostly hostile gang that opposed his policies and covered up his murder.

- Michael V. Forrestal, executive secretary of the "Senior Advisory Committee," former assistant to Averell Harriman at the U.S. Embassy in Moscow. Forrestal's father, Defense Secretary James Forrestal, had fallen out of favor with Harriman, then had allegedly committed suicide. Harriman put first George Marshall, and then Harriman's partner Robert Lovett, in Forrestal's place as U.S. defense secretary. Michael Forrestal was loyal to Harriman and hostile to his own father's standpoint.

- Katharine Graham, owner of the *Washington Post* and *Newsweek*. Mrs. Graham's husband Philip had been a close JFK friend and adviser. Mrs. Graham (the daughter of reactionary Republicans who editorially supported the Hitler regime) despised John Kennedy, and her husband left her. After her husband was found shot to death, she seized control of

the publications.

- C. Douglas Dillon, former treasury secretary who led the faction opposed to Kennedy's dirigistic nationalism from within the Kennedy administration. His father, banker Clarence Dillon, had created the German Steel Trust for Fritz Thyssen, to whom Averell Harriman and Prescott Bush transmitted funds to put Hitler into power.

- Otis Chandler, Harrimanite publisher of the *Los Angeles Times*.

- Sen. John Sherman Cooper, former adviser to Secretary of State Dean Acheson; Cooper revised the judiciary of Bavaria after World War II.

- Columbia College dean David B. Truman, former staff member of the British Intelligence-dominated Strategic Bombing Survey.

- Sen. Henry Jackson.

- Jacqueline Kennedy, the President's widow, who was said to be very close to Lord Harlech.

Others involved with the British takeover

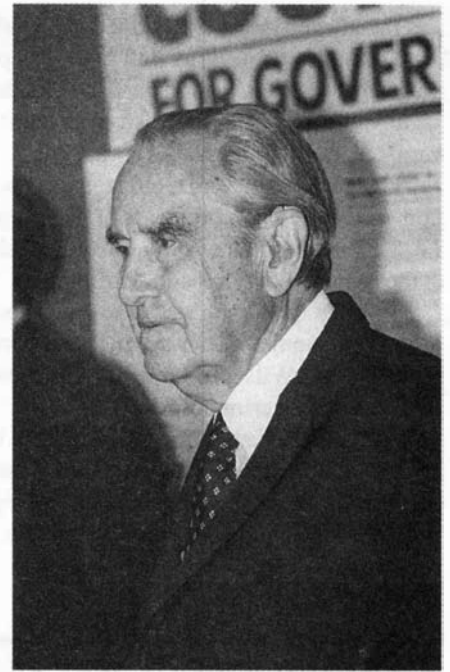
The slain President's brother Robert, who had played a role in the startup of the JFK School, and might have been expected to strongly influence the course of Harvard, was himself assassinated on June 4, 1968, while running for President.

Richard E. Neustadt, founding director of the Institute of Politics and founding associate dean of the JFK School, was an "associate member" of the faculty of Oxford University, England, from 1965 to 1967, during the startup of the JFK School. Neustadt had earlier taught at Oxford (1961-62), while he was an adviser to President Kennedy. Later, Neustadt was chairman of the Democratic Platform Committee for the disastrous 1972 Convention. It was there that the party jettisoned JFK's pro-industrialism and threw off its traditional links to labor unions and racial minorities in favor of New Age priorities.

Donald K. Price, while serving as founding Dean of the JFK School until 1977, was a trustee of the Rhodes Trust. In 1985-86, he taught at Oxford University, England. Price had been a top assistant to Robert A. Lovett when Lovett was U.S. secretary of defense.

As the JFK School commenced in 1966-67, Henry A. Kissinger was a professor of government (he is listed in the founding brochure of the Institute of Politics as one of the 17 "Faculty Associates of the Institute"). In 1982, Kissinger delivered an infamous speech at Britain's Chatham House, then chaired by his old Harvard chum Lord Harlech, declaring that he had been more loyal to Britain than to the U.S. government when he had been secretary of state. Kissinger was sponsored at Harvard by McGeorge Bundy, who was Harvard College dean before he served as President Kennedy's national security chief. Bundy presided over the coverup of JFK's assassination, and treacherously reversed Kennedy's withdrawal from Vietnam.

One of Kissinger's protégés was Graham T. Allison, who,



The late Averell Harriman, in October 1982 (right); Harriman chaired a British-directed committee of Kennedy's powerful foes who set up the false-flag "JFK School of Government." Left: Henry Kissinger keynotes the "American Spectator" dinner in Washington, May 16, 1996. Kissinger took the torch from Britain's Lord Harlech, and swindled the German government into financing Goldhagen.

just after studying for two years at Oxford, became "Special Assistant (Studies)" to the Institute of Politics, at the startup of Harvard's JFK School. Allison later became dean of the JFK School, and personally organized the international initiatives by his own protégé, Jeffrey Sachs, whereby the South American, Russian, and eastern European national economies have been brutally impoverished.

In recent decades, Allison has been a central figure in the British-Harrimanite management of the Democratic Party, including his work as a military and intelligence adviser to Jimmy Carter, and to Stansfield Turner at the CIA, and as the "Democrat" within the Reagan-Bush military apparatus.

Barney Frank, now a congressman (and an acknowledged homosexual), was "Special Assistant (Student Program)" to the Institute of Politics at the startup of the JFK School.

Sir Eric Roll was among the teaching "Fellows" of the Institute of Politics in residence at the JFK School at the time of its startup under Lord Harlech and Harriman. Roll had formerly been Britain's Permanent Under Secretary of State for economic affairs and Britain's executive director of the International Monetary Fund (IMF). He went from Harvard to become chairman of S.G. Warburg investment bank in London.

The British director of Harvard's institute

After Lord Harlech's death in 1985, his place on the Senior Advisory Committee was assumed by Shirley Williams, a member of Britain's House of Lords; she remains on the committee today. In December 1988, following the election of George Bush to the U.S. Presidency, Lady Williams be-

came director of the Institute of Politics at the JFK School of Government, serving in that capacity until January 1990. Lady Williams is an Affiliate of the de Gunzburg Center (we shall explore some other colleagues of Goldhagen at the Center, below). She is a professor of Electoral Politics at the JFK School, and is the director of Harvard University's "Project Liberty," which trains leaders of "emerging democracies in Central and Eastern Europe."

She was formerly the general secretary and chairman of the Fabian Society. She was Britain's Secretary of State for Education and Science during 1976-79. She co-founded and was first president of the British Social Democratic Party. Her father, George Edward Gordon Catlin, founded the America and British Commonwealth Association, and authored *The Foundations of Anglo-Saxony* (1941) and *Anglo-American Union as Nucleus of World Federation* (1945).

Harvard's John F. Kennedy School of Government used Kennedy's name to promulgate doctrines directly contrary to President Kennedy's objectives. For example, why does the "JFK School" not promote the investment tax credit, a Moon-Mars space project, the issuance of Treasury notes instead of Federal Reserve notes, and a massive government research program in nuclear energy development? Why not teach a course in how to face down and defeat the corporate representatives of J.P. Morgan, so students could do as JFK did against U.S. Steel's anti-labor, anti-American, anti-industrial owners? Instead, the so-called JFK School teaches submission to London, deindustrialization, the surrender of labor's rights ("labor flexibility"), crushing the poor ("welfare reform"),

and the alleged inevitability of ethnic conflict.

The policy choices, as well as the key personnel, found in the events of 1966, lead toward the Goldhagen book as well as to other racist and British-imperialist features of Harvard's work.

- Stanley Hoffman, Goldhagen's coach for the dissertation and book, was a professor of government and one of the 17 "Faculty Associates of the Institute" alongside Kissinger at the founding of the Institute of Politics.

- James Q. Wilson was an associate professor of government, and another of the original 17 "Faculty Associates of the Institute." Wilson is famed for his combination of eugenics and fascistic criminology.

- Roger D. Fisher, professor of law, was another of the original 17 "Faculty Associates of the Institute." Fisher now runs "conflict resolution" sessions to legitimize and train guerrilla leaders seeking to destroy the nations of Ibero-America.

7. British Empire war against the nation-state

Daniel Goldhagen's anti-German, racist provocation is not an anomaly, but is quite representative of Harvard's de Gunzburg Center and its German government-financed Program for the Study of Germany and Europe. Goldhagen himself, of Harvard's Department of Government (assistant professor of government and social studies), is a member of the Steering Committee of the Program for the Study of Germany and Europe, and Goldhagen is a director of the journal *German Politics and Society*, put out by the German government-financed program at the three U.S. universities.

Prof. Seyla Benhabib, also of Harvard's Department of Government, is Goldhagen's colleague in residence at the de Gunzburg Center and Goldhagen's fellow member of the Steering Committee of the German government-financed program. Professor Benhabib (born in Istanbul, 1950), who "concentrates her research on Germany," is one of the Center's core personnel. Since 1986 she has been editor in chief of *Praxis International*, the official organ of the group that has controlled Serbia and organized and instigated Serbian mass murder against its Balkan neighbors. This criminal leadership group was trained by Britain's Tavistock psychiatric institute, in whose methods Professor Benhabib is a specialist. *EIR* exposed this operation in 1993, naming Seyla Benhabib as one of the perpetrators (see *EIR*, Feb. 12, 1993).

After 1992, Benhabib and the Serbians closed *Praxis* and opened a "successor journal" called *Constellations: An International Journal of Critical and Democratic Theory*. She is co-author of the 1993 MIT book, *Max Horkheimer: a Reevaluation*, and, as of 1994, she was "currently finishing" a book entitled *The Reluctant Modernism of Hannah Arendt*.

Percy B. Lehning, a professor of government at the Eras-

mus University, Rotterdam, and at the University of Leyden, Netherlands, was in residence at the de Gunzburg Center as a "visiting scholar" in 1994-95. The de Gunzburg Center's 1994-95 brochure explained, "Lehning is currently engaged in a project, provisionally entitled 'Citizenship, Federalism, and Secession.' The object is to locate the right to secede in the broader context of contemporary political theory. The objective will be to try to look for a coherent political theory that formulates the conditions under which secession might be justified."

Michal Federowicz, a sociologist from the Polish Academy of Sciences, was another visiting scholar, who focuses on the "transformation of the economy of East and Central European countries. He has directed a series of field studies concerning enterprise performance in cooperation with . . . the Soros Foundation, and the United Nations Research Institute for Social Development." The Soros Foundation is currently campaigning throughout eastern Europe for the legalization of narcotics, and for the destruction of all political forces that would attempt to protect national economies in the dirigist fashion of Abraham Lincoln, Franklin Roosevelt, and John F. Kennedy.

The Brit who made Goldhagen a star

Let us sum up the imperial dirty operations at the de Gunzburg Center, by examining the work of two professors, Gary Marks (not regularly at Harvard, but an important visitor), and Charles S. Maier, director of the Center.

Gary Marks is a British gentleman. He now teaches at the University of North Carolina; he is a fellow of the Center for Advanced Study in the Behavioral Sciences at Stanford, and will be there next year writing a book with Seymour Martin Lipset. He also works as a referee, or screener, of manuscripts for British, Canadian, and U.S. institutions and publishers.

Marks is quite important to our story. In 1994, he was chairman of the "awards committee" for the American Political Science Association. Marks chose Daniel Goldhagen's work to receive the Gabriel A. Almond award as the year's best dissertation in the field of comparative politics, thereby launching Goldhagen toward fame: The thus-honored dissertation was the basis for the book *Hitler's Willing Executioners*, which was published soon afterward. In a telephone interview, *EIR* asked Professor Marks if he agreed with Goldhagen's hypothesis. He answered only, "It was closely reasoned."

In 1991, Marks himself delivered a paper at Harvard's de Gunzburg Center—his *curriculum vitae* lists that paper's title as "European Integration and the Disintegration of the State." While no paper of that exact title is said to be available in the files of the de Gunzburg Center, there is, in their files, a 1991 paper by Marks, entitled "Structural Policy, European Integration, and the State."

In this 1991 working draft, Marks raises the questions: How might the development of the European Community be able to change "established structures of political authority"?

How could a “decline of the state in western Europe” be brought about? How could nation-states’ “monopoly of legitimate coercion . . . and privileged position as the interlocutor of domestic interests in international relations” be broken? Marks answers by bringing out “the role of subnational governments in the European Community which raise the possibility that the state may be outflanked from above *and* below by the creation of new policy networks linking the [European] Commission directly to subnational governments” (emphasis in the original).

Marks aims to show how the system of European nation-states can be successfully destroyed, not to be replaced by a strong united Europe, but by chaotic, impossibly ambiguous relationships among international authorities, weakened nations, and seceded or semi-seceded subnational regions. This strategy “involves the mobilization of subnational governments.” Marks writes: “The Commission [as opposed to the member European states] . . . is solely responsible for allocating a sizeable portion of total spending for structural policy . . . accounting for around one-quarter of the EC’s total budget. . . .

“The Commission has developed a set of technocratic criteria for determining whether a particular region is eligible for structural funding that increases their administrative autonomy by insulating them [from] member-state dominated negotiations in the Council of Ministers. . . .

“The Commission is shifting . . . [to being] an active participant in framing and monitoring regional development programs. [The EC’s structural funds are less and less being used to] support individual projects proposed by member states.”

Marks points to Spain and Italy as two success stories, and to Germany and Ireland as more problematically unitary states. Marks gloats that “the implicit principle of member state monopoly of aggregation of territorial interests within their boundaries has been breached. . . . For the first time, it [now] makes sense to conceive of European integration as a two-pronged process in which member states are outflanked on the one side by the transfer of authority to the EC and on the other by incentives for newly assertive and politically meaningful regional bodies.

“This development has its corollary in the cross-national mobilization of regional governments and regionally based interest groups intent on gaining direct access to decision making at the EC level. The Commission speaks (and proffers financial aid) directly to territorially organized groups . . . [which] demand direct access to the EC over the heads of their member state governments. . . . Pan-European associations of regional and local governments . . . are now consulted by the Commission on matters of structural policy. For its part, the Commission has opened offices and is directly represented in several regions. Local and regional governments serve as the new interlocutors of the Commission, a role that challenges the traditional monopoly of national governments to mediate between domestic and international affairs. . . . Are we seeing the emergence of a . . . new political order displacing national

state structures?”

Marks includes in the draft a table (see **Table 1**) entitled, “Typology of Political Orders in Western European Development.” It shows the way things were under the “Feudal Order,” how they have been in recent centuries in the “State Order,” and how they are going to be in the “Post-State Order.” The latter glorious future, no surprise, turns out to be a repeat of feudalism.

According to this British gentleman, who made Goldhagen famous, the ending of aristocratic feudalism was a mistake, a ripoff. Marks writes: “Modern states were created by monarchs who had to struggle for predominance . . . [against] disparate baronies. [The monarchs were looking to] expand their armies, exact more resources from their subject populations, develop new and more efficient administrations for this purpose, and find additional resources to undermine or repress the popular resistances that all the above engendered. . . . If some other institutional mix available under the particular circumstances of European feudalism [had been] better suited to the creation of larger and better-equipped armies and the capacity to fund them at short notice it is quite likely (though not of course provable) that the modern state would never have been established.”

Marks concludes by noting that something might go wrong, that “it is possible to imagine a potential reimposition of centralized state structure in the effort of some governments to defend their ‘sovereignty’ by framing issues in sharply nationalistic terms.”

The Empire does a striptease

Finally, let us look at the work of Charles S. Maier, director of the de Gunzburg Center for European Studies, Krupp Foundation Professor of European Studies at Harvard, and chairman of Harvard’s Committee on Degrees in Social Studies. Professor Maier’s paper “Empires or Nations? 1918, 1945, 1989 . . .” is to be found in the de Gunzburg files. In this draft paper, Maier shows himself to be an enemy of human freedom and dignity, a hater of America, and a worshipper of the British Empire in all its degraded immorality.

The Maier paper provides a chilling context for evaluating the purpose of the Goldhagen book. The current objective of British (and by adoption, Harvard) policy is to impose savage austerity and poverty on nations. A pertinent model for this would be the regime of Hjalmar Schacht, Hitler’s economic czar, who smashed labor by recycling the workforce into low-wage, labor-intensive brutality while gearing up for a senseless war. Back in the 1930s, the Schacht-Hitler regime was applauded as “economically responsible” by the *New York Times*, the *Washington Post*, and other “respectable” outlets. Now Maier argues that “market forces alone” cannot “assure transnational stability.” That is, that persuasion alone cannot successfully impose the IMF austerity program, that ultimately the power of “empire” will have to be brought to bear—civilized notions of equality and self-government be damned.

TABLE 1

Gary Marks's outline for a return to feudalism

	Feudal order	State order	Post-state order
Constituent units	Multiple, overlapping kingdoms, fiefdoms, duchies, city-states, principalities, etc., alongside universalist church	Limited number of territorially differentiated states	Multiple, overlapping states, international organizations and subnational governments
Principles of integration	Multiple nested secular obligations alongside transnational loyalty to church	Exclusive, territorially defined identities, intensified in many cases by identification of state with nation	Multiple nested identities: some mix of local, regional, national, and supranational
Decisional locus	Multiple, autonomous spheres of secular and ecumenical competence alongside traditional rights and immunities	Singular, hierarchical structure of decision making within each state reflecting principles of sovereignty and in many cases national community	Multiple, intersecting and dispersed reflecting shifting competences among diverse levels of decision making

Source: From a 1991 paper by Gary Marks on "Structural Policy, European Integration, and the State." Marks titled his table, "Typology of Political Orders in Western European Development."

Thus, the Goldhagen book, by turning the historical focus away from fascism as a *policy choice by powerful men*, would obscure for today's citizens the menace of the same ominous policy, now being applied by the same British geopolitical forces which sponsored Hitler.

Maier, director of the Center which Goldhagen calls his "intellectual home," discusses the "settlement" of the world's political affairs, through "a set of international transactions, whether consensual or imposed by force, that keeps interstate conflict short of war, or a balance of power that guarantees a sort of peaceful equilibrium."

Maier writes that the empires' "Vienna settlement preserved peace from 1815 until the wars of 1853 to 1870," relying on "a consensus among agrarian elites, represented by British Tories, Austrian, French, Russian and Prussian statesmen, who took it for granted that traditional aristocracies were the natural governors of society." But "the British," Maier points out, "opted out of counter-revolutionary enforcement" of the "landlord order," that is, Britain's aristocracy was to be of the "modern" type, not feudal agrarian, but merchant bankers.

According to Maier, the world order is now no longer safely preserved and balanced between Soviet repression and the West. In this situation, Maier compares the usefulness of nations and empires, and explains why the empire is to be preferred over the nation-state.

The "architects and defenders" of nations, he writes, drip-

ping with cynicism, "usually claim that the political institutions of modern nation states are based upon the representation of individuals according to civic ground rules . . . [based upon] civic equality and shared participatory rights (at least for the dominant ethnic community)."

"Empires are different," Maier explains. "By empire I refer to a form of territorial organization that groups different nations or ethnic communities around a sovereign center which possesses preponderant resources of power and/or wealth. Whereas a nation usually claims to represent its citizens according to principles of equality, an empire is hierarchic. It frankly envisages that one political community must remain the major initiator of policies and coordinator of economic activity. . . . The key to successful imperial control or coordination rests upon the shared stake of leadership for the elites in each territorial component. Empires are projects of rule in which provincial elites feel they comprise part of the ruling class of the structure as a whole. Empires . . . are efforts at transnational linkage within a hierarchy of peoples."

In imperial economics, "High value-added production takes place at the 'center'; low value-added production takes places at the 'periphery'; the imperial organization tends to throw a political bridge over the flows of products, investments, profits, and labor. This pattern thus tends to corrode the fixed territorial location of productive process and legal jurisdiction; it de-territorializes, or, to use today's jargon, 'globalizes.' "

Not equality, but deviance

A few sentences later in the Maier piece, is an extraordinarily unguarded explanation for the rationale of the bestial empire: "So far as society is concerned, nations value equality; empires come to terms with stratification. They can be opulent for some and rewarding for many even as they impose subjection on others. In return for encroaching inequality they allow wider choices of lifestyle and limit the stigma of deviance. They are cultivated and cosmopolitan; they offer splendid opportunities for bureaucrats and those who can lend their rhetoric to the hierarchic project. . . ."

"The thesis of this paper is that despite public rhetoric and ideology, empires or imperial systems have proven indispensable at each critical effort at 20th-century stabilization. Our statesmen repeatedly appeal to nations, but fall back on empires. In those intervals when imperial coordination has collapsed . . . stabilization has proved precarious and ephemeral."

Maier differentiates "empire"—i.e., the British, though they are not invoked by name—from mere territorial rule: "It must be understood that the patterns of empire, which have proved so recurrently compelling, were not the formalized colonial domains that were divested after 1945. . . . Empire, as used here, refers to the differentiation and hierarchization of the world economy and cultural systems—not just the framework of formal rule." He then goes on to claim that the "United States has been an imperial power, albeit one that in the developed world, at least, did not have to rely on coercive domination."

He adopts a snarling, cynic tone toward the United States: "States like to claim that they are nations even when they govern far-flung imperial nations."

Maier writes that in the 1850s to 1870s, there was a "world-historical controversy over nationalism or confederalism, and nationalism won"—in "Italy, Germany, the American Civil War, the victory of the Mexican liberals, of the outer Daimyo over the Shogunate, etc."

He then deceitfully serves up together the British-sponsored aristocratic gang which overthrew the republican nationalists, all mixed up with the Lincoln-allied forces they overthrew, attempting to show that the nation-state does not and now cannot exist. "A new class coalition emerged behind these victories: a melding of landed aristocrats, hitherto dominant in national government, with 'bourgeois' representatives of industry, of the bureaucracy and the learned possession [sic]. This was the new coalition within the modern Conservative and Liberal parties in Britain . . . it was the coalition that put an end to reconstruction in the United States . . . or that the Meiji oligarchs soldered together. The men who made the re-energized nation states of the latter 19th century collectively represented wealth, technology, expansive energy, as well as ancestry."

Oozing hatred of the United States and its nation-state allies, Maier goes on, perhaps referring to Harvard itself: "Contemporary science furnished analogues for the national

enterprise, [including] the post-Darwinian doctrines of biological competition. . . . For the larger [countries] . . . the transition to empire was already inherent in their national development. Consolidating the national state meant reworking de facto subjection within their frontiers, even as the new national school systems inculcated the alleged equality of citizenship. Peasant communities at the edge had usually been poor, but now these peripheral peoples—Celts or coloreds, Sicilians, Poles, western Slavs—were pulled into the national vortex, taught the national language, bred to serve as domestic servants, or recruited to forge the heavy metal which their new rulers were using to become united, rich and powerful."

The Anglophile professor here demonstrates precisely the mind-set of the 1970s "Weatherman" terrorist leader Mark Rudd, spewing out rhetoric against the steel mills that gave a good living to American workers.

Maier continues in the vein of "nation-states turned naturally into empires," but allows that nations "subscribed to ideologies of uniform civic identity and equality (with caveats for women, children, people of color, the propertyless, the illiterate, and the feeble minded). Empires did not."

After World War I, Maier contends, "nation-states as such . . . proved inadequate to the economic tasks of postwar reconstruction. . . . A pluralist system of formally equal sovereign states could not stabilize a high-employment economy that normally responded to transnational parameters and signals."

Maier now describes the heart of British, and Harvard, economics. Good old imperial inequality was what the world needed to overcome the mess national sovereignty had created: "Hobson has suggested, with some acuteness, that the 'taproot' of imperial projects involved income inequality at home. Income inequality allowed elites to accumulate savings for which they sought safe, overseas outlets. Conversely . . . imperial organization helped employers to stabilize income inequality within their home territories, not so much perhaps by developing low-wage competition offshore (e.g., Indian cotton workers), as by making the gold convertibility of international currencies the criterion of economic maturity."

'Cyberspace and jaded travellers'

Maier concludes this 1995 paper by discussing the new world order. Today, "the size of sovereign political units remains irrelevant so long as they permit free trade and capital movements. And obviously if economic or market forces alone can assure transnational stability, prospects in the West are more cheering than if they cannot." But Maier doesn't think the market, unaided by the power of empire, can enforce anything. "Speaking personally, I am doubtful." After all, we have to deal with human beings who unfortunately tend to resist oppression and starvation, or as he puts it, tend to resist "a painful and still unfinished transition to new industries, unfamiliar principles of labor stratification, and new geographical distributions of economic power."

"We live in the twilight of territoriality, whether as children in cyberspace or jaded travellers in the airport archipel-

ago. So it is not clear how principles of territorial organization can or shall be reconnected with political and economic regulation. All we can say now is that . . . it would be shortsighted to deny the role of imperial organization as an underpinning of market growth and even of so-called market democracy. Civil society and markets alone did not assure the stabilization of Western democratic societies after 1945. Nor did self-sufficient nation-states. They seem increasingly unlikely to do so after 1989.”

8. That Nazi money behind the book: Is it ‘atonement’?

We have seen that the German government has been paying Daniel Goldhagen’s salary while he wrote a book attacking the religion, culture, and historical existence of the German people. Equally interesting is the fact that the Krupp Foundation, representing the wealth accumulated by producers of Hitler’s munitions, paid Goldhagen to write that specific book. Now, the suggestion has been made, perhaps naively, that the Krupps, by financing Goldhagen’s provocation, may be “atoning” for what they did during World War II. But, since Goldhagen thanks the Krupp Foundation for helping finance his book, and nowhere reproaches Krupp or any other political or financial entity with guilt for the Holocaust, this would appear to be transferring the blame, rather than atonement.

Goldhagen explains on pages 4-6 of his book, that his target is neither the Nazis, nor those who brought the Nazis to power or built their war machine, but the “perpetrators” of the Holocaust—by which he means mainly Germany as a nation, culture, and people:

“Explaining the Holocaust is the central intellectual problem for understanding Germany during the Nazi period. All the other problems combined are comparatively simple. How the Nazis came to power, how they suppressed the left, how they revived the economy [sic], how the state was structured and functioned, how they made and waged war are all more or less ordinary, ‘normal’ events, easily enough understood. . . . Until now, the perpetrators . . . excepting the Nazi leadership itself, have received little concerted attention. . . . The commission of the Holocaust was primarily a German undertaking. Non-Germans were not essential to the perpetration of the genocide.”

The Nazis’ rise to power, war-making, etc. are “easily enough understood,” according to Goldhagen. An inquiry into this Krupp Foundation, helps us to understand that which Goldhagen fails to explain about the Nazis’ sponsors. A current brochure from the foundation tells us:

“The non-profit Alfried Krupp von Bohlen und Halbach-Stiftung [foundation] is the bequest of . . . Alfried Krupp von Bohlen und Halbach, the last sole proprietor of the firm of

Fried. Krupp. By testamentary disposition [Alfried] provided for the ‘conversion of the firm into a corporation, ownership of which will be vested in a Foundation reflecting the Krupp tradition of serving the public benefit.’

“Upon his death on July 30, 1967, his entire assets passed to the Foundation established by him, which entered into activity on Jan. 1, 1968. . . .

“Chairman and chief executive member of the Board of Trustees of the Foundation from the beginning of its activity has been Prof. Dr. . . . Berthold Beitz.

“Today the Alfried Krupp von Bohlen und Halbach-Stiftung is the principal shareholder of Fried. Krupp AG Hoesch-Krupp.”

Among the projects of the Krupp Foundation are, in the “science” category, a “Lexicon of Bioethics of Görres-Gesellschaft (since 1993),” that is, a modern-day continuation of the fascist eugenics movement; and, in the “education and training” category, Daniel Goldhagen’s work. And, among lesser Harvard projects, Laura Ginsburg, travel grant for writing on “Spain’s Gay Rights Movement”; Nani Clow, travel grant for research on “Physics, Psychics and Spiritualism in Late-Victorian England: Sir Oliver Lodge and the Psychical Researchers”; and Angelia Means, research fellowship, “Postnational Political Theory: Relocating the Public Sphere.”

Other Krupp education projects include the McCloy scholarship program of Guido Goldman; “Training in Germany for junior executives in Brazilian industry (since 1977)”; “Centre for training industrial foremen in Brazil (1980 to 1988)”; and projects for Russia, Poland, and China.

The Krupp Foundation board includes Karl Otto Pöhl, former chairman of the German central bank (Bundesbank); and Johannes Rau, the British-aligned governor of the German state of North Rhine-Westphalia, whose post-industrial policies helped demolish the once-great steel industry of the Ruhr.

Britain’s own Nazis

Berthold Beitz, the founder and longtime chairman of the Krupp Foundation, was an important Nazi functionary in Nazi-occupied Poland during World War II. He was not punished for what the Nazis did there, because he was a Nazi-British joint agent, in a very sensitive position. This is the story of Beitz’s agency:

The Royal Dutch Shell company, combining the British and Netherlands monarchies, was led from 1912 until 1939 by Shell founder Sir Henri Deterding. Shell chief Deterding’s notoriety as a supporter of Hitler was second only to that of Montagu Norman; Shell was said to have contributed \$60 million to the German Nazi Party. In September 1939, when Britain declared war on Germany, a representative of Rockefeller’s Standard Oil president William S. Farish flew to England, where he worked out an agreement with Royal Dutch Shell for the continuation of the Standard Oil cartel with the

Nazi chemical and munitions firm IG Farben, despite the war, and even if the United States would enter the war. The Standard Oil representative then flew to the Netherlands on a British Royal Air Force bomber to close the deal with IG Farben. Sir Henri Deterding died that year inside Nazi Germany.

The IG Farben-Standard Oil cartel owned and operated the Auschwitz concentration camp in Poland, using slave Jews who were murdered after making artificial gasoline for Hitler. Another part of the Nazis' fuel from Poland was supplied by the Shell Oil Company's German subsidiary, from their Polish operations. Beitz, a Shell employee, ran Shell-Germany's Galician oil fields from 1939 to 1944.

After the war, Beitz came under the sponsorship of the British within occupied Germany. He was made deputy chairman of insurance operations within the British zone in 1946. During 1949-53, Beitz was director general of an insurance company, and then was thrust into the position of *Bevollmächtigter*, the prime potentiary or de facto boss, over the Krupp interests in Germany. Beitz was sponsored by the British, who, after having ensnared the United States and Russia in the Cold War, ran some of their dirty dealings with the East bloc through Beitz. Konrad Adenauer attacked some of these Beitz operations.

Beitz was also a leader of the restored Friedrich Flick interests. Flick had been a partner of Averell Harriman and Prescott Bush in Poland, and, after serving three years of a Nuremberg sentence for using slave labor, Flick came back as a billionaire.

Krupp and eugenics

From early in the 20th century, the Krupp family helped organize the eugenics movement, a British intelligence project run jointly with Arthur Balfour's Psychical Research Society. The British author Paul Weindling writes, in "The Rockefeller Foundation and German Biomedical Sciences, 1920-1940," in the book *Science, Politics and the Public Good* (London: Macmillan Press, 1988):

The Psychiatric Institute in Munich "had initially been endowed with 11 million marks, contributed by Gustav Krupp von Bohlen und Halbach [head of the Krupp steel and arms family] and James Loeb [Paul Warburg's brother-in-law], an expatriate American of the Kuhn-Loeb banking family." This institute was the original offshoot of the British eugenics, or race purification movement inside Germany. With the addition of Rockefeller Foundation support, the Psychiatric Institute's Nazi chief Ernst Rudin went on to write Hitler's race laws and organized the Nazi regime's killing squads.

The Krupp enterprise, famous from a century earlier as a great German steelmaker, supported Hitler, and certainly played a major role in building the Nazi war machine. The Krupps were not as central the players that British agents Thyssen, the IG Farben bosses, Schacht, etc. were in organizing the Nazi state. But the British have worked to ensure that the only good side of Krupp, the pre-World War I industrial-

ism that aided human civilization, should be suppressed today. It is in any case a disgrace, that the money Krupp gained from building Hitler's war machine, was used to support a race-hater such as Goldhagen.

The real post-World War II relationships at Krupp are best illustrated by the curious episode beginning Nov. 11, 1962, involving the Krupp, Churchill, and Harriman families.

Winston Churchill II (grandson of the former prime minister, son of Pamela Digby Churchill, and later the stepson of Averell Harriman), went on an adventurous nine-month, around-the-world tour in a light airplane with Arnold von Bohlen, nephew of Krupp family head Alfried Krupp von Bohlen und Halbach. The two comrades, Churchill and Krupp, formerly leaders of the Oxford Ski Club, visited many colonial and former colonial countries, impressing on the colonial natives everywhere that Churchill and Krupp are united, and are to be saluted together.

This, then, is the real identity of the "Krupps," who determined that the old Nazi money should finance Daniel Goldhagen's attack against Germany.

It should also be noted that the Fritz Thyssen Foundation is to be found working side by side with the German government-financed German studies program, not at Harvard, but at the University of California. This is named after the infamous Fritz Thyssen, who wrote the book *I Paid Hitler*. What is not in Thyssen's book, is the criminal operation of Bank of England Governor Montagu Norman, and his partners Averell Harriman and Prescott Bush, in organizing Thyssen's financing of the Nazi Party; neither is the legal action of President Franklin D. Roosevelt, shutting down the Norman-Harriman-Bush-Thyssen Nazi bank in New York in October 1942. (See Webster Tarpley and Anton Chaitkin, *George Bush: The Unauthorized Biography*, Washington, EIR, 1992, for a full account of the Thyssen case.)

Then there is the Carl Duisberg Society, which, according to the above-cited report of German Foreign Office, is involved in German-American exchange programs jointly financed by the Duisberg Society and the German government. A representative of the society's affiliate in New York told *EIR* that this involves exchanges with congressmen, teachers, and students. Carl Duisberg was the boss of the Bayer chemical company in the early 20th century. Duisberg and Erich von Ludendorff together created the IG Farben cartel, under the strict international financial rule of Montagu Norman, and the joint control of Shell and Rockefeller, with Bayer at its center. Duisberg said he modelled the cartel on the Rockefeller trust. Back during World War I, Duisberg asked the German Army to get him slave workers from Belgium, but the affair created such a scandal that it was quickly terminated. The world, and the Jews, were not so lucky with the cartel in World War II.

We may conclude that real "atonement" would involve a simple apology—and closing down the British Empire for good.

LaRouche sets the tone for Democratic victory

by Mel Klenetsky

As the Democratic Party Presidential primary season came to a close on June 4, candidate Lyndon LaRouche set the stage for the next phase of his campaign, leading up to the August Democratic National Convention. With nearly 600,000 votes under his belt—a substantial return, whose significance far exceeds the numbers themselves, given the media blackout of his campaign—LaRouche defined the rallying cry for his campaign following the primaries. “We have to roast some fascists, and save the marshmallows for the barbecues,” he said.

LaRouche has targetted the policies of House Speaker Newt Gingrich’s (R-Ga.) “Conservative Revolution” for the past year and a half, and specifically the welfare reform proposals of Gov. Tom Ridge of Pennsylvania, since that state’s primary in April. LaRouche, in setting a standard for rallying the population against the Contract with America, hopes to dramatically shift the disastrous current Democratic Presidential reelection strategy, laid out by Democratic National Committee Chairman Don Fowler.

LaRouche has described Ridge’s welfare reform policies, which would eliminate medical assistance for 220,000 poor, as Nazi policies. In May, LaRouche’s Pennsylvania headquarters drafted a petition to impeach Governor Ridge for Nuremberg crimes against humanity. On June 4, over 150 supporters rallied in front of the Pennsylvania State Capitol in Harrisburg. During lobbying after the rally, these LaRouche supporters and anti-Ridge activists met, personally, with more than 20 legislators and visited more than 125 legislative offices.

LaRouche has called for similar campaigns against all governors and other elected officials who advocate radical cost-cutting and life-threatening cuts, from William Weld in Massachusetts to Pete Wilson in California. “They should be impeached, and repudiated at every level,” LaRouche said. “We cannot allow Nazism in this form, or its echoes, in our

state or federal government.”

LaRouche and his supporters represent the most outspoken wing of the Democratic Party in their efforts to expose the Nazi-like brutality of the Conservative Revolution, in order to foster an understanding among the voting electorate of the necessity to defeat the Gingrich minions in their Congressional bids in the November general election.

Fowler in violation of Voting Rights Act

LaRouche has been in a pitched battle with Democratic Party National Chairman Donald Fowler and the Harold Ickes-Anne Lewis wing of the Democratic Party, both, because of Fowler’s efforts to prevent LaRouche delegates from being seated at the late-August Democratic National Convention, and, because of the dangerous, apolitical, low-profile reelection strategy that campaign adviser Dick Morris, Ickes, and Fowler have sold to the President.

LaRouche, on May 12, issued a call for the resignation of Fowler. “The issue,” LaRouche stated, “goes beyond the outrageously immoral, repeated, lying attacks which Mr. Fowler has made upon both me and those voters which have supported my candidacy. . . . It is relevant to this matter, that Mr. Fowler’s immoral and otherwise outrageous misconduct in office has been prompted chiefly by the pressure on him and the National Committee, from a certain wealthy, right-wing circle whose economic and social policies would be more suited to the associates of House Speaker Newt Gingrich than the party of Franklin Roosevelt, John Kennedy, and Bill Clinton.”

LaRouche sees the Fowler group as responsible for “throwing” the 1994 Congressional elections, allowing the Gingrich Republicans to gain a majority in the House for the first time in decades.

On June 6, LaRouche warned the State Democratic Exec-

utive Committee of Texas, in response to a decree to the committee from Fowler not to seat LaRouche delegates at the state convention on June 7, that such a decision is in direct and flagrant violation of federal law. "The decision by the Temporary Credentials Committee of the Texas Democratic Party, to exclude from the state convention duly elected delegates pledged to Presidential candidate Lyndon LaRouche," LaRouche said, "if adopted by the State Democratic Executive Committee, would be in flagrant violation of the Voting Rights Act. . . . The DNC chairman does not have the lawful authority to deprive voters of their rights."

Vital issues are ignored

For months, LaRouche has warned that the low-profile Fowler-Morris-Ickes reelection strategy will backfire, especially if the problems of the economy are not addressed. All four of LaRouche's half-hour national television addresses have emphasized the dangerous international financial crisis that the world faces.

In his April 18 broadcast on CBS, LaRouche pointed toward the dangerous hyperbolic growth of speculative financial instruments, such as derivatives, as the source of imminent disintegration in the international markets. "The international monetary and financial system is bankrupt," stated LaRouche, and the only solution is for relevant governments of the world to put the international monetary system into financial receivership and bankruptcy reorganization, to prevent social chaos and ensure stability. "The central issue facing the President of the United States," said LaRouche, "is to put the Federal Reserve into bankruptcy reorganization."

In his June 2 Fox TV broadcast, LaRouche again called for putting the international monetary system, including the Federal Reserve System, into bankruptcy reorganization for the purposes of saving the U.S. and world economy. This especially includes Russia, which has entered a phase of grave social and political crises because of International Monetary Fund (IMF) shock-therapy policies, LaRouche said.

Democrats must retake Congress

LaRouche has repeatedly emphasized that the way to guarantee Clinton's reelection, and ensure that he could act effectively in his second term, would be to go for a clean Democratic sweep of Congress. Fowler's strategy runs counter to such an approach. First, Fowler's continued insensitivity to issues affecting the African-American community, such as timely funding for voter registration drives, have hurt Congressional and Presidential reelection efforts, especially in the South. Second, Ickes, Morris, and Fowler's insistence that there has been real growth in the economy, is as insane now as it was in the 1994 Congressional elections, when the Democrats' failure to address reality resulted in a Gingrich windfall. "This idea of real growth," LaRouche remarked, "is patently silly. If there were real growth in the economy, we wouldn't be facing a worsening budget crisis on the federal, state, and local levels."

TABLE 1

LaRouche election results in 1996 Democratic primaries

State	Percent of vote	Total # of votes for LaRouche	Total votes cast in Democratic primary	Date of primary
Alabama	4.0%	11,173	280,173	June 4
Arkansas	6.6%	20,669	315,503	May 21
California	7.0%	162,656	2,339,843	March 26
Colorado	11.2%	5,978	53,523	March 5
District of Columbia	1.5%	391	26,079	May 7
Delaware	9.6%	1,038	10,813	Feb. 24
Illinois	1.8%	14,300	779,907	March 19
Kentucky	7.3%	20,013	272,899	May 28
Louisiana	11.7%	18,150	152,703	March 12
Maine	2.7%	715	25,815	March 5
Maryland	4.4%	12,710	288,864	March 5
Massachusetts	3.4%	5,212	126,971	March 5
Mississippi	7.6%	7,007	92,197	March 12
Nebraska	11.2%	10,255	91,627	May 14
New Hampshire	0.5%	363	80,667	Feb. 20
New Jersey	5.2%	12,794	246,048	June 4
North Carolina	7.2%	40,936	572,160	May 7
North Dakota	34.5%	547	1,586	Feb. 27
Ohio	8.3%	63,677	771,842	March 19
Oklahoma	12.7%	46,392	366,735	March 12
Pennsylvania	8.2%	58,761	718,372	April 23
Rhode Island	4.8%	392	7,938	March 5
Texas	3.1%	28,258	911,548	March 12
Vermont	2.3%	699	30,929	March 5
Washington*	1.4%	4,611	324,615	May 7
West Virginia	13.8%	41,240	298,218	May 14
Totals	6.4%	588,937	9,187,577	

*For State of Washington, totals are sum of Democratic plus Nonaffiliated primary ballots cast for Democratic candidates.

Finally, the failure of the Clinton reelection campaign to attack the politically motivated operations of tainted special prosecutor Kenneth Starr's Whitewater investigations, has led to a serious vulnerability. On June 5, Gingrich, according to news reports, in the aftermath of the convictions of Arkansas Gov. Jim Guy Tucker and Whitewater partners James and Susan McDougal, told his staff that Clinton will be facing many new scandals, which will help unseat him. The latest, Gingrich said, is a malicious accusation about Ron Brown, namely, that the report of his death in Croatia was delayed by the White House, so papers in his office could be shredded.

Ted Van Dyk, an adviser to Paul Tsongas's 1992 Presidential campaign, in an op-ed in the *Wall Street Journal*, suggested "thinking the unthinkable" at the Democratic Convention, namely, dumping Clinton as the party's Presidential standard-bearer if the scandals get out of hand. In an interview with "EIR Talks" on June 6, LaRouche indicated that there has been a proposal circulating to make Al Gore the Presidential candidate and Clinton the vice presidential candidate. LaRouche characterized this proposal as absurd, and a sure way of losing the election for the Democrats.



A demonstration by supporters of Lyndon LaRouche at the State Capitol in Harrisburg, Pennsylvania, on June 4, protesting medical cuts by Gov. Tom Ridge. At the microphone is LaRouche spokesman Philip Valenti.

The failure of Fowler to secure the African-American vote has led to a vulnerability in the general election from Ross Perot's third-party efforts. Perot's Reform Party, an outgrowth of his United We Stand organization, will be on the ballot in 35 states, according to Russel Varney, national coordinator of the Reform Party. The name of the Presidential candidate of the Reform Party will also appear on the ballot, as an independent (not a party), in 15 states. So, the Reform Party candidate will appear on the ballot in 50 states. On June 1, pro-euthanasia former Colorado Gov. Richard Lamm keynoted the inaugural convention of the California branch of Perot's Reform Party, and told newsmen that he may be available to run for President as the party's candidate.

To secure ballot positions in all of the states, Perot's Reform Party established alliances with Lenora Fulani of the New Alliance Party, the Wisconsin-based New Party, and the Green Party U.S.A.

In an op-ed in the April 4 *Cleveland Call and Post*, the largest-circulation African-American newspaper in the country, Fulani called on African-Americans to abandon the Dem-

ocratic Party in the 1996 elections, and join with Perot in forming a third party. "The time has come to begin building alliances outside of the Democratic Party where our traditional political partners—white liberals in particular—have abandoned us," she wrote. "Needless to say, the Republican Party offers no alternatives. . . . I believe the potential for such a new alliance lies with the populist 'white center,' otherwise known as the 'Perot voter.' "

The media blackout of LaRouche

LaRouche campaigned through a series of personal appearances and four nationwide prime-time, half-hour television spots. His vote totals represent a hard core of support, given the media blackout, which few other candidates in the Democratic and Republican parties, Clinton and Dole excepted, can match. He personally campaigned in 15 of the 26 primary states in which he was on the ballot, speaking before campaign rallies of hundreds of supporters in many of the states.

A study by the Center for Media and Public Affairs for the period of Jan. 1 to March 26, the date of the California primary, demonstrates the extent of the blackout against LaRouche. Five hundred and seventy-three stories on the primaries appeared on the three major national television networks during this period. Not one of them covered LaRouche. CBS, ABC, and NBC each had 5-6.5 hours of media time dedicated to the primaries. LaRouche was not mentioned in any of this coverage.

Dole received 41 minutes of this coverage; Buchanan 36; Forbes and Alexander had 18 minutes each; and Dornan, Gramm, Lugar, Keyes, and Morry Taylor each had 15 minutes. Taylor, a political unknown from Illinois, received coverage, while LaRouche was almost entirely blacked out. LaRouche was barely covered at all in the print media. There was almost no mention in the national print media, for example, of the 162,000 votes that he got in the California primary. In spite of this lack of media recognition, with many voters unaware that LaRouche was even on the ballot, LaRouche secured 586,000 votes in 26 primaries, giving him vote returns mostly in the 7-14% range. He came in with 34.5% in North Dakota, his highest.

LaRouche's returns, in many states, bested Pat Buchanan, Steve Forbes, Lamar Alexander, and many of the other so-called traditional candidates. LaRouche bested Buchanan in North Carolina; Forbes in Louisiana, North Carolina, Ohio, and Oklahoma; Gramm in California, Illinois, Maine, Maryland, Massachusetts, Mississippi, Oklahoma, Texas, and Vermont; and Alexander in California, Louisiana, Ohio, Oklahoma, Mississippi, and Texas.

LaRouche's returns, given the media blackout, show a level of support which should make Clinton and his advisers take heed of LaRouche's strategy for the elections, given LaRouche's warnings and the recent slippage that the Morris-Ickes-Fowler approach has encountered.

What does the senator from Mississippi have to Hyde?

by Mark Sonnenblick

After having pushed Majority Leader Robert Dole out of the Senate, Mississippi Republican Sen. Trent Lott is likely to grab control of the Senate on June 11. If the Republicans were to retain control of Congress after the November elections, the fate of the nation could well be, to a significant degree, in Lott's hands.

Lott is a tool of the British Crown's Mont Pelerin Society, which aims to destroy Constitutional government and to impose radical austerity, in the interest of international financial speculators. When a congressional aide in 1971, Lott was selected by Mont Pelerin member Rep. Phil Crane (R-Ill.) and current Heritage Foundation president and Mont Pelerin Society officer Edwin Feulner, to be one of a half-dozen free-market demagogues they would bring into Congress. His election was financed by the American Conservative Union's Larry Pratt, who considers himself the spiritual father of the radical militias. This crowd backed Lott at every step.

Were Clinton re-elected without taking back the Congress from Lott and Gingrich, he would likely be impeached, on the flimsiest of pretexts. Even a failed impeachment trial would discredit and cripple the Presidency—a prime objective of the British imperialists and their Confederates.

But Lott's unbounded lust for power might still be constrained. He has far more damaging skeletons hanging in his closet than anything the media has come up with against Bill or Hillary Clinton. Not only does he have an ugly segregationist past, but his corrupt business dealings have brought him close to a federal indictment.

Taking care of Mama

Only an accommodating U.S. Attorney and the senator's incredible ability to intimidate investigators, prevented Lott from being indicted on fraud and tax evasion charges such as those that landed his business associate, Isadore O. Hyde, in prison.

A grand jury found that during 1983, then-Congressman Lott successfully pressured NASA to grant a \$5 million contract to provide security guards for the Stennis Space Center at Bay St. Louis, Mississippi, to Hyde Security Services, Inc.

(HSSI). The contract had already been awarded to the low bidder, but Lott got NASA's Inspector General's Office to disqualify the two lowest bidders. The grand jury found: "Jerry Hlass, former director of NSTL [Space Center], admitted that he was under a lot of pressure from Lott. He would not be more specific. . . . David Anderson, NSTL Pricing Analyst, testified that: . . . NSTL Director Hlass was constantly under pressure from Lott's chief of staff, Tom Anderson." (Anderson is said to be Lott's choice for command of the Senate's staff.)

On April 4, 1984, Isadore O. Hyde created a full-time "public relations" job for Mrs. Iona Lott, Trent's 71-year-old mother, who was then receiving Social Security and working four hours per day, minimum wage, at a federally funded senior center job. She was kept on Hyde's payroll until Aug. 25, 1988. "Lott's services to HSSI were minimum and meaningless," and she only worked half the hours paid, the grand jury found. "Isadore Hyde leased a 1985 LTD for Lott's sole use. This car replaced Lott's 1956 Chevy . . . [and she] kept this vehicle for her personal use until November 1988."

Mrs. Lott told the grand jury that Hyde received \$966,000 in Small Business Administration loans from 1980 to 1985. SBA official Robert Funchess testified that he asked Hyde why Iona Lott was on his payroll. The answer, as recorded in an Internal Revenue Service (IRS) memo summarizing the grand jury findings: "Hyde said that she needed a job, that she could open doors that would not be opened otherwise, and that she was his connection to Washington as she could talk to Congressman Lott when he [Hyde] could not reach the Congressman."

Mrs. Lott told an IRS interviewer in 1989, according to his notes, "during [Lott's 1988 Senate] campaign, Mr. Hyde worked hard. . . . Hyde told [Mrs. Lott] that Hyde owed [Trent] because Lott helped him get an SBA loan." In public, she and her son remembered nothing.

NASA investigator John Batson discovered that Hyde "authorized the use of federal funds received under the NASA contract for the direct benefit of Congressman Lott's campaign activities." Batson also found, as reported by Bill Minor—the only Mississippi writer with the courage to report

embarrassing news about Lott—"Hyde, who became active in Republican politics, furnished then-Congressman Lott a building in Moss Point to use as his campaign headquarters in 1986 without any charge. And the building had been purchased by Hyde out of the Trans-Atlantic World Service account," a dummy company set up by Hyde. "Two checks totalling \$4,500 drawn on Hyde's Trans-Atlantic account were made as contributions to the Capital Foundation of the Mississippi Republican Party during those years."

Hyde and his wife were indicted by the grand jury on Dec. 18, 1991 on various federal income tax violations and conspiracy to defraud NASA. Only after a special assistant U.S. Attorney was sent from Washington in 1993, did they plead guilty and go to prison. Another grand jury was convened to look into the Hyde-Lott relationship, but the Hydys refused to talk.

By January 1988, NASA investigator John T. Batson had disclosed to the office of Jackson, Mississippi U.S. Attorney George L. Phillips, the facts about the Lott-Hyde relationship. Batson later told a journalist that he suspected that Phillips had delayed the case and kept it hushed up long enough for Lott to be elected senator in November 1988.

NASA Inspector General William Colvin also ran cover for Lott. "Whistleblower" Batson asserts, "In the Spring of 1992, during a site visit to Stennis Space Center, Mr. Colvin personally instructed me to close the HSSI investigation. . . . It became obvious to me that the decisions by Mr. Colvin to prevent my participation in interviews, to hinder the service of trial subpoenas, and his constant requests for information centering around the potential involvement of Senator Lott were more than idle curiosity or valid needs to know. It appeared very clear, that such behavior could, in substance, substantially damage the government's case at trial and successfully hinder or even obstruct related investigations."

Batson details how his superiors ordered him "not to contact or participate in a scheduled interview of Mrs. Iona Lott . . . ; to delete any reference . . . concerning payments to Senator Trent Lott's mother, the use of federal funds to pay campaign expenses on behalf of Lott, and political contributions made by Isadore O. Hyde out of federal contract funds, including NASA funds . . . ; not to cooperate in any manner with the FBI and Public Integrity Section."

Colvin ordered Batson transferred to California. Batson exposed Colvin's misdeeds; and Colvin was forced to resign from NASA, Sept. 3, 1994.

Lott has an amazing capacity to protect himself. The Hyde scandal was a well-kept secret, until Bill Minor and WLBT-TV reported on it in 1993. It became known nationally through Jack Anderson's syndicated columns of April 25 and May 5, 1994, "Sen. Lott and the NASA Contractor" and "Lott's Glass House Fronts on Whitewater." However, none of the biographies of Lott published this spring by the news sources Americans depend upon, gave even hints of any of the skeletons in his closet.

Does Lott wear sheets?

On the night of Sept. 29, 1962, Trent Lott was a cheerleader at the stadium where Mississippi Gov. Ross Barnett roused 46,000 people into a frenzy against the federal court-ordered integration of the University of Mississippi. The next day, as African-American student James Meredith sought to enroll, mobs overran the campus; two people were killed and hundreds wounded. Lott's reflections on this historic moment have never been recorded. His office has no autobiographical material. An *EIR* reporter asked a dozen Mississippi politicians, journalists, and political scientists, "What makes Trent Lott tick?" Each laughed and responded, "Nobody's ever asked that question before." And, as most knew, "Nobody's ever written a biography."

But, no one in the state doubts where Lott stands on racial integration. During 1981, he hounded the new Reagan administration with letters demanding that it return tax exempt status to segregated schools, after 38 such Mississippi schools had lost their tax exemptions. President Reagan wrote, "I think we should" on the margin of one such missive. Lott obtained a copy and circulated it to Treasury and Justice Department officials on Dec. 21. Two weeks later, the Reagan administration restored the tax exemptions. But then, under a storm of protest, an embarrassed Reagan backed off, asserting, "I am opposed with every fiber of my being to discrimination" and blamed Lott for "bad advice."

On May 23, 1982, Minor wrote: "Just when we begin to assume that the Citizens' Council, the old white segregationist group, is dead and buried in Mississippi, you find out you're wrong. The old CC lives and breathes, it turns out, in at least one place in Mississippi: in Carroll County, where the organization had a meeting the other night to talk about 'the good ole days' when it reigned supreme. And guess who came and was the speaker and honored guest—none other than Rep. Trent Lott." Minor's source was a state legislator who attended the pep rally at the CC's segregated private school.

Is Lott committed to segregation? Probably not. The evidence is that he is not committed to anything or anyone, except Trent Lott. When asked about his mission in life, Mississippi Lott-watchers agree: "power."

They also agree that Lott has been too busy gaining power to think about what to do with it when he got it. Mississippi political scientist Mary Coleman observed, "Lott never thought this opportunity would present itself. . . . He doesn't have the capacity to think." A Lott aide commented, "Over his career, Mr. Lott has been willing to do just about whatever people ask him to do if it is in his power."

But, on the big issues facing America, which "people" would tell him what to do? There is little doubt it would be the Mont Pelerin Society operatives who picked him up in 1971 and paid his way into Congress a year later. Everything he has done since has cohered with their concept of taking apart the U.S. government and giving it, piece by piece, to the most corrupt forces around.

Scalia feeds frenzy over Supreme Court 'gay rights' ruling

by Edward Spannaus

The U.S. Supreme Court, in a 6-3 ruling issued May 22, struck down the 1992 Colorado "Amendment 2," which barred local governments from adopting homosexual anti-discrimination laws. The Supreme Court said that Amendment 2, which was a response to the proliferation of local laws prohibiting discrimination against homosexuals in jobs, housing, public accommodations, etc., denies to homosexuals equal protection under the U.S. Constitution.

The ruling is being enthusiastically hailed, and vehemently attacked, as "revolutionary" and as a fundamental turning point for so-called "gay rights" by the news media. However, the hysteria surrounding the ruling, especially from "conservatives," signifies that those screaming the loudest either haven't read the decision, or are willfully misrepresenting what it says.

In fact, of the six justices who signed the majority opinion, four are Republican appointees—which may, incidentally, make it hard for Dole and company to attack the ruling as a product of "liberal Clinton judges." The four Republican appointees who ruled with the majority are David Souter (Bush), Anthony Kennedy (Reagan), Sandra Day O'Connor (Reagan), and John Paul Stevens (Ford).

Ten days after the ruling, a full-page ad ran in the *Washington Times* calling for the impeachment of the six "who voted to legitimize the homosexual lifestyle." The ad was sponsored by the hitherto-unknown "Loyal Opposition," whose president is listed as Operation Rescue's Randall Terry.

A plain reading shows that the ruling is not an endorsement of homosexuality: What it says is that the Colorado measure violates the Equal Protection Clause of the Fourteenth Amendment, by disqualifying a class of persons from the right to obtain legal redress or specific protection of the law. Amendment 2 is so broad and sweeping, said the court, that it bears no rational relationship to any specific objective, such as protecting the rights of association of other citizens, or the liberties of landlords and employers who have personal or religious objections to homosexuality.

The ruling said that Amendment 2 "identifies persons by a single trait and then denies them protection across the board," and said that such a "disqualification of a class of persons from the right to seek specific protection of the law is unprecedented in our jurisprudence." It does not just deny

homosexuals special rights—as its proponents contend—but it imposes a special disability: that homosexuals can no longer seek passage of a law or ordinance, but must amend the state's Constitution. This disqualification of a class of persons from the right to seek specific protection of the law "is unprecedented in our jurisprudence."

"It is not within our constitutional tradition to enact laws of this sort," the opinion continues. "Central to both the idea of the rule of law and to our own Constitution's guarantee of equal protection is the principle that government and each of its parts remain open on impartial terms to all who seek its assistance."

Scalia's dissent

The hysteria around the ruling is being fed by the dissenting opinion written by Associate Justice Antonin Scalia, which was joined by his clone Clarence Thomas, and Chief Justice William Rehnquist.

Scalia makes much of the fact that the majority ruling never once mentioned the Supreme Court's 1986 decision *Bowers v. Hardwick* which upheld a Georgia anti-sodomy law, and which correctly held that there is no constitutional right to engage in homosexual activity (see *EIR*, July 18, 1986). "If it is constitutionally permissible for a State to make homosexual conduct criminal, surely it is constitutionally permissible for a State to enact other laws merely disfavoring homosexual conduct," Scalia wrote. Which is beside the point, because the majority ruling clearly does not bar such laws.

Scalia went out of his way to make his dissent as strident as possible, so as to feed the frenzy surrounding the issue. He characterized homosexuals as a "politically powerful minority" and as "a group which enjoys enormous influence in American media and politics."

"The Court has mistaken a *Kulturkampf* for a fit of spite," wrote Scalia, saying that the Colorado amendment was only "a modest attempt by seemingly tolerant Coloradans to preserve traditional sexual mores against the efforts of a politically powerful minority to revise those mores through use of the laws." Scalia's dissent also used his typical "democratic" argument, that the court should defer to the opinions of the majority (such as a majority of Colorado voters who adopted Amendment 2), and he repeatedly called the ruling "elitist."

For all of Scalia's appeals to "morality," he told a conference at the Gregorian University in Rome on May 2 that a government cannot determine policies according to moral principles, unless the majority wants it. Even though he opposes abortion, for example, he argued that states can allow it if a majority wants to. "I don't know how you can argue on the basis of democratic theory that the government has a moral obligation to do something which is opposed by the people," Scalia contended.

In 1989, Scalia supported the execution of persons as young as age 16, arguing that there is no "national consensus" that this should be considered cruel and unusual punishment.

National News

Private prison profits soaring to record highs

The stocks of the six leading prison privatization companies are soaring above the rest of the market because of the "huge demand" for prison space, both adult and juvenile, according to market analysts. The stock price of the largest company, Corrections Corp. of America, based in Nashville, Tennessee, has more than doubled this year. The second largest company, Wackenhut, based in Coral Gables, Florida, has gained more than 155% so far. Both companies have made multimillion-share stock offerings this year.

Smaller privatization firms have also done well. BI Inc., a Boulder, Colorado, manufacturer of electronic devices for monitoring parolees at home, is up nearly 112%. Stock in Youth Services International Inc., of Owings Mills, Maryland, has gained about 150%; while Childrens Comprehensive Services Inc. of Murfreesboro, Tennessee, has more than tripled for the year; and Esmor Correctional Services Inc. of Melville, New York, has more than doubled.

The gains racked up by these prison privateers compare with increases of slightly more than 11% in the Dow Jones Industrial Average, and just over 9% for the Standard and Poors 500 during the same period.

Foundation futurist: 'Forget about progress'

The assumptions about human beings which led to the tremendous increase in America's power and influence—from what it had been in the early 1930s, to what it had become by the early 1960s—no longer apply. That was the message of Jeffrey Eisenach, the president of the misnamed Progress and Freedom Foundation, during his opening remarks at a forum in Washington on June 4.

The forum, sponsored by the foundation, was entitled "Dynamic Environmentalism for the 21st Century: Progress in Developing a New Vision for Environmental Policy." Eisenach declared, "If you look at America

in 1932 and compare it with America in 1964, you have to say to yourself we did something right during those 30 years. . . . They created the world that they set out to create, and you have to admit it was a pretty good one; but it is equally clear that that world is no longer the one in which we live."

Instead, Eisenach claimed, "It is now very clear. . . . that that basic thesis about the way human beings go about accomplishing large endeavors no longer applies; and that's a function of the catalytic effects of information technology, a consequence of the collapse in price of knowledge and information."

Barry compares control board to Nazi regime

At a June 3 press conference, Washington, D.C. Mayor Marion Barry blasted the city's Financial Control Board for demanding that he oust his longtime friend, Human Services Director Vernon Hawkins, by comparing the board to Nazi Germany. Barry called the board's action "absolutely anti-democratic, anti-American, un-American. . . . It reminds me of what happened in Germany during the period when citizens were abrogated—their rights were abrogated—in a totalitarian kind of state."

Although he back-tracked later, under immense pressure, at the time, Barry insisted that the board's measures went beyond race, and were against the interests of all D.C. citizens. Barry had conceded to many of the board's earlier demands, and agreed in February to eliminate 10,000 workers from the city payroll, in the budget that is to be released this month. The Department of Human Services, which has been under continued attack by the Control Board, provides public health programs, psychiatric services, and other help for the city's neediest residents, and also administers Medicaid.

House Speaker Newt Gingrich (R-Ga.), who spearheads the Conservative Revolution's Congressional drive to impose Nazi policies on the United States, threatened the next day that, unless Barry retracts his comparing the board to a Nazi dictatorship, Congress would abolish the city government!

"His behavior has been unacceptable, and he owes the board an apology," Gingrich said. "The control board is the only hope D.C. has to retain home rule. . . . If the politicians stop that control board from succeeding, I think it puts into doubt the whole issue of home rule."

The Anti-Defamation League, the racist, right-wing hate group, was quick to join the public attack against Barry's resistance to Nazi economics. ADL regional director David C. Friedman sent the mayor a letter, stating that he was "dismayed and troubled" about Barry's remarks; that Barry's stance "inflames tensions"; and that Barry had made an "inappropriate comparison" to the original Nazis.

New charges of OSI fraud in Demjanjuk case

Public Defender Michael G. Dane has filed new charges that the U. S. Department of Justice (DOJ) committed fraud upon the court, in presenting its case against John Demjanjuk, the *Cleveland Plain Dealer* reported May 15. Demjanjuk, a retired Ukrainian-American auto worker, was falsely accused by the Office of Special Investigations (OSI), of being the infamous "Ivan the Terrible" of the Nazi concentration camp at Treblinka—despite massive evidence in government hands, proving his innocence.

On May 14, in a court appearance in Cleveland, where the DOJ is still attempting to strip Demjanjuk of his citizenship, Dane charged that the government had withheld additional exculpatory evidence—this time, from both the Appellate Court and the Federal District Court. The Sixth Circuit Court of Appeals ruled in 1993 that the DOJ had committed fraud upon the court. The additional evidence includes OSI interviews in 1980 and 1992 with Jakob Reimer, a man accused of being the paymaster at the SS training camp at Trawniki. Despite repeated requests by Demjanjuk for all exculpatory evidence, beginning in 1977, the Reimer documents were never released.

Dane's motion was filed as soon as District Judge Paul R. Matia, the current presiding judge in the Demjanjuk matter, lifted a

Briefly

BOB DOLE and Newt Gingrich filed a bill June 4, to push President Clinton into rapidly expanding NATO into eastern Europe. Despite "some Russian objections," Dole said, "our government should cooperate with a democratic Russia . . . but not by denying NATO membership for European democracies."

THE MEDICAL profession must stop protecting patients from "wrongful life," the *New York Times* decreed June 2. In a front-page story, headlined "Ignoring 'Right to Die,' Medical Community Is Being Sued," the *Times* rallied behind lawsuits filed against doctors and hospitals, for trying to save their patients' lives. Demanding tougher laws against such interference, the *Times* promoted the euthanasia arguments of the Hastings Foundation and Choice in Dying.

THE WHITE HOUSE has asked for a review of the Space Shuttle program, focussing on the issue of safety. Current budget targets would reduce funding for Shuttle operations by nearly \$1 billion per year. President Clinton's science adviser, John Gibbons, says that the goal of the review is "to ensure that our efforts to improve and streamline the Space Shuttle program do not inadvertently create unacceptable risk."

NAFTA'S OWN REPORT says it is driving down wages in the United States, Mexico, and Canada. According to a preliminary report by the North American Free Trade Agreement's Commission on Labor Cooperation, the number of workers in all three countries with a full-time, permanent job is declining—as part-time jobs and the demand for temporary or contract workers increase.

THE CONGRESSIONAL Budget Office is arguing that the Federal National Mortgage Association and the Federal Home Loan Mortgage Corp. are no longer needed: "Improving access to mortgage finance may have been a social benefit worth paying for in the past. It is now available without subsidy from fully private firms."

secrecy order on the Reimer documents, the contents of which are still not publicly known. "We believe that this matter is very significant and bears directly on the extent of the government's fraud," Dane told reporters.

The crux of the current OSI claim that Demjanjuk should be denaturalized, is that he was at Trawniki, and he should be kicked out of the country, regardless of the DOJ's misconduct. J. Douglas Wilson, a DOJ appellate attorney, lied to the press that the Trawniki ID card, which purports to prove that Demjanjuk was at the camp in 1942, is "as good as gold. It's probably the most examined document of the 20th century, and no one's laid a glove on it all that time." Several years ago, however, *Der Spiegel* magazine published detailed evidence, obtained from German government experts, that the card was almost certainly a forgery. The photo of Demjanjuk on the alleged ID card was not taken until years after World War II, and the card contains egregious grammatical errors as well.

Nazi Richard Lamm may head Reform Party ticket

Former Colorado Gov. Richard D. Lamm, the notorious advocate of cannibalism and euthanasia, keynoted the inaugural convention of the California branch of Ross Perot's Reform Party on June 1. Lamm told newsmen that he may be available to run for U.S. President as the party's candidate, instead of Perot himself.

During the late 1970s, Lamm emerged as a rabid public spokesman for the discredited British eugenics and euthanasia policies embraced by Hitler's Nazi Germany. Lamm's deliberately provocative statements then took the form of the Nietzschean "revolutionary" proposal, that the "younger generation" wants older people to die "like autumn leaves," so they would not consume "our limited resources."

The 60-year-old former governor told the California convention that the welcome inscribed on the Statue of Liberty ("Give me your tired, your poor, your huddled masses yearning to breathe free . . .") is "wrong."

Immigration must be halted, Lamm said: "America's first duty is to its own poor." Lamm then demanded that Social Security and Medicare be slashed—measures which he calls "compassionate austerity."

Lamm stuck to his old pitch, urging war by the Baby Boomers against the generation of the Depression and World War II. He attacked Franklin Roosevelt's New Deal, and raved that we would be guilty of "generational malpractice" if we don't stop "thoughtlessly consuming . . . our children and grandchildren's resources."

CFC ban has opened up massive black market

The lunatic ban on chlorofluorocarbons (CFCs), imposed by the genocidal environmentalist movement, has predictably fostered a massive, international black market in freon, the CFC-based refrigerant previously employed in cooling and air conditioning systems worldwide.

With U.S. production of freon already shut down, the domestic price of a 30-lb. container has jumped from \$15 in 1993, to almost \$600 today; it is expected to reach triple that amount by the end of the summer. With a huge demand continuing, a very lucrative black market has sprung up across the United States, especially centered on ports of entry. The Justice Department has set up special task forces, drawing added manpower from the Environmental Protection Agency, Customs, the IRS, the Commerce Department, and local police, to crack down on smuggling operations which never should have existed in the first place.

Keith Prager, of the U.S. Customs office in Miami, told the *Fort Lauderdale Sentinel* May 28, "We are talking about tens of millions of dollars at stake in excise tax and illicit profits; [and with] that kind of money at stake, people are going to risk arrest to take some of it off the top." Tom Watts-Fitzgerald, a Miami federal prosecutor who specializes in environmental cases, told the *Sentinel* that "any time you set up an economic shortage, you make smuggling an attractive option. That sounds a lot like what happened historically with Prohibition."

Editorial

It's never too late

The election of Benjamin Netanyahu to be prime minister of Israel can only be understood in the context of how the British have orchestrated events to sabotage President Clinton's peace initiative in the Middle East. The sabotage escalated dramatically with the murder of Yitzhak Rabin on Nov. 4 of last year. Three months later, a terror wave was launched against Israel by Arab extremists, which culminated in the firing of Katyusha rockets from Lebanese territory. Finally, there was Israeli military retaliation against the civilian population of Lebanon. In short, a political disaster.

Prime Minister Rabin was by no means the only target of the British-inspired terror wave. The British have acted in furtherance of their global, imperialistic strategy; and, they have found willing collaborators within both Arab and Jewish groups. This created the conditions in which Netanyahu was able to win a bare majority of the votes in the recent Israeli election.

A major role in this cabal, has been played by the Anti-Defamation League (ADL) of B'nai B'rith. This is not at all surprising when we remember that the ADL was created by the B'nai B'rith in order to run such dirty operations; and that the B'nai B'rith, while nominally Jewish, is itself one of the many Masonic organizations created by the British when Lord Palmerston was prime minister, in the 1840s.

On May 26, the week before the election, the *Washington Post* carried a feature on the Israeli elections in its Sunday magazine. It described an incident which occurred on May 21, 1995, well before the assassination of Rabin. At that time, a left-wing member of the Israeli Knesset (parliament) and member of Israeli cabinet, Shulamit Aloni, was physically attacked during a meeting of the American Jewish community which took place in New York City. At issue was the Israeli peace policy, which was opposed by the ADL-led forces and other conservative groups.

The individual who brutally attacked Aloni, Jack R. Avital, was a well-known leader of New York's Jewish community. After brutally hitting Aloni in the stomach, Avital was allowed to lead a march of 30,000 Jews up Fifth Avenue, along with the official Israeli delegation

and New York Mayor Rudolph Giuliani.

This incident foreshadowed the later assassination of Prime Minister Rabin; during the same period, Israeli government representatives were being routinely mistreated when they attended religious services in New York.

In July 1995, Rabin responded to the diktat by 1,000 Orthodox rabbis, who, meeting in New York City, instructed Israeli soldiers not to obey orders for them to withdraw from bases or settlements on the West Bank. At the time, Rabin attacked this outrage, saying: "I hear strange calls from a group of rabbis from the United States, for whom the name ayatollahs is perhaps better suited than rabbis."

On Nov. 5, eulogizing Prime Minister Rabin, Palestine Liberation Organization Chairman Yasser Arafat said that, together, he and Rabin were making "the peace of the brave. . . . So this loss is not only a loss for the Israelis and the Palestinians, but the whole world." More recently, Arafat denounced Arab terrorist groups for deliberately intervening into the Israeli election by attempting to discredit Prime Minister Shimon Peres.

The defeat of Peres has been another blow to the peace process. While the conservative Jewish extremists in the United States played a decisive role in this, the ostensibly liberal Anti-Defamation League is part of the same operation.

The assigned task of all these British-run groups, is the defeat of President Clinton in this year's Presidential election. To accomplish this, they are working to destroy the Democratic Party from within, undermining its viability. These treacherous pawns of the House of Windsor will do everything in their power to get rid of the LaRouche wing of the Democratic Party, which stands in their way.

A lesson to be learned from the defeat of the Israeli Labor Party, is the danger of pulling one's punches—whether in a combat situation or an election campaign. Be it the nation of Israel or the Democratic Party in the United States, there is no room for compromise when it comes to defeating British operations intended to destroy one's nation.

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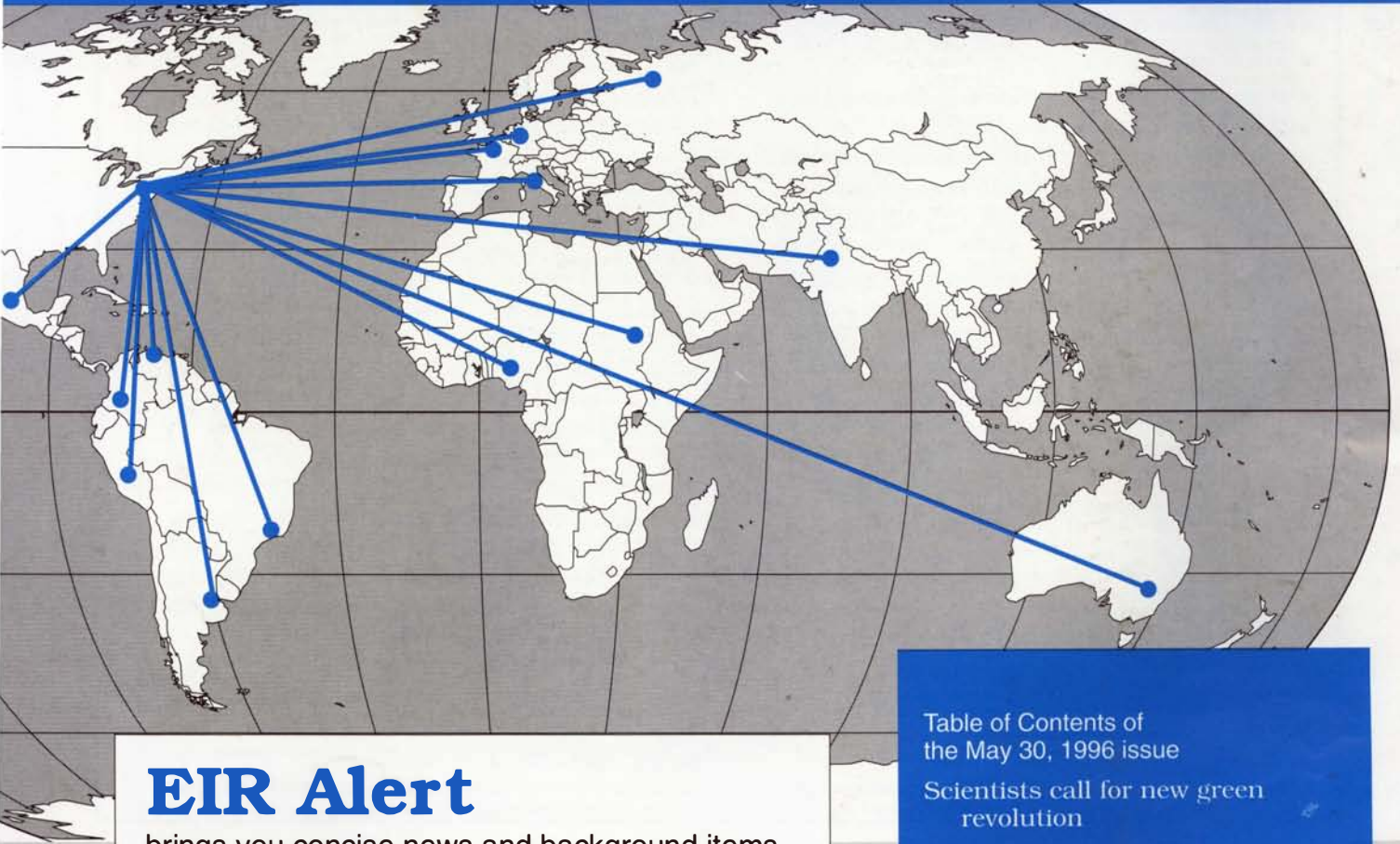
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