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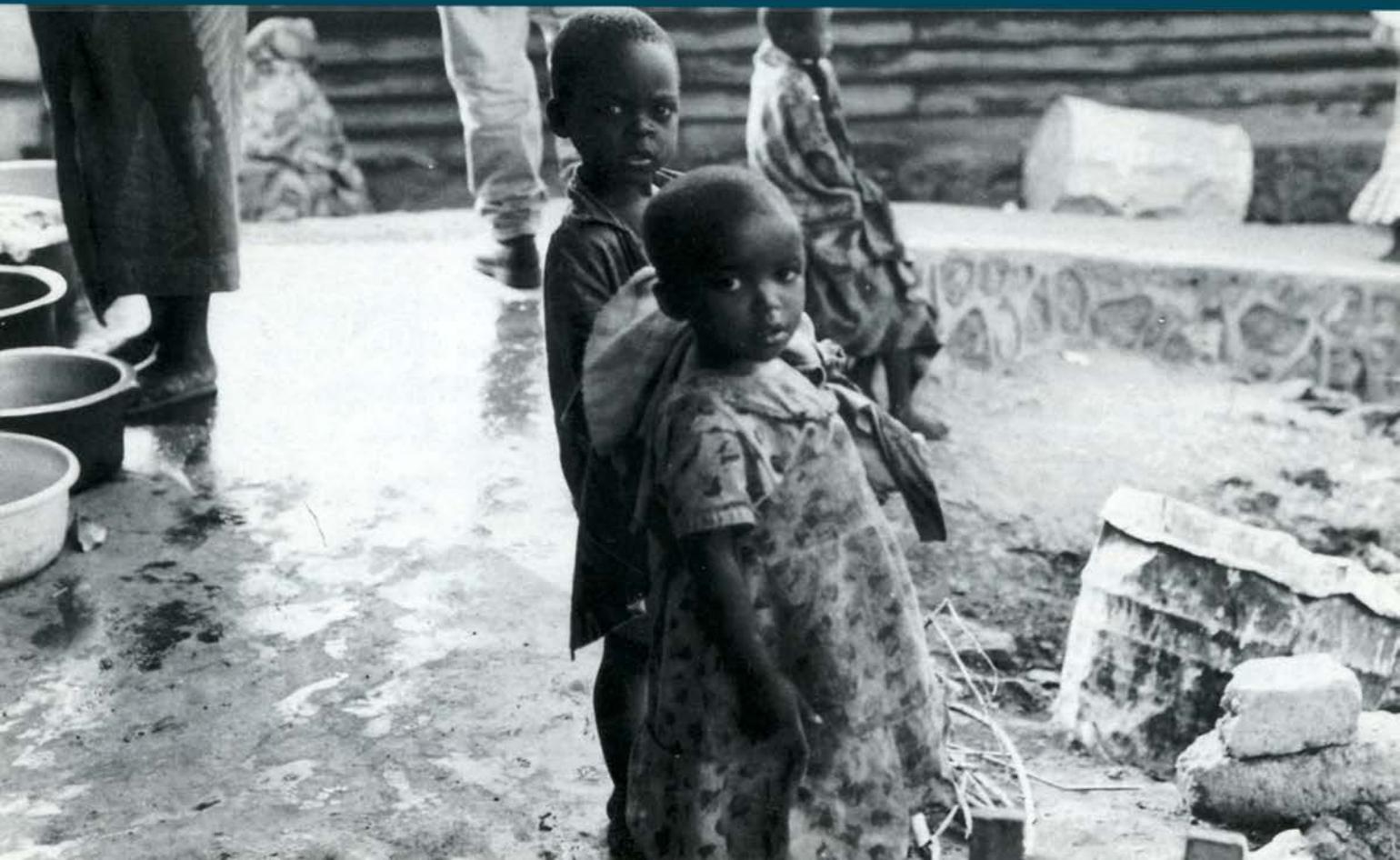
Executive Intelligence Review

June 30, 2000 Vol. 27 No. 26

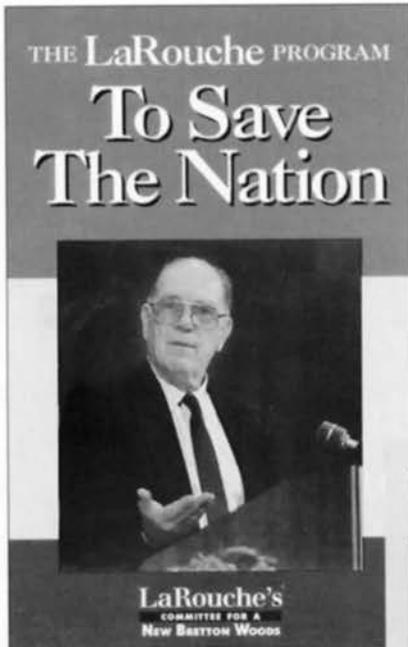
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Hearings Give Voice to the 'Forgotten' Americans  
Dr. Mahathir: The Bretton Woods System Worked!  
LaRouche Nails Enemies of the Nation-State

**U.S. Policy Debacle Brings  
Death to Millions in Congo**



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*EIR (ISSN 0273-6314) is published weekly (51 issues) except for the second week of July and the last week of December, by EIR News Service Inc., 317 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451, or toll-free, 888-EIR-3258.*

*World Wide Web site: <http://www.larouche.com>  
e-mail: [eirns@larouche.com](mailto:eirns@larouche.com)*

**European Headquarters:** Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-65013 Wiesbaden, Bahnstrasse 9-A, D-65205, Wiesbaden, Federal Republic of Germany  
Tel: 49-611-73650. Homepage: <http://www.eirna.com>  
E-mail: [eirna@eirna.com](mailto:eirna@eirna.com) Executive Directors: Anno Hellenbroich, Michael Liebig

**In Denmark:** EIR, Post Box 2613, 2100 Copenhagen ØE, Tel. 35-43 60 40

**In Mexico:** EIR, Río Tiber No. 87, 5o piso, Colonia Cuauhtémoc, México, DF, CP 06500. Tel: 208-3016 y 533-26-43.

**Japan subscription sales:** O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

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Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

**Postmaster:** Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390.

## From the Associate Editor

All around the world, the LaRouche political movement is battling it out against the enemies of the nation-state, the “globalizers” whose lunatic doctrines are propelling us into a Dark Age.

Take the symposium in western China, reported in *Economics*. Nobel laureate Lawrence Klein, of the Wharton School of Business, must have been dismayed to find representatives of the Schiller Institute confronting him after his speech in Chongqing. Associates of Lyndon LaRouche first picketed Klein’s classroom in Philadelphia back in the 1970s, and have crossed swords with him repeatedly. In Chongqing, Jonathan Tennenbaum rose from the audience to charge that Klein, in his paean to the “New Economy,” had not even mentioned the speculative bubble on the U.S. financial markets, the U.S. trade deficit of over \$400 billion per year, and the growing income gap within the U.S. population. Klein replied that speculation was a “separate problem,” which had nothing to do with the “New Economy,” and that the U.S. trade deficit was actually created in order to help the world overcome the Asian financial crisis!

With such idiocy coming from the mouths of the “experts,” it is no wonder that more and more people are looking to LaRouche. In this issue, we publish interviews that he gave to the Peruvian magazine *Gente* and the influential Arabic daily *Al-Arab International*, elaborating his defense of the nation-state against the financier oligarchy. On June 23, LaRouche addressed policymakers in Rome, on the subject of a New Bretton Woods financial reorganization—an exciting event on which we shall have more to say next week.

In the aftermath of the historic Inter-Korean Summit, there are many hopeful signs of motion toward LaRouche’s policy outlook. Regional groupings are forming for their own self-defense, against the perceived threat of financial assault and collapse.

Yet, U.S. policy is deteriorating on all fronts. Our *Feature* underlines the hideous consequences of U.S. policy in Africa. Some 2 million people have been killed in the past 22 months, in Congo alone, while the so-called “donor community” doesn’t lift a finger to stop it.

So, the crucial fight is here. And in Washington, as we report in *National*, the Ad Hoc Democratic Party Platform hearings have placed on the table the issues that both Gore and Bush are so desperately anxious to avoid.

*Susan Welsh*

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## Regional Initiatives Proceed in Wake of Pyongyang Summit

by Tony Papert

It was just two weeks ago that *EIR* published Lyndon LaRouche's paper on "Regional Organization under a New Bretton Woods." In the intervening days, many a reader has understandably become convinced that that was a Providential intervention, and its author a man of Providence. For, as LaRouche had written elsewhere recently, the present end-phase of world systemic financial disintegration is one of those rare periods in history, when, unfortunately, certain accurate short-term forecasts do become possible. Now, don't start to imagine that there is anyone who can tell you what hour of what day to sell your Internet stocks for the biggest windfall gain, or even the smallest loss! No—if you were not insane, you would simply sell them all immediately. But, these two weeks have already proven that there are other, much more important matters, which can be accurately forecast over the short term, now that the world financial system has been forced into a new phase of collapse since October 1998, and now that the Clinton Administration has forsaken and cut off all its earlier available options for a safer, more certain resolution of the world financial crisis.

During those two weeks, the arguments of that paper have become an unusual sort of touchstone of sanity worldwide. As several unprecedented events have changed history over those two weeks, only those who took those arguments into account, have been able to understand and act on them. At the other extreme, are those who hysterically deny that a world systemic financial collapse is possible, or even conceivable, like the Gore Presidential campaign, and, in a different way, the Clinton Administration, which is a deluded captive of the Gore campaign. These two weeks have shown them to be in the same enslaved and infantile condition from which Aeschylus' Prometheus once before rescued our species,

*Who at first looked in vain wherever they looked;*

*Although they listened, they heard not. . . .<sup>1</sup>*

In six pages two weeks ago, LaRouche demonstrated the nature of the present terminal-collapse phase of the world monetary system, namely as Weimar-style hyperinflation, generated when the growth of monetary aggregates, in the "LaRouche Triple Curve" diagram, outran the growth of financial aggregates. He showed that Treasury Secretary Lawrence Summers has led the United States into financial warfare, no longer only against so-called developing countries, but now against America's "Trilateral" Japanese and European allies as well.

In an effort to buy the doomed International Monetary Fund system a few more hours of life, in the interest of the doomed Al Gore Presidential campaign, these U.S. policies are forcing countries of Asia, Europe, the Americas, and elsewhere into defensive regional alliances, as a matter of national survival. Finally, LaRouche showed that the necessary new world monetary system will probably arise, if at all, on the basis of treaty-agreements for expanded trade in physical goods, among such regional groupings.

### From Chiang Mai to Pyongyang

When LaRouche wrote that paper, the historic May 6-8 Chiang Mai Agreement of the "ASEAN-Plus-Three" (the Association of Southeast Asian Nations plus China, Japan, and South Korea), was only three to four weeks old. This agreement was a revival of Japan's Asian Monetary Fund (AMF) proposal of 1997, which was rejected at that time because of brutal pressure from Larry Summers. It is a regional mechanism to pool hard-currency reserves, to defend Asian currencies and countries from the sort of speculative

1. Lines 457-458.

raids which decimated Asia in 1997 and 1998. LaRouche was one of the first outside of Asia to understand the significance of Chiang Mai. Even today, there is little understanding of the agreement in the United States.

These past two weeks have been marked for history by the extraordinary Inter-Korean Summit, on June 13-14 in Pyongyang. LaRouche immediately understood it as an outgrowth of the rallying together of Asians in self-defense at Chiang Mai, characterized especially by China and Japan joining together to defend the survival of both—the China and Japan which share major influence on the Korean peninsula. “Asians are standing up,” in the historic words now being repeated by Korean leaders today.

Asians were acting for themselves, in the spirit of the 1648 Treaty of Westphalia, which ended 50 years of genocidal religious warfare in Europe, to protect Asia against outside interference, conflict, and war.

For the same lawful reasons of clinical hysteria, the Pyongyang summit caught the entirety of the Clinton Administration completely unawares. Only ten days earlier, Clinton’s close friend, Deputy Secretary of State Strobe Talbott, had said in Moscow that U.S. policy required that a National Missile Defense (NMD) shield be in place in the year 2005, because North Korea would be able to deploy a nuclear-armed ICBM in 2005.

Similarly, official Washington was caught flat-footed after the summit, unable to explain it or make sense of it. After briefings from South Korean President Kim Dae-jung and his National Security Adviser General Hwang, who came to New York and Washington to brief the Administration, an unnamed senior Administration official could only tell reporters on June 16, “We’ll take a few days to try to understand ourselves about this, and try to find a forum or ways to get together with both the South Koreans and the Japanese to figure out what we want to do next.”

It should be noted, however, that President Clinton retained the good sense to endorse the Inter-Korean Summit immediately—one of a very few in Washington to do so.

Republicans were no more knowledgeable. “Exactly what’s going on is hard to read,” Nicholas Eberstadt, a long-time Korea scholar at the American Enterprise Institute, told the *Washington Post* of June 16. Bush-era U.S. Ambassador to China James Lilley fulminated against North Korean missiles and the like, but, asked about the Pyongyang summit itself, he could only say that it was “momentous,” “emotional,” and “highly symbolic.”

Nevertheless, within days, the U.S. loosened its sanctions against North Korea. Then, the State Department was forced to drop the category of “rogue states” from its vocabulary. Congress moved to end all unilateral U.S. embargoes against trade in food and medicine, including those against Cuba, Sudan, Iran, Libya, and North Korea. The premises of the U.S. National Missile Defense program immediately became untenable.

## Toward a New Bretton Woods

It is no coincidence that the Korean summit discussed LaRouche-like proposals for massive transportation, energy, and industrial infrastructure, including all the proposals for Korean transportation routes, which had been included in *EIR’s Special Report* on the Eurasian Land-Bridge. LaRouche’s ideas are irreplaceable guideposts for leaders who wish to act effectively to defend their nations.

Conversely, those who want to defend nations, recognize that they must act to propagate LaRouche’s ideas, as shown by the interviews with LaRouche recently published in Peru’s *Gente* magazine and the influential Arabic newspaper *Al-Arab International* (see pp. 34 and 40, in this issue).

During this same two-week period, the Group of 15 large developing nations met in Cairo and discussed the same issues. Malaysia’s Prime Minister Dr. Mahathir bin Mohamad used the occasion to fight for the approach of the AMF, the Chiang Mai Agreement, for Bretton Woods-style fixed exchange rates, and for national sovereignty and protectionist national capital controls. (See *Documentation*, and article by Michael Billington in this section.)

Malaysia has announced that it will push for a resolution on a “new international financial architecture,” at the Organization of Islamic Conference Foreign Ministers’ meeting in Kuala Lumpur, starting June 27. The Deputy Secretary-General of Malaysia’s Foreign Ministry, Datuk Ahmad Fuzi Abdul Razak, told the state wire service Bernama on June 20: “We feel the OIC can be used as a channel to get the endorsement from member countries, which collectively are a formidable force in global finance. And, hopefully, the Group of 20 will then listen.” He added that Dr. Mahathir will open the OIC meeting, which will last four days, and will be attended by 1,000 delegates from the 56-member OIC member countries and four observer states, including Bosnia, Hercegovina, and Thailand.

Peruvian President Alberto Fujimori’s provisional victory in early June, in forcing U.S. recognition of his own democratic re-election as President, over U.S. Secretary of State Madeleine Albright’s rabid opposition, was also unexpected in Washington. As the result of it, President Clinton moderated his own position on Peru, and forced the State Department to do so as well, at least for a time. No one who based his views on hysterical denial of the looming financial blowout, could foresee how the leading Ibero-American countries would line up to defend Peru’s sovereignty against the State Department.

Europe finds the same need to rally together in self-defense. The Franco-German moves to coordinate policies and exercise more continental European control over European Community economic policy testify to this. More important are the moves by members of the European Parliament and Italian Members of Parliament, to directly support LaRouche and his new Bretton Woods proposal.

On June 23, LaRouche was speaking at a seminar held in

the Cenacolo Hall of the Parliament in Rome, on the subject of the New Bretton Woods system. Seventy people were present, including representatives of Italian institutions, industry, trade unions, Members of Parliament, several regions of the country, and foreign embassies.

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## Documentation

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# Global Moves Toward a 'New Architecture'

*The following is a selection of statements by world leaders emphasizing the need for urgent actions in defense of their national economies, as the financial crisis deepens.*

### Japan's Sakakibara at Chiang Mai

Among those who played a leading role at the Chiang Mai summit of May 6-8, was economist Eisuke Sakakibara, Japanese former Vice Minister of Finance for International Affairs. He is now a professor at Keio University in Tokyo, but still wields unquestioned influence in Asia and the global financial arena. Sakakibara is known around the world as "Mr. Yen," for the influence his remarks can have on the foreign exchange market. Recently, he was the candidate for the managing director post of the International Monetary Fund.

Prior to the summit, on May 3, he addressed a luncheon in Thailand, hosted by the Nation Multimedia Group. The transcript, published by *The Nation* of Bangkok on May 4, proved that Sakakibara is a fervent booster of "information technologies" and the "New Economy," saying he agreed with Federal Reserve Chairman Alan Greenspan on this. But he has some different twists:

"It would certainly help if emerging countries strengthened banking and financial systems and corporate governance. Industrial countries should devise prudent regulations for, and increase the transparency of, lending institutions. International institutions such as the IMF should improve surveillance. However, we know very well that these efforts and improvements do not change the fundamental nature of globalized and virtualized international financial markets that are prone to herding, panic, contagion, and boom-and-bust cycles."

Sakakibara said that monetarist purists believe that the choice is between either total world free markets with a "world lender of last resort" on the one hand, or else total capital controls with no "world lender of last resort," on the other hand. He favors partial capital controls for nations, with the attempt to move toward regional "lenders of last resort"

like the Asia Monetary Fund.

"Except for the brief period of August 1998 to early 1999," he said, "U.S. financial institutions and the U.S. economy have gained significantly from the Asian crisis.

"It is this skewed system, or bias toward the center, that is the real issue for the countries at the periphery. Being at the periphery, they do not, even collectively, have the political leverage to persuade the countries at the center. They can wait for the next crisis that may really hit the center, for countries at the center to come around. Or, they can adopt some defensive mechanism to protect themselves from recurrent crises in this globalized and virtualized world market.

"What is the proper defence mechanism in a situation where we do not have a global lender of last resort? What we have learned from the East Asian crisis is that so-called 'Washington consensus,' leaving the resolution of the problem completely to free market and proper macro-policies, did not work. In my opinion, an appropriate response would be to either restrict, at least partially, the flow of capital or to create a 'regional' lender of last resort.

"In the context of partial capital controls, we need to recognize that these could be implemented in selected areas and the country could still reap the benefit of free flow of goods and services and capital, such as direct investment. Believers in market fundamentalism often preach that this is an all-or-nothing choice. This is certainly not the case. . . .

"On the negative side of this virtualization and globalization, let me now focus on the creation of a regional fund. The Japanese government, as you may know, in August and September of 1997 had proposed the creation of the Asian Monetary Fund. The idea was essentially the pooling of a part of foreign reserves of countries in the region. If Japan, China, Hong Kong, Korea, and Southeast Asian countries provide, say, a half of their reserves to the fund with specific arrangements for the activation of the fund, it should serve as an effective regional lender of last resort for the next liquidity crisis. The Asian Monetary Fund proposal was strongly opposed by the U.S. and European countries on the ground that it would undermine the discipline imposed by the IMF and may pose a serious moral hazard problem. However, if the function of the AMF is very narrowly defined as provision of necessary liquidity at the time of crisis with specific formula for private sector participation, it could complement the existing function of the IMF."

Sakakibara has an interesting "aside" on U.S. hegemony:

"Asia is well placed in the 21st century to reap positive aspects of the IT [information technology] revolution and globalization and could possibly catch up or even leapfrog the U.S. in due course. Nations rise and fall and American hegemony is by no means permanent."

### Dr. Mahathir at the G-15 Summit

After attending the Group of 15 summit in Cairo on June 19-20, Malaysian Prime Minister Dr. Mahathir bin Mohamad

told reporters that he thought the discussion at the G-15 was more meaningful than in the past, because national leaders “are really worried about the possibility of being marginalized by the big powers,” the Bernama news agency reported on June 21. He said the number of countries seeking membership in the G-15 is rising, but he thinks that it should be expanded only on the basis of commitment to its purpose. He also said that there is a continuing lack of understanding of what globalization entails and what its effect will be.

While in Egypt, Dr. Mahathir addressed members of the industrial and power committee of the Egyptian Senate during a visit to the 10th of Ramadan City, a new industrial zone about 70 kilometers from Cairo. The meeting included Malaysian International Trade and Industry Minister Rafidah Aziz and Foreign Minister Syed Hamid Albar. Dr. Mahathir underscored his government’s efforts in the industrialization process and the various incentives offered to investors. Today, \$84.5 billion, or 80% of Malaysia’s exports are made up of high-value manufactured goods.

Dr. Mahathir said that Malaysia is still not fully industrialized, although it is no longer dependent on agricultural or mining products. “We are still a developing country and with globalization there is a danger that we may lose control over our industrialization program,” he said. “We have, as you know, recovered from the foreign-induced economic turmoil. We are very vigilant,” he said. “Our experience in industrialization has been very wide. I think I can say we succeeded in our industrialization plan. But, I cannot say whether the next attack will destroy us or not.”

### **Iranian President Visits China**

Iranian President Seyyed Mohammad Khatami arrived in China on June 22 for a six-day state visit. He was accompanied by Foreign Minister Kamal Kharazmi, Defense Minister Ali Shamkhani, Mines and Metals Minister Eshaq Jahangiri, and Culture and Islamic Guidance Minister Ataollah Mohajerani, as well as a large business delegation.

“Chinese participation in development projects in Iran demonstrates the breadth and depth of relations between the two countries,” Deputy Foreign Minister Mohsen Aminzadeh stated. He said that the sale of natural gas and Chinese participation in the construction of power stations in Iran were on the agenda. Bilateral trade reached \$1.3 billion in 1999. Iran wants to increase its exports to China of both petroleum and non-petroleum products.

The 70-member Iranian trade delegation, which includes public and private sector representatives, planned to participate in Shanghai in a seminar on “Trade and Investment Opportunities in Iran and China,” co-sponsored by Iran’s Export Promotion Center and Shanghai’s Council for Foreign Trade Promotion (CCPIT). A CCPIT official termed the visit “unprecedented,” and said that it would be a “turning point in the expansion of economic relations” between the two countries.

## **Dr. Mahathir: Bretton Woods Worked, Floating Rate System Failed**

by Michael O. Billington

The following speech was presented by Datuk Seri Dr. Mahathir bin Mohamad, Prime Minister of Malaysia, to the Sixth Nikkei Shimbun International Conference on “The Future of Asia,” on June 9, in Tokyo. His speech, described as “philosophical” by Thailand’s *The Nation*, made several crucial points of importance to citizens of all nations:

1. Clinging to *fixed ideas*, no matter what the subject matter, will lead inevitably to disaster.
2. To understand history, we must understand *change*.
3. It is the *content and effect* of a policy, not its adherence to orthodoxy, which must instruct us.
4. The Bretton Woods system of fixed exchange rates worked—the floating rate policy imposed after 1971 failed.
5. As the West has refused to reform the failed world financial system, regional alliances of nations must act on their own, for the benefit of the whole world.

This speech comes in the context of two world-historical events in the last month. First, the Chiang Mai Initiative (see “Asia Begin New Arrangements for the Coming Dollar Crash,” *EIR*, May 5, and “Financial Crisis Prompts Asian Chiang Mai Initiative,” *EIR*, May 19, 2000) in which ASEAN Plus Three (the 10 members of the Association of Southeast Asian Nations plus China, Japan, and Korea) declared their commitment to forge joint financial structures to defend against international speculators and to foster real economic development in Asia. Second, with the support of China, Japan, and the ASEAN nations, North and South Korea took steps toward reunification, eliminating a major lever of instability to the Anglo-American geopolitical strategists, and bringing the potential for multinational Eurasian development projects significantly closer.

### **‘Regional Convergence’**

An additional note of introduction is necessary preceding Dr. Mahathir’s speech: Thailand’s Deputy Prime Minister Supachai Panitchpakdi, who is scheduled to take over as Director General of the World Trade Organization (WTO) in 2002, declared the “regional convergence” proposed in the Chiang Mai Initiative would take off this year, and that it is “inevitable” in response to globalization. Dr. Supachai has been the most outspoken supporter within the Thai govern-



*Malaysian Prime Minister Datuk Seri Dr. Mahathir bin Mohamad. This century should be the “century of worldwide prosperity,” he said, in which Asia can be “the engine of growth, pulling along with it Africa, Latin America, and the former Eastern bloc countries,” but only if Asia asserts itself against globalization orthodoxy.*

ment of Malaysia’s policy of selective controls on currency exchange. Supachai did not include the United States in his discussion of “regional convergence,” which led several defenders of International Monetary Fund (IMF) orthodoxy to react. Singapore’s Senior Minister Lee Kuan Yew, London’s favorite comprador in Asia for nearly 50 years, insisted that any trade pact among Asian nations must not exclude the United States. Lee was backed up by U.S. Prof. Robert Scalapino, who warned that “it is imperative for Asia to keep the U.S. engaged economically, politically, and militarily. An exclusion of the U.S. would not be beneficial.”

Earlier proposals for an Asian-only alliance put forth by Malaysia and Japan, were rejected at the time due to opposition from the United States. The failure of the IMF’s policies in Asia since 1997 have dramatically changed the political climate, however. *The Nation* on June 5 published an editorial titled, “The Unthinkable: Asia without the U.S.,” which complained that “America has done what it could in successive years to just about antagonize everybody in the Asian region. . . . How Thailand will reconcile a world without America is something we have not dared to think about. But it is also unthinkable to have a futile and illusive hope in America’s reliability as an ally, as we experienced in the crisis.”

As *EIR* founder Lyndon LaRouche concluded his essay “Regional Organizing under a New Bretton Woods” (*EIR*,

June 11, 2000): “The most recent folly of the U.S. government in pitting itself against the vital existential interests of both Japan and continental Europe, for the sake of that worthless enterprise known as the Al Gore Presidential pre-candidacy, leaves the world no likely option, but reliance upon developing cooperation among regional blocks as the means for bankrupting and replacing the existing world monetary and financial systems.”

### **Dr. Mahathir on ‘The Future of Asia’**

*Here are excerpts from Dr. Mahathir’s speech to “The Future of Asia” conference in Tokyo, on June 9. Subheads have been added:*

I would like to thank *Nikkei Shimbun* for inviting me to speak once again at its International Conference, this time on “The Future of Asia.” Looking into the future has become almost a science, and many experts profess to know what will happen in the immediate, near, and distant future. I am afraid I am not one of these experts, but I like to look at history, so I may avoid the mistakes of the past and thus ensure a reasonably good future for my country with less of the mistakes of the past. But unfortunately in the history of mankind, learning from past mistakes is not common. And so we keep on making the same mistakes and paying the price.

2. Human history is full of so-called solutions to the problems of human society. Each time a solution was found, the efficacy and infallibility of the solution was accepted as being beyond doubt. Those who espouse the solution will permit no criticism or opposition. They become so fanatical that they would figuratively and sometimes literally burn the heretics at the stakes.

3. The Feudal system, Republicanism, Capitalism, Socialism, and Communism are among the ideas invented by men to deal with the inequities and injustices in his society. When first introduced, each was regarded as perfect by those who espouse them. They were all practiced as articles of faith and anything done in their name were accepted unquestioningly. They were embellished, interpreted, and reinterpreted until their originators could not recognize them anymore. But as long as the name remains, questioning or condemning them would make one a heretic.

4. But over the years their imperfections would show and result in negating the very objectives they were supposed to achieve. Unfortunately, at this stage it is not the original objectives which count. The important thing is faith in the solution. Even if it destroys the society whose ills it was supposed to cure, it does not matter. It does not matter because the solution is correct.

5. And so we see how Feudalism was allowed to flourish long after kings became tyrants and oppressed their people, destroying their kingdoms. The same thing happened with Republicanism, with Socialism, Communism, and, in time, with Democracy.

6. The same thing will happen to all human ideas, concepts and ideals. Over time they will all become quasi-religious, fanatically believed in until they bring about new problems which are often worse than the problems they were supposed to solve. . . .

8. Today we are into the floating rate, into the free, unregulated market, into globalization, and, of course, into democracy and freedom. We believe in them absolutely. No one may question them, certainly not condemn and reject them.

9. When Malaysia decided to fix the exchange rate between our ringgit and the U.S. dollar, we were roundly condemned as stupid people who do not understand finance. We were told we will soon fall flat on our faces and have it rubbed in the mud as well. Our economy would collapse. We would be begging for help from the IMF and the whole financially civilized world.

10. As you know, none of these things happened. We are doing very well indeed. I will not trot out the usual figures to prove it. But believe me, we have turned around and we are much better off than those who religiously believe in the floating rate as the only way to ensure sound finances for a country.

11. Why did we go against the current financial orthodoxy? Well, when the great minds gathered at Bretton Woods, they concluded that the best thing for a world which had had its economy shot to pieces by World War II was to have a fixed exchange rate. The U.S. dollar was to be worth one-thirty-fifth an ounce of gold, and the rest of the world's currencies would be pegged to this one-thirty-fifth ounce U.S. dollar.

12. We all know that for two decades the world experienced the longest sustained high economic growth on a fixed exchange rate. And the vanquished, Japan and Germany, grew the fastest of all. . . .

15. But all these were made possible by the fixed exchange rate of the Bretton Woods regime. The world's trade grew by leaps and bounds, and recovery from the disaster of World War II was more than complete. Indeed, the Bretton Woods fixed-exchange-rate system created a world more prosperous than ever before. Only those who stayed out of the system, namely the Eastern bloc failed to prosper.

### **Powerful Nations Reneged**

16. The floating exchange rate is not a creature of Bretton Woods. It certainly was not the result of serious study, debate, and international agreement as was the fixed rate of Bretton Woods. The floating rate is the result of countries, powerful countries, renegeing on their undertakings in the Bretton Woods agreement.

17. The U.S. was involved in an intractable and costly war and abandoned the balanced budget. It was importing too much and the dollar was flooding Europe. It could no longer guarantee redeeming the dollar with one-thirty-fifth ounce of gold. Speculators moved in and sold the U.S. dollar

at below the guaranteed value. A market in Eurodollars was created.

18. In the end the U.S. accepted the de facto devaluation and went off the gold standard. It seems that the right place to fix the value of a currency is the market. The market would know just how much any currency is worth. What people seem to forget is that the market has never been perfect. Demands and supplies can be manipulated. And certainly with futures trading and short-selling, true values are less important to the market than fluctuating values. Static exchange rates may be good for business but are not profitable to currency speculators.

19. Whatever may be the arrangement and reasons for the floating rates it was not good for the world's economy. The cost of business went up because of the need to hedge. Even then considerable losses could be sustained. Revaluation and devaluation affect the economic performance of countries. If the oil price goes up, then devalue the dollar. The oil producers then increase their price again and poor countries with poor people suffered because they could not revalue their currencies against the U.S. dollar.

20. If there is a trade imbalance then devalue your currency, or better still gang up and revalue the currency of the country with the surplus in trade. In the case of Japan, the revaluation did not really reduce the Japanese trade surplus with the West, but it hurts the poor people in the poor countries who could no longer afford the cheap, high-quality Japanese goods.

21. Malaysia borrowed a lot of yen. It was worth just one Malaysian sen when we borrowed. The [Group of Seven 1985] Plaza Accord pushed up the yen to 2.5 Malaysian sen. Suddenly, to pay our yen loans we had to find 250% more Malaysian ringgit. Through no fault of ours we became a bigger debtor than we had planned to be.

22. But who cares about us, about poor countries and poor people? They are not fit to sit at the same table with the rich—the G-7. If solving the trade problems of the G-7 results in the poor becoming poorer, it is just too bad. Marie Antoinette would have said, let them eat cake if they have no bread. If they also have no cake, that is really their fault; they are corrupt, incompetent, etc., etc.

### **'If the Result Is Bad, the System Is Bad'**

23. You must forgive Malaysians if we don't think much of the floating exchange rate, if we believe that fixed exchange rates are better. History has demonstrated how the fixed exchange rates of the Bretton Woods regime had enabled the world to recover from the trauma of World War II. On the other hand, the floating exchange rate had stopped the two decades of post-war growth. Malaysia, too, benefitted from the fixed exchange rate and, as you know, we suffered grievously from the manipulation of the rogue currency traders of the floating rate regime.

24. We were never consulted about the floating, we entered into no international agreement to always stick to floating. Others renege on their undertakings. Why can't we?

25. Malaysia is interested in results not systems. No matter how good a system is, if it delivers a bad result we are not going to stick to it. Call us heretics if you like. We are willing to be called stupid ignorami who cannot understand herd instincts. But for us, if the result is bad then we must assume the system is bad and we will throw it out.

26. And so our exchange rate control and the regulation of short-term capital flows were instituted. And as I said, Malaysia is doing nicely, thank you.

27. But the point I would like to make is that we must learn from the lessons of history and we must avoid the mistakes of the past. What is the lesson of the past? To the point of being boring, may I repeat that all the systems devised by man in order to create a better society are imperfect. And they become more imperfect because clever people keep on tampering with them, embellishing them and making them sacred so that you may not question them even when they fail to deliver.

28. We must learn not to be too fanatical about economic theories as much as we should not be fanatical about interpretations of religion. We should be prepared to examine them and their performance. And certainly if the results are not what were promised, we should be ready to jettison them. We cannot wait too long. Look what happened to the Communist countries. They saw the bad results early, but since the theory was good, uphold the theory and forget the results. By the time they came to their senses, the damage was practically irreparable.

### **'Democracy' and Globalization**

29. We must learn not to be fanatical especially now, now that the Information Age has descended on us. We talk now of globalization, the borderless world. We talk of deregulation, liberalization, and transparency. We talk of human rights and of democracy. These are the great ideas whose time have come. We must all accept them. The great democrats who believe in freedom and human rights tell us that if we don't accept them, then we will face sanction. Our people will be starved to death. So don't play with these democrats. Accept democracy and human rights or you will know how we democrats will take away your rights and your freedom of self-determination by force. Somehow I think there is something not quite logical with this way of propagating democracy and human rights. . . .

32. The mega corporations and mega banks which are getting ever bigger through repeated mergers will move into every country as soon as the WTO forces open the markets. The small and the inefficient in these countries will be wiped out. The need for manpower, particularly unskilled manpower, will disappear. . . .

34. As we all know, the great plantation owners in the banana republics practically own the countries they invest in. They determine the politics of the country. In other words, when a foreign company is richer than the government of the country they invest in, the country becomes a fief of the company, existing only to enrich the company.

35. When the mega corporations, already more wealthy and more influential than the developing countries, move in to take over the economy of these countries, will they not control also the political governance of these countries? Can we consider these countries as being independent anymore? What if the powerful countries where these corporations are based make use of the power of these corporations to hegemonize, to colonialize by another name. The people and the resources will then belong to the foreigners. The last time the foreigners wielded this kind of power they exploited the people and the countries. Will they not do it once again? . . .

40. So look at the gift horse in the teeth. Reject them if they are even slightly defective. Don't be afraid to send them back and ask for compensation if you find them not up to standard or defective.

### **A Regional Forum**

41. We Asians should begin with the International Financial Regime. If they don't accept our suggestions or reform, then throw the whole thing back to them. Since they have ganged up on us, we should at least form our own forum, the East Asian Economic Caucus (EAEC), so we may at least discuss with each other and find out what kind of a deal we are getting and how to protect ourselves.

42. Asia's future depends on Asians. We can make it great. We can even make the 21st Century the Asian Century—although I will not recommend it. We should make this century the century of the world, the century of worldwide prosperity. Asia can even contribute and be the engine of growth, pulling along with it Africa, Latin America, and the former Eastern bloc countries.

43. But Asia must assert itself. It must not just follow. It must work together with Europe and America. It must give voice to its views. It must demand respect even as it respects others. Asia is old in experience and it has shown that it can master everything that is modern.

44. Provided that Asia is prepared to do this, the future of Asia will be bright. There will be great countries in Asia again. Asian inventiveness, Asian industries, Asian management skills, and Asian governance will provide the models for the world. We will not dominate it, but we certainly will not be bullied. Indeed, Asia can be an equal partner with the other groupings in the world, the European Union and NAFTA [North American Free Trade Agreement]. This is a possible future scenario for Asia, but it is not going to be if we just passively wait for it to happen.

# Debate over Globalization Shapes Symposium on Western China

by Mary Burdman and Jonathan Tennenbaum

The great debate now going on in China, and East Asia in general, on the vital issue of real development versus Wall Street-dominated “globalization” and the “New Economy,” shaped the presentations and discussion at the “International Symposium on Development of Western China,” held in Chongqing, China, on June 8-9.

Chongqing had been the capital of southwestern Sichuan Province, China’s most populous, which was elevated to status of municipality, like Beijing and Shanghai, three years ago. With a population of 30 million people, Chongqing is by far the largest city in western China, and its location, where the Jialing River flows into the Yangtze, China’s greatest river, makes it the gateway to the interior.

For at least the past year, the problem of how to open up and develop the vast, landlocked western interior regions, has become an ever-hotter topic in China. The economic gulf between the coastal regions and the interior is growing rapidly, and is becoming a matter of national concern (see “Eurasian Land-Bridge Approach Needed To Develop China’s West,” *EIR*, May 26, 2000). At the same time, China’s prolonged difficulties in resolving the problems of its state-owned enterprises, and the continued impact of the Asian financial-economic crisis throughout the region, have exacerbated the difficulties. In this context, the Chinese government has announced that the development of the western region will be given strategic priority in the coming period, including major new state investments in rail, water, communications, and other basic infrastructure. The symposium was slated as part of the discussion.

The symposium was sponsored by the People’s Government of Chongqing, along with the Chinese Academy of Social Sciences, the Ministry of Foreign Trade and Economic Cooperation, the national *Economic Daily*, and the United Nations Development Program. Additional financial support was provided by British Petroleum (BP)-Amoco, the international insurance company Liberty Mutual Group, and Southwest Securities of China.

There were more than 300 participants at the keynote session, coming from 30 countries and regions, including

China, Russia, South Korea, Taiwan, Japan, Singapore, Germany, Australia, the United States, Great Britain, France, Canada, and Sweden.

## ‘New Economy’ Frenzy or Real Development?

The dire condition of the international financial and economic system, was the context for the debate at the conference. China’s national development perspective, focussed on both “reform and opening up,” and construction of the infrastructure, agricultural, and industrial capacities necessary for real economic progress for its population of 1.3 billion people, has been buffeted by the shocks to the world economy, of which the regional crisis in Asia in 1997-98 was only one phase. Enormous pressure on China from the United States, in particular, to integrate itself into the (already crashing) current world financial system, including via membership in the World Trade Organization (WTO), has been met from the Chinese side, by some forces too desperately eager to “join the club.”

However, this perspective is far from universal in China. Those more aware of the dangers posed to China’s welfare by the enormous Wall Street-London City financial bubble, and related Anglo-American political and military machinations, realize that the nation is now coming up against an *unsustainable* situation: China *cannot* develop its western regions, nor meet the real needs of its population, were it to allow itself to fall into the trap of “globalization” and the “New Economy.” These circles, are now bringing about a shift toward consolidating China’s strategic relations with its neighboring nations in East and Southeast Asia, including to protect essential economic and financial interests, *before* strategic relations can be undertaken with the United States or Europe.

China is certainly getting a taste of the “New Economy” frenzy. Tens of millions of dollars of “investment” began to flow into China — *immediately after* a U.S. plane bombed the Chinese Embassy in Belgrade on May 7, 1999. Some \$20 billion of “dot.com” investment from the United States, is reported to be only waiting for China to join the WTO to flood

the country, and already some \$500 million has come into China. Some of China's ablest young entrepreneurs and students, including leaders of the student protests against the bombing, have been directly targeted by Silicon Valley and "dot.com entrepreneurs," to be pulled into the Internet bubble.

The Chinese partners are finding themselves expected to do nothing more or less than burn money—by renting the most expensive offices and cars in Beijing, and hire many unnecessary staff. One company, although given over \$40 million by its U.S. sponsor, has followed in the wake of the crashing Western "dot.coms," into bankruptcy. It is clear, to many in China, that the U.S. companies are only madly attempting to boost their own precarious stock valuation, by appearing to have a foot in the door of a promised, gigantic Chinese Internet market. It is also clear, that, when the dollars stop pouring in, there will be a strong backlash against the Internet bubble in China.

### Lawrence Klein Unmasked

Central themes for discussion at the conference, were the function and role of government in developing western China; comparison of different international experiences and different modes of regional development; narrowing the economic "gap" between developed and underdeveloped areas; and, the role of capital markets.

But running through all these discussions, were the broader issues of globalization and national interests.

The opening session, addressed by two vice chairmen of the National People's Congress Standing Committee, Wang Guangying and Xu Jialu, and Chen Jinhua, vice chairman of the Chinese People's Political Consultation Conference, discussed the international importance of the project to develop western China, and described the "hot debate" on how the project should be carried out.

Keynote speakers were Chongqing Mayor Bao Xuding, Nobel laureate in Economics Prof. Lawrence Klein of the University of Pennsylvania's Wharton School of Business, and Robert Hawke, former Prime Minister of Australia.

Mayor Bao Xuding emphasized the importance of "breaking the traditional mind-set" in the west of China, and using China's reforms to attract foreign funding. He noted the desires of multinational corporations, such as the Fortune 500, that Chongqing would become one of the first urban centers to China to open its financial, insurance, telecommunications, and other sectors, to their operations.

The grave dangers of such an approach, was rapidly made clear by the contents of Klein's keynote speech, which followed. Klein, who has been visiting China for 20 years, delivered a heavy-handed sales pitch for the "New Economy" on the current U.S. model.

Klein's highly slimy approach, was to combine superficial references to the role of railroads and other infrastructure in the development of America's own western region, with shameless promotion of the reputedly great success of the

U.S. "New Economy" Internet bubble, as a model for China, a nation with hundreds of millions of citizens who require better industry, energy, education, and genuine science and the most advanced technologies, to improve their lives.

However, challenges to his pitch reduced Klein to evasion and outright lies before the entire audience. Objections to his proposals were immediately raised by Schiller Institute representative Jonathan Tennenbaum and a representative of the German Adenauer Foundation, who works in China. The Adenauer Foundation representative pointed out that the Internet could hardly solve the problems of the vast poverty in China's interior regions. Tennenbaum followed by remarking, that Klein had not mentioned the gigantic speculative bubble on the U.S. financial markets, which "everybody knows is going to burst"; the huge trade deficit of over \$400 billion per year; and the growing income gap within the U.S. population. Klein responded by claiming that speculation was a "separate problem," which had nothing to do with the "New Economy," and that the gigantic U.S. trade deficit was actually created in order to help the world overcome the Asian financial crisis! After the session, a number of Chinese and foreign representatives approached Tennenbaum to comment on Klein's evasions, and to discuss the coming financial blowout.

Klein later noted, in a private discussion, that Clinton Administration policy, is to open China up to foreign capital flows, and to do "for China with the WTO, what we have done for Mexico with NAFTA," the North American Free Trade Agreement. Klein boasted that he had participated in the May 9 White House jamboree of free-traders of all stripes, which promoted the passage of Permanent Normal Trade Relations with China. Klein brushed off a question about the impoverishment of Mexico by NAFTA, claiming that Mexico was doing very well, and "could absorb that poverty," and China could do the same.

Hawke presented a strongly "pro-China" political stance, critical of the U.S. approach to China, but, as an avid free-trader himself, hardly offered a genuine solution to the challenges of developing western China.

The plenary session was also addressed by Gray Dicks, vice CEO of BP-Amoco, and Edmund Kelley, president and CEO of the Liberty Mutual Insurance Group. They presented their multinationals as dispensers of delights to China. Dicks praised the great employment and related benefits of BP's main project in western China—a chemical plant which employs a grand total of 200 persons! However, as the *London Times* revealed on May 20, BP-Amoco and Shell both are highly anxious to see the realization of China's WTO agreement with the European Union, which will allow these multinationals to "compete with" (i.e., undercut) Chinese national oil companies.

Kelley emphasized that Liberty Mutual's unique expertise in the field of "workers' compensation" is exactly what China requires, and suggested that the Chinese government

should quickly lift the restrictions placed on the activities of foreign insurance companies.

In a private comment, a Chinese official noted that the government is very carefully monitoring the strategy of these insurance companies, which are planning to invade the country after the WTO agreement goes into effect. “We know a big financial collapse is coming in the U.S. and elsewhere,” the official said. “The question is not whether it will come, but when.”

### The Dirigist Approach

The reality, that dirigist, infrastructure-oriented policies were the foundation for the periods of real economic growth in the United States, Germany, France, Japan, and other nations, was presented by both Chinese and foreign participants in the conference.

Schiller Institute representatives Jonathan Tennenbaum and Mary Burdman submitted papers to the conference, Tennenbaum on lessons from the historical development of the United States and Europe for the development of China’s western regions today, and Burdman on international cooperation for the development of western China in the context of the Eurasian Land-Bridge. Tennenbaum presented his paper at a panel session on the second day of the conference.

Conference participants from leading institutions in Japan, South Korea, and Taiwan also referenced historical examples of the role of the state in developing basic economic infrastructure, in their own successful postwar economic reconstruction and development. They also urged caution and reconsideration, to those of the Chinese speakers who advocated rapid de-control of financial sectors and immediate privatization and selling-off, at least of the smaller and less strategic state industries.

In addition, several papers written by Chinese participants detailed the history of railroad construction in the United States and its impact in opening up the American West, including the first transcontinental rail line. This history is now being studied carefully in China, as part of the government’s declared goal of using infrastructure projects to overcome the isolation and backwardness of the western regions. Another important point of discussion and presentations from the Chinese side, as well as from Japan, South Korea, and Taiwan, was the construction of new towns and cities as “development poles.”

One Chinese speaker detailed the importance of the 1953 U.S. Small Enterprise Act, which, like similar programs in Italy and Britain, ensured government support to guarantee necessary credit to support small and medium-sized enterprises. Most important, although the Chinese government has recently tended to put the Eurasian Land-Bridge on the back burner, several Chinese representatives made clear in discussions, that the present push to develop China’s western regions, should be seen in the larger context of the Eurasian Land-Bridge concept.

## Germany: A Power without Energy Sovereignty

by Rainer Apel

Demonstrating the profound moral degeneracy of sections of the German elites, the Social Democratic-Green party coalition government in Berlin and the energy producers agreed on June 15 on a timetable for terminating the use of nuclear power in Germany over the next 21 years. The energy to be produced by nuclear reactors has been limited to a total of 2,630 terawatts, and the maximum operational period of individual nuclear reactors has been set at 32 years. No new reactors shall be built, the agreement states.

The last time that a construction permit was granted for a new reactor was in 1979, and the last time that a new reactor was put into operation was in 1989. The first nuclear reactors, most of which were built during the 1970s, can be taken off the grid from 2002 on, once they have been in operation for 32 years. The final shutdown date for the last of the 19 reactors that Germany now has, is set for 2021.

The agreement is all the more absurd, because right now, there is no need to make such political concessions—the Green movement is weak and disorganized, and the Green party is unabatedly losing voters and supporters. Unlike the late 1970s and early 1980s, there are no widespread, violent mass protests by the ecology movement, so there is even less reason for making concessions. Moreover, the two national industrial associations, the DIHT and the BDI, have protested the agreement.

Because Germany is still a leading provider of nuclear technology to other parts of the world, the agreement has implications for many countries that have, or are planning to have, nuclear reactors.

Diametrically opposite to what the government and the energy producers in Germany believe “modern energy policy” should look like, the experts of Britain’s Royal Commission on Environmental Pollution think that the only way for the British to avoid both future burdens on the ecology and energy shortages, is to radically reduce its dependence on fossil energy sources. Presenting its report in London on June 16 (the day after that strange German nuclear deal was signed), the Commission called for a 20-fold increase of nuclear power in the United Kingdom by the year 2050, which implies the construction of about 45-50 new power reactors of Britain’s modern Sizewell B type. Nuclear power, the Commission argues, must be the centerpiece of Britain’s future energy supply, whereas “alternative” energy sources can play only a marginal role.



*A Siemens nuclear plant in Brockdorf, Germany. The final shutdown date for the last of the 19 reactors that Germany now has, is set for 2021.*

## The End of Nuclear Technology?

The nuclear agreement in Germany is not welcomed by all of the Green movement, because it allows 21 years before the last reactor is shut down. Radical Greens, therefore, want more concessions. This undermines the government's promise to the energy sector that the June 15 agreement replaces 25 years of fierce conflict over energy policies with a "new energy consensus" under which the termination of nuclear power can be achieved smoothly. A similar argument has been used with the labor unions, which have been offered 21 "transition years" for replacing nuclear-sector jobs with non-nuclear ones. This government tactic is to ensure that nuclear workers from all parts of the country do not march on the Chancellor's office, as they did in early March 1999, when 35,000 gathered for pro-nuclear protests in Bonn (where the Chancellor's office was located before its move to Berlin last summer).

The energy producers' additional motive for signing the deal, is their hope that the government will continue funding a new generation of fission reactors, which are being developed in cooperation between France and Germany. This would imply that the termination of today's reactors does not mean the end of nuclear technology in Germany. The EPR, a reactor type based on a pressurized-water technology, is expected to be produced for the market by 2010 at the latest. But, the radical ecologists want the government to also terminate all funding of nuclear research. Furthermore, they want a new clause in the German energy laws which bans all electricity imports from nuclear power plants in neighboring France, which currently is Germany's leading supplier of such electricity.

Many in Germany's energy sector are putting their hopes in a change of government, which would bring the opposition Christian Democrats back into power, and thereby create a chance of undoing the deal which has just been signed. Indeed, the present "red-green" government coalition is not very popular, because of its obsession with budget-balancing, and making deep cuts in social welfare and job creation programs. If the radical ecologists win the upper hand in the Green party conflict over the best anti-nuclear tactic, this government might fall, and elections two years ahead of schedule might bring another government to power—one in which the Christian Democrats would play the major role.

But, the Christian Democrats are no longer deeply committed to nuclear technology either. At their last national convention in March, they omitted any mention of nuclear technology from

their policy platform. Granted, the three Christian Democrat-run states—Bavaria, Hesse, and Baden-Württemberg—are seriously considering going before the Supreme Court to get the June 15 nuclear deal declared unconstitutional. But, the three state Governors—Edmund Stoiber, Roland Koch, and Ernst Teufel, respectively—do not have the backing of the rest of their party. The Christian Democrats in general are not offering a real perspective for nuclear power in Germany. It is individual Christian Democrats, a minority within the party, who are still pro-nuclear.

As during the last 25 years of "nuclear power wars" in Germany, the LaRouche movement is the only political force that is still fighting for nuclear technology. This corresponds to what a majority of the population thinks on the nuclear issue. Whereas the political establishment is infected by the viruses of mindless ecologism and pragmatism (which makes deals such as the June 15 one possible), the majority of the population is not for the termination of nuclear technology. At most, only one-quarter of Germans think that nuclear reactors should be shut down as soon as possible. One-half think the present reactors should be kept in operation until a new generation of better reactors can be built—this does imply a mandate for the government and industry to develop new reactor types. And, the remaining one-quarter are firmly convinced that there is no modern alternative to nuclear power.

If the German population wants nuclear power in its future, it has to become familiar with the LaRouche program for high-temperature reactors, fast breeders, and thermonuclear fusion reactors. And, that is very likely what many Germans, realizing that they are being sold out by the establishment, will now do.

# Machine Tools, Farm Equipment Show U.S. Economic Collapse

by Richard Freeman

The continued depression of the U.S. machine tool and farm equipment industries, two of the most critical for an economy, rips to shreds the myth of a U.S. economic expansion or “overheated economy.” These two industries are so indispensable to the growth of the physical economy, that it were impossible for the economy to be growing, were those industries to be collapsed. In fact, their collapse is *prima facie* proof that the whole economy is severely contracting.

Notwithstanding this reality, Vice President Al Gore launched a nationwide “Progress and Prosperity” tour during the second week of June, in which he is trumpeting more than nine years of alleged economic expansion. Federal Reserve Board Chairman Alan Greenspan and U.S. Treasury Secretary Lawrence Summers echo this refrain. In a speech on June 13 to the New York Association of Business Economics, Greenspan said that the economy is undergoing a revolution, driven by information technology, and that the supposed gains are “irreversible.” Not to be outdone, a spokesman for George W. Bush hailed an “economic boom” as well, but added the twist that this was the outgrowth of the titans of e-commerce, and not of the Clinton government.

The financier oligarchy sees this myth of economic expansion as a strategic weapon. To the extent that the oligarchy can get the population to swallow this propaganda, the oligarchy can continue its policies, which have brought the world to the point of extinction.

This “economic expansion” should be shown for the fraud that it is.

## Machine-Tool-Design Capacity Wiped Out

No economy can function without the machine-tool-design sector, of which the machine-tool industry proper, led by metal-cutting and metal-forming machines, is a leading feature.

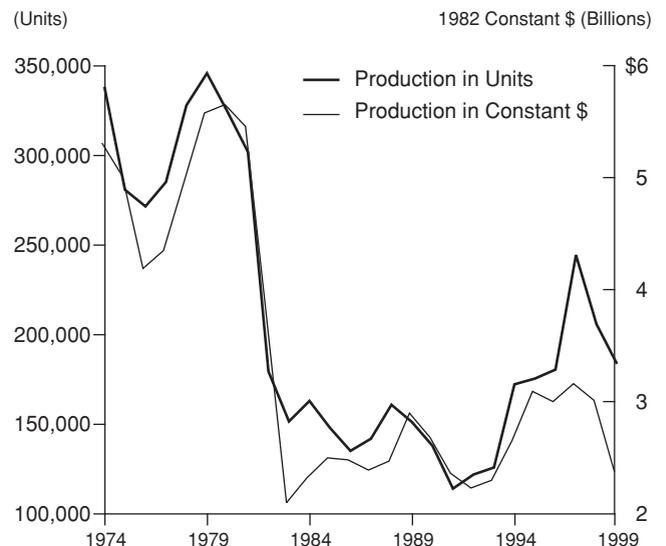
The U.S. machine-tool industry is in a depression. It has bounced up and down over the last few years, at a seriously reduced level of operation, but has not attained the level of output that it once had, before Federal Reserve Board Chairman Paul Volcker began to apply his policy of “controlled disintegration” in October 1979. Volcker sent interest rates into the stratosphere, so that by November 1980, the commercial banks’ prime lending rate had been forced up to 21.5%. This caused manufacturing and agriculture to wither, and

speculation to flourish. As a result, with an 18- to 24-month delay, the machine-tool industry buckled.

**Figure 1** shows the trajectory. In 1979, the U.S. industry produced 345,218 units of machine tools, worth \$5.65 billion (all figures are in 1982 constant dollars). By 1982, Volcker’s controlled disintegration had slashed that to 178,638 units, worth \$3.8 billion. His policy cut output even further in 1985, to 147,147 units, worth \$2.5 billion. From the low point of the mid-1980s, machine-tool output rose some, in unit terms, but in constant dollar terms, it stayed below 1982 levels.

The year 1999 was crucial. The financial media, along with Greenspan et al., described 1999 as a year in which the U.S. economy “overheated.” Yet, what actually happened, is that the machine-tool industry plunged: Relative to 1998, U.S. machine-tool production fell by 10.8% in unit terms, and 21.3% in dollar terms. In 1999, U.S. machine-tool production

FIGURE 1  
**U.S. Machine Tool Production, in Units and in 1982 Constant Dollars**



Sources: Association for Manufacturing Technology; U.S. Department of Commerce; EIR.

TABLE 1

### U.S. Machine Tool Consumption, First Quarter, 1998-2000

(millions 1982 constant dollars)

1998	\$976
1999	\$606
2000	\$694

Sources: Association for Manufacturing Technology; *EIR*.

fell back to the collapsed level that Volcker had driven it to in 1982. This shows what a mockery the tale of the “overheated economy” is, provided one understands the crucial role of machine tools in a healthy economy.

The machine-tool-design sector incorporates revolutionary scientific ideas into the design of machine tools, which then incorporate these ideas into, and positively alter, the production process of the entire economy. It were only possible to have a real economic expansion, when the use of the advanced machine-tool-design sector is expanding. But, what does it mean, when exactly the opposite happens? The real physical economy was in a depression.

Thus far, for the year 2000, there are no production figures for machine tools. The best way one can approximate these, is through the concept of machine-tool consumption, which is U.S. machine-tool production, minus U.S. exports of such machine tools, plus U.S. imports of such machine tools (unfortunately, the production figure is not broken out separately).

The Association for Manufacturing Technology makes a big deal of the fact that U.S. machine-tool consumption for the first quarter of 2000 is up 14.5% from the first quarter of 1999. But 1999 was a very depressed year. **Table 1** documents that, compared to the first quarter of 1998, U.S. machine-tool consumption for the first quarter of 2000 is still down 28.9%.

### Agriculture in Trouble

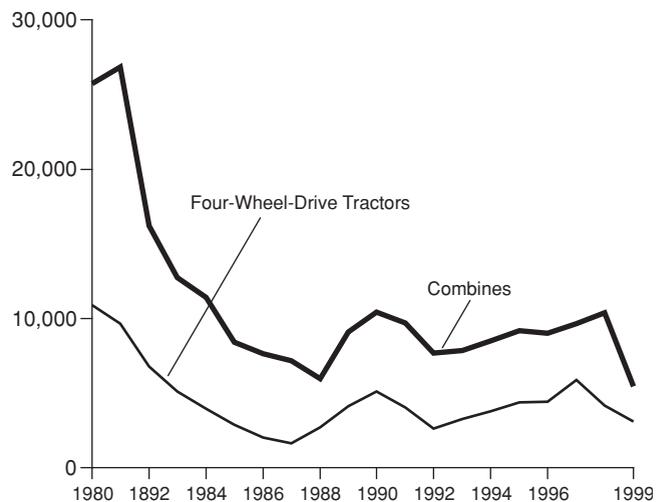
There is a collapse under way in the farm equipment industry, which produces tractors, combines, etc., which are essential for agriculture. In 1999, production collapsed relative to 1998. Lacking production figures, we use sales figures, which mirror production figures, with a short time lag, i.e., the trajectory of sales and production are the same. Comparing 1998 to 1999, sales of four-wheel-drive tractors fell from

4,201 to 3,087, or 27%. In the same period, sales of combines fell from 10,367 to 5,462, or 47%. But, as sharp as the fall in sales and production were in 1999 relative to 1998, it should be considered, as **Figure 2** shows, that the sales and production levels in 1998 were already sharply reduced down from their 1980 level. This trough in farm equipment production since the first half of the decade of the 1980s was the result of the Volcker controlled disintegration policy.

FIGURE 2

### Sales of Four-Wheel-Drive Tractors and Combines, 1980-99

(Units)



To situate the state of affairs in 2000, we compare the sales and production figures for January through April, for each of the years 1998, 1999, and 2000.

**Table 2** shows, that comparing the period of January through April of 1998 to the first four months of the year 2000, sales of two-wheel-drive tractors of 100 horsepower and above fell 33.2%, sales of four-wheel-drive tractors fell 38.2%, and sales of harvesters and combines fell 46.5%.

This reflects the depressed state of the farm economy. America produces one-third of the world's farm equipment, and exports one-quarter of what it produces. Such a collapse has serious implications for agriculture around the world.

Immediately, it is necessary to cut through the myths. Starting with the actual condition of the U.S. machine-tool industry and farm equipment production, one draws a conclusion about the direction of the economy that has nothing to do with “record economic expansion.”

TABLE 2

### U.S. Farm Equipment Sales

(in units)

	Jan.-April 1998	Jan.-April 1999	Jan.-April 2000	Percent change, 1998-2000
Two-wheel-drive tractors, 100 horsepower and above	10,342	6,966	6,911	-33.2%
Four-wheel-drive tractors	1,986	1,313	1,227	-38.2
Harvesters and combines	1,953	1,400	1,041	-46.5

# President Zedillo Bequeaths Mexico a 'Balkanized' Economy

by Carlos Cota Meza

The North American Free Trade Agreement (NAFTA) was launched in 1995, just as the new Mexican government, which finishes its term this year, took power. From the beginning, President Ernesto Zedillo tied the Mexican economy to the fate of the U.S. economy. The 1999 Annual Report of the Bank of Mexico proclaims that the U.S. economy has "had unprecedented expansion for the past nine years," and the result, according to Mexico's central bank, is that "the Mexican economy has had 16 consecutive quarters of uninterrupted annual growth." This performance of the Mexican economy is said to be a product of "the expansion of the United States' economy, which encouraged exports from Mexico."

If the driver of the Mexican economy's supposed growth has been the United States, this strategy is in urgent need of review. On April 14, Wall Street was hit by a crash, in which \$2.1 trillion evaporated overnight. Two months later, the ashes are still being sifted, but among the preliminary losses are those of a reported 18 million greenhorn investors. The U.S. economy, whose negative domestic savings rate helped to inflate the speculative bubble, is fracturing.

According to official estimates, families in the United States in 1998 had 53.9% of their financial assets invested in stocks. The fall in speculative income they have suffered in recent months, has necessarily been reflected in reduced consumption, such that many commentators are now predicting an economic "recession" in Mexico's neighbor to the north, which would in turn cause a "deceleration" of its imports, and of exports from Mexico as well as from other parts of the world. The Mexican government's response to the April 14 stock market crash has been to repeat over and over: "There will not be a recession in the United States." But, although no one wants to believe it, the effects of just such a recession are already being felt.

## The 'Benefits' of Globalization

Supposedly having benefitted from U.S. expansion, in 1999 Mexico registered a trade deficit of \$5.361 billion. Exports were \$136.7 billion, and imports \$142.064 billion. Against all logic, the Mexican government customarily considers a trade deficit as something positive.

Mexico has an "abundant" consolidated surplus with the

member countries of NAFTA, the result of a surplus with the United States and a deficit with Canada. There is a surplus with the rest of the Americas, although this has declined by 50% in the past two years. The trade deficit with the rest of the world is of a truly inexplicable amount, surpassing the surplus with the United States by 20% (see **Table 1**).

This picture of Mexican foreign trade by regions, demonstrates how the U.S. economy is eating up a portion of the Mexican economy (one-third, according to official figures).

Total exports, measured as a portion of the GNP, reached 32.7% (29.8% in 1998), while 71% of total imports of intermediate goods (\$109.359 billion), were used for export. The "degree of opening" of the Mexican economy (according to the Bank of Mexico's calculations), which is expressed as the sum total of exports and imports of goods and services as a percentage of GDP, is 65.5%. The Mexican economy's dependence on foreign markets is unprecedented in the entire history of the national economy.

The trade deficit with the rest of the world has to be seen from the standpoint of what it means for the economies in which those imports originated. What do the Europeans and Asians think of the fabulous amounts Mexico is buying from them in excess, and which use the Mexican economy as a

TABLE 1

### Mexico: Balance of Trade, by Region (millions \$)

	1997	1998	1999
<b>NAFTA Zone</b>	<b>12,490</b>	<b>9,064</b>	<b>14,605</b>
a) United States	12,301	9,835	15,253
b) Canada	189	-771	-638
<b>Rest of the World</b>	<b>-11,866</b>	<b>-16,977</b>	<b>-19,976</b>
a) Rest of the Americas	4,022	2,975	2,010
b) Europe	-6,270	-8,248	-7,821
c) Asia	-9,106	-10,902	-13,092
d) Other	-512	-766	-1,073
<b>Total</b>	<b>624</b>	<b>-7,913</b>	<b>-5,361</b>

Source: Bank of Mexico.

trampoline into the U.S. economy, both as finished and semi-finished goods?

Recently, the Sony representative in Mexico, Shin Takaga, told President Zedillo what will undoubtedly become the key topic of debate in the months to come. Speaking in the name of the *maquiladoras* (cheap-labor, foreign-owned assembly plants), Takaga told Zedillo that government action is needed with regard to both public and legal security of companies in Mexico. The situation in Mexico, he said, “is beginning to give reasons enough for the company to decide to reduce its investment or transfer its installations to a secure country.”

Apart from the issue of public security, the *maquiladoras'* complaint is about regulations established by NAFTA for the permanent establishment of a company (everything up to now has been done under “temporary status”), payment of tariffs, preferential tax regime, tax exemptions for inter-*maquiladora* operations, etc. For Sony, the *maquiladoras* are losing competitiveness, “since multinational companies have the possibility of importing their finished products from their own group’s companies in Asia.”

What was not supposed to happen, did. The “profitability” of the Asia-Mexico-United States triangle is dwindling and, given their predatory nature, the *maquiladoras* are now threatening to go elsewhere, unless Mexico once again becomes “competitive.”

A decline in *maquiladora* activity shows, once again, that the country is bankrupt, and that the attempts to maintain it as a “model” since 1982, have failed. As for the beautiful macroeconomic figures, they’ve also gone down the drain. We review them again here, so that those who declared themselves “deceived” in 1994, when the Mexican peso collapsed, don’t do the same again in 2000.

For the fourth consecutive year in this six-year Presidential term (as occurred also in the previous government), the current account in the balance of payments had a deficit of \$14.013 billion. The 1999 global deficit was the result of the trade deficit of \$5.361 billion; the \$1.619 billion deficit in non-factorial services (primarily payments for export and import insurance and shipping); and the \$13.348 billion deficit in factorial services (\$8.828 billion in interest payments, and \$4.520 billion in profit remittances). The category of transfers showed a surplus of \$6.315 billion (remittances from legal and illegal residents in the United States).

A current account deficit reflects the fact that internal investment, income, and consumption depend on a foreign capital inflow. Regardless of its origin as capital, the economy to which it goes must provide it with an “attractive” yield or earning. In order to export cheaply to the United States, Mexico incurs a trade deficit (more imports than exports), plus it pays shipping and insurance to foreign firms, and guarantees the transnationals a juicy repatriation of their profits. The remittances from emigrés, equal to 50% of Foreign Direct

Investment (FDI), is the primary monetary flow sustaining the income and consumption of millions of Mexicans.

For the Zedillo government, this is a positive situation, since the current account deficit “is well financed” by long-term investment, like the \$11.568 billion figure for FDI. However, an analysis of that figure shows that only \$4.448 billion is new investment; \$2.887 billion is a “reinvestment of profits,” and \$1.455 billion is “indebtedness” of Mexican branches of foreign companies. Add these two figures to the one for remittances, and you get the \$8.847 billion in the “earnings” of multinationals—a figure equal to interest payments on the foreign debt!—and \$2.778 billion is for machinery imports by the *maquiladoras*.

At the very least, it is odd that a trade deficit originating in Europe, Asia, and other countries is financed with FDI largely from the United States, with which Mexico has a trade surplus. In fact, the \$15.253 billion surplus with the U.S. is used to pay the \$19.976 billion deficit with the rest of the world—yet we still end up owing! The rest of the deficit shows up as an increase in the foreign indebtedness of “the non-banking private sector,” which for 1999 was \$6.786 billion.

As the Sony representative in Mexico has figured out, this fabulous structure of deficits and indebtedness has begun to fall apart, which is why he dared to make the noises he did to the Mexican President’s face.

## Globalization of the Banking System

President Zedillo’s legacy is also the globalization of Mexico’s commercial banks, which means the cutoff of credit to domestic productive enterprises. The Santander-Mexicano Group recently beat Britain’s Hongkong and Shanghai Banking Corp. (HSBC) in the purchase of Banca Serfin, Mexico’s third-largest bank. The Santander-Mexicano Group is an affiliate of the Banco Santander-Central Hispano, which in turn was a product of the merger of both banks in Spain. The Central-Hispano, which in Spain operates with British capital, in Mexico is a stockholder in Bancrecer.

There is something sordid in all this, since Britain’s HSBC had a 19.9% stake in Serfin, because of agreements made with the Mexican government agency Fobaproa in 1997. Its participation to the tune of \$139 million will be absorbed by Fobaproa’s successor, IPAB. With the purchase of Serfin, foreign capital now controls 50% of Mexico’s banking system—and the stench of corruption is in the air. The bailout of Serfin cost the government \$12 billion, while the purchasers bought it for \$1.460 billion, at an exchange rate of 10 pesos to the dollar.

At the same time, Spain’s Banco Bilbao Vizcaya Argentaria (BBVA, a product of Argentaria and BBV in Spain), in association with the Bank of Montreal, is seeking to buy Bancomer, Mexico’s second largest bank. The Bank of Montreal, which merged with the Royal Bank of Scotland, already

owns 20% of Bancomer. In a hostile bid, Mexico's largest bank, Banamex, suddenly made a counteroffer for Bancomer, in association with Chase Manhattan Bank, JP Morgan, and the Aegon insurance firm.

If BBVA wins, foreign participation in the Mexican banking system will reach 73%; if Bancomer wins, the percentage won't vary much, given the size of its foreign partners.

The bewildered Mexican asks, what are they buying, if Mexican banks are bankrupt? Officially, the bailout of the banking system has cost \$100 billion, or 20% of GDP. But that's not all. In 1999, there was a drastic reduction in fixed term bank deposits, suggesting that former depositors preferred other types of investment instruments. At the same time, in 1999, commercial bank financing for the private sector, in real terms, was only 56.9% of the figure for 1994.

The study "Mexico: Five Years after the Crisis," prepared by Joseph Stiglitz, former chief economist at the World Bank, establishes that the "Mexican financial market presents a form of segmentation, in which some companies dominate the internal financial credit market, while others rely more on the U.S. market." Foreign financing, according to this report, is concentrated "on promoting activities linked to the export sector." Moreover, it explains that the possibility of credit for the Mexican productive sector has nothing to do with availability or with the internal interest rate system. According to the daily *El Financiero*, Stiglitz's study concludes with the recommendation that "a currency devaluation is advisable."

### Financing an Economy, without Banks

For the Bank of Mexico, the contraction of financing for the domestic economy has generated "an important change in the characteristics of the intermediation process . . . it has increased the importance of alternative sources of financing, for example, foreign banks and suppliers, thus reducing the role of national banks."

At the close of 1999, the Bank of Mexico's "Survey of Conjunctural Evaluation of the Credit Market" reported that "less than 40% of the companies polled used bank credit. Small or non-exporting companies apply the least frequently for this type of financing." For the first trimester of 2000, the Bank's survey found that 58.5% of small companies and 47.5% of medium-sized companies, "use suppliers as their main source of financing." What the survey doesn't measure is the "debt arrears to suppliers," which fluctuates between 60 and 90 days. In plain English, financing from suppliers is simply a sale on consignment: "I'll give you the merchandise, and you pay me for what you sell." Small and medium-sized industry accounts for approximately 30-35% of Mexico's GDP.

According to preliminary data from the XII Population and Housing Census 2000, by Inegi, the sector with the greatest growth in activities is "cottage industry," which is no

longer only linked to "informal trade," but also with the survival efforts of small and medium-sized companies.

Thus, we have one-third of the Mexican economy totally dependent on the United States, and on an onerous trade and indebtedness operation on a global scale; while on the domestic side, another third of the economy survives by barter and by a "source of financing" which also depends on the United States.

Foreign banks are acquiring the Mexican banking and financial services sector (which is equal to 20% of the GNP), not because it is good business, but because they are going to impose atrocious conditions on the next government of Mexico.

No matter who stays with Bancomer, the new foreign banking syndicate will be in a position to impose banking, monetary, and credit measures on the Finance Ministry, the Bank of Mexico and, above all, on the Presidency of Mexico itself. Joining their international assets, the new syndicate will have more capital than the country has international reserves, and possibly even more capital than the money circulating in the national economy. With such power, they will be able to carry out their first conditionality, which is to impose a currency board and/or the "dollarization" of Mexico.

This is President Zedillo's legacy.

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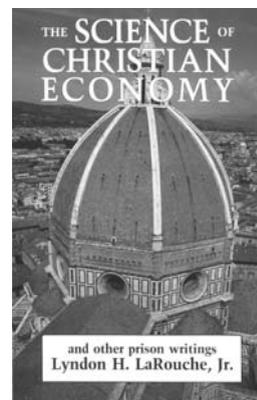
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# Business Briefs

## *Nuclear Radiation*

### **Chernobyl Had No Major Public Health Impact**

"There is no scientific evidence of a major public health impact attributable to radiation exposure 14 years after the accident" at Chernobyl, the United Nations Scientific Committee on the Effects of Atomic Radiation (Unscar) said, in a report to the UN General Assembly on June 6. "There is no scientific evidence of increases in overall cancer incidence or mortality or in non-malignant disorders that could be related to radiation exposure. The risk of leukemia, one of the main concerns owing to its short latency time, does not appear to be elevated, not even among the recovery operation workers."

Unscar Chairman Lars-Erik Holm also sent a letter to UN Secretary General Kofi Annan on June 6, protesting a report on Chernobyl issued by the UN Office for the Coordination of Humanitarian Affairs (OCHA). The report, titled "Chernobyl—A Continuing Catastrophe," he said, "is full of unsubstantiated statements that have no support in scientific assessments." Dr. Holm, who is also the Director-General of the Swedish Radiation Protection Institute, says that there are only about 1,800 cases of childhood thyroid cancers, not the more than 11,000 stated in the OCHA report.

Dr. Holm refutes the OCHA report claim that "very little is known about the long-term health effects of exposure to radiation because it is a relatively new phenomenon." To the contrary, he says, "More is known about radiation than for almost any other carcinogen." Holm comments on the OCHA statement that the radiation in the contaminated areas around Chernobyl has "changed the genetic material (DNA) in voles so much that it would be equivalent to 15 million years of evolution," that "it is highly remarkable that an organization in the United Nations system can publish such scientifically unfounded statements."

"The United Nations system has a responsibility to reduce human suffering and to see to it that the affected populations are not unnecessarily scared by unfounded rumors," Dr. Holm says.

## *Health*

### **War vs. Communicable Disease Could Be Lost**

David Heymann, the executive director of the World Health Organization's program on communicable diseases, warned on June 12 that the fight against communicable diseases could be lost over the next 10-20 years, unless better use is made of available resources. "The world may only have a decade or two to make use of many of the medicines presently available to stop infectious diseases. We are literally in a race against time to bring levels of infectious disease down worldwide, before the diseases wear the drug down first," Heymann told Agence France Presse

Heymann cited the cases of two Baltic states (Estonia and Latvia), and parts of Russia, where 10% of all cases of tuberculosis are drug-resistant. The three most effective anti-malaria drugs are no longer of any use in Thailand, due to the development of drug-resistant strains; and 30% of patients treated for hepatitis B find that the most advanced medicine available is ineffective after one year. "It took 20 years to develop penicillin for medical use," he stated, "and then 20 years for this drug to become virtually useless for treating gonorrhea in most parts of the world."

Heymann warned that the failure to develop public-health infrastructure in developing countries is a big cause for concern, while in advanced nations, patients are being over-prescribed antibiotics. In addition, the major pharmaceutical firms are not investing enough effort in developing new medicines to combat infectious diseases that have already out-paced existing medicines.

## *Space*

### **NASA Contracts To Build Plasma Rocket**

NASA's Johnson Space Center has signed a contract with MSE Technology Applications, Inc., of Butte, Montana, to develop a plasma rocket, the precursor to a fusion

rocket. The director of Johnson's Advanced Space Propulsion Laboratory, Franklin Chang-Diaz, a NASA astronaut with a doctorate in applied plasma physics and fusion technology, has enthusiastically supported the concept since 1979. The Variable Specific Impulse Magnetoplasma Rocket (VASIMR) "provides a power-rich, fast-propulsion architecture," Chang-Diaz said on June 13, and would cut in half the time required to reach Mars (three instead of seven to eight months).

The VASIMR engine consists of three linked magnetic cells, the first of which handles the main injection of propellant gas and its ionization. The middle cell acts as an amplifier to further heat the plasma. The rear cell is a magnetic nozzle, which converts the energy of the fluid into directed flow. Hydrogen, or another neutral gas, is injected into the forward cell and ionized. The resulting plasma is electromagnetically energized in the central cell by ion cyclotron resonance heating. In this process, radiowaves heat the plasma, which is then magnetically exhausted to provide thrust.

The VASIMR technology has the capability of modulating the plasma exhaust to maintain optimal efficiency of propulsion. Among the new technologies being developed for the concept, are magnets that are superconducting at space temperatures, compact power-generation equipment, and compact radio-frequency systems for plasma generation and heating.

## *Britain*

### **Trade Unions Alarmed by Manufacturing Crisis**

The British Trades Union Congress, the main confederation of labor unions, has sent a document to Cabinet ministers, demanding action to deal with the "major crisis" in British manufacturing, according to the June 14 London *Times*. The document has been circulated preparatory to a planned meeting of TUC leaders with Prime Minister Tony Blair, Chancellor of the Exchequer Gordon Brown, and Trade and Industry Secretary Stephen Byers.

**CAMBODIAN** Planning Minister Chhay Than led a delegation to Malaysia on June 3, seeking Malaysia's input in the formulation of Cambodia's five-year development plans, and to learn from Malaysia's economic success. Malaysia is Cambodia's largest investor among the Association of Southeast Asian Nations in fields including primary industries, property development, oil and gas, and manufacturing.

**MEDIA MAGNATE** Rupert Murdoch's son James has been appointed chairman of Hong Kong's Star TV, which is sitting on a potential windfall as the company best positioned to capitalize on China's fiber-optic network roll-out, which will connect 120 million subscribers by next year.

**SUDAN AND CHAD** agreed to cooperate on crop production and pest control, on June 14. Sudan will train Chadian officials in plant protection. A law will be drafted on quarantines to ensure crop safety, and seeds and information on the movement and control of desert locusts, exchanged. Sudan consented to a Chadian request to increase the capital of the N'djamena branch of the government-run Sudanese Agricultural Bank.

**CHINA'S** Ji Yunshi, Governor of Jiangsu province, visited South Africa's Free State in early June, in a bid to boost economic ties between the two provinces. A partnership may be set up between business people of the provinces, and a student exchange program. Chinese investment has been steadily growing, especially in Botshabelo, where 68% of factories are owned by people of Chinese origin.

**PAKISTAN** Chief Executive Gen. Pervez Musharraf said on June 11 that Pakistan has given the green light to the proposed pipeline to transport gas from Iran to India. Islamabad, starved of cash, would garner \$600 million annually from the project; but it is unlikely to advance, because of India's security concerns.

Pointing to the crisis that has hit the Rover auto manufacturing group, the TUC says that this is "the biggest in a series of high-profile restructurings by major companies. . . . There are many less well-known companies either closing or cutting back severely, and shifting orders to overseas suppliers."

The TUC charges that the government is failing to give "manufacturing the priority it warrants." It warns: "The view that manufacturing no longer matters—that services can act as the motor for faster economic growth—shows a breathtaking ignorance of economic realities and the trends of the past 40 years." The TUC calls for the government to adopt a "properly funded industrial program."

## **Economic Policy**

### **New Book: Egypt's Future Lies with Land-Bridge**

Dr. Mohammed Selim, chairman of the Asian Studies Centers at the University of Cairo, promotes the idea of Egypt's connection to the New Silk Road as a viable future economic and strategic policy, in a new book based on studies presented at a seminar in Port Said, Egypt, in April (see *EIR*, May 26). Dr. Selim introduces the subject by saying: "Railways have played an important role in economic development processes as a prelude to this development or as part of it. It is well-known that the transcontinental railway networks in the United States and Canada to link the east coast to the west coast greatly contributed to the emergence of the economic power of these two countries."

He adds that the Ottoman Sultans' ambitious plan in the late 19th century to build a railway to Baghdad was a similar attempt. However, he stresses, "the fruits of this project were never harvested, because it became a field for competing imperial interests."

"Today, there are two major projects for railway construction: The first is the Transasian Railway, which was started in the 1970s and is limited to Asia; the second is the Eurasian Land-Bridge, or the 'New Silk Road,' which is a project that started in the 1990s to link Europe and Asia. This latter project is the subject of this book."

Dr. Selim rejects arguments that the New Silk Road project would decrease the flow of goods through the Suez Canal. He says that what will happen is the contrary, due to the great industrial development of Eurasia.

Dr. Selim reports on the growing interest in the region for this idea, citing reports in *EIR* from 1999, on the increasing cooperation among Turkey, Syria, Jordan, and Saudi Arabia to revive the Hijaz Railway, and the Egyptian government's plans to build industrial projects in the north of the country which are directly connected to rebuilding the "Orient Express" through Sinai to Gaza and Israel. These efforts, he says, should be expanded to the Land-Bridge, with Egypt serving as a link among Europe, Asia, and Africa.

## **Finance**

### **Italian Banker Promotes Bretton Woods System**

Abandoning the post-World War II Bretton Woods system did not bring stability, Italian central banker Antonio Fazio told government, business, parliament, judiciary, church, labor, and other institutional leaders, in his yearly report on May 31.

"In a recent historical phase it was believed, after abandoning the monetary order that was created in Bretton Woods, that a financial system left, in its development and in its operations, in the hands of market forces, would automatically lead to growth and to the stability of the world economy. The experience of the last two decades has presented . . . phenomena of marginalization of some weaker systems and instability episodes, which have risked involving the finances and economies of even larger countries," he said. Without using the word "regulation," he called for governing the system in a way that "leaves single intermediaries a freedom which is compatible with stability."

"Financial capitalism," Fazio said, "has shown itself to be a powerful factor for creating wealth, but at the same time, even more unstable than traditional industrial capitalism."

## U.S. Policy Debacle Brings Death to Millions in Congo

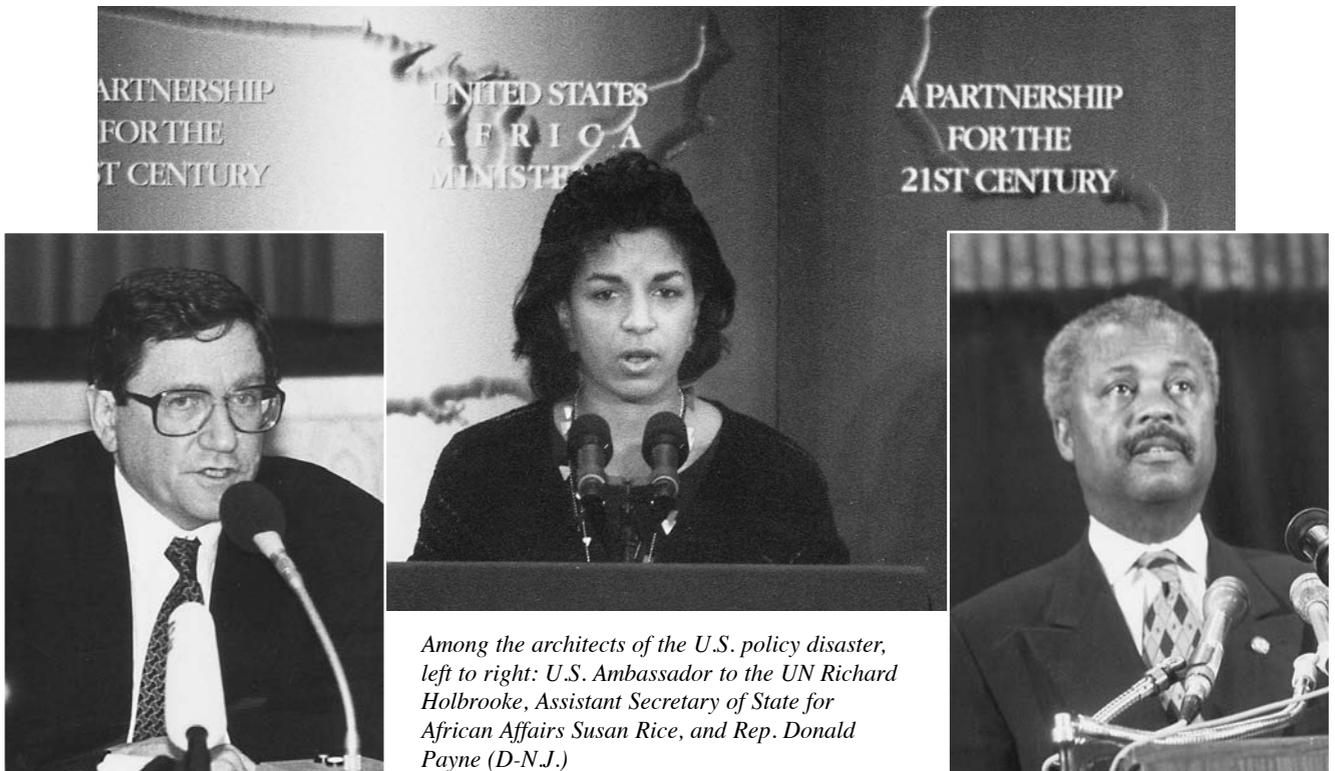
by Linda de Hoyos

For the third time in a year, hostilities broke out again in the city of Kisangani in the Democratic Republic of the Congo (D.R.C.) between the armed forces of Rwanda and Uganda on June 6. In six days of fighting, the two militaries levelled the Congolese city of Kisangani, killing more than 500 Congolese civilians.

The fighting between the two former allies is the most lurid sign to date that the post-Cold War policy for Africa architected by British intelligence and allied American interests, is in ruins. Since 1990, when Ugandan President Yoweri Museveni sponsored the invasion of Rwanda by Paul Kagame's Rwandan Patriotic Front, the militaries of Rwanda and Uganda have allied to invade the Congo twice. First in 1996-97, to impose Laurent Kabila as President, and again in August 1998, to seize the eastern Congo as their own zone of interest and to loot the Congo of its diamonds, gold, and timber on behalf of their British Commonwealth financial sponsors. This invasion has been backed by the so-called donor community, diplomatically led by the United States. In Washington, the chief enforcers for this policy to annex eastern Congo to Rwanda and Uganda have been Secretary of State Madeleine Albright, Assistant Secretary of State Susan Rice, Rep. Donald Payne (D-N.J.) of the House Africa Subcommittee, and Payne contributor Roger Winter of the U.S. Committee for Refugees. Now, Museveni and Kagame are locked in bitter battle over the division of the spoils, fighting for Kisangani, the diamond and gold depot of the region, completely out of anyone's political control. The London-Washington policy for Africa, centered on the Uganda-Rwanda partnership, is a debacle.

### **The IRC Report: 1.7 Million 'Excess' Deaths**

This debacle has brought death to millions of Congolese people. On June 8, as the battles between the Rwandan and Ugandan militaries were raging in Kisangani, the International Rescue Committee (IRC), a long-standing relief agency that operates under contract from the U.S. government, reported the results of a mortality



*Among the architects of the U.S. policy disaster, left to right: U.S. Ambassador to the UN Richard Holbrooke, Assistant Secretary of State for African Affairs Susan Rice, and Rep. Donald Payne (D-N.J.)*

survey it had conducted in eastern Congo. The survey showed that there have been 1.7 million *excess* deaths in the eastern Congo provinces since August 1998, when Rwanda and Uganda invaded the country. (See below for excerpts.) This is a conservative estimate; it does not take into account the millions of Congolese who have left the region and are living in terrible conditions in refugee camps in Tanzania, Zambia, and the Central African Republic. The IRC survey, led by epidemiologist Dr. Les Roberts from April 18 to May 27 of this year, visited 1,011 households containing 7,339 residents, who reported 606 deaths of members of their families since Jan. 1, 1999. “We were dumbfounded to find that fully 7% of these people’s families had died in the last six months,” said Dr. Roberts. “The loss of life in the Congo has been staggering,” said IRC president Reynold Levy. “It’s as if the entire population of Houston was wiped off the face of the earth in a matter of months.” The survey found that the “displacements and economic hardships induced by armed combatants [in the region] play either a direct or an indirect role in all of the excess deaths described.”

The information gathered by the IRC survey showed that:

- 1.7 million *excess* deaths or more have occurred in the last 22 months as a result of the fighting in the D.R.C. This equates to 77,000 deaths per month.
- Women and children constituted 47% of the violent deaths reported.
- The overall mortality rate during the year 2000 is higher

than it was in 1999.

“Thus,” the IRC survey concludes, “the monthly death toll of 77,000 attributed to this war shows no sign of declining. An estimated 34%, or 26,000, of these monthly fatalities are children younger than five years of age. *The acceptance of the status quo in D.R.C., or the tolerance of slow diplomatic solutions, implies an acceptance of these ongoing deaths*” (emphasis added).

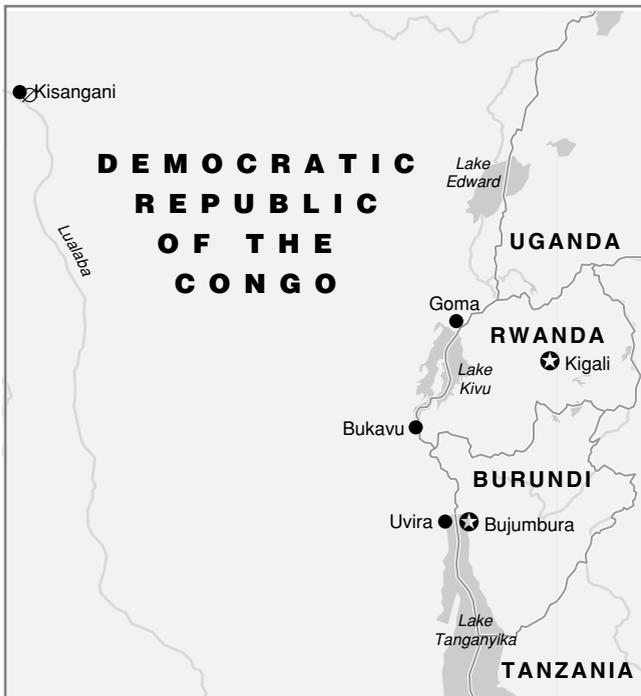
The IRC report has been largely hidden from public view, despite a report having been filed on the survey by Associated Press. The lack of political attention to this exposure of a holocaust in the Congo is yet further proof of the “acceptance of these deaths,” and many millions more to come—under the current policy guidelines emanating from the U.S. State Department.

### **The Lusaka Hoax**

In response to the wanton destruction of Kisangani, United Nations Secretary General Kofi Annan on June 13 asked the Security Council to impose sanctions on both Uganda and Rwanda if they do not pull their troops out of the Congo immediately. Annan’s demand contravenes the Lusaka Accords, which were signed in July 1999. Under those accords, which were midwived by U.S. diplomats, Uganda and Rwanda are permitted to remain in the Congo, until their “security concerns” are met. The accords called for a United Nations peacekeeping force and a Joint Military Commission

FIGURE 1

**The Great Lakes region**



composed of the armies of Uganda, Rwanda, the D.R.C., and those armies that were defending the Kabila government, Zimbabwe, Angola, and Namibia, to militarily disarm any insurgencies in the region. Only after these groups have been militarily neutralized—that is, defeated—would Rwanda and Uganda be expected to remove their troops from eastern Congo. Numbers of the groups on the list of non-signers who are to be disarmed, are not even in the Congo!

In reality, the Lusaka Accord put the donor community imprimatur on the continuing annexation of eastern Congo and its looting at the hands of the Ugandan, Rwandan, and Burundian militaries. The Lusaka hoax continued to be perpetrated even after Rwanda and Ugandan troops began fighting for Kisangani last August—an event which blared the fact that the major purpose of the invasion was not “security,” but the seizure of the Congo’s gold, diamonds, and timber!

The latest round of bloodshed in Kisangani forestalled the deployment of a United Nations peacekeeping force to the region, to be composed largely of South African troops.

Annan’s call for the immediate withdrawal of Rwanda and Uganda was long overdue, but was met with stalling and obfuscation by U.S. Ambassador to the United Nations Richard Holbrooke. In his remarks to the Security Council on June 15, Holbrooke, as reported by the U.S. Department of State on June 19, said:

“The withdrawal of all foreign forces from D.R.C. is

still mandatory;

“There is an urgent need for all parties to abandon support to all non-signatories of the Lusaka Accord, especially the ex-FAR Interhamwe [misnomer for Rwandan Hutus who oppose the Kagame regime];

“Discussing the withdrawal of Rwandan and Ugandan forces does not lessen the D.R.C.’s obligation to participate in the national dialogue;

“Rwanda and Uganda have legitimate security concerns.”

In short, he repeated the mantra of the Lusaka hoax, thus showing the world that the United States stands fully behind the continuing terrorist occupation of eastern Congo by Rwanda, Uganda, and Burundi. The security of the 20 million Congolese living in this occupied area is of no concern.

In his speech, Holbrooke also paid direct tribute to the British UN Security Council chairman in December, Sir Jeremy Greenstock and Ambassador Eldon, in starting this process.

Thus, the United States and Britain succeeded in forestalling the sanctions the UN Secretary General called for—even in the face of the news that 1.7 million Congolese have died under the last 22 months of Rwandan-Ugandan occupation! The Security Council resolution of June 16 on the Congo repeats the content of the Lusaka agreement, demands the withdrawal of all forces from Kisangani, and states that the withdrawal of Ugandan and Rwandan troops from the Congo must be “reciprocated by the other parties in conformity with the timetable.” The deployment of the peacekeeping force is put forward as an option, but its immediate deployment appears to be destroyed by the fighting in Kisangani and by the blocking in the U.S. Congress of the funds for it.

Unless the international community forces the withdrawal of the invaders—Rwanda, Uganda, and Burundi—from the Congo, the war can be expected to continue.

That Ugandan-Rwandan war against the Congolese people continues to be financed by the Western “donor community.” On May 3, the International Monetary Fund (IMF) and World Bank approved Uganda as the first African nation to win immediate debt relief in a package that will give the country \$1.3 billion in debt forgiveness. The same day, the Italian government announced another \$99 million in debt forgiveness for Kampala. Only two weeks before, President Museveni was reported by the Nairobi *East African* on April 24 to be shopping for multi-rocket launchers, tanks, and anti-aircraft rockets in Belarus. According to a British weapons analyst Andrew McLean, Britain has been selling arms to Uganda, some of which are suspected as being used in the Congo, since there is no surveillance of the British end-user certificates.

And within eastern Congo itself, the British Commonwealth financial interests of Banro Resources, Barrick Gold, and Lonrho are directly present in the funnelling of the region’s vast mineral wealth out of Africa through the smuggling operations of the Rwandan and Ugandan militaries—

without any diversions of profits to the Congolese people!

## The New Breed Unravelling

Despite Holbrooke's display of United States backing to the Ugandan-Rwandan seizure of eastern Congo, the fighting between the two allies is the death knell for the policy the United States has carried out in eastern Africa over the last decade. That policy centered on bringing to power and backing a so-called "new breed" of African leader, led by Ugandan President Yoweri Museveni. The breed included Paul Kagame of Rwanda, President Isias Afwerki of Eritrea, President Meles Zenawi of Ethiopia, and in the shadows, Burundian President Pierre Buyoya. The qualifications for the new breed centered on their coming to power through the gun, preferably based on mono-ethnic insurgencies and their adherence to the escalated looting of their national economies through globalization and the IMF. In East Africa, this new breed was given two targets accepted by the entire donor community: the Zaire of President Mobutu Sese Sekou, and the National Islamic Front government of Sudan.

The war against Sudan, perpetuated by Uganda, Ethiopia, and Eritrea, has not brought about the donor community's objective, but has resulted in the death by starvation and war of hundreds of thousands of Sudanese. The coalition of "front-line" states against Sudan has fallen to pieces, as Egypt is pursuing a policy of peace for southern Sudan and Ethiopia and Eritrea have been at war with each other over the last year. A failure in its own terms, this policy, zealously enforced by Payne, Rice, and Albright in Washington, has brought only death and devastation to the Sudanese people. Net political result: zero. Death toll in Sudan since 1990: at least 1 million Sudanese.

In 1990, Uganda invaded Rwanda to bring down the government of Juvenal Habyarimana, an ally in the region of Mobutu. The aim was to install the mono-ethnic Tutsi Rwandan Patriotic Front government in Kigali and thus consolidate a Uganda-Rwanda-Burundi (Tutsi) military coalition along Zaire's western border. Habyarimana was not finally brought down until his plane was shot down on April 6, 1994. The takeover of Rwanda by the new breed combine resulted in the slaughter of 800,000 Rwandans in 1994, with estimates that another 1 million Rwandans have been killed by the Kigali regime since 1994.

In 1993, the Western powers backed the overthrow of the government that had been elected in Burundi in June 1993, in order to bring back to political power the Tutsi Burundian military to play its role against Zaire. This effort ultimately succeeded with the July 1996 coup of Pierre Buyoya. Death toll in Burundi for this operation: 500,000. The continuing civil war in the country has further resulted in the forced internment of 800,000 Hutu Burundians and, at a minimum, another 200,000 dead.

In 1996, the Rwanda, Uganda, and Burundi militaries launched war on Zaire, allegedly in pursuit of armed refugees

and in a drive to put Laurent Kabila in power in Kinshasa. The war resulted in the wholesale slaughter of United Nations-protected refugees, half of them children. But, once in power, Kabila turned against the British Commonwealth companies that had financed his march across Zaire and turned against his Rwandan and Ugandan allies when they refused to leave the country. Net political result of this policy: zero. Death toll of the 1996-97 war: 500,000 Rwandan refugees and another 500,000 Congolese.

In August 1998, Uganda, Rwanda, and Burundi again invaded eastern Congo. Their attempts to seize the capital of Kinshasa were forestalled by Angolan, Namibian, and Zimbabwean troops invited to defend the Congo by the Kabila government. The war continues. As the IRC study indicates, the death toll of this operation *so far* is at a minimum of 1.7 million Congolese.

Today, there are 700,000 Ugandans in internment camps for the internally displaced inside Uganda; there are 400,000 Rwandans in internment camps inside Rwanda; 500,000 people in internment camps in Burundi; and 2-3 million displaced eastern Congolese. These people—especially children under the age of five—are in dire risk. Their needs are unmet; their voices are never heard. They and millions more in the war-torn countryside of Uganda, Burundi, Rwanda, and the Congo have been silently sacrificed on behalf of a policy of imperialist looting of East Africa.

In its rapacity for mineral wealth at the expense of the lives of human beings, the post-Cold War policy of Britain, the United States, and its allies in the "donor community" rivals the imperial mass murder perpetrated by King Leopold of Belgium. It is a policy that has brought cataclysm to Africa and political and diplomatic ignominy to the United States. It must be scrapped in its entirety, and careful work must be done to reconstruct an American foreign policy toward Africa based on republican—not colonialist—principles that will *save lives*, not destroy them.

## Mortality in Eastern Congo: Results from Five Mortality Surveys

*The following are excerpts from the International Rescue Committee report, Mortality in Eastern Democratic Republic of the Congo (D.R.C.), released in New York City on June 8.*

The International Rescue Committee (IRC) conducted a series of five mortality surveys. These surveys took place between April 18 and May 27, 2000. The areas surveyed included the city of Kisangani, the Katana and Kabare Health



*Rwandan refugees in Zaire, 1994. According to the International Rescue Committee, there have been 1.7 million excess deaths or more over the past 22 months as a result of the fighting in the Congo.*

Zones, the Kalonge Administrative Zone, and approximately 1,000 square kilometers surrounding Moba. These sites represent three of the five eastern provinces within the D.R.C. and have a collective population of 1.2 million.

The 1,011 households visited contained 7,339 living residents, who reported 606 deaths among their household members since Jan. 1, 1999. From the information provided the IRC reports that:

**1.7 million excess deaths or more have occurred over the past 22 months as a result of the fighting in the D.R.C.** This equates to 77,000 deaths per month and of that, 26,000 (34%) are children younger than five years of age. [In Kabare,] a disproportionate amount of this mortality was among those under one, who had a mortality rate of 20/1,000/month. This means that 24% of children born during or in the months before the recall period died in the first year of life. [In Katana,] half of the deaths reported by families were among children younger than five, with malaria (26%), malnutrition (22%), and diarrhea (11%) being the most commonly reported causes of childhood death. Among those five years of age or older, the most common causes of death were violence (26%), malaria (19%), and malnutrition and cholera (15% each).

[In Moba,] aside from the staggering estimate that 47% of children less than one year died in their first year of life, children 12 to 23 months of age were estimated to have a 29% mortality rate.

During the Moba survey, only 12 violent deaths blamed on armed individuals were reported, while 31 deaths were reported by people hiding from armed forces (that is, not

fleeing to another location but waiting in the bush before returning home). While this is an extreme form of social disruption, it exemplifies the “non-weapon” nature of the war-related deaths in eastern D.R.C.

Other people, citing the unusual economic circumstances in explaining deaths, often stated that their local clinic had no medicines or that they could not presently afford the cost of going to a clinic. In places like Kabare, there is little violence, yet the mortality is double what it should be, and infant mortality is three to four times what was normal when economic activity was occurring.

**There are many children younger than two years old missing from the demographic profile.** Compared to the number of three and four year olds, there are 30% to 40% fewer children under two years of age than would be expected. [In Kisangani,] five women reported having full-term stillborn children (which were not included as deaths in this report), an estimated 3% of full-term pregnancies in the sample population resulted in a maternal death; and adult malnutrition appears to be a disproportionately higher female phenomenon. In the attribution of “maternal mortality,” the two pregnant women who died of heart attacks during military attacks (one while being shot at, one while running), and the woman who was too pregnant to run from attackers and was strangled during/after being raped, were classified as deaths from violence. The woman in Kisangani who died of an induced abortion had her death classified as “other non-infectious.” The reason for mentioning these four deaths is to note that there are risks in the D.R.C. associated with

being pregnant that are not captured by the epidemiologist concept of maternal mortality. [In Moba,] eight women died related to childbirth, primarily due to hemorrhaging, although one death was reported to be tetanus related. At least three of the women were displaced and hiding in the bush at the time of death. Based on the number of live and deceased under one- and one-year-olds, it is estimated that 10.8% of full-term pregnancies during the past 16.8 months resulted in maternal death.

**Violent deaths and other “nonviolent” deaths are inseparable in eastern D.R.C.** Those places and times where infectious disease deaths were highest were the same as where violent death rates were highest. This was seen most dramatically in Kalonge, where when violent deaths increased dramatically (5.5-fold) during the period after October 1999, the malaria-specific mortality rate simultaneously went up 3.5-fold. In eastern D.R.C., war means disease. The dozens of adults who reportedly died of malaria while displaced had certainly survived malaria in the past. Yet, while at home, they could eat and drink water while ill, and perhaps could have paid the few cents needed for a course of chloroquine. One girl from Kalonge told us how five of her eight family members had died of malaria within the same month.

**Violence against civilians appears to be inflicted by all sides.** Among the 69 deaths attributed to violence, family members reported that the deaths were committed by the Interhamwe and the RCD Rally for Congolese Democracy [Rwanda front] at a similar frequency.

**Violence against civilians appears to be indiscriminate.** Women and children constitute 47% of the violent deaths reported. Only 53% of those killed were males over 14 years in age.

**Eastern D.R.C. is an unchecked incubation zone for disease.** Several major disease outbreaks were detected during the course of these five surveys. Examples of this include an estimated 870 suspected meningitis deaths in Kisangani, family-reported death rates in Moba from cholera and dysentery of approximately 1% of the same population, reports of multiple measles deaths in three of the five surveyed populations, suspected polio deaths reported in Kalonge. In February 1999, the IRC conducted a mortality survey in Katana Health Zone which revealed a measles outbreak that had killed 1,400 children.

**The overall mortality rate during the year 2000 is higher than it was in 1999.** Thus the monthly death toll of 77,000 attributed to this war shows no sign of declining. An estimated 34% or 26,000 of these monthly fatalities are children younger than five years of age. The acceptance of the status quo in D.R.C. or the tolerance of slow diplomatic solutions implies an acceptance of these ongoing deaths.

**It is believed that the projection of 1.7 million deaths due to this war in the D.R.C. is a very conservative estimate.** This is believed to be true because:

- Our surveys clearly occurred in safer and more accessible areas than the average location in eastern D.R.C.

- [In Kalonge,] violence appears to cluster by household. There were a couple of households where everyone had died except for one interviewee. Thus, it is likely that entire families were killed in the recent violence. This would mean that the mortality measured among the IDP [internally displaced persons] families underestimates the mortality experience of the Kalonge residents over the past 16 months. (That is, if an entire family was killed, no one would be left to interview in the Bukavu area, creating a survivor bias in our sample.)

- It is not likely that 2 million in Katanga have escaped unscathed. An OCHA [UN Office for the Coordination of Humanitarian Affairs] evaluation of western Katanga, behind the Kabila lines, was released May 2000. It portrayed an image of “widespread malnutrition, prolonged displacement of civilians, and severe economic depression.”

## Voices Cry Out against Genocidal War in Congo

### Rep. Cynthia McKinney, U.S. House of Representatives

*On June 9, Representative Cynthia McKinney (D-Ga.), a member of the House Subcommittee on International Operations and Human Rights and formerly a member of the House Subcommittee on Africa, wrote President Clinton asking him to take action to end the war in the Congo. Her open letter is printed here:*

I am contacting you regarding a matter of urgent and immediate concern. Fighting between Ugandan and Rwandan troops in the Democratic Republic of Congo is continuing in the fifth day, despite attempts by the United Nations to broker a lasting cease-fire agreement.

The conflict includes heavy exchanges of artillery fire in and around the city of Kisangani in blatant disregard of international law. The indiscriminate shelling of the civilian population has left over 100 dead with thousands fleeing for their lives, prompting the head of the UN team in Kisangani, Col. Danilo Pavia, to accuse both the Ugandan and Rwandan leaders of “committing genocide against the city.”

The reported genocide is corroborated by a report released today by the International Rescue Committee revealing that, by conservative estimates, more than 1.7 million people in eastern Congo have died as a result of the two-year-old conflict.

It has only been a few short years since another UN officer, General Dallaire of Canada, warned of impending genocide in southern Africa. At that time, the international community

stood by and did little to prevent the tragedy that became known as the Rwandan Genocide.

Mr. President, I urge you in the strongest terms to do all in your power to bring about an end to the bloody conflict in the Democratic Republic of Congo, beginning with a clear condemnation of the violations of the cease-fire agreement by Ugandan and Rwandan forces, followed by the full application of the diplomatic resources available to you to compel U.S. allies Rwanda and Uganda to withdraw their forces.

We must not stand idly by once again as the horrors of genocide are visited upon the people of another African Great Lakes region.

Sincerely, Cynthia A. McKinney Member of Congress

### **Cardinals, Archbishops, and Bishops of the Democratic Republic of the Congo**

*Frederick Cardinal Etsou and seven other bishops and archbishops of the Roman Catholic Church issued a statement on May 18, calling for international action to end the Rwandan and Ugandan occupation of their country. Here are excerpts from their statement:*

Somber reality of the situation in D.R. Congo

The suffering unjustly inflicted on our people compels us to denounce and condemn:

1. the aggression by troops of Rwanda, Uganda, and Burundi that has victimized our country;
2. the very purpose of this aggression that aims to subject our people to a shameful recolonization in this twenty-first century; the balkanization of our country to weaken it by division and systematically plunder its mineral resources (gold, uranium, diamonds, cobalt, etc.) and other resources such as precious woods, etc.;
3. the extermination of the Congolese people, a non-violent and tolerant people; as a consequence of war, children, women, and old people are forced to abandon their villages and seek refuge in the forest or in camps, or at Kinshasa in order to flee the cruel and criminal hand of Rwandan, Burundian, and Ugandan military;
4. attempts to implicate the Church in ideologies of different warring factions to the point of preventing certain Pastors (priests and bishops) from exercising their ministry and visiting their faithful scattered in occupied territory. Such is the case of Archbishop Emmanuel Kataliko of Bukavu in forced exile in Butembo;
5. the general climate of insecurity that obliges those who travel to Kinshasa, the nation's capital, to make useless and costly detours through neighboring countries at great risk. Example: Bishop Matondo-Kwa Nzambi Ignace of Molegbe who was victim of armed aggression and shot at Bangui, Central African Republic, en route to Rome;
6. the international community's total indifference to the war in Kisangani between Rwandan and Ugandan military who want to impose a de facto situation of occupation and balkanization of our country.

... That is why as Pastors and in the name of our people, we appeal to:

1. All women and men of good will: to support efforts of peace and reconciliation in Central Africa through prayer and sacrifice, and through their public action to raise the critical awareness of international opinion to all the violations of international law and human rights taking place in D.R. Congo.

2. The United Nations:

— that they demand an immediate cease-fire throughout D.R. Congo, the withdrawal from Congolese territory of military troops from Rwanda, Burundi, and Uganda, and only after that the withdrawal of all other military committed to the protection of the sovereignty of D.R. Congo.

— that they urgently send an important military contingent commensurate with the expanse of D.R. Congo territory, as a force of intervention and peacekeeping along the borders of our territory. The contingent must be capable of humanitarian intervention to assure the security of the Congolese people and the preservation of the territorial integrity of D.R. Congo. . . .

4. The European Union:

## **BBC Cover-Up of a Massacre**

Media treatment of the massacre of hundreds of civilians on May 15 in the village of Katogota by Burundian military forces and the Rwandan Patriotic Army (RPA), indicates that the murders taking place in eastern Congo are being covered up in the same way that the slaughter of Rwandan refugees and Congolese were covered up in the 1996-97 war in eastern Congo. In the 1996-97 war, although mass murder of Rwandan refugees had been taking place since October 1996, the news of this seeped out beginning in January, when relief workers began to send home reports of mass graves. The mass murder of the refugees did not make major international headlines until May 1997, long after hundreds of thousands were dead, either at the hands of the RPA guns directly, or by hunger, disease, and deprivation, as they were hunted down by the Rwandans.

On May 15, the Missionary News Agency (MISNA), which is highly respected for its accurate and independent on-the-ground reporting in the Congo, reported that "three entire families, as well as eight adults and two children were massacred last night in the village of Katogota," in South Kivu. "The massacre was carried out by soldiers of the [Rwandan-backed] Congolese Rally for Democracy [RCD] in retaliation." The massacre had been precipitated

— to expose the European countries (France, Italy, England, Belgium, etc.) and allies (U.S.A., Israel, etc.) which are involved in selling arms and other operations to despoil D.R. Congo of its minerals and other resources, and that through the complicity of institutions or third party covert structures;

— that the EU dissuade those countries from supporting our neighbors — Rwanda, Uganda, and Burundi — in this absurd war of occupation of D.R. Congo: the Congolese people have never declared war on them;

— that the EU urge Western countries to provide D.R. Congo and Central Africa with the means to relaunch agriculture, and study scholarships that will permit Africans to participate in the reconstruction of material infrastructure necessary to the integral development of the African continent;

— that the EU favor the total and unconditional cancellation of the external debt of the D.R. Congo. . . .

[Signed:] 1. Frederick Cardinal Etsou; 2. Kumuondala Mbimba Joseph (Archbishop of Mbandaka); 3. Mukenga A. Kalond Godefroy (Archbishop of Kananga); 4. Mambe Mukanga Paul (Bishop of Kindu); 5. Mununu Ksiala Edouard (Bishop of Kikwit); 6. Mosengo Nkiuda Valentin (Bishop of

Kabinda); 7. Mbali Jacques (Bishop Emeritus of Buta) 8. Kasenge Wandagakongu (Bishop Emeritus of Molegbe)

### **Ugandan Churches Call for Total Ugandan Troop Withdrawal from D.R. Congo**

The Ugandan Joint Christian Council in late May called on the Ugandan government to pull all troops out of the Congo and confine the Ugandan People's Defense Forces (UPDF) within Ugandan borders, reported the *New Vision* newspaper. "We urge the government to ensure that UPDF personnel remain within our borders and while consolidating peace in our country. We call upon the international community to prevail on all those promoting the conflict in the Congo to stop it."

On June 20, the Catholic Bishops of Uganda asked the Ugandan and Rwandan governments to promptly repatriate their troops from the Congo, according to the Missionary News Agency. Cardinal Emmanuel Wamala explained that the prelates condemn the fighting in Kisangani, and called upon the civilian and military leaders involved "in the senseless bloodshed" to stop and "concentrate efforts" on finding a rapid and peaceful solution.

by the killing of four RCD men by the Congolese resistance group, the Mayi-Mayi, nearby. When the village people heard about the killing of the RCD men, they fled Katogota. "If the majority of civilians had not fled, the toll of the massacre, which is still provisional, might have been much considerably higher. The soldiers responsible for the reprisal attack went from house to house, killing anyone they found in their path."

On May 22, the MISNA reported that the death toll at Katogota was 300 people. "The news was referred by our MISNA sources, who have already identified hundreds of women, elderly people, children and men, shot to death or killed with machetes and for the most part thrown in the Ruzizi River." The massacre was taken in reprisal, it turns out, over the killing of a Burundian soldier in the area. "When night settled in [on May 14], commented a survivor, the massacre began, it lasted from 7:30 at night until 5:00 on Monday morning."

MISNA reported: "The bodies at first were believed to be about a dozen, while later the lifeless bodies of innumerable civilians were found in the area surrounding the village, particularly along the Ruzizi River. Our MISNA sources reported an estimated 372 missing people."

The British Broadcasting Corp. reported the massacre on May 21, under the headline "Congo Rebels Massacre 300," citing MISNA as its source. However, the BBC also quoted a spokesman of the Rwandan-backed RCD saying that the MISNA story is false and "surreal."

But, later that day, the BBC then broadcast a second story under the headline: "Doubt over Congo 'Massacre.'" BBC said, "A senior United Nations official has dismissed the death toll as 'grossly inflated.'" It also reported that the RCD had dispatched a "mission headed by our military investigator" to Katogota, to determine what had happened. But the RCD spokesman also declared, "There are barely 50 people in Katogota. How could we kill 300?" BBC quoted Charles Petrie, a senior adviser to the UN Office for the Coordination of Humanitarian Affairs in Congo, as saying that 31 civilians may have been killed in recent clashes in the area. "He said the lower estimate was based on reports from villagers and the local Red Cross." This was the last that the Katogota massacre was heard of in the international press.

### **MISNA Sticks To Its Story**

MISNA, however, did not back down from its story, reporting Petrie's remarks later on May 22. "Our MISNA sources, linked to the Congolese civil society, referred that the village in which hundreds of innocent civilians were massacred was inhabited by around 1,000 people, a fact also demonstrated by the considerable dimensions of the local church, with seating for 850 people. Not to mention that no one has seen a UN representative in Katogota."

A month later, MISNA reports that 91 people have been positively identified so far in the Katogota massacre and that bodies are still being found.—*Linda de Hoyos*

## There Are No Rogue States, Not Even Iraq

by Muriel Mirak-Weissbach

In the wake of the historic summit between North and South Korea, the U.S. State Department had to perform some fancy footwork, in an effort to extricate itself from an uncomfortable dilemma. If North Korea, officially categorized as a “rogue state” and included on the State Department’s list of seven states allegedly supporting terrorism, is engaged in a process of reconciliation with South Korea, on the road to reunification, then how can the United States continue to treat the government of Kim Jong-il as an enemy?

A rather discomfitted Madeleine Albright, was tasked to issue the new formulation, designed to solve the dilemma. Speaking on a radio show, June 20, the U.S. Secretary of State announced that there would no longer be a category of “rogue states” in the State Department’s official vocabulary, as it had outlived its purpose. State Department spokesman Richard Boucher explained that same day, that the new term would be “states of concern,” which term is “a better description, or a different description, because a single description, one size fits all, doesn’t really fit anymore.” Boucher pointed to signs of “evolution” on the part of the other six “rogue states,” saying that Libya had cooperated on the Lockerbie trial, Iran had experienced greater democracy, and so on. One could add, that relations are improving with Sudan, that the embargo against Cuba is being loosened, and, of course, that Syria has become a partner in the stalled peace process.

That leaves only one alleged “rogue state” left: Iraq. Or rather, if the entire category has been eliminated through this swift act of Orwellian Newspeak, and Iraq has become a “state of concern,” how can the U.S. administration continue to justify the genocidal sanctions and undeclared war against that

nation? Are we to understand aerial bombardments of civilians, and systematic starvation of an entire population, as the appropriate expressions of our “concern”?

### **Iraq as a Theater for War Games**

The *National Journal* published an article on June 10, by James Kitfield, on the undeclared war against Iraq. In candid and cynical terms, the author documented how the United States (and U.K.) have been conducting a war against Iraq for almost nine years, with their Operation Southern Watch and Operation Northern Watch. These names identify the military aerial bombardments conducted in the two geographical areas of the country, on the pretext that Iraq is challenging the “no-fly zones,” established in 1991 and 1993, allegedly to protect the Kurdish and Shi’ite populations from the Baghdad government. Increasingly, since December 1998, when President Clinton ordered a sustained bombardment, on grounds that Baghdad had refused to collaborate with the United Nations Special Commission (UNSCOM) inspections team, British and American planes, flying from bases in Turkey and Saudi Arabia, have been conducting raids several times per week. At that same time, Iraq began to challenge the “no-fly zone” regime, and therefore, the flights.

“Indeed, exchanges of fire between Iraqi air defense units and U.S. and allied aircraft have become so routine that they rarely even rate mention in the papers. This is a conflict,” writes Kitfield, “that has gone on for nine years now, yet is all but unknown to most Americans.”

The mission is “surreal,” said one Air Force officer quoted, because the American people do not know what it

is all about. What then, is it all about?

In a nutshell, it is about coordination, maneuvers, regional deployment, shooting practice, and testing weapons.

The amount of sorties is significant: Since 1998, when the pace of the operation picked up, Iraq was accused of having made 470 “hostile provocations” in the south, and Iraqi aircraft allegedly violated the southern no-fly zone over 150 times in the same period. “Meanwhile, U.S. and allied pilots have flown *more than 175,000 sorties* supporting Southern Watch, more flights than were flown during the entire Korean War. That total omits all the missions of Northern Watch, which patrols northern Iraq and is run from bases in Turkey by the U.S. European Command” (emphasis added).

Since 1998, these allied forces “have dropped roughly 1,200 tons of munitions of various types on Iraqi air defense sites—at a cost of about \$64.7 million. The combined Southern and Northern Watch operations, meanwhile, cost an estimated \$1.1 billion annually.”

Kitfield lays out quite objectively, what the “benefits” of the war are. Among the “beneficial” effects cited by military officers, are the following: First, the Air Force reorganized what was formerly a “temporary” mission, into 10 Air Expeditionary Forces, capable of deploying regularly for extended periods. At any time, “two of the Air Force’s expeditionary groups are deployed abroad—usually one to Iraq and the other to the Balkans—for 90 days each.” This has helped “inject . . . predictability and cohesion into Operation Southern Watch.”

“They come as a team now,” boasts Gen. Anthony Zinni, commander of the U.S. Central Command, who is on top of the operations.

Other benefits listed by the author include: “Air National Guard and Air Force Reserve squadrons are supplying 10% of the expeditionary forces, which has actually helped reserve commanders persuade Congress to pay for equipment upgrades and for modernization of their airplanes.”

Furthermore, “The unique requirements of the mission have also allowed the Pentagon to use some of the very latest-model bombs and missiles over Iraq in what amounts to *real-world target practice*” (emphasis added).

“Another benefit is that the live-fire nature of Southern Watch missions has resulted in one of the most combat-seasoned pilot forces of any peacetime period.” Kitfield quotes Brig. Gen. Hugh Cameron, commander of the U.S. Central Command Air Forces, saying, “You know, for an extended period after Vietnam, there were a lot of airmen who never even had the opportunity to drop a live bomb. Starting with Desert Storm and working for nearly a decade on Southern Watch, we now have a lot of combat veterans who have been shot at, and who have put real ordnance on a real target during real-world missions. There are tremendous benefits associated with that experience,” Cameron said.

## The Human Costs of the ‘Beneficial’ War

Just days after Kitfield’s article appeared, a major exposé was published in the *Washington Post*, by Edward Cody, which painted the picture of the undeclared war, as seen from the ground. Cody visited a dozen of the sites targeted in the U.S.-U.K. air strikes, and told a gruesome story, entitled “Carnage Is Routine Beneath Iraqi ‘No-Fly’ Zones.” Cody corroborated reports by Iraqi officials, on the vast extent of casualties caused by the aerial bombardments.

Among the reports he cites, is one by Iraqi air defense spokesman Lt. Gen. Yassin Jassem, who said that 300 Iraqis had been killed and 800 wounded by the strikes over the past 18 months. Of those killed, 200 were civilians, he estimated. Cody writes, “The Iraq death toll has been substantiated in part by a UN survey that examined some incidents independently and accepted Iraqi reports on others.”

The Iraqis have said that there have been 21,600 penetrations of Iraqi air space by U.S. and U.K. planes since December 1998, when the Iraqis decided to challenge the flights. Cody reports that the Pentagon says there have been more than 280,000 sorties since the “no-fly” zones were imposed almost ten years ago—a figure higher than the one cited by Kitfield.

The correspondent visited the sites of the strikes, and saw that they were either in towns and villages, or in open fields, with civilians living nearby, “with no signs of any military target present or having been present near the sheep and the boys who tend them in scenes reminiscent of the Bible.”

Cody reports that the casualties, occurring now at the rate of one civilian every three days, “has prompted France to freeze participation in enforcing the no-fly zones,” and has “generated growing protests from Russia and has left neighboring Saudi Arabia and Turkey uneasy about continuing to provide air bases” for the strikes.

The article chronicles in excruciating detail, how civilians—women and children—have been massacred by the strikes. It relates the story of an attack on May 12, 1999, in a field at Abu Auani, near Mosul in the north, which killed 19 and wounded 46. After an initial missile attack, men ran to the scene to carry off the dead and wounded, and, as people gathered, another missile came down, hitting more. This “incident,” is one of the few which the U.S. acknowledged to be an “error.”

## The Multiple Facets of Genocide

There is no exaggeration in the reports cited. Nor is there any exaggeration in the growing number of reports issued by humanitarian organizations, by UNICEF, and by fact-finding teams who have visited Iraq, on the genocidal effects of the ongoing sanctions regime, now entering its tenth year. The Iraqi civilian population is undernourished, sick, and prevented from having access to food and medicine it requires for survival.

Pro-sanctions advocates will respond, that Iraq has access to such goods, through the UN's oil-for-food program, whereby the country is allowed to sell a limited amount of oil, and use the revenues to purchase such items. In truth, however, the money goes first to reparations payments to Kuwait, then to payment for the UN's own operations, and only then, to Iraq.

As reported in the London *Guardian* on June 15, the reparations are bleeding the country's finances dry. Iraq has paid \$7 billion so far, but the UN Compensation Commission in Geneva, says that there are further claims amounting to \$276 billion, the first of which is \$21.5 claimed by Kuwait. Kuwait has already been given \$2.9 billion, for the destruction of property, and putting out fires from the war. It is now seeking payment, for lost revenues, and oil spilled or destroyed during the war.

Once this amount has been paid, the account says, Iraq will be asked to pay interest on delayed compensation since 1990. This, calculated at 3% per year, would add up to a further \$320 billion, which means Iraq would be still be paying Kuwait reparations into the year 2125.

The report sheds further light on the policy that U.S. Secretary of State James Baker III articulated to Iraqi Deputy Prime Minister Tariq Aziz, back in 1991 in Geneva, when he told him, the West would bomb Iraq back into the Stone Age. He neglected to explicitly say, that the UN regime, of sanctions and reparations, would serve to keep the country in the Stone Age.

## The 'Zinni Option'

What this adds up to, is a picture of torture inflicted on an entire population and nation, which defies all rationality and morality. It is no wonder that, as the truth about Iraq—or part of it—has come out, some protest has been heard. First, in the international arena, three permanent members of the UN Security Council, France, Russia, and China, have voiced objections to the sanctions regime, and have balked at endorsing a resolution, presented by the British, which would extend the regime under new terms. What the British proposed, is that the oil-for-food program be expanded, on condition that Iraq accept a new form of UN inspection team. This, it is known, the Iraqi government refuses, demanding, instead, that the sanctions be lifted immediately.

Richard Butler, the former head of UNSCOM, who was caught spying on Iraq, and passing information to several intelligence services, including the British, the Israeli, and the American, has been deployed by the Anglo-Americans, to campaign for such a change in the sanctions regime. Appearing on British Broadcasting Corp. early in June, and then on June 15 on a *Washington Post* webcast, Butler said that the sanctions have failed in their stated purpose, and have become a "bankrupt and harmful instrument." Asked by the webcast host, the New York Council on Foreign Relations, what the next U.S. administration should do, Butler said, it should seek

a change in the regime in Iraq, but not by outside interference. Rather, he proposed what has become known as the "Zinni option," to change the regime by "the intervention of Allah—by natural causes—or by a successful internal political action run by Iraqis." General Zinni has argued, that a military coup organized from within the Iraqi military, would be the only viable option for violently overthrowing Saddam Hussein's government.

Furthermore, he said, the United States should propose to the other members of the Security Council, to do something to save the authority of that body, which has been undermined by the lack of on-the-ground arms control or monitoring in Iraq. He proposed, that the new climate created by the debate over the proposed U.S. national missile defense, be exploited to enact a new policy toward Iraq: agree to lift the sanctions, "provided that Iraq would accept into its territory reentry of arms control monitors." This "shift in U.S. policy," he said, would also help address the problem of the opposition to current U.S. policy, by Russia, China, and France. These countries, Butler said, "do have a problem with there only being one superpower." By lifting the sanctions on these conditions, one could get back into Iraq, do so in a way acceptable to the American public, and also, "deal with some of the anxiety that is felt, especially by Russia, France, and China, about a world dominated by one superpower, by including them in this solution, by it being a collegial solution."

Butler's proposal is commendable for its transparency. In effect, he admits that he—or rather the Anglo-American policy establishment which controls him—fears a political break, on the part of Russia, China, and/or France, which could occur in the context of the new world economic order, which is emerging in Asia and elsewhere. And, they fear it may concretize around Iraq, a country with which all three powers seek economic cooperation.

As for the ostensible "front-runners" in the U.S. Presidential campaign, both Al Gore and George W. Bush have signed on to the Zinni option. Of the candidates for nomination, Lyndon LaRouche is the only one with a moral, rational policy on Iraq, and for this reason, is viewed in the Arab world as the only hope for America. His ideas have been being debated in the Arabic press for months, most recently, in an interview with the London-based daily *Al-Arab International* (see below).

Gore, who has the distinction of having been the most vociferous advocate of war in the Senate back in 1991, has already lined up a meeting with the Iraqi National Congress (INC), a motley collection of "opposition" groups, used as the political cover for operations aimed at orchestrating a military coup. Bush, whose father joined up with Margaret Thatcher to start the endless war against Iraq, has made known his intention also to meet with the INC. So, Butler and his backers should be content, that neither of these two Presidential hopefuls would get out of line. Both could be counted upon to agree to the Butler proposal, to offer the carrot of

lifting sanctions, while demanding with a big stick that Iraq accept a new UN inspections presence, and, to use Iraq's predictable rejection, as a *casus belli*, to keep the undeclared war going. Both are on the record, in favor of changing the Iraqi government.

## Lift the Sanctions

However, at the same time, inside the United States, there has been a steady, albeit low-volume, drumbeat in favor of lifting the sanctions. This year, an election year, has witnessed increased activity on the part of Arab-American organizations, to put pressure on their elected representatives, to move against sanctions. A group of 70 Congressmen signed a petition to President Clinton in February urging a policy review toward Iraq. Some of the Congressmen have even sent their aides on a fact-finding trip to Iraq, an unprecedented move.

And now, with the redefinition of "rogue states," pressure is building for a wholesale review of U.S. military policy more broadly — pivoted on the debate around Clinton's proposed National Missile Defense and Theater Missile Defense. If North Korea is making peace with South Korea, then why deploy a defensive system against its presumed missiles? The question has been raised, and some are responding with the truth, admitting that North Korea has always been a code name for the real perceived enemy in Asia, the People's Republic of China, but one can not say so.

Furthermore, it is U.S. military policy, to be able to fight two major theater wars simultaneously, the two theaters being Asia and the Middle East. If the ostensible threat disappears, what then?

In Asia, following the Inter-Korean Summit (see "Inter-Korean Summit: 'Open the Roads, Re-Link the Rails!'" *EIR*, June 23, 2000), this question is being placed on the table quite openly. In the case of Iraq, it is not being posed in that form, but it should be. When one considers the nature of the crime being perpetrated against Iraq and its people, one asks, "Why?" Iraq clearly represents no military threat to the United States; its economy and productive labor force have been strangled by the embargo, and claims of its being close to developing a nuclear capacity are fraudulent, as former inspectors have testified.

The only reason for maintaining de facto a "rogue state" status for Iraq, is that the Anglo-American policy elite is in a terminal, systemic crisis, and is *seeking war*. The dinosaur is dying, and is thrashing and kicking as it goes. Iraq — and also Iran — are the designated targets in this war scenario, not because they represent military threats, but inclusively, because they constitute vital components in the Eurasian Land-Bridge infrastructure project, to bring Asia and Europe into an integrated economic process. It was Iraq's potential to become an industrialized powerhouse, generating such economic growth and cooperation throughout the region, that made it a prime target ten years ago.

The Persian Gulf is a region where, thanks to Desert

Storm, the Anglo-Americans have a war machine essentially in place. As Kitfield's article documents, they have been maintaining war readiness, by continuing virtually uninterrupted live-fire maneuvers in the region, using Iraq as the battleground.

Take away the bogeyman Iraq, and you must face the perspective of dismantling the naval and troop presence in the Persian Gulf, withdrawing the occupying forces from Saudi Arabia, and the bases in Kuwait and Turkey. This is precisely what many governments in the region, led by Iran, are demanding: that all foreign military leave the area, and allow for sovereign states to arrange for their regional security. That option, of course, is by definition unacceptable to the Anglo-Americans.

It may be unacceptable, but, as the unfortunate Mr. Butler was quick to note, there is a growing movement of nations that object to the idea of there being one superpower, and that are coming together, in regional groupings, to set up regional monetary, financial, and trade arrangements which could defend them from the systemic collapse of the globalized current regime, and lay the basis for an utterly new, economic world order. Theirs is a perspective for peace among nations, based on such mutually beneficial economic cooperation, a perspective in which the very notion of "rogue state" is abhorred.

This, a morally superior concept, is destined to prevail.

## The Way Out of The Crisis



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

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



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# LaRouche Discusses His Policy for the Mideast

*The following interview was published in the London-based Arabic daily Al-Arab International. It was conducted by Al-Arab's Economy Editor, Dr. Mustafa Ali Al-Bazargan, during the May 26-28 ICLC/Schiller Institute conference in Bad Schwalbach, Germany. Dr. Al-Barzagan has published several articles on LaRouche's ideas and political activities. He has also endorsed the Ad Hoc Committee for a New Bretton Woods.*

*The interview is headlined "American Economist and Politician Lyndon LaRouche in a Special Dialogue with Al-Arab International: The Arabs Have No Choice But To Establish an Economic, Financial Bloc To Counter Globalization." The interview appeared on June 21, the same day as the meeting of the Organization of Petroleum Exporting Countries (OPEC) oil ministers in Geneva, to discuss the phony oil price increase. The interview highlights in its banner headline the necessity of regional economic structures as elaborated more emphatically in the past weeks around the world. And, it features LaRouche's condemnation of the Iraqi sanctions and the U.S.-British war there, which comes amid a major Anglo-American drive to start a new conflict in the region. LaRouche is the only U.S. candidate for the Presidential nomination, who has unequivocally committed himself to the immediate lifting of the sanctions against Iraq. The interview has been slightly edited.*

By *Al-Arab* Editor: "American economist and politician Lyndon LaRouche spoke in a comprehensive dialogue with *Al-Arab International*, which dealt with the most important economic and political issues. He dealt with the Arab role in the field of local and regional economy in the Middle East and North Africa. He emphasized a number of necessities that will oblige the Arabs to establish an economic, financial bloc through which they can counter the effects of globalization at a time when regional groupings have become a necessary alternative to single nations.

The following is the text of the dialogue.

**Q:** You often mention oil in your speeches and articles. What do you think about this issue, because now the Clinton Administration has said oil is behind the problems of inflation, the problems in the financial markets. When oil is going up to \$28 or \$30 per barrel, all problems seem to have oil

behind them. Is there any truth in that?

**LaRouche:** No. Clinton is in a phase now in which he is saying things for effect, in terms of the Al Gore election campaign and things of that type. Therefore, he goes with the party line of the Gore faction, and often says things which he doesn't believe. He knows this, but the point is, that he is trying to blame something for the inflation, apart from the present policy of the United States government. The inflation is not caused by the oil, as everybody knows, it is not caused by supply and demand. The inflation is entirely caused by financial speculation. The financial debt piled onto the companies involved in the supply and distribution of petroleum, generates a financial cost, which has nothing to do with the price of the oil.

The answer to this is—first, let's take some examples from the United States, because we do have them. If you compare the rise in the recent three months in the U.S., in the rise of the average real estate prices, you will find that the rise there is almost comparable to the rise of the oil prices, for the same reason. So, how could you say that the rise in the real estate prices in the U.S. has to do with the oil prices in the Middle East?

**Q:** So, the Clinton Administration blames problems either on the oil, or sometimes they use the Iraqi issue.

**LaRouche:** The answer is in the Gore issue. For the President, if you check the record from the beginning of his Administration, Clinton was never really so enthusiastic about bombing the Iraqis. However, Al Gore *is*. And the State Department, Mrs. Albright, or the Brzezinski/Albright clan, is very much for it. Therefore, the President is going along with that. He is going along with the attack on Peru. He doesn't believe it, yet he is doing this, because he is supporting his candidate, Gore, and that is foolish, but he is doing it. What can I say?

**Q:** Okay, let's shift to the IMF and its effects on the Arab countries.

**LaRouche:** Well, there are two areas to this. First of all, the IMF is a creation which is now dominated by the Anglo-American combination, period, which means the London financial center, then Wall Street and its law firms. That is the whole story. The IMF is nothing but an agent of these combined forces. If the system goes bankrupt, and it will do so very soon, the IMF will not exist. It will cease to exist; it will be bankrupt.

**Q:** So, what is the other choice for the Arab countries?

**LaRouche:** Well, first of all, the IMF was a creation of the Bretton Woods agreement. Which means that it is nothing but a creature whose legal existence depends on two things: Number one, it is created by the nation-states that dominate it, actually two, the British Commonwealth and the United



*Lyndon LaRouche on a bridge over the Nile River in Sudan, December 1994.*

States of America, but others were involved. Secondly, it has become an organ of the United Nations Organization, with the same story. When it becomes bankrupt, we have to create a new institution; we may not call it the IMF, but we have to put the IMF into a bankruptcy reorganization.

Very simply, what we must do, is exactly what President Franklin Roosevelt intended to do, had he not died before the end of the war. That we have to go back to the Bretton Woods policy, but this time we must eliminate colonialism. This time we must bring in the developing countries as full partners in running whatever replaces the IMF. And that is the only answer. You have to have true representation, true equality. You want to remove everything that blinds their eyes, except we want the benefit of mutual cooperation. Will we compromise? Yes, but we will always want cooperation. And that's really the answer to it.

**Q:** About your New Bretton Woods, can you give us some details about how it will affect the Arab countries?

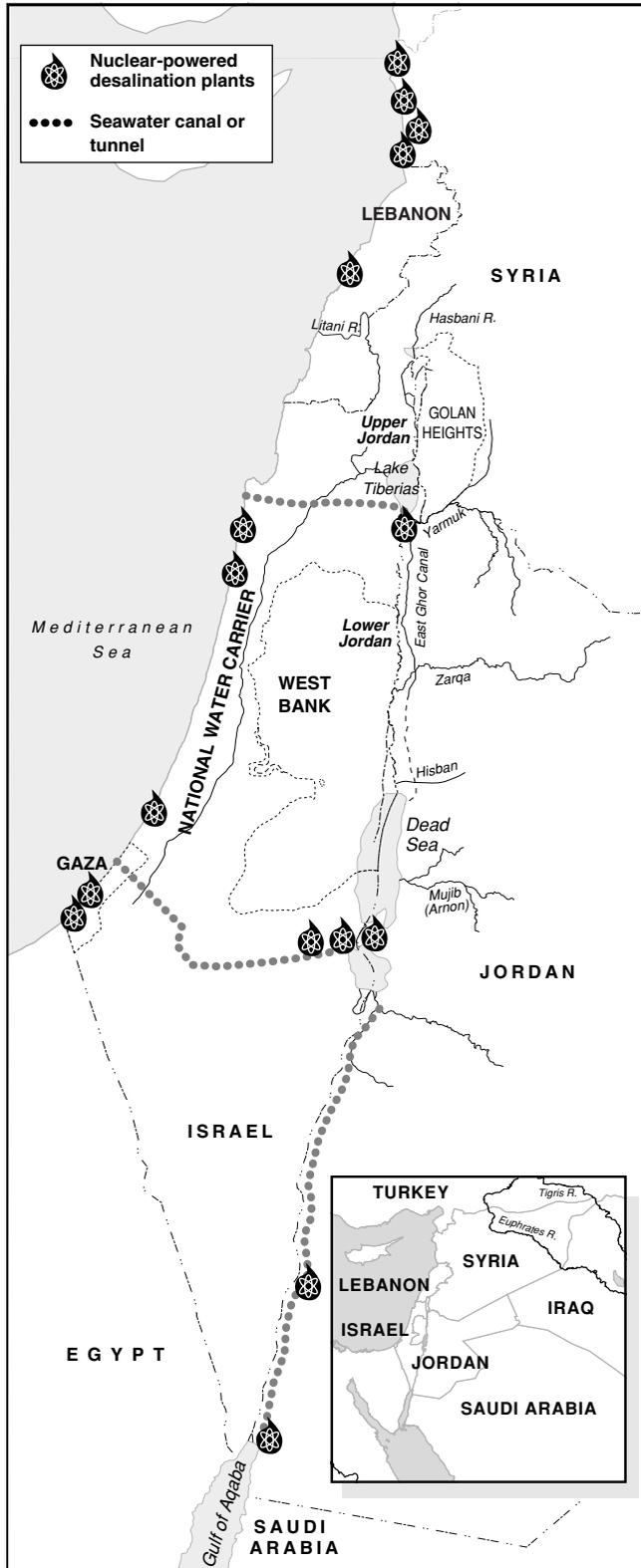
**LaRouche:** Take the period between 1945 at the end of the war until 1958-59. We had fixed exchange rates based on a gold reserve, not gold: an international fixed exchange rate using gold at a fixed price as a way of fixing currencies. It was actually not based on gold, but on the fact that every country agreed to pay its balance of payments in terms of commodities or long-term trade contracts. So, fine; go back to that system, to a protectionist system, protect the prices of many commodities, particularly primary commodities. We don't want pri-

mary commodities fluctuating wildly. It is bad for the world economy. For example, the oil price: We have a basic indicated structure of the oil price, which is made constant with respect to the base of a gold reserve standard. You will take other key minerals, like copper, silver, give them, or agree to give them a relevant price of certain criteria. What you don't want, is inflation.

So, officially, you need two things: You want to have stable agreements, because you want long-term investment agreements. Therefore, we want fixed exchange rates, low rates, long-term agreements, 20-, 25-, 30-year agreements, because infrastructure investment is really 20 to 30 years.

For example, take the Middle East—take North Africa, the Middle East, the so-called Arab world. Now, we just lost peace, the peace process in the Middle East, for the time being. We lost it primarily because the President behaved like an idiot. There is no possibility for peace in the Middle East without water desalination on a massive scale. You cannot quarrel about insufficient water; you must have sufficient water. Now, we can do that, we have the technology; we had in a recent issue of *EIR*, a report on these matters [see **Figure 1** and *EIR*, May 19]. If you bring a number of the high-temperature nuclear reactors—which the Russians can make, which the South Africans are making on the German model, we can use that model—we can use mass desalination to create new centers of agriculture. It takes three years to turn the desert area into a growing area if we use the modern technologies we have. You take large

## Proposed Nuclear Desalination—Make Water Resources to Make Peace



areas, and you say, these are the centers of the future. You take a program like the Egyptians had, until 1982, for the agro-industrial centers. Take that program, because the Egyptians designed it very well. Take a map of the Middle East and North Africa, let's take what Muammar al-Qaddafi did with this Great Man-Made River. But, let's take it in those terms. We will make this land area, turn it into a cultivated area. Now, we will be able to offer people in this area peaceful cooperation, because they will not fight over water. If we have adequate transportation, adequate water, adequate energy, why should we fight?

I flew over Jordan, I flew over areas from Sudan to Jordan: What do I see? I see desert. Why should there be desert there? Much of this land, with water, we can develop it. It takes three to five years to turn it from yellow to brown to black land with the proper methods. Years ago, I went up the Euphrates and saw all these areas, I remembered these days from Haroun Al-Rashid, because at the time of Haroun Al-Rashid there had been 30 million Iraqis. Thirty million! That's the difference. You walk up the river, you find a small village and a water mill with nice palms and fruit and so forth. The next one, not working. Next one, not working. So, if you have enough water, if you have an agreement on nuclear energy development, we can provide the desalination.

We should not be using oil for the long term for fuel. We should be using it for the development of the petrochemical industry. So, there should be a long-term process of converting so-called petrochemicals into petrochemical feedstock for industrial production. The area that produces oil should now be in a 20- to 30-year process of being reoriented toward developing petrochemical industries, plastics, and medical and all kinds of materials. You generate a higher rate of return, and you develop the people of the entire area. You want to buy a higher standard of living, better education, end the poverty, end the misery. That is the way to bring peace. And therefore, this is the way to go.

We have to get long-term credit, of 25-30 years. We have to get infrastructure development, which is needed in the Middle East. The most important thing is infrastructure. End this nonsense, this quarrel, and this poverty, through infrastructure development. Turn the desert into a rich land. The whole Sahara was once rich; bring that back. And therefore, on that basis, long-term investment to build the productive powers of labor, build up new industries, with modern technology. It works! We have done this kind of thing before, not in this way, not on this scale, but we have done it, and we know it works. Do it.

**Q:** Let me just go back to the oil problem. There were suggestions in the last two weeks . . . the Qataris want to form a new organization, and in addition to the OPEC members, bring in other, outside oil-producers, I mean Britain and Norway, and bring producers and consumers together. What do you think?

**LaRouche:** It is a good idea. I think it is not so difficult. Let's take the case of the ASEAN-plus-Three, the Chiang Mai proposal. It is not official. Malaysia is pushing it, as a leader in pushing this. They don't go far enough, they are cautious, because of the repercussions of this. China is interested in it. [former Japanese Vice Finance Minister] Eisuke Sakakibara is still behind it, he proposed it first in 1997. It makes sense for Japan, Korea, and China to cooperate with the ASEAN group of nations. Therefore, will it not be interesting to include countries which are oil-producing countries, to make agreements which involve their customer nations, in terms of new technology and so forth?

Let's take Sudan. Sudan has now become an oil-producing country — on a small scale, but it has certain infrastructure to serve this. Sudan is the largest country in Africa physically. It has a large territory with a lot of desert, but also has access now to energy areas, and with water management and water desalination, suddenly Sudan can become a great country in every respect.

So, you have this thing with Sudan, Egypt, on one side, and on the other side, you have the Arab sector there. So, the idea in the Arab world, and with other parts of the world, especially this thing with Southeast Asia, ASEAN, I would look in that direction. It is steps in that direction — if you can not go the whole way, a step in that direction. The association of producer-consumer nations is a good step.

**Q:** What is your opinion on economic sanctions in general?

**LaRouche:** Sanctions? No. It is stupid.

**Q:** And why?

**LaRouche:** Well, look what they have done with Iraq. This is a crime against humanity. The war was immoral and illegal in the first place. It could have been avoided. It should have been avoided. The whole group of nations involved should have discussed and resolved the matter on a peaceful basis.

There were problems with Kuwait, there were problems with Iraq and what was done to the Iraqi oil fields. This could have been negotiated. But, somebody in London, and elsewhere, wanted the war. They wanted to have their wonderful little war. Maggie Thatcher needed another war. This is what she is good at. The witch who comes and brings war.

In this case, the principle of the Treaty of Westphalia should apply. You don't get peace by sanctions. You get peace by saying: We don't want war, therefore, what do we want? What will we agree to? And come to a possible agreement — like the Treaty of Westphalia, as a model. What do we want the standards of peaceful cooperation to be? What does everybody gain, that they will live with it? And that what should work, like in the issue in the Middle East and the Balkans: End this business of sanctions and reparations. Rebuild the area. Treaty of Westphalia. Use the lessons

we had from economic cooperation. *Do* it. It is not such a big thing. We did it before. We used to do it; before the Versailles Treaty, we did not have sanctions. We didn't have retributions. All the great things are moral things.

In the case of Ibero-America, what Mexico, Central America, South America paid in terms of what their debt obligations are, they paid probably about twice as much as what they actually ever owed. Now, if you take what they paid in debt — now, what did they pay, not in terms of bookkeeping adjustment? What happened is that each of these countries adjusted the amount of debt. But the country would get no money. It will incur debt for which it was paid nothing. And that was unjust and immoral. And that is the argument that should be made, that this immoral system is now dying. . . . It is dying because God wanted it to die, because it was immoral.

Therefore, forgive the debt, especially the Third World countries that have been impoverished by these kinds of conditions. Therefore, they should forgive the debt. It was a mistake that was imposed by force, it was imposed by might and authority, it was not made by free will, it was not honestly incurred, but imposed by force; therefore, it was extortion. So, these countries can free themselves from the sin of extortion and misery, by freeing their debtors from this imprisonment. I think a general case should be made, because I think it is very important, not to merely insist upon something, but to make a reasonable argument for doing it, which makes it a principle of law, not an arbitrary decision. It is always good to make an argument of law.

**Q:** On the situation in the United States, and the violation of democracy there. Last year, I wrote many articles about Mr. LaRouche, and I get many calls. They say, "Are you sure this is happening in America?" So, would you enlighten us about this issue?

**LaRouche:** The problem is simple. The problem with the use of the word "democracy," is that people who use the term do not accept the idea of truth. Take the case of simple justice: A person is accused in court with a serious criminal charge. Is the person going to have a truthful hearing on the charges? Is the truth going to be served? Is the argument of the prosecution the truth or not, false? Is the argument of the defendant true or false? Now, what happens if you go to a court, and they say there is no such thing as truth, there is only opinion. And you say, is the opinion of the judge and the prosecution more important than the opinion of the person who is charged? And therefore, you have in the United States criminal justice system, a horrendous miscarriage of justice. The courts no longer accept truth as a standard of justice.

So, what people want: They don't want democracy. What they want is truth. They want the protection of being treated justly according to truth, which means that the smallest

person, in terms of power, should have the right to go into a court, or into the elections, or anywhere else, and have the right of having his interest truthfully expressed, and truthfully heard, and truthfully decided in a just matter. That is what decides; the idea of the democracy of opinion does not answer the question. The answer is truth, and the question of what are the natural rights of human beings. Is the human being an animal, or something different than an animal? Therefore, is it immoral to impose conditions on people which are inhuman? Therefore, the standard of justice and truth is the obligation to discover the truth. The court may not know the truth, the defendant may not know the truth, the prosecutor may not know the truth, but the trial must be a process in which the truth may be discovered, or at least in which the truth is not abused. Which is to say, we don't know this, we can't decide that, but this much we know to be the truth, therefore, we will make a decision on what we know to be the truth. And take into account that we don't know everything, but will leave room for further discovery of the truth. So, the issue here is truth, and the United States has no respect for truth anymore.

Take, for example, the visit in 1998 of Al Gore to Kuala Lumpur. He was a guest of the conference, which was hosted by the government of Malaysia. He walked in there without showing courtesy beforehand, and made raving, degrading insults against the person of [Prime Minister] Mahathir bin Mohamad, and then walked out. And we had the U.S. Secretary of State there making similar noises. If I were President of the United States, I would publicly denounce him, because you don't do that. We have a situation in Peru similar to that. What is done by the United States all over the world is the same thing: It is unjust; it is untruthful.

The important thing is that the U.S. has a function in the world, but it must be confined to that historically determined function. We must never perpetrate injustice. The United States must never perpetrate injustice. We don't need to. It is not to our advantage to perpetrate injustice.

I remember at the end of the war [World War II], the United States was loved all over the world. In most parts at least. Today, it is hated in most parts of the world. Why? Because of that policy, because of bad press, lying press everywhere in the world, and that bad policy. American people don't know what is going on, but that is the issue. The United States represents something. It is not perfect. It is a historical phenomenon, which has a very important place in modern history. It must be true to what it represents. Fine, admire the United States and what it represents, and tell the United States to continue to be that please.

**Q:** Who can tell her that?

**LaRouche:** I can tell her that. It is my job. Someone has to say it — someone from the United States that makes it special. Don't be afraid. We have some monsters in the United States, but don't be afraid.

**Q:** Now we have the Secretary of Energy, Bill Richardson, and he is intending to go to the Gulf in June before the OPEC conference. So, what do you think?

**LaRouche:** No, he is just doing what he is told. There is hysteria in the White House. The President is very weak, has no political power, lost most of it, and Al Gore represents this. You have Defense Secretary [William] Cohen. . . . Madeleine Albright is a global disaster. She is, in fact, an embarrassment for the whole solar system. Richardson is not a bad person.

**Q:** That is the point. I met him in November 1998. I asked him two questions. First he answered about Iraq. When I discussed the issue of sanctions he said, "No, I can't answer. This issue is the decision of the government." Does that mean that the U.S. will turn in the eyes of the Arab people from the land of democracy to the land of dictatorship?

**LaRouche:** Yes, "Look I only take orders here." That is the weakness of the situation. I don't believe that kind of government. I think a minister within a government should be able to say what he believes, including saying that "my government's position is this. Some of us don't agree, but this is our position. Do you want to discuss? We discuss. I will convey your ideas back to the government." That is a responsible person. That is the way to do it.

# So, You Wish To Learn All About Economics?

by Lyndon H. LaRouche, Jr.

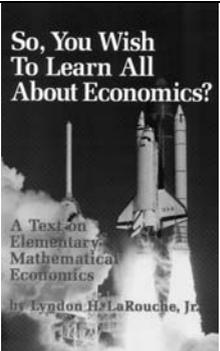
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# Peru Braces for Visit by OAS Hit-Squad

by Dennis Small

On June 27-30, Organization of American States Secretary General César Gaviria and Canadian Foreign Minister Lloyd Axworthy descend on Lima, Peru to try to come up with some way to topple the recently re-elected government of Alberto Fujimori, and install one more favorable to London and Wall Street's objectives of "free trade," dollarization, and drug legalization throughout the Americas. Their mission is not an easy one.

The anti-drug Fujimori was duly re-elected for a third term, in Presidential elections on May 28. Despite a continuing snit by the psychologically unstable opposition candidate Alejandro Toledo, Project Democracy's poster boy, and enormous international pressure from the U.S. State Department and the global non-governmental organization (NGO) apparatus—much of it funded by the world's premier drug legalizer, George Soros—Peruvian electoral authorities stood their ground, and ratified the validity of the elections.

Furthermore, most of the nations of Ibero-America have refused to sanction the transparent effort to imposed limited sovereignty on Peru. At a June 4-6 meeting of OAS foreign ministers in Windsor, Canada, the State Department's effort to invoke OAS Resolution 1080—which would pronounce "democracy" to be "threatened" in Peru, and thus authorize supranational meddling—was overwhelmingly defeated. The most that the U.S.-Canada axis of globalizers could get approved, was the naming of the Axworthy-Gaviria mission to visit Peru to "strengthen democracy."

Axworthy, in a speech before the Inter-American Dialogue's Sol Linowitz Forum in Washington, D.C. on June 15, ruefully recognized that, while the OAS found "major irregularities" in the Peruvian elections, his upcoming mission to Peru "is not . . . a mission to deal with the specific outcome of the election itself. . . . Let's be clear. No one should expect quick fixes or easy solutions. . . . For those who missed the point in their commentary and critique: this mission is not about applying *post hoc* punishment or sanctions, but about investing in the future."

And then, at the Presidential summit of the Rio Group (19 countries of Ibero-America and the Caribbean), in Cartagena, Colombia on June 16-17, the final communiqués called for "strengthening democracy," but didn't even mention Peru by name, let alone call for sanctions against that country.

## State Department on Suicidal Course

In Washington, there are indications that there is reluctance, in some quarters, to maintain the suicidal, confrontational line against President Fujimori, but the State Department is vociferously sticking to its guns. U.S. Ambassador to Peru John Hamilton matter of factly told the Lima press, on June 15, that he expected to attend Fujimori's July 28 inauguration; but within hours, he issued a "clarification" that the U.S. government was still "reserving judgment" on the validity of the elections, which he described as "profoundly defective" and "not up to international standards."

Lino Gutiérrez, the Principal Deputy Assistant Secretary for the Bureau of Western Hemisphere Affairs, on June 14 presented the authoritative State Department line in prepared remarks before the House Subcommittee on Western Hemisphere affairs: "We support the [Axworthy-Gaviria] OAS Mission, which carries the full weight of the hemisphere behind it. We want to give this initiative time to prove itself. However, we fully share the concerns expressed by Congress in Senate Joint Resolution 43 that our relationship with Peru be reviewed in the wake of the lack of free and fair elections. We have therefore stated publicly and privately to the Government of Peru that the U.S. reserves the right to draw its own conclusions and take its own action in response to the process made by the Government of Peru towards implementing meaningful democratic reform."

Resolution 43 is a bellicose statement by the U.S. Senate which threatens Peru with embargos and other forms of economic warfare, should it not bend to the globalizers' demands.

But the "fundamentalists" in the State Department and Congress are in a bind, because the more they assault Peru and its sovereign institutions, the more they drive thinking Peruvians—and others across the continent—toward the ideas of Lyndon LaRouche, for an explanation of why they are being attacked, and what they can do about it. For example, the broad circulation Lima magazine *Gente* in the third week in June, ran its third interview in one month with LaRouche, as part of a 13-page package exposing the Project Democracy/George Soros NGO apparatus behind the war against their country. Similarly, LaRouche associate and *EIR* Peru representative Luis Vásquez, has been prominently featured in recent weeks on Peruvian national television and in local newspapers, presenting LaRouche's analysis.

# LaRouche: They Are Out to ‘Dollarize’ Peru and All of Ibero-America

*The following is the full text of the interview which Lyndon LaRouche gave Peru’s Gente magazine on June 19, a portion of which was published in their edition of June 21.*

**Q:** Mr. LaRouche, I am César Infanzon; a very good morning to you. My first question has to do with the OAS [Organization of American States] high-level mission. We understand it is on its way here and should be arriving any moment. We understand that there was also a meeting of that group in the United States either Friday or Saturday, and we would like to know your thinking in this regard.

**LaRouche:** Well, I think first of all, there’s been some slight improvement on President Clinton’s side. So, the State Department will probably try to appear at least to behave itself, but [U.S. Secretary of State Madeleine] Mrs. Albright and her friends will not, nor will [Canadian Foreign Minister Lloyd] Mr. Axworthy. They will try to do things which will avoid their having embarrassment with President Clinton, but they are fanatics, and they will try to do what they can do within those limits.

What they are trying to do is wear down Peru. The object is to get Peru into NAFTA [the North American Free Trade Agreement]. As a matter of fact, the intent is to get the entire hemisphere into NAFTA. Now, there’s some support for this idea, of course, from George Bush, his crowd; but the vice president, Mr. Al Gore, is absolutely hysterical on this issue.

You have to understand that, if you look at the history of U.S. Wall Street and London banking, with the system coming down—there’s nothing that can save the system in its present form—they will do anything possible to try to postpone the death of the system another two days. What they will try to do is create the appearance that they have certain agreements with Peru, which they can then use as a basis for announcing some new credit mechanism. They’re talking about NAFTA for Peru a few years down the line. But what they want to get immediately is the dollarization of Peru, or at least something that approximates dollarization, which they will use to create credit for themselves in the New York and other markets.

In summation, I would say that, while there is some moderation being expressed by President Clinton—as you can see by the way he intervened to affirm his support for the Korea meeting that occurred this past week—the Wall Street crowd

behind Al Gore are absolutely hysterical. This means that countries such as Canada, the United Kingdom, Australia, New Zealand, and the United States, will be absolutely hysterical on the financial side, in trying to push a capitulation of some degree for Peru now.

**Q:** I wanted to ask you about the meeting that took place Friday or Saturday, by the OAS, in Washington. What sort of meeting was it, what did it deal with?

**LaRouche:** Essentially this. This is the direction they are moving in. They are moving toward a dollarization and a NAFTA policy, to integrate the United Kingdom as well as Canada into NAFTA, and to extend NAFTA throughout the hemisphere.

And the second thing we’re picking up, is that they’re pushing very actively with this Project Democracy crowd. So, even though President Clinton has told them to be a little more moderate with respect to President Fujimori, nonetheless these fanatics are still fanatics, and will not be deterred too easily. If you look at the political situation inside the United States, I have not seen such hysteria in more than 40 years, in the highest political circles. So, that always has to be taken into account.

One thing should be added. What happened with the Koreans, which is precisely what I expected would happen when I wrote this article in *EIR* on the regional blocs emerging [“Regional Organization under a New Bretton Woods,” *EIR*, June 16], is the so-called ASEAN-Plus-Three, that is, the ASEAN [Association of Southeast Asian Nations] members plus China, Korea, and Japan, are actually moving together. It’s not a simple thing, but they’re moving. You’re having a similar development in Europe; it’s weaker, but it’s significant. The French and Germans are actually moving against what the United States and London have been trying to do to them. So you have to take into account, first of all, that there are movements around the world toward creating a new monetary system, and trying to build up regional blocs, which makes some people in London and the United States desperate.

At the same time, this financial system is cracking. No one knows the exact day, as I’ve said before, but this thing is going down. It’s going down in either a deflationary collapse or a hyperinflationary blow-out very soon. You might get a



*U.S. Secretary of State Madeleine Albright with Canadian Foreign Minister Lloyd Axworthy, on June 13 in Washington. "What they are trying to do is wear down Peru," LaRouche charges. "The object is to get Peru into NAFTA. As a matter of fact, the intent is to get the entire hemisphere into NAFTA."*

sense of that if you look at an article by a friend of mine, Richard Freeman, which will be published this week ["The World Is Now Hurling into Weimar-Style Hyperinflation," *EIR*, June 23], which follows up on my report of the nature, the similarity, of the world crisis today and the hyperinflationary crisis in Germany in the summer of 1923. So, you can assume that these people in Washington, and especially on Wall Street, are increasingly hysterical.

**Q:** What is your opinion of these two gentlemen, Lloyd Axworthy and César Gaviria, who are members of this commission?

**LaRouche:** Well, Axworthy represents what we would call the extended British-American-Canadian combination, which is the City of London, New York, Australia, New Zealand, Canada, and so forth, and their policy internationally is to push through dollarization in the hemisphere, and to push through also complete NAFTA assimilation, and to impose increasingly limited sovereignty upon states in the region. You might call it neo-colonialism.

**Q:** With regard to Project Democracy, what does this mean in the Peruvian context?

**LaRouche:** Well, it's an international project which was actually set up authoritatively in 1982. Relevant legislation was pushed through in the [U.S.] Congress, after President Reagan had had a visit in London with Margaret Thatcher. Now, what Project Democracy is—the National Endowment for Democ-

racy, et al.—is what is called a QUANGO, in diplomatic language. That is, a quasi-non-governmental organization. It's actually an intelligence organization, run under a semi-private cover. It gets U.S. government funds for much of its activities. It is also a branch of the State Department, in effect. It's sponsored by the State Department; separate from the State Department, but it really isn't.

And it also contains some of the nastiest of the senior international intelligence groupings, or organizations, in the world. For example, Freedom House in New York, which is a part, or offshoot of the International Rescue Committee operation set up many years ago. It's actually a creation of the former Communist Jay Lovestone, who set up an international labor intelligence organization, and Freedom House is essentially a branch of that. For example, the AFL-CIO international department is filled with people like this, as are the International Metal Workers Federation headed up in London. Many of them are senior intelligence operatives, and they deploy as secret intelligence operations. They are quite nasty, and they don't have much in the way of morals, but they are very insistent in what they call their ethics, and what they call democracy.

The essential thing is to destroy the idea of the nation-state, and to use the slogan of "democracy" by contrasting democracy to the nation-state, which is idiotic, but that's what they do. So, if they're going to come and kill you, they're going to do it in the name of democracy. These people have tried to kill me a few times, so I'm quite familiar with them.



*Billionaire speculator George Soros, says LaRouche, is typical of the kind of financial operator who ran the Opium Wars against China during the 19th century.*

**Q:** When you talk about Project Democracy, are you also including in that Mr. George Soros?

**LaRouche:** Soros is an asset of a bankers' group, and he funds a lot of things, and is a politically pro-active supporter and funder of many projects internationally of this nature.

If you want to understand this, you have to go back to late-18th-century England, when, in 1782, the modern British Foreign Office was first set up. The head of the Foreign Office at that time was Jeremy Bentham, a very notorious character in the history of Latin America. Lord Palmerston was essentially a protégé of Jeremy Bentham. Look at the fact that the modern British form of international drug trafficking, such as the China opium traffic, was set up by Jeremy Bentham. His protégé Lord Palmerston, of course, became the author of the infamous Opium War policy against China. This was a complex operation involving financial personalities, dirty political characters, military operations, everything.

If you want to see exactly how the drug war was run against the states of Central and South America, go back to the Bentham-Palmerston policy of the late 18th century and the 19th century, and it had exactly the same purpose. The objectives are about the same; the methods are about the same. And George Soros is typical of this kind of financial operator, and persons of the same type were doing the same kind of thing during the days of the Opium Wars against China.

**Q:** What effect will this dollarization, if applied, have on Peru?

**LaRouche:** It will absolutely destroy the nation and its people. You see what's happened to Argentina, which was once a very powerful economy. What this amounts to is a straight looting of the people and the country, by means of manipulating a currency the people don't control. It actually is a method of mass murder, in effect, if you look at what the inevitable consequences are. And the people behind it are either so greedy that they don't see that they are committing a crime of that sort, or, if they see it, they say they have to do it anyway.

**Q:** This dollarization that you are referring to: Is this something that Axworthy and Gaviria will be bringing with them as part of their mission?

**LaRouche:** Well, it will be in their bag. How much they will push it up front, in that form, is not certain. But what will occur is emphasis in the conversation on the "Ecuador model," and also in emphasis on the great "peace" in Colombia. They'll make it very clear. Whether they'll say it outright or not, they intend to dollarize the Peruvian economy.

**Q:** Who, then, would be the people, specifically, who would come to work on our country and say, "Look, you must dollarize!"?

**LaRouche:** You have some of them already there. They are people associated with the Inter-American Dialogue, the Andean Commission of Jurists, and similar kinds of organizations—Project Democracy offshoots, in general. There will be pressure from some people in Europe, which we've already seen, from the people who are "concerned" about the terrorists in Peru.

I would say that what you could guarantee is an insidious continuation of the pressure. They know where they're going, and they're going to push in that direction. They will adjust tactically, in verbiage and in motions, the way they think they can get by with it; but their objectives are clear.

**Q:** Speaking of the Andean Commission of Jurists, one of its most high-level representatives, Mr. Diego García Sayán, had some very nasty things to say about you in an interview with Channel N television, which belongs to the newspaper *Comercio*. We want to know what you think.

**LaRouche:** I've heard about him before. This is not the first time; he's just gotten a little wilder and crazier this time, making wild exaggerations, false charges, that sort of thing. Such statements as were on the television in Peru suggest a man who has become rather desperate. Maybe somebody who backs him is not pleased with his performance right now. I find these types generally do that. They become totally wild, absolutely silly, crazy, with these absolutely false accusations. When you hear that kind of thing from such sources, you know they're losing their nerve.

**Q:** Besides attacking you, Mr. LaRouche, he's also attacked us at *Gente* magazine, and that has led us to bring legal charges

against him. And the same thing with Mr. [Gustavo] Gorriti, when he was interviewed by Channel N.

**LaRouche:** Well, obviously they're frightened. They're not frightened by what we're going to do, but frightened by what their masters are going to do if they think they're failures.

**Q:** Mr. LaRouche, allow me to go back to this question of dollarization. You have mentioned that Mr. Diego García Sayán is one of those pushing for this. He's a member of Inter-American Dialogue here in Peru. But who else, both inside and outside Peru, is pushing this proposal?

**LaRouche:** It's actually coming from the foreign Wall Street and London powers. If you see what is happening on Wall Street itself, you see a financial bubble, a hyperinflationary financial bubble that is about to explode—if you study Richard Freeman's article, in light of the previous article that I wrote, comparing the present situation to the 1923 German hyperinflation.

Since 1971, the states of the Americas have been looted and swindled by the floating-exchange-rate system. As a group, the nations of Central and South America have paid much more debt than they ever incurred. What they would do, is that when they would devalue the currencies of these countries—forced devaluation of a currency—they would increase the amount of the debt assigned to the country, in order to protect the foreign creditors. So, they've turned the currencies of the hemisphere into trash.

The move toward dollarization has the same kind of purpose. The difference is that, today, dollarization—if applied—would lead very quickly, in a matter of months, to hyperinflationary explosions and death of the currencies, including the dollar. Any country that is forced to accept a currency board under dollarization, is a country which is financially, economically, and socially doomed. These currencies are worthless.

For example, look at the figures on the United States. The current account deficit of the United States is over \$450-500 billion a year. That means the United States is not paying for what it consumes. In addition, there is a vast amount—probably at a rate of \$2-3 trillion a year—of financial funds flowing in from Japan and from other parts of Asia, and from Europe. So, 20-30% of the U.S. dollar is bankrupt. Look at the rate of increase of the current account deficit, and see the increase in the inflows of financial funds from Japan and Europe into the U.S. market. And then look at warning signs that we already have a hyperinflation in some commodities already occurring, as in the case of petroleum prices.

Dollarization is just another way of trying to print fictitious currency, which they can put in the banks of the bankers, so the bankers can pretend not to be bankrupt for one more day. Otherwise, you can compare it to a John Law bubble from the 18th century, or the Tulip Bubble from the 17th century. It's the same principle as is involved in dollarization.

One of the problems, of course, is that many of the

younger people who are now in top positions in finance and U.S. government, simply because they have not been educated, have no understanding of the ABCs of economics. They not only cannot see, but they refuse to see, what fools they are. It's like Hitler in the bunker: They keep fighting on, because they cannot quit. That's why they're dangerous.

**Q:** Thank you very much, Mr. LaRouche. Any final comments?

**LaRouche:** Well, I'm just hoping for the best. I think that there are some good signs. I wouldn't want to exaggerate the significance of them, but consider the fact of the Chiang Mai meeting in Thailand, where the group of the ASEAN nations, plus China, both Koreas, and Japan, met to boost the launching of the Asian Monetary Fund, which [Japanese] ex-Deputy Finance Minister [Eisuke] Sakakibara had launched in 1997 over the objection of [U.S. Treasury Secretary] Larry Summers.

What I have from the inside of the past days' reports in those parts of the world, is that Japan and China are going into a new kind of partnership in that region, which means that there's going to be a sudden change in Japan in the direction of going back to an industrial economy, rather than a Plaza Accords economy. The fact is that Japan cannot survive, except by exporting high technology to countries such as those in South and Southeast Asia.

What I've seen in the recent period is more and more clarity on this idea among many and increasing numbers of leaders in Japan and in the ASEAN countries, and in China. These kinds of developments are positive, and make me cautiously optimistic. I would hope that Peru would benefit from this.

## Peru's Diego García Sayán: Drug Legalization and Limited Sovereignty

Diego García Sayán is currently the most visible adviser to defeated Peruvian Presidential candidate Alejandro Toledo, and is Executive Director of the **Andean Commission of Jurists** (CAJ). His entire career has been dedicated to the international promotion of drug legalization and limited sovereignty, currently deploying in close coordination with the financial and political apparatus of the world's most prominent drug legalization advocate, George Soros. García Sayán and the CAJ emerged as a direct project and political creation of Russellite British intelligence networks in the early 1980s, according to his own written account in his book *Parallel Lives, Andean Region: Challenges and Answers*, published

in 1998 by the CAJ.

What follows is a brief fact sheet summarizing some of the highlights of London's García Sayán project.

Diego García Sayán's father, Aurelio García Sayán, was a member of the **International Commission of Jurists (ICJ)**, headquartered in Geneva, Switzerland. The ICJ had among its prominent members Sean MacBride, a top member of the British intelligence-run human rights group, Amnesty International; Lord Gardiner, former Lord Chancellor of the Queen of England; and Eli Whitney Debevoise, the head of the U.S. branch of the ICJ and former deputy to U.S. High Commissioner for Germany John J. McCloy.

García Sayán studied law at Catholic University in Lima, where he was a leftist activist, and after graduation in 1979 travelled to Europe to participate in the **Russell Tribunal** in Holland. While in Europe, he travelled to Geneva to meet with ICJ Secretary General **Niall MacDermot**. In his book, García Sayán describes MacDermot as a former member of British intelligence, parliamentarian, and labor secretary, who had to leave Great Britain when he married a Russian. MacDermot went to Geneva to work with the ICJ, which he headed until his death in 1996.

In his prologue to García Sayán's book, former Colombian President **Belisario Betancur** describes MacDermot as "the absolute symbol of the argument for abolishing the principle of absolute sovereignty."

García Sayán didn't meet MacDermot on his 1979 trip to Europe, but was visited in Lima months later by MacDermot's special envoy, British anthropologist Roger Plant. They discussed a joint seminar, which occurred in September 1979 in Bogotá, Colombia, entitled "Human Rights in the Rural Zones of the Andean Regions." This was the ICJ's fourth seminar held in the Third World—earlier ones were in Tanzania, Barbados, and Senegal. MacDermot attended the conference, as did García Sayán, and out of it came the proposal to set up an Andean Commission of Jurists throughout the Andean region.

In 1980, MacDermot invited six Andean jurists to Geneva to be the founding members of the CAJ. He named Colombia's Alberto Donadio as its first executive secretary, and set up the headquarters of the CAJ in Bogotá. When Donadio resigned, MacDermot selected García Sayán to become its new executive secretary. MacDermot authored an article in Bulletin #1 of the CAJ (February 1983), reporting on the Bogotá founding conference.

### **Imposing Limited Sovereignty**

García Sayán was a member of the globalist **United Nations Organization in El Salvador**, which brokered a peace deal between the Salvadoran government and narco-terrorists in the 1980s. He there met Belisario Betancur, who was head of the Truth Commission of that UN operation. García Sayán proclaims proudly that the UN Salvador mis-

sion was the first practical application of the concept of limited sovereignty.

*EIR* has documented García Sayán's extensive links to the **George Soros** machine (see "George Soros Finances Narco-Terrorism, Too," *EIR*, Jan. 31, 1997). Among the more politically significant of these connections is the fact that Soros finances the non-governmental organization **Human Rights Watch (HRW)**, and the CAJ functions as a de facto branch of HRW/Americas, publishing HRW reports in Spanish under its own logo. García Sayán wrote the introduction to the 1992 HRW book *Peru Under Fire*, which is a violent diatribe against the military for violating human rights, and proposes that the military be forced to wear name tags when going into battle.

García Sayán works closely with **Ethan Nadelmann**, president of Soros's **Lindesmith Center**. In July 1993, Nadelmann was a featured speaker at a CAJ forum in Lima on drug legalization. In Lima, CAJ seminars are famous for having, instead of "coffee breaks," "coca breaks," where they serve coca tea and even coca leaves for chewing. In February 1996, García Sayán met with Nadelmann in New York City, where they discussed, according to Nadelmann's account, an international campaign to remove coca from the UN Schedule I list of prohibited substances. On March 13, 1996, in Lima, the CAJ sponsored an "International Meeting on Current Scientific Studies on the Effects of Coca Consumption on Humans." The featured speaker was British anthropologist **Anthony Henman**, head of Great Britain's drug-legalization lobby, **Drug Reform**, and identified by Nadelmann as his top European contact.

The CAJ is extensively interlinked with the **Andean Commission of Coca Leaf Producers (CAPHC)**, with overlapping personnel and projects. The CAPHC's Bolivian leader, **Evo Morales**, publicly promoted drug legalization at a recent São Paulo Forum meeting in Argentina, and in 1996 he travelled to Colombia where he met with and publicly supported the FARC's *cocalero* movement in that country.

García Sayán was a member, during 1995-97, of the **Inter-American Dialogue's** Multilateral Governance Task Force, which issued a report calling for limited sovereignty, the effective transformation of the Organization of American States into a supranational government, and so on. In a recent TV interview, García Sayán, asked who finances his current international travel, responded that the funding comes from the Inter-American Dialogue.

García Sayán was one of 23 Peruvian signators of an international open letter to UN Secretary General Kofi Annan, published as a two-page advertisement in the June 8, 1998 *New York Times*, which promoted the cause of drug legalization by arguing that "the global war on drugs is now causing more harm than drug abuse itself." According to a *New York Times* article, the originators and principal promoters of the call were Ethan Nadelmann and his mentor, George Soros.

# Britain's Tony Blair Is Decomposing Like Gore

by Mark Burdman

British Prime Minister Tony Blair and U.S. Vice President Al Gore are ideological and political soul-mates. As we have been documenting in recent issues, Gore is psychologically and politically decomposing. Now, the same is happening to Blair. Informed sources have told *EIR*, that both phenomena are political expressions of the growing turbulence inside the Anglo-American elites, as the process of global financial disintegration accelerates.

On May 4, Blair had suffered a giant setback, when his enemy inside Labour Party ranks, Ken Livingstone, won the race for London Mayor, and when voters in local elections around the country, delivered severe defeats to his "New Labour." Blair had hoped to recoup support, by attempting to cynically exploit the birth of his fourth child, Leo; he even took a two-week paternity leave after the birth, to build up his "homey" image. But, as soon as Blair returned to active politics, he immediately fell into deeper trouble.

## Handbagged!

His worst fiasco since becoming Prime Minister on May 1, 1997, occurred on June 7, 2000, when he addressed some 10,000 members of the Women's Institute (WI), a middle-class group, many of them housewives, who come from the core constituencies of Middle England. After his initial efforts to gain sympathy by playing on his paternal image, the ladies began to jeer, boo, and heckle him, turning finally to slow hand-clapping, a typical form of protest in Britain. Then, significant numbers of the crowd of women in attendance at Wembley Stadium, began to walk out. All of this was to protest his attempts to defend his government's economic and social policies.

Blair was visibly unnerved at this response, his face twitching and contorting, and his usual ape-like smile disappearing.

The next day's British press roasted him, with headlines including "Blair Bombs at the WI"; "WI Puts Blair in His Place"; "Blair Handbagged by WI Hecklers." In an editorial entitled "Mr. Blair Gets the Bird," the pro-Labour *Guardian* wrote on June 8: "Things have come to a pretty pass, when a Prime Minister is heckled by the Women's Institute. A body whose name has been a byword for courtesy and deco-

rum resorting to a slow handclap and a walkout — and inflicting this punishment on no less than the head of the British government." The paper went on: "But a more pressing subject has to be addressed: Something is going wrong with this government. . . . The government has endured six months of persistent misfortune. . . . Middle Britain [is] fleeing the New Labour tent in droves."

## Remember Ceausescu, December 1989!

Some commentators were much nastier. *Daily Telegraph* writer Boris Johnson likened Blair's distressed face to that of Romanian dictator Nicolae Ceausescu, in the days preceding Ceausescu's fall, in December 1989.

Wrote Johnson:

"You remember that fantastic TV moment, when the people can take it no longer? There is Nicolae Ceausescu, the great Conducator of Romania, standing on the Presidential balcony in Bucharest, and haranguing the crowd with all the authority of a man who believes his rule is unchallengeable. It is December 1989, and the cameras of Romania's state-controlled television are trained on the Great Leader as he churns the freezing air with empty slogans. And then suddenly there is an inexplicable noise, and you realize with a shock of joy that it is the Romanian people, and they are answering back, my God, . . . and I remember the look of bafflement that suddenly crosses Ceausescu's face. He looks again. He squints. He can't believe it; he tries to say something else, and then he's lost them altogether, and by that stage, we are cheering at our television screens, and the end of Ceausescu is only hours away."

Johnson went on: "And of course, I do not mean to liken Tony Blair to the Romanian dictator, no, no, not really, but yesterday, as he spoke to the Women's Institute, he had, to judge by his behavior, something like the same premonitory shock. Here he is, at the height of his powers, with a seemingly invincible majority. For three years, he has bathed in the choreographed approval of his audiences. . . . Men and women, young and old, have melted before his flashing eyes, his floating hair, his glistering teeth. This was his first public fixture

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after producing his fourth child, amid tumultuous national gurgling.”

And then, with the horrible reception yesterday before the WI: “What happened? Did you watch his eyes flicker, as the first heckling broke out, how he faltered? And when they gave him a slow handclap! He gabbled in bewilderment. Amazing!”

Similarly, the June 10 *Economist* magazine headlined its coverage of the WI event, “Blair’s Ceausescu Moment.”

### Spectacular Political Shocks

After this episode, it was revealed in the British press, that the Blair entourage had been warned by senior Blair adviser Philip Gould, *not* to speak before the Women’s Institute. According to a memorandum leaked to the London *Times* on June 13, Gould had written about Blair: “TB is not believed to be real. He lacks conviction, he is all spin and presentation, he just says things to please people, not because he believes them.”

Echoing this, Frank Field, former minister for welfare reform in the Blair Cabinet, blasted Blair for being “all spin and no delivery.” Field is the latest of several former ministers and senior Labourites who have warned that Blair’s policies are causing massive disaffection within traditional Labour

constituencies.

There are also reports, that when Blair returned from “paternity leave,” he got into a shouting match with his Chancellor of the Exchequer Gordon Brown and Deputy Prime Minister John Prescott, because both men had been holding discussions with leading “Old Labour” stalwarts, during Blair’s absence. Even though opinion polls are claiming that the opposition Conservatives are now only slightly behind Labour, British sources stress that the main immediate threat to Blair, does not come from the Conservatives, but from inside the Labour Party itself.

A senior City of London figure told *EIR* that Britain stands on the eve of a number of “spectacular political shocks,” that will do great damage to Blair’s credibility. He said that Blair has become expendable, in the eyes of highest-level British establishment power blocs, because he was originally supposed to have been instrumental in “penetrating continental Europe” on behalf of the British oligarchy. But now, this strategy is falling apart, in the face of anti-British moves by France, Germany, and other European countries. Also, the British elites are adapting to the perception that the Gore candidacy in the United States is collapsing, and given the close Gore-Blair axis, this has obvious implications for the British Prime Minister.

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# The Anglo-Americans Fear an African-Malaysian Alliance

by Dean Andromidas

The Anglo-American oligarchy's determination to overthrow Zimbabwe President Robert Mugabe is aimed at preventing the establishment of an African-Malaysian alliance. They fear that such an alliance would bring Africa into the nascent "Survivors' Club" which is forming among Eurasian nations, including China, India, the nations of Southeast Asia, and Russia.

"Forget about the seizure of white farms, forget about Zimbabwe's role in the Democratic Republic of the Congo," a well-informed African source told *EIR*. "The real reason the Anglo-Americans want to overthrow President Mugabe is because of his ties to Malaysian Prime Minister Dr. Mahathir bin Mohamad." The source pointed to a summit of African leaders in Victoria Falls on Oct. 3-5, 1999, called together on the initiative of President Mugabe and Prime Minister Mahathir. "The only speaker was Mahathir," the source said, "and he told them how to fight the IMF [International Monetary Fund], the World Bank, and the Anglo-Americans."

The Victoria Falls conference, was the third such conference held under the auspices of the South Africa International Dialogue (SAID). It brought together the heads of state of Zimbabwe, South Africa, Namibia, Botswana, Lesotho, Mozambique, Zambia, Ghana, Malawi, and Uganda. The conference was entitled "Economic Empowerment as a National Smart Partnership Agenda." The SAID is a spinoff of the Malaysian Langkawi International Dialogue, launched by Dr. Mahathir and the Malaysian government in 1995. The term "smart partnership" was coined by Malaysia to describe its pursuit of mutually beneficial economic and trade relations with other countries.

Although the discussions at the summit were behind closed doors, and Dr. Mahathir's remarks were apparently not released to the public, he also gave a speech on May 23 of this year to the Third African-Asian Forum, in Kuala Lumpur, Malaysia's capital. In it, Mahathir laid out to African and Asian leaders the Malaysian economic model, which contrasts sharply with the radical free-market policies being pushed on the nations of the world. Some of these ideas no doubt were brought up for discussion by the heads of state and government at the Victoria Falls summit.

In his May 2000 speech, the Malaysian Prime Minister declared that African and Asian nations need to discuss the "challenges" confronting nations because of globalization,

and "most of all we have to deal with the self-declared right of some countries to interfere in the affairs of the other countries."

## Malaysia's Policy

Dr. Mahathir laid out how Malaysia was able to achieve 8% growth rates through the development of the private sector by utilizing the institutions of the state, not only to establish political stability and a legal framework, but to build necessary physical infrastructure, as well as provide financial support. "This high growth rate would have continued," Mahathir declared, "if not for the manipulation of our currency by currency traders. For one and an half years we have struggled to find a solution to this problem."

On privatization, he cautioned never to sell "government assets to foreigners in order to get foreign exchange to settle debts." He said, "We sell largely to Malaysians," and if shares are to be sold to foreigners, they should be "strategic partners." He emphasized that outright sales to foreigners simply means the "profits will just flow out of the country."

Dr. Mahathir also attacked the "New Economy" and "Information Age" propaganda, saying, "Information can enrich us, but without rules and laws it can impoverish us and destroy us. So, don't be too ready to accept everything done in the name of globalization and the free flows of capital and goods, that the information age is supposed to make inevitable."

One of the most important points made was the need for developing countries to strengthen economic relations among themselves, and here the question of "smart partnerships" comes into play. Operating particularly through its state oil company, Petronas, Malaysia has investments and joint projects throughout Africa, especially in Zimbabwe, South Africa, Namibia, and Sudan.

If the governments of southern Africa begin to orient toward this "Survivors' Club," then the Anglo-American strategy of grabbing control of African natural resources, as a hedge against the inevitable financial crash, will collapse, along with their financial institutions. It is also significant that British-orchestrated attempts to get other southern African countries to abandon Mugabe, particularly among the countries that attended this conference, have not been very successful. This is especially the case with South Africa; not only has President Thabo Mbeki refused to break with Mugabe,

but the ruling African National Congress is moving toward forming an association with Zimbabwe's ruling ZANU-PF party.

### **Mugabe Begins To Heed Mahathir**

By making land reform the centerpiece of the ZANU-PF's campaign for Parliamentary elections, scheduled for June 24 and 25, President Mugabe has signalled the adoption of Prime Minister Mahathir's advice. Land is one of Zimbabwe's most important resources, with agricultural exports supplying 40% of the country's foreign exchange earnings. His land reform policy is aimed at giving access to these resources to a much broader section of the population. Moreover, land reform could shift the agricultural sector away from its heavy reliance on one crop, tobacco, which ties the country's most important foreign exchange earner to a handful of major Anglo-American-controlled tobacco buyers.

In an interview with the London *Independent* on June 15, President Mugabe went one step further, declaring that after the land question is settled, they will begin looking at the question of the mining industry.

Mugabe said: "The land question will be settled. But who owns our mines? We are gold, copper, asbestos, and iron producers. But most of the benefits are enjoyed by the former colonialists. And, of course, the parent countries, that's where we remit our dividends. After land, we must look at the mining sector. There must be Africans as owners, not just as workers. We have trained engineers of all kinds, skilled men, civil engineers, geologists, agronomists, they're working everywhere! But ownership? Working for who? At the end of the day you must be able to say the resources are ours—our people own the mines, our people own the industry."

Recalling the political struggle that ended in 1980 with independence, Mugabe said that another struggle then began. "And this struggle became very difficult because of the forces at play: The former colonial power has greater economic influence than you have. Your influence is political. So the economic field, where your influence is very minimal, becomes a breeding area of opposition elements." He explained: "There is some fellow from Britain, Lord Something, he came here once and talked about funding for Zimbabwe. I said to him, 'You put our dividends and profits that we remit to Britain against the aid we get from Britain and tell me who is giving aid to who?' We remit more, and they pretend to give poverty alleviation or little programs like that. This is the war."

Mugabe quoted the late Kwame Nkrumah, independent Ghana's first President: "A principle can never be surrendered on the altar of expediency. As Nkrumah was saying, if you are principled in doing that which is right you must never surrender. And if you don't surrender and sacrifice yourself, you will win and begin to believe in your principles much, much more. This is it. To fight for that which is right and to see people supporting it."

Zimbabwe's gold-mining sector accounts for 40% of the

country's foreign exchange. It is wholly owned by foreign mining companies, including the British-owned Anglo American Corp., Rio Tinto, Lonmine, and Ghana's Ashanti Gold, which is now listed on the London stock exchange and is mostly owned by Lonmine and Anglo American. Other companies include Australia's Delta Gold and the Luxembourg-based Falcon Mines.

On the same day that Mugabe's *Independent* interview appeared, a Zimbabwe government delegation to Malaysia, led by Reserve Bank of Zimbabwe Governor Leonard Tumba, Commercial Bank of Zimbabwe CEO Gideon Gono, and export promoters from Zim Trade, the country's export promotion body to Malaysia, put the finishing touches on a trade protocol for the export of Zimbabwean tobacco and cotton, and for lines of credit. The export of tobacco from Zimbabwe fell considerably, from 77,000 tons last year to 46,000 tons this year.

The visit to Malaysia follows other trade missions, mainly to study how Malaysia's economy managed to come through the 1998 so-called Asian financial crisis, and to boost trade relations between the two countries.

### **A UN Intervention into Zimbabwe**

On June 10, amid a great deal of media hype, a United Nations team of election monitors quit Zimbabwe because President Mugabe refused to allow them to function as the coordinator of all the election monitors. Mugabe had invited them to stay in the capacity of simple observers, like those sent by the Commonwealth and the European Union.

Mugabe simply blocked an obvious attempt to make the elections an issue for the United Nations and, hence, the Security Council, with the threatened possibility of a United Nations intervention if the elections were declared invalid. It is important to note that the United Nations did not play such a role in the recent Peruvian elections, nor in the Nigerian elections in February 1999. This attempt was conceived by Lord David Steel, the leading member of the Zimbabwe Democracy Trust, which *EIR* has documented to be the headquarters for the operation to oust Mugabe (see "London Headquarters Established To Overthrow Zimbabwe's Mugabe," *EIR*, May 12).

At the end of May, a group of notables, most of whom served in various UN conflicts, including in the Balkans and Iraq, signed a letter expressing their "deepest" concern to President Mugabe, regarding the violence and fair elections in Zimbabwe. The signatories included: Sir Shridath Ramphal, former Secretary General of the British Commonwealth; Martti Ahtisaari, former President of Finland, who played a mediating role in the Kosovo conflict; Ingvar Carlsson, former Prime Minister of Sweden, who played a role in the UN human rights commission in Rwanda; Thorvald Stoltenberg, former Norwegian Foreign Minister, who served as chairman of the European mediation effort in the former Yugoslavia as well as UN High Commissioner for Refugees; Flora McDonald, former Foreign Minister of Canada, now the head of the

International Development Research Centre of Canada, had also held a position in the mediation efforts in the former Yugoslavia; Max Van der Stoep, former Foreign Minister of the Netherlands, who served as UN Commissioner on Human Rights, and played a key role in establishing the no-fly zone in southern Iraq.

According to a report in the *Zimbabwe Independent*, the initiative was linked to a conference held in Botswana earlier in May. *EIR* has learned that the conference in question was entitled “Towards Sustainable Democratic Institutions in Southern Africa,” sponsored by the Sweden-based Institute for Democratic Electoral Assistance (IDEA). One of the keynote speakers was Lord Steel, who sits on the organization’s board of directors along with Stoltenberg and Ramphal.

This Swedish connection brings us to the fact that the head of the European Union’s group of election observers is top Swedish Foreign Ministry figure Pierre Schori. The choice of Schori is significant. Mugabe has refused to allow British nationals to observe the elections, and the British government, in order to placate what they call President Mugabe’s “paranoia” about his former colonial masters, has agreed. But Schori’s very particular connections to Africa, as detailed in the accompanying article, ensure that he will be following the Anglo-American script throughout.

The Zimbabwe government has also banned the monitors of the International Republican Institute and the National Democratic Institute. Both organizations are part of the U.S. National Endowment for Democracy, tied respectively to the Republican and Democratic parties. *EIR* detailed the fact that both organizations are deeply involved in the campaign to overthrow Mugabe (see *EIR*, April 21, May 12, and June 2, 2000).

## The Swedish Diplomat and the South African Assassin

The day that Pierre Schori arrived in Harare, Zimbabwe as the leader of the European Union election observer team, Craig Williamson, one of the most notorious apartheid-era super-spies and assassins, was given amnesty by South Africa’s Truth Commission, for the assassination of Ruth First. A prominent activist for the African National Congress, First was killed in Mozambique by a letter bomb put in the mail by Williamson. She was the third victim whom Williamson confessed to having killed. The other two were a mother and daughter, Jeanette and Katryn Schoon. Jeanette Schoon was an ANC supporter and university lecturer who lived in Angola with her six-year-old daughter. Both were killed when a parcel bomb, put in the mail by Williamson, arrived on their doorstep.

A confession to these crimes earned Williamson his am-

nesty, since, under the Truth Commission rules, individuals who had committed human rights violations, either in the service of the apartheid-era regime or the liberation movements, would be allowed to go free. Although no longer a government-employed assassin, Williamson has gone into private business, where he is known to have worked alongside Executive Outcomes, the Anglo-South African mercenary operation inside Angola in the early 1990s. The founder of EO is Tony Buckingham, which puts Williamson in the same circle as Buckingham’s good friend, Lord Steel.

What does a notorious South African spy have to do with a senior diplomat of one of the neutral nations of Europe? Start with the fact that Schori, as a leading Social Democrat and Foreign Ministry official, oversaw the Swedish government’s operations with respect to the South African apartheid regime; those operations reportedly included financing 50% of the ANC’s budget during the latter’s struggle against apartheid. Similarly, in the 1970s, Sweden supported the ZANU-PF in its struggle against Ian Smith’s white supremacist regime in Rhodesia.

But as with today’s crusade for “democracy” by Madeleine Albright’s State Department, such noble-sounding campaigns frequently involve a great deal more than meets the eye. They are intelligence operations, in which various groups are financed, as a lever for political control. *EIR*’s October 1996 *Special Report*, “George Bush and the 12333 Serial Murder Ring,” provides crucial background on the broader policy networks behind thug Williamson.

In the 1970s, Williamson and Schori worked alongside one another in the International University Exchange Fund, a primarily Swedish government-sponsored organization that provided funding to anti-apartheid activists, and groups such as the ANC and the Pan-African Congress. The IUEF grew out of the International Students Conference, which was forced to close down in 1969 after it was exposed as having been financed by the CIA. The IUEF itself closed down in 1980, after it was revealed that Williamson was a South African agent. The IUEF was one of those reputedly “neutral” organizations, which in reality served as a Western intelligence operation aimed at selecting potential Third World leaders deemed useful. When Williamson’s cover was blown, rather than demanding a full investigation of how such an “infiltration” could have occurred, the IUEF simply closed up shop.

Schori, along with three other top Social Democratic functionaries, was one of the directors of the IUEF. In 1976, working as a spy for the South African intelligence services, Williamson managed to infiltrate the organization as a South African dissident—even though the group generally discouraged membership by such people. He was admitted, despite the fact that he had left the South African student organization, NUSAS, because he had been exposed as a South African spy—a fact known to one of his victims, Jeanette Schoon, who herself was associated with the top leadership of the ANC. Williamson even became the IUEF’s vice president.

Based in the organization's Geneva offices, he was intimately involved in its day-to-day operations. Travelling between Geneva and Stockholm, he worked closely with Swedish officials, including Schori.

One of the bitter fruits of this operation was the arrest and torture-death of Steve Biko, leader of the anti-apartheid black consciousness movement. Williamson had intimate knowledge of Biko's itinerary prior to the latter's arrest.

After Williamson was discovered to be a South African agent, Sweden claimed to have been victimized by the super-sleuths of the apartheid regime. In view of the fact that Williamson's agency was so widely known, this claim is simply not credible. Neither is the IUEF's ludicrous claim that Williamson had "embezzled" money from them to finance the infamous "daisy farm," where anti-apartheid fighters were tortured and South African security forces were trained for the same assassinations for which Williamson has most recently received amnesty.

Being "neutral," one must ask whether Sweden was not playing both sides.

### **The Palme Assassination**

But our story does not end here. In 1996, Williamson was accused of masterminding the Feb. 28, 1986 assassination of Swedish Prime Minister Olof Palme. *EIR's* above-mentioned *Special Report* detailed how Palme was most likely assassinated at the behest of the Anglo-American-controlled international weapons cartel, because Palme, in his capacity as an international mediator in the Iran-Iraq War, threatened the multibillion-dollar arms trade, by seeking an honorable solution to the conflict. Both South Africa and Sweden played a role in the cartel, the former through its state weapons company, Armscor, and supported by its official intelligence services, and the latter through Bofors, one of Sweden's principal arms manufacturers. Both Bofors and Armscor manufacture an artillery piece based on the same technology and utilizing the same type of ammunition, which both countries sold to Iran and Iraq, worth hundreds of millions of dollars in revenue.

Despite the tremendous credibility of such a lead, the Swedish government sabotaged any attempts to follow it up. Nor was a probe into the known connection between Schori and Williamson ever taken up by the government, despite the fact that it was well documented in a series of articles by award-winning Swedish journalist Anders Hasselbohm. In July 1999, a government-appointed commission released its official report on its investigation of the Palme assassination. It revealed that there had been a request by the official police investigation to look into a possible CIA and U.S. intelligence connection to the Palme assassination. The police cited the fact that Palme was pursuing policies in Central America, South Africa, and other parts of the world that directly countered U.S. policy. Pierre Schori officially blocked the request.

## **Poland's New Government Under Pressure To Change**

by Anna Kaczor Wei

Amid tectonic changes in continental Europe and Asia, where sane political leaders are trying to break away from the present bankrupt financial system, Poland is being torn apart between, on one hand, ill-placed loyalty to British-run NATO and other supranational organizations, and, on the other, the need to fight for national sovereignty. This duality is expressed by the continuous conflict over free-market reforms, especially privatization of major industries and infrastructure. It has been estimated that 35-40% of Polish industry is already in foreign hands, as well as 70% of the banking system. This massive sellout is proven to have been a disaster; however, under pressure from the European Union bureaucracy in Brussels and international financial institutions, including the International Monetary Fund (IMF) and the World Bank, most governments ruling Poland since 1990 have continued the policy. The last one was also pushing plans to privatize the energy sector, pension funds, and railroads, despite mounting evidence that new foreign owners have little respect for Poland's economic interests.

This policy conflict was the true reason for the recent changes in the government. At the end of May, the uneasy coalition between the Solidarity Electoral Action (AWS) and the Freedom Union (UW), which had been ruling Poland for almost three years, finally cracked. The brawl over Prime Minister Jerzy Buzek's handling of the Warsaw Center City Council crisis was just a pretext for a long-awaited split, which resulted in the resignation of five UW ministers on May 29, and the formation of a minority, AWS-based government. The good news, is that the despised and feared IMF teacher's pet, Leszek Balcerowicz, has left his posts as Finance Minister and Deputy Prime Minister; the bad news, is that the new Deputy Prime Minister responsible for economic matters, Janusz Steinhoff (AWS), has declared that he will continue Balcerowicz's policies.

### **Resistance to Globalization**

The alliance between the pro-free-trade UW party, heavily influenced by global speculator and drug legalization advocate George Soros and foreign institutions of similar proclivity (two of the ministers who just resigned, Hanna Suchocka and Bronislaw Geremek, were board members of Soros's Batory Foundation in Poland; Balcerowicz headed the Case Foundation, financed partially by Soros), and the

AWS, whose base is mainly the Solidarity trade union, seemed unworkable from the very beginning, as *EIR* warned in November 1996. Even the weak resistance against super-radical free-market reforms, especially the sellout of Polish property to foreigners, coming from AWS deputies, infuriated Balcerowicz, who, on a number of occasions, threatened to resign due to “the lack of discipline” in AWS ranks.

There was one serious, but failed attempt, launched by the Polish Peasant Party (PSL) in the Sejm (the lower house of Parliament), to vote Balcerowicz out of the government, and just a few months ago the Parliament was shaken by a mobilization to kick out Treasury Minister Emil Wasacz (AWS), who had been acting as an overseer of the sellout. The mobilization was especially unnerving for the UW, because it was incited not by the opposition, but by AWS deputies, 74 of whom signed a motion demanding Wasacz’s resignation; however, after a big arm-twisting and intimidation campaign led by the AWS leadership (including Solidarity chairman and Presidential hopeful Marian Krzaklewski), only 12 eventually voted in support of the motion. The newspapers were full of stories about scare tactics used by the AWS hacks against their own deputies, who, unfortunately, mainly out of fear of losing campaign money for the 2001 Parliamentary elections, surrendered to the pressure.

The ultimate motives that prompted the UW to leave the coalition are not yet clear. Since the Polish economy is becoming weaker and weaker, the UW might have decided to abandon the AWS, blame it for the failure of the reforms, and form a coalition with the post-communist People’s Democratic Alliance, which is gaining support and may win a Parliamentary majority next year. In such a scenario, the UW would again end up as a coalition partner. However, such calculations are completely divorced from the reality of the impending global financial crash.

### **Schiller Institute Visits Poland**

This author visited Poland in May, as part of a Schiller Institute delegation, just before the government crisis. The mood in the country and among its political elites was very diverse. One Sejm deputy declared, in a private conversation with the Institute’s representatives, that “the time of Romantic heroes is over,” reflecting demoralization because of growing economic difficulties, and an unhealthy pragmatism in view of upcoming elections for President in October 2000 and Parliament in 2001. This pragmatism prompts parties usually critical of free-market reforms, such as the PSL, to try to stay in “the mainstream” and avoid any “radical” declarations, which only guarantees their doom.

However, there are also opposition groups which see the collapsing world financial system and discontent with globalization inside Poland as a chance to get rid of hated free marketeers. Deputy Jan Lopuszanski’s newly founded party, the Polish Alliance (PP), has been carefully watching all the moves toward a New Bretton Woods system. The Italian ini-

tiative calling for a Bretton Woods conference (see *EIR*, March 10), as proposed by U.S. Democratic Presidential pre-candidate Lyndon LaRouche, has encouraged Lopuszanski, who left the AWS a few years ago and now is running for President as a PP candidate, to offer a resolution to the Polish government demanding, in the face of a global financial crash, that it help form a new financial system. Others, including Deputy Janina Kraus (Confederation for an Independent Poland, KPN-O) and Sen. Jozef Fraczek (AWS), joined the Ad Hoc Committee for a New Bretton Woods, an initiative of the Schiller Institute, which has found support all over the world.

This initiative was debated at the May 11 Schiller Institute seminar in Warsaw, where 45 representatives of various ministries, universities, and industry-connected agencies and banks followed with great interest a presentation on the failures of the “New Economy,” and LaRouche’s proposed New Bretton Woods system. During the discussion, the speakers elaborated on LaRouche’s Presidential campaign in the United States, and the fight to defend the 1965 Voting Rights Act.

### **Quo Vadis, Poland?**

A few days later, Polish friends and members of the Schiller Institute had a unique opportunity to hear more details about the U.S. Presidential election from a prominent guest from America, Amelia Boynton Robinson, the heroine of the civil rights movement. During May, she toured Europe, presenting the findings of an international observers group which had witnessed numerous examples of voting rights violations during the primaries in various U.S. states. Mrs. Robinson presented the report to the Organization for Security and Cooperation in Europe offices in Warsaw, spoke before the Lech Walesa Institute (a group of advisers to the former President), and met privately with the head of the Polish Bishops Council. Her Polish listeners were astonished that the American population is tolerating the Democratic National Committee’s dirty tactics to eliminate LaRouche from the Presidential race. All those who met with Mrs. Robinson were truly inspired by her story of the decades-long fight for civil rights (see *EIR*, June 16). She had an especially profound impact on the Polish chapter of the Schiller Institute, which met to elect a new board and discuss future activities. The idea of patience and perseverance as virtues necessary for victory, which Mrs. Robinson presented in an old American fairy tale, will certainly help many to answer a question, “Quo vadis, Poland?” (“Where are you going, Poland?”), and in this way, mark a clear path to economic sovereignty.

Three weeks after the government crisis, the population seems to see the new political geometry as a chance to halt free-market insanity. In a statement published in the weekly *Mysl Polska*, Deputy Ryszard Matusiak, a dissident in AWS ranks, said, “Solidarnosc [Solidarity], which I represent, is happy that the UW has left the coalition; this is why we will support the current minority government.”

## Ad Hoc Platform Hearings Give Voice to ‘Forgotten Man’

by Nancy Spannaus

A panel of eleven Democratic State Legislators, joined by former U.S. Senator Eugene McCarthy, came together in Washington, D.C. on June 22, to preside over Ad Hoc Democratic Party Platform hearings. Under the chairmanship of Rep. Erik Fleming of Mississippi, the panel took on the responsibility to do what the current Democratic Party leadership has refused to do: give a voice to those “forgotten Americans” who comprise the lower 80% of income brackets in the United States, and who *know* that the so-called “crisis of abundance” being discussed by Al Gore and other Democratic officials is a fraud.

The all-day event began with a brief presentation by Debra Hanania Freeman, the national spokesperson for Democratic Presidential pre-candidate Lyndon LaRouche, on how the hearings came about. She introduced the panel: Sen. Eugene McCarthy (ret., Minn.), State Sen. Carlos Cisneros (N.M.), State Sen. Joe Neal (Nev.), State Rep. Perry Clark (Ky.), State Rep. Erik Fleming (Miss.-chair), State Rep. John Hilliard (Ala.), State Rep. Thomas Jackson (Ala.), State Rep. Harold James (Pa.), State Rep. Ernest Newton (Conn.), State Rep. Coy Pugh (Ill.), State Rep. Ed Vaughn (Mich.), and State Rep. LeAnna Washington (Pa.).

Chairman Fleming led off by saying that all the panel members considered it a “matter of conscience” to be at the hearings. And, as became increasingly clear throughout, all the participants were deadly serious about rebuilding *their* Democratic Party around the urgent tasks of rebuilding the nation. In stark contrast to most hearings, in Congress and elsewhere, the dialogue between witnesses and panelists proceeded as from the standpoint of constituencies looking for a common solution based on the general welfare, a concept

which Presidential candidate Lyndon LaRouche had put forward in the *Road to Recovery* campaign book — precisely in the direction of what is needed to rebuild the Democratic Party.

The day of testimony was divided into three panels, starting with one on the economic crisis, followed by health care, and Constitutional law and justice.

### LaRouche Strikes the Theme

The first witness was economist and Presidential candidate Lyndon LaRouche, who testified by videotape. LaRouche defined the current situation as “roughly comparable” to that when President Franklin D. Roosevelt came into office in 1932. He proceeded to lay out certain areas of the crisis, beginning with the hyperinflationary process, on the one hand, and the collapse of physical infrastructure and health on the other. He also devoted a significant portion of his presentation to the threat of the New Violence.

The more general problem is that we’ve abandoned the principle of the general welfare, which is otherwise enshrined in the Constitution and the Declaration of Independence, LaRouche argued. Instead we’ve gone to a “John Locke system,” which says that “anything which makes money is good. And therefore, if we have owners of property, they have a right to their profit, they have a right to profit, even as it is being made now in the Internet area. Just pure speculation, the kind of speculation which is destroying our economy and destroying the world. So, the fact that people condone this, think this is right, think that shareholder values are primary, the corruption of the majority of the members of the Supreme Court — as Roosevelt faced back then in the 1930s — these are

the problems. And as long as we, as a people, believe you have to go along with public opinion, as expressed by our major news media, have to go along with the idea of shareholder value, you have to submit to that. As long as you accept that, you're bringing it on yourself. You're bringing doom on yourself just the same way that the so-called popular opinion, the *vox populi* of the pagan Roman Empire, sent the Latin Roman Empire to its doom. We're headed in that direction."

He concluded: "So, to sum up, first of all, we have the worst financial crisis in modern history. We shan't survive it, unless we come to our senses. If we come to our senses, we can. We need programs to deal with it, programs which do have precedents, and we need leadership, leadership typified in the past by people like Abraham Lincoln and President Franklin Roosevelt. With that combination, we can survive. With that combination of leadership, we will fix up our infrastructure, go back to high levels of productive employment, restore our health-care systems, restore our power systems, restore our transportation systems, restore our education system, and get some good old-fashioned clean morality into our nation.

"Under those conditions, we can survive. That, I think, is the gut of the platform which the Democratic Party must shape during this coming period."

### **The Farm-Labor Crisis**

Following LaRouche's presentation, the legislative panel took testimony from, and carried out questioning of, three farm representatives, three representatives of organized labor, and two urban community activists. The picture which was presented in great detail, demonstrated that the nation's food supply, and its labor force and population, are definitely "at risk" of destruction. The fundamentals of the economy are *not* sound.

Speaking on the farm crisis were 1) Randy Sowers, a prize-winning dairy farmer from western Maryland, who spoke on his own experience, and read testimony from Greg Blaska, director of the National Dairy Board; 2) V.B. Morris, National Secretary of the American Agricultural Movement, who spoke by phone from Texas; 3) George "Bill" Burrows, a member of the State Committee of the Farm Service Agency from Nebraska, who spoke as an individual; and 4) Rep. Thomas Jackson, chairman of the Agriculture, Forestry, and Natural Resources Committee in the Alabama State Legislature.

The farmer-witnesses spoke directly to the point of how family farmers are currently being destroyed by the monopoly control of the market by the multinationals, and the lack of parity prices. Mr. Morris of the AAM put forward a set of policy goals around the need for immediate adoption of parity pricing. Representative Jackson's testimony addressed the issue of the lack of necessary water infrastructure, a major contribution to the drought devastating farmers in the Southeast.

Representative Jackson read the joint resolution for the New Bretton Woods which he had succeeded in passing in the Alabama House, although it had died in the Senate, and called for "re-inventing" this policy in the 21st century, including with water infrastructure. "No more business as usual," he concluded.

The panel proceeded to hear testimony from Terri Bishop, Director, Community for Creative Non-Violence Homeless Shelter, Washington, D.C.; Marty Jewell, Chairman, Richmond Coalition on Housing; Robert Cebina, Vice-President, UAW Local 723, Detroit; Melvin Muhammad, State President, AFSCME, Nebraska; and Louis Whitehead, President, Portsmouth Central Labor Council, AFL-CIO, Virginia.

Throughout the extensive testimony and discussion, the focus was on the devastating consequences which the Democratic Party leadership's adoption of a Gingrichite free-trade program under the North American Free Trade Agreement, budget cuts, and privatization, has had on the majority of Americans. Most captivating was the presentation by Ms. Bishop, who began with one of President Clinton's recent encomiums to the "unprecedented prosperity," only to ask, "If these statements are true, why, then, are the canaries dying?" The canaries, she explained, were taken by miners into coal mines in the old days, in order to test for invisible, but deadly methane gas. If the canaries died of methane, the miners still had time to escape. Today, she said, "this nation has human canaries. They're the homeless," and they show that the nation is dying.

### **The Health-Care Crisis**

The health care panel took direct testimony from five experts, who each addressed the impact of the collapse of health-care delivery services to especially urban, minority populations, who have been devastated by the combined impact of the economic depression, and the fascist health maintenance organization (HMO)/managed-care system which denies treatment to those considered "useless eaters."

Dr. Alim Abdul Muhammad, M.D., Medical Director of the Abundant Life Clinic in Washington, D.C., opened the panel with a report on his work on the HIV/AIDS epidemic. "The world is facing an unprecedented biological holocaust," he warned, which is ravishing Sub-Saharan Africa; but we are now beginning to see the "Africanization" of America. Dr. Muhammad charged that AIDS is not a "natural disease," but rather was developed by the architects of Global 2000 and National Security Study Memorandum 200, who used the deadly plague to carry out their policy of reducing the world's population.

According to the World Health Organization, there are now 34 million infected, but, Dr. Muhammad said, the figure is probably much higher. The only nation which has any accurate figures for HIV/AIDS infection is Cuba, which conducts universal testing. The technology exists now for cost-effective mass testing, and treatment is now available

which can arrest and even cure AIDS, but it is being withheld. The U.S. Food and Drug Administration has embargoed the test kit, which was used successfully at the Abundant Life Clinic, for four years. Dr. Muhammad urged that these diagnostic techniques, and proven therapies be employed immediately, if we are to save nations, both here and around the world.

Joe Jones, City Councilman of Cleveland, Ohio testified next. He said that the City Council had passed an emergency resolution calling on Congress to investigate the HMOs; "Today I am convinced that the Democratic Party Platform should include a call to abolish HMOs," he said, and commended Lyndon LaRouche and his publications for initiating the movement to ban the HMOs. "Where does my Congressman or legislator stand on the bill to abolish HMOs?, should be the litmus test to determine who is going to be elected in November," Jones proposed. "It is wrong to put a price tag on human life, by giving doctors and hospitals a financial incentive to withhold necessary care."

Rep. LeAnna Washington, a member of the Health and Human Services Committee, Judiciary Committee, of the Pennsylvania Legislature, who served on the panel, also testified, with a shocking report on the widespread use of Ritalin and other drugs to control "behavior" problems in children and youth. In 1968, she said, passage of a law broadening the definition of "handicapped" to include "mental disturbance," gave psychiatrists a "green light to label and drug children into compliance." By 1975, the Individuals with Disabilities Act adopted a new category for special education, "learning disabled," or "LD" children. By 1996, some 2.6 million children were considered "LD." Today, Ritalin and similar drugs are prescribed to some 6-9 million children and adolescents in the United States. Moreover, Representative Washington charged, in Philadelphia, there are a disproportionate number of minority children being prescribed these drugs.

Dr. Ray Terry, Director of Health Research, University of Maryland, presented a report on the health-care crisis among the elderly, decrying the fact that the system is not able to deal with the "graying of America." The numbers of uninsured are growing, he said, and he proposed that universal health care may be a solution.

Alphonso Coles, National Black Leadership Initiative on Cancer in Washington, D.C., testified about the crisis in men's health care, which he said, needs to be addressed in the Platform of the Democratic Party. Coles noted that men are at higher risk for injury because they hold more dangerous jobs; and they are also at higher risk for cancer, AIDS, diabetes, etc.

## **Constitutional Law and Justice**

The final panel of the Ad Hoc Platform hearings was devoted to issues of Constitutional Law and Justice, and heard testimony on political harassment, racial profiling, and the death penalty. There were 11 witnesses, including several from the panel of legislators itself.

The keynote witness on the question of political prosecution was South Carolina State Sen. Theo Mitchell, himself a victim of political targeting. Mitchell spoke primarily to the point of what the Democratic Party, in particular, has been doing in its violation of the Voting Rights Act in the case of Lyndon LaRouche. "There cannot be a Democratic Party convention, without having this matter raised," he said.

The other speaker on this question was Judge Ira Murphy, a former State Representative from Memphis, Tennessee. Murphy testified on Operation Fruehmenschen, the FBI program which had targeted black elected and appointed officials, and concluded that "we need Democrats who will bring this issue forward, and expose the permanent bureaucracy."

The phenomenon of racial profiling was addressed by several witnesses: Delegate William Robinson of Virginia, Rep. Harold James of Pennsylvania, and Rep. Ernest Newton of Connecticut. All three addressed the way in which African-Americans have been targeted for arrest and incarceration, and they described legislation which they are promoting in order to deal with the problem.

Former Congressman Mervyn Dymally (D-Calif.) called into the hearing to present testimony on foreign policy, wherein he described the practice of the U.S. government toward the nations of the Caribbean and Africa as exemplary of the same mind-set as the racist treatment of African-Americans in the United States.

The last section of this panel was devoted to the death penalty, and heard from four witnesses: John Giliam-Price, National Spokesman for the Campaign to End the Death Penalty; Father Richard McSorley, S.J., Director, Center for Peace Studies, Georgetown University; William Taft, Representative and Legislative Affairs Chairman, National Juneteenth Observance Foundation; and Barry Scheck, Esq., co-founder of the Innocence Project, and a member of the National Commission on the Future of DNA Evidence. Scheck's testimony was delivered by videotape, and had previously been given to a Senate hearing on DNA.

## **Where Do We Go From Here?**

LaRouche's Committee for a New Bretton Woods, his campaign committee, which facilitated the hearings, has taken on the task of getting out the content of the discussion. LaRouche's campaign website sponsored a live audio webcast of the proceedings, and arranged for videotaping of the event. The campaign has plans to produce a videotape, and to circulate it broadly among delegates to the upcoming Democratic National Convention.

Will Democrats from among the lower income-brackets actually move to prevent the Gore-dominated party from committing political suicide? If so, it will be because they begin to realize that an FDR-style coalition can be put together, and devise an approach to today's problems along the lines put forward at the Ad Hoc Democratic Party Platform hearings held on June 22 in Washington.

# Gore's Campaign in Total Disarray

by Jeffrey Steinberg

Less than two months before the Democratic Party Presidential nominating convention in Los Angeles, Vice President Al Gore, the presumed Presidential nominee, has completely overhauled his campaign organization, firing his campaign chief, Tony Coelho, and bringing in Secretary of Commerce William Daley as his replacement. While some Democratic Party politicians have greeted the Daley appointment with sighs of relief, his 11th-hour arrival is but one more piece of evidence that the Gore campaign is in deep trouble. One persisting question is: Why did Gore wait so long to dump Coelho? The former California Congressman, who was forced to quit the House after he was caught kiting hundreds of thousands of dollars worth of checks at the House Bank, has been under investigation by several Federal grand juries and government agencies, for a variety of crimes, while working in various governmental posts. And Coelho's legal problems had been the subject of nearly constant media attention for months.

The short answer to the question, is that the problem with the Gore campaign starts from the top—with the candidate himself! And William Daley, the brother of Chicago Mayor Richard Daley and the son of the late, legendary Chicago Mayor and Democratic powerhouse, however competent he may be, is faced with a near-impossible task of putting Al Gore back together again, after months of gaffes, policy blunders, and failed "reinventions." One top Democratic campaign veteran described Al Gore as "snake-bit," and told the *Washington Times* on June 20, that unless Gore succeeded in improving his rotten reputation by the Fourth of July, his campaign might be finished even before the convention.

Indeed, Gore's polling numbers continue to plunge. As of mid-June, polls showed the Vice President to be 10% behind the presumed Republican nominee, George W. Bush. And Bush has gained the most ground with core Democratic Party constituents: senior citizens, young voters, Catholics, and voters from the Northeast.

Even the appointment of Daley was done in such a way as to further alienate organized labor, another must-win group of voters. Daley was the Clinton Administration's point-man for the House vote in support of Permanent Normal Trade Relations (PNTR) for China, and is also responsible for the Administration's push for China's membership in the World Trade Organization. This placed Daley at odds with AFL-CIO President John Sweeney and other labor officials. Gore failed to alert Sweeney in advance of his plan to appoint Daley

to head his campaign, and when the news was made public, the AFL-CIO bosses reportedly hit the roof. Gore met with Sweeney and other top labor officials the next day, and tried to smooth over their anger. Ultimately, the AFL-CIO will remain committed to the Gore candidacy (it endorsed Gore for President, under immense pressure, including from the Department of Justice and the FBI, last year), but unless Sweeney et al. can conduct a full-scale mobilization on Election Day, Gore's fate is even further sealed. Furthermore, the United Auto Workers, one of the biggest member unions of the AFL-CIO, refused to join the Federation in endorsing Gore, and top officials have said they may bolt from the Democratic Party altogether, and throw their support behind Ralph Nader and the Green Party!

Gore's biggest fiasco, which could have the most dramatic impact on Election Day, is his continuing hysterical insistence that duly elected convention delegates who support the candidacy of Lyndon LaRouche, be excluded from the Los Angeles nominating convention on Aug. 14-17. LaRouche won 22% of the vote in Arkansas's primary election, and the 53,000 LaRouche voters are, as of now, being disenfranchised by the Democratic National Committee's chairman Joe Andrew. LaRouche commands strong support among many core Democratic constituents, particularly African-American workers, and the Gore-ordered anti-LaRouche antics could lead these voters to look elsewhere or stay home in November.

## Congressmen Fear Landslide Defeat

Gore's sinking ship could also spell doom for Congressional Democrats, who stand on the verge of taking back control of the House of Representatives, and, perhaps, even the Senate, in November. But, if Gore is defeated by a landslide in November, the Democrats will in all likelihood lose that golden opportunity. Indicative of the state of panic among leading Congressional Democrats, on June 15, House Minority Leader Dick Gephardt (Mo.) and Senate Minority Leader Tom Daschle (S.D.) met with President Clinton to demand that he take some action to roll back gasoline prices. The two legislators argued forcefully that the backlash against the White House, if there was no Presidential action to reduce gas prices at the pump, would sink any hopes of a Democratic Congressional majority. The next day, President Clinton released 1 million barrels of oil from the government's Strategic Petroleum Reserve, in the first intervention to force down gasoline prices. That move may stave off such a voter backlash over fuel costs, but it does very little for Al Gore.

Gore's dismal performance can only be dealt with by a revolt from within the Democratic Party to dump him as the nominee, either prior to the convention, or through an open fight at the nominating convention in August. So far, while there has been a good deal of grass-roots carping at Gore's losing ways, aside from the mobilization of the LaRouche faction of the Democratic Party, no concerted effort has yet been mounted to dump Gore.

# New Studies Build the Case for Abolition of Capital Punishment

by Marianna Wertz

The issue of capital punishment has now burst onto the front pages of the national media, the result of two important new studies and the highly charged Gary Graham case in Texas (see box). Pressure for a national moratorium on executions is rising, forcing Congress to act, at least to guarantee DNA testing for all capital defendants, legislation which is expected to pass either before the summer recess or, at latest, next year.

The issue began percolating after the Jan. 31 announcement by Illinois Gov. George Ryan, that he was imposing a moratorium on executions, because he could not in good conscience condone the fact that 13 death-row inmates had been found innocent in Illinois in the past 13 years. Ryan, a pro-death penalty Republican, is Illinois campaign director for the Presidential campaign of George W. Bush. Unlike Ryan, however, Bush is proud of his record execution of 134 men and women in his five-year tenure as Texas Governor, and has declared that he will not impose a moratorium in Texas, where, he insists, no innocent person has ever been executed.

Following Ryan's announcement, the New Hampshire state legislature, with a conservative Republican majority, voted on March 9 to impose a moratorium, although Democratic Gov. Jeanne Shaheen vetoed it. Several large cities, including Philadelphia and San Francisco, have passed resolutions calling on their state legislatures to impose a moratorium on executions. Thousands of religious, political, and civil rights leaders have signed a call for a moratorium on executions being circulated by Equal Justice USA ([www.quixote.org/ej](http://www.quixote.org/ej)), with the effective graphic depicted here. And national moratorium legislation was introduced in the House of Representatives in March by Rep. Jesse Jackson, Jr. (D-Ill.), and in the Senate by Russ Feingold (D-Wisc.) and Carl Levin (D-Mich.)

## Full Circle

The United States, the only remaining industrial power that imposes the death penalty, had a four-year ban from 1972-76, and today's motion toward a new moratorium has really brought the country full circle from three decades ago. On June 29, 1972, the U.S. Supreme Court, in *Furman v. Georgia*, declared capital punishment, as then practiced in the United States, to be in violation of the Eighth Amendment's prohibition against "cruel and unusual punishment." Four years later,

in the 1976 cases known as the *Gregg* decision, the court ruled that changed state laws included sufficient safeguards to make capital punishment "constitutional" once again, and it was reinstated.

After 24 years spent in a futile attempt to practice capital punishment in a "constitutional" fashion, this country is once again moving toward a moratorium on executions. Futile, because capital punishment is inherently wrong in a society based on the Judeo-Christian concept that man is created in the image of God, and that love—not retribution—is its guiding principle. The more we execute, the more mistakes we make.

Again today, the issues that led the court to ban the death penalty—that it was too severe for the crime, that it was arbitrarily imposed, that it offended society's sense of justice, and that it was not more effective than a less severe penalty—are at the center of hot debate, only this time coupled with the irrefutable proof, through DNA testing, that at least 87 innocent people have come close to being executed since 1976. Those were the fortunate 87, whose innocence was discovered *before* they were executed.

## The 'Broken' System

On June 12, two studies were released, clearly timed to affect the growing debate in the context of the Presidential election campaign. Both studies seriously challenge George W. Bush's claim that there have been no innocent people executed on his watch.

A study by the *Chicago Tribune* begins, "Under Gov. George W. Bush, Texas has executed dozens of Death Row inmates whose cases were compromised by unreliable evidence, disbarred or suspended defense attorneys, meager defense efforts during sentencing and dubious psychiatric testimony, a *Chicago Tribune* investigation has found." Most importantly, the *Tribune* reports that this investigation, the first comprehensive examination of the 131 executions that took place up to the beginning of June under Bush's administration, found that the problems which led Illinois Governor Ryan to halt executions in his state, "are equally pronounced in Texas and that additional flaws undermine the state's administration of society's ultimate punishment."

Bush himself was confronted with the *Chicago Tribune* report after attending church with his parents in Maine. Bush said he disagreed with the report. "In every case, we've ade-

quately answered innocence or guilt. They've had full access to the courts. They've had full access to a fair trial."

The second study, "A Broken System: Error Rates in Capital Cases, 1973-1995," by faculty at the Columbia University Law School under the direction of James S. Liebman, examined appeals in *all* capital cases from 1973 to 1995. The study's Executive Summary begins: "There is a growing bipartisan consensus that flaws in America's death-penalty system have reached crisis proportions. Many fear that capital trials put people on death row who don't belong there. Others say capital appeals take too long. This report—the first statistical study ever undertaken of modern American capital appeals (4,578 of them in state capital cases between 1973 and 1995)—suggests that *both* claims are correct."

The study was commissioned in 1991 by the chairman of the U.S. Senate Committee on the Judiciary, to calculate the frequency of relief in *habeas corpus* cases. In late 1995, the study was expanded from a simple count of cases and their outcomes, to a search for information that might help explain why relief is granted in so many capital cases.

What the Columbia study found is breathtaking. (The following is from the study's Executive Summary.)

- Nationally, during the 23-year study period, the overall rate of prejudicial error in the American capital punishment system was 68%. In other words, courts found serious, reversible error in nearly 7 of every 10 of the thousands of capital sentences that were fully reviewed during the period.

- Capital trials produce so many mistakes that it takes three judicial inspections to catch them—leaving grave doubt whether we *do* catch them all. After state courts threw out 47% of death sentences due to serious flaws, a later Federal review found "serious error"—error undermining the reliability of the outcome—in 40% of the remaining sentences.

- Of the 2,370 death sentences thrown out due to serious error, 90% were overturned by state judges—many of whom were the very judges who imposed the death sentence in the first place; nearly all of whom were directly beholden to the electorate; and none of whom, consequently, were disposed to overturn death sentences except for very good reason.

- To lead to reversal, error must be serious, indeed. The common errors, prompting a majority of reversals at the state post-conviction stage, are 1) egregiously incompetent defense lawyers who didn't even look for—and demonstrably missed—important evidence that the defendant was innocent or did not deserve to die; and 2) police or prosecutors who *did* discover that kind of evidence but suppressed it, keeping it from the jury.

- High error rates put many individuals at risk of wrongful execution: 82% of the people whose capital judgments were overturned by state post-conviction courts due to serious error were found to deserve a sentence less than death, when the errors were cured on retrial; 7% were found to be innocent of the capital crime.

- High error rates exist across the country. Over 90% of American death-sentencing states have overall error rates of



A leaflet supporting a halt to use of the death penalty, put out by the *Moratorium Now!* campaign by the group *Equal Justice U.S.A.*

52% or higher; 85% have error rates of 60% or higher; three-fifths have error rates of 70% or higher.

- Illinois (with 13 death-row exonerations in recent years) does not produce atypically faulty death sentences. The overall rate of serious error found in Illinois capital sentences (66%) is very close to—and slightly lower than—the national average (68%).

- Catching so much error takes time—a national average of nine years from death sentence to the last inspection and execution. By the end of the study period, that average had risen to 10.6 years. In most cases, death row inmates wait for years for the lengthy review procedures needed to uncover all this error. Then, their death sentences are reversed.

- This much error, and the time needed to cure it, impose terrible costs on taxpayers, victims' families, the judicial system, and the wrongly condemned. And it renders unattainable the finality, retribution and deterrence that are the reasons usually given for having a death penalty.

## Mass Murderer G.W. Bush Executes Gary Graham

For weeks, GOP Presidential candidate George W. Bush has been telling the world that, in Texas, none of the 135 men and women executed under his administration has been innocent of the crime for which they were executed. Now, that has changed. On June 22, Governor Bush executed Gary Graham, also known as Shaka Sankofa, convicted 19 years ago of a murder which Graham said he did not commit.

Graham, Bush's 135th victim, faced death nine times in Texas, winning a reprieve the first eight because of the huge doubts about his guilt. His conviction was based exclusively on one eyewitness account, a woman who saw the shooting from inside her car, at night, in the course of less than a minute.

Two other eyewitnesses, employees at the Safeway who watched the shooter for 15-20 minutes inside the

store, said Graham was not the shooter. They were never called to testify, because Graham, poor and black, had an incompetent attorney. There was no physical evidence against Graham, and the gun found on him at the time of arrest was not the weapon used in the shooting.

Some of the original jurors in the Graham trial have recently said that, today, knowing what they now know, they would have voted against the death penalty.

Gary Graham was not an angel. He was involved in low-level street crime, and pled guilty to that. But he wasn't guilty of the crime for which he was executed. Graham told ABC News, "This system is a disgrace to any civilized country, when you talk about the innocent people that are being killed here."

George W. Bush said that he believes in the death penalty because it "saves lives." There are 15 more people on death row in Texas scheduled for execution before the November Presidential election. If he believes in saving lives, there are 15 he could start with right there. The 135 he has already taken, testify that he is the nation's chief executioner, and a mass murderer.—*Marianna Wertz*

### What About Gore?

That George W. Bush is the nation's chief executioner is not in doubt. That's what you get if you vote for him. But what about Gore?

*Washington Post* columnist Richard Cohen, a death-penalty and Bush opponent, had an unusually (for him) insightful column on this question on June 13, titled "Al with His Finger in the Wind." "If Gore were an American Indian of yore," he writes, "his name would be Al Finger-in-the-Wind. How silent is he? As silent as the dead. Never mind that Gore won't open up on Bush; he won't even lend his name to a Senate effort [The Innocence Protection Act of 2000] to ensure that inmates have access to any DNA evidence that might prove them innocent. . . . Gore is the very model of the very modern leader—self-proclaimed and daring to take the public where it already wants to go. I understand. The politics of the issue are simple. Alas, so is its morality."

In a June 14 interview with the *New York Times*, where he was forced to deal with the issue publicly for the first time, Gore said, "If there is a study that shows a large number of mistakes, that has to make you uncomfortable."

Uncomfortable? I guess so, particularly if you are innocent and strapped to a gurney with lethal drugs running through your veins.

Gore continued, "There are many who bring an understandable passion to the new debate over capital punishment that arises from their fundamental moral opposition to the penalty itself. I deeply respect that position. I do not share it. . . . I do think that that penalty should be available."

Gore said, finally, that he would support a Federal morato-

rium "if there were, in the Federal courts, the kind of record that Governor Ryan found in Illinois. . . . I do not believe the evidence show that's the case." Sounds a lot like Bush, doesn't it?

In fact, Al and George, the evidence *does* show that's the case. Read the Columbia University study.

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### Interview: Robert Wilkins

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## Stop D.C. Sentencing Bill, Keep Parole

*On June 26, the District of Columbia City Council is expected to open debate on legislation that goes even further in its harsh sentencing provisions than the Gingrich Congress mandated in the 1997 Revitalization Act, under which the Federal government bailed out and took over several arms of District administration. The Sentencing Reform Act of 2000, if voted up as written, would, beginning in August, abolish parole for all felonies, eliminate rehabilitative programs for youthful offenders charged with violent crimes, and lengthen prison sentences, allowing judges to impose even longer sentences than required under current law.*

*Incarceration levels in the nation's capital are already*

among the highest in the nation, with respect to African-Americans. Today, more than one in three black men ages 18-35 in the District are under some arm of the criminal justice system. District black men are incarcerated at a rate, per 100,000 population, that is 36 times that of white men (as compared to 10 times nationally), and the District's overall incarceration rate is three times the national average.

The Revitalization Act also mandated that at least 50% of all District offenders be housed in private prisons by September 2003, an unprecedented arrangement that "gives the private prison lobby a strong economic incentive to encourage an increase in the District's already long prison sentences," according to Robert L. Wilkins, an attorney with the D.C. Public Defender Service.

Wilkins has been an attorney with the D.C. Public Defender Service for ten years. He graduated from Harvard Law School in 1989, and has done human rights and civil rights work since during law school. He currently handles impact litigation and policy matters for the Public Defender's Service, and is the PDS Delegate to the District of Columbia Advisory Commission on Sentencing. Marianna Wertz interviewed him on June 12.

**EIR:** We're a national publication. Could you describe for our readers, who may not be familiar with the specifics of the fight over sentencing policy in Washington, D.C., why it's important that the recommendations of the Advisory Commission be defeated? What is at stake?

**Wilkins:** What is at stake is a movement toward increased incarceration, because studies show that when you abolish parole, the amount of time that people spend in prison increases drastically. What we're trying to fight for in D.C., is abolishing parole in a way that does not increase incarceration, and trying to have this done in as fair a way as possible.

**EIR:** In the Public Defender Service's paper on this issue, which you co-authored, you called for a greater emphasis on rehabilitation in prison, and said that parole enhances the safety in the prisons and reduces recidivism. Could you expand on that?

**Wilkins:** We do think that a parole-based system is a better sentencing system than a truth-in-sentencing/85%-of-time-served-based system, for all of those reasons. A parole-based system encourages rehabilitation, because inmates have something to work toward, and it basically forces the prison system to have programs in a rehabilitative focus, because everything is geared toward those programs and the person having an opportunity to get out on parole.

When you get away from that, with the truth-in-sentencing system, where the person serves 85% of whatever the number is that they get, there's no more incentive toward rehabilitation, and prisons become more violent, and there is less of a focus on programs to help people deal with their educational issues or drug-treatment issues, or anger-man-

agement issues, or other issues that they have that will help them be responsible members of society.

I wish that there were some way to save parole in the District of Columbia, and have the parole system work in the District of Columbia. But Congress *required* D.C. to abolish parole, for a long list of 37 felonies, and this Commission decided that it would just make sense to abolish parole for everything, so that there would be one uniform system. I don't think that there's any way to stop that juggernaut at this point.

**EIR:** In response to your recent commentary in the *Washington Post*, City Council member Harold Brazil (D-At Large) implicitly accused you of playing a "race card" in Washington, D.C., by claiming that the new sentencing policy would especially harm African-Americans. Do you have any response to that?

**Wilkins:** I think that it's very unfortunate that he can't acknowledge that the laws that send people to prison have a part to play in these racial disparities, just as much as police practices and prosecutorial practices. He acknowledges that *they* play a role in these racial disparities, but refuses to acknowledge that sentencing laws play a role. The Leadership Conference for Civil Rights, the NAACP, Human Rights Watch, and lots of people are looking at these racial disparities and their association with sentencing laws and policy. I don't understand why there are certain people here in the District who refuse to acknowledge that association.

**EIR:** The Revitalization Act requires that 50% of D.C. prisoners be housed in private prisons. We've taken an editorial stand opposed to privatization of prisons for many reasons. You said in your commentary that, in this context, it shows that "crime *does* pay."

**Wilkins:** I think it's a national disgrace that Congress put a provision that requires a 50% market share of D.C. prisoners to [be housed by] the private industry. I personally think that prison privatization is a terrible thing. It's even worse to basically subsidize it by requiring the District to give 50% of its business to private prisons, especially when there's no evidence that these private prisons do a better job, or a cheaper job overall, of housing prisoners, than government-run prisons.

Especially since private prisons have been notoriously bad, in many instances of late, at doing this; and especially since private prisons have no incentive to provide rehabilitative programming or any type of programming or services that will take away from their bottom line, which is making a profit off of these prisoners. It's actually in their economic interest to get return business: to return people to the streets worse criminals than when they started out, so that they'll come back and keep their prisons full and expand their markets and expand the need for more prisons.

So, there's any number of reasons why this is terrible policy and a disgraceful policy, that's got to be reversed.

**EIR:** My last question is on home rule for Washington, D.C. You oppose what's being imposed on the District in terms of its sentencing policy by the Congress. How do you see the fact that the District is controlled in this, and many other realms, by Congress, affecting citizens lives in the District?

**Wilkins:** I think all of this is significant, because it's happening not at the behest of the will and consent of the people of the District of Columbia, but at the behest of Congress and a Congress that doesn't represent the people of the District of Columbia. That's very troubling, because a local criminal justice system has to reflect the values of the people and it has to reflect the values of the people of the District of Columbia. In any democratic form of government, at essence, has to operate at the consent of the governed.

So, you have neither one of those things operating here in the District. Abolishing parole and forcing prison privatization in all of these things—forcing sentencing guidelines—is not based on the consent or the will of the people of the District of Columbia. In fact, it's in direct contradiction to the consent and will of the District of Columbia. That erodes public confidence in the justice system and in the government in general. It's not only bad policy, but it creates a bad atmosphere and disrespect for the system, by imposing these types of draconian and ill-advised measures on people, against their will.

## Louisiana Acts vs. HMOs, as High Court Backs Right To Kill

by Marcia Merry Baker and Brian Lantz

On June 5, the Louisiana state legislature passed a resolution against the managed-care system, citing the current health-care emergency, thus joining in what is fast becoming a national drive to roll back the 1973 law which allowed the creation of health maintenance organizations (HMOs), and to restore traditional American health care in the public interest. Over the last six weeks, similar state and local actions have been taken, or are in preparation, in Alabama, Pennsylvania, Michigan, Nevada, Ohio, and California. These initiatives reflect the changing mood in the nation, *to end*, and *not to amend* the HMO deregulation of health care. For example, a Cleveland City Council Resolution which passed unanimously on May 22, urged the local Congressional delegation to investigate HMOs, and “to legislate the abolition of such groups if they fail to provide adequate health care services” (the full text was in *EIR*, June 2).

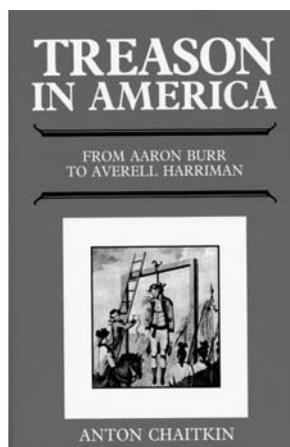
In hostile opposition to this growing shift in the country, the U.S. Supreme Court handed down a decision on June 12, in the case of *Pegram v. Herdrich*, acting to protect the rights of HMOs to selectively deny and delay care, citing the *supremacy of private profit* as the justification. The court ruled that patients could not use the Employee Retirement Income Security Act of 1974 (ERISA) to sue their HMOs in Federal court for using financial incentives to ration care, because “inducement to ration goes to the very point of any HMO scheme,” and because allowing the remedy of such suits would, in effect, “be nothing less than the elimination of the for-profit HMO.” The court also has two more decisions pending on similar HMO cases.

The Supreme Court's unanimous decision concerned a case in which a woman whose HMO's cost-driven delay in providing tests led to a life-threatening ruptured appendix. The court said that patients could not sue HMOs in Federal court, just because the HMO's decision to cut costs had adverse medical consequences. Such a ruling, said Justice David Souter, would go against Congress's intent, expressed for the past 27 years, to use for-profit HMOs to cut medical costs.

In fact, the expression “ration care” in the Supreme Court decision, is a Nazi-style cover phrase for the *characteristic* practices of HMOs, which were set up from the beginning to selectively decide who gets what kind of treatment, no matter if harm and death will result. The background on the HMO

### Treason in America

From Aaron Burr To Averell Harriman



By Anton Chaitkin

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Billboards in Louisiana express popular outrage at the health maintenance organizations (HMOs), and the Governor's budget-slashing policies.

founding legislation (Dec. 29, 1973, "Health Maintenance Organization and Resources Development Act"), the record of HMO practices, and the traditional American health law alternative (the 1946 Hill-Burton "Hospital Construction Act"), are all contained in *EIR*, May 12, 2000, and in a mass-circulation pamphlet issued in May by Lyndon LaRouche's Presidential campaign, entitled "Ban the HMOs Now! Before They Get You and Yours."

The pamphlet also prints the names of Congressmen to be ousted in November, who back the murderous "managed-care" system. The kowtowing to HMOs is so bad on Capitol Hill, that even a feeble "Patients Rights" bill did not make it through the Senate this month. On June 8, Senators voted 51-48 to table such a measure, which was proffered as an amendment to the FY 2001 Defense Authorization Bill.

**The Fight in Louisiana**

On June 5, the Louisiana state legislature, both houses concurring, passed out HCR-81, "To memorialize the Congress of the United States to take such actions as are necessary to establish and affirm that every citizen of this nation has the right to high-quality health care."

HCR-81 affirms that a health emergency exists across the United States, including in Louisiana, and scores the destruction of health care which has occurred under the imposition of HMOs and so-called managed health care. Going beyond such ballot initiatives as that now being debated in Massachusetts, HCR-81 specifies a return to the competent postwar standards of medical treatment as expressed in the Hill-Burton Act, through Federal action. The Louisiana legislature warns that "the current health-care delivery system in Louisiana, including the Department of Health and Hospitals and the state's charity hospital system,

are currently unable to fulfill the full health-care needs of all this state's residents."

Louisiana HCR-81 was introduced by State Rep. Charles Hudson (D-Opelousas), with 23 members of the Louisiana House of Representatives, and two Louisiana State Senators, joining as co-authors.

The legislature's move comes in the context of a deepening overall economic and fiscal crisis in the state. An emergency special session of the legislature began on June 19, in continued efforts to deal with a state budget crisis for the July 2000-July 2001 fiscal year. The Governor's proposed budget, to be financed by a projected windfall from severance taxes on oil and gas, regressive tax measures, and so-called "sin taxes," includes major cuts to an already crippled state government.

Among the departments hardest hit, will be the Department of Health and Hospitals (DHH). Plans are to eliminate 1,750 DHH positions, if the proposed \$13.6 billion budget goes through. At least 15 mental-health clinics would be closed, along with a number of parish (county) health clinics; 60-80 beds for the severely disabled would disappear; all inpatient mental health services for children would go, along with cutbacks to two state-run nursing homes, Medicaid staff, and the number of health inspectors monitoring nursing homes, hospitals, and other facilities. It has already been announced that there could be another 4% cut, across the board, that could eliminate another \$20 million, and more professionals, from DHH's budget.

The health-care system of the state was already devastated. In the last 10 years, Louisiana's rural hospital network has shrunk from 49 to 38 hospitals, with all of those threatened with closing. Likewise, the state's "charity hospital" system is being run into the ground.

In March, the DHH imposed \$51 million in cuts to the state's Medicaid program, to balance the books for the fiscal year ending in July. The cuts would have chiselled health-care facilities out of 7% of the monies they had been budgeted to receive. Thrown into financial crisis, two Louisiana rural hospitals, joined by 53 homes for the mentally retarded, initiated a lawsuit in Federal court, to stop the cuts.

When the DHH attorney argued in Federal court that implementation of an across-the-board cut was a balanced, systematic approach, U.S. District Judge Richard Haik exploded. "How can you say that when you have an arbitrary 7%? . . . Where is the thought process? A monkey could do that. You can teach a chicken to calculate. . . . How do you know people won't be affected when you cut 7% across the board?" he demanded.

But Judge Haik's order blocking the cuts was overturned in May by the Fifth Circuit Court of Appeals. Since then, DHH has been recouping the money it "overpaid" to health-

care providers, and now, it is preparing the next round of murderous triage.

## Mobilization in California

On June 5, in California, draft legislation banning HMOs was brought to the East Palo Alto City Council; and on June 7, to the Alameda County Democratic Central Committee. Resident Andrea Ingraham spoke to the Palo Alto City Council about LaRouche's draft legislation to end HMOs. In thanking Ingraham, Councilwoman Myrtle Walker said of the health crisis, "What's going on is atrocious." She urged the city to do its part in fighting the HMOs. Vice Mayor Duane Bay said, "I'm surprised I would find myself encouraging people to look at Lyndon LaRouche's website, but you might want to do so. You can get the full background on this issue there" ([www.larouchecampaign.org](http://www.larouchecampaign.org)). In these meetings, and others around the country, more and more people are asking, not "whether" HMOs should be banned, but "how?"

## The Louisiana Resolution

*House Concurrent Resolution No. 81, passed June 5, by the House and Senate of the legislature of Louisiana.*

### A Concurrent Resolution

To memorialize the Congress of the United States to take such actions as are necessary to establish and affirm that every citizen of this nation has the right to high-quality health care.

**Whereas**, an immediate health care crisis exists in the United States and in the state of Louisiana; and

**Whereas**, citizens of our state and nation are sometimes denied access to necessary health care services due to the financial practices of health maintenance organizations and other managed-care entities, the utilization of managed care by health insurers, and the lack of adequate medical facilities in many communities nationwide; and

**Whereas**, the guiding principles of United States health care policy, as provided in the Hill-Burton Act, 42 U.S.C. 291 et seq., have been steadily undermined by the concept of managed health care; and

**Whereas**, a primary purpose of the Hill-Burton Act is to assist states in "furnishing adequate hospital, clinic, or similar services to all their people" by tying certain Federal funding to commitments by health care facilities "to make available a reasonable volume of services to persons unable to pay therefor"; and

**Whereas**, the state of Louisiana, as a result of its cli-

mate and geographical location, is not only a crossroads for international trade and commerce, but also subject to a range of threats to the public health, as indicated by Louisiana being placed on the "watch list" for dengue fever, which potentially compound the already existing public health crisis; and

**Whereas**, the current health care delivery system in Louisiana, including the Department of Health and Hospitals and the state's charity hospital system, are currently unable to fulfill the full health care needs of all of this state's residents; and

**Whereas**, under the preamble to the Constitution of the United States, the Federal government is required to "promote the general welfare," which thus necessitates action by the Federal government to address the current health care crisis; and

**Whereas**, the United States is rightfully a signatory to international declarations and covenants, including the Universal Declaration of Human Rights of the United Nations, which establish the universal right to adequate health care and require governments to take steps to assure access to quality medical health care;

**Therefore, be it resolved** that the Legislature of Louisiana does hereby memorialize the United States Congress to take such actions as are necessary to establish and affirm that every citizen of this nation has the right to high-quality health care.

**Be it further resolved** that a copy of this Resolution be transmitted to the presiding officers of the Senate and the House Representatives of the Congress of the United States of America, and to each member of the Louisiana Congressional delegation.

# Eco-Terrorist Bomb Plot Foiled in Oregon

by Jeffrey Steinberg

On the eve of three major political conventions this summer, to nominate the Presidential candidates for the Democratic, Republican, and Reform parties, evidence is emerging that major acts of domestic terrorism are being planned, and, despite massive increases in their counter-terrorism budget, the Federal Bureau of Investigation appears to be poorly prepared to deal with this danger. The eco-terrorists and anarchists, associated with such groups as Earth First!, the Earth Liberation Front, and such recent concoctions as the Anarchist Golfing Association and Islamic Jihad/Eco-Terrorists, may not be bankrolled by so-called “rogue states,” and they may not be brandishing suitcase nukes or other “weapons of mass destruction,” but the danger they pose is considerable.

*Item:* Two bombs were discovered in Eugene, Oregon on May 30, at the Tyree Oil Co.; they could have wiped out a four-city-block area and killed hundreds of people, had they not been discovered and defused by police. The two bombs, placed on top of two large gas tanker trucks, were discovered when one of the drivers started to drive off, and the bomb fell to the ground.

According to private investigator Barry Clausen, one of the foremost experts in America on the eco-terrorist movement, the two devices, which were constructed to blow up the two petroleum tanker trucks, were identical to the bombs used by the Earth Liberation Front in the firebombing of a ski resort under construction in Vail, Colorado on Oct. 19, 1998, and in the Monmouth, Oregon arson, which destroyed the Boise Cascades factory on Christmas Day 1999. Blueprints and detailed plans for building these types of bombs can be found at the websites of both the *Earth First! Journal* and the Animal Liberation Front.

According to Clausen, the FBI has apparently imposed a blackout on news of the attempted bombing in Eugene. Indeed, officials of the FBI and the Treasury Department’s Bureau of Alcohol, Tobacco and Firearms (ATF) on the East Coast, when queried by Clausen, were totally unaware of the Eugene incident—even though they were preparing for possible terrorist actions by Earth First!, and should have been informed of such a serious attempted attack.

## Another Oklahoma City Blast

The Eugene police and fire departments report that if the bombs had gone off, they would have ignited both gasoline

tankers and caused a blast that would have levelled four city blocks, including a residential neighborhood near where the tankers were parked. They estimate that there would have been several hundred deaths. It would have been the most murderous act of “blind terrorism” since the April 1995 bombing of the Murrah Federal Building in Oklahoma City.

No one has stepped forward to claim credit for the bombing attempt. Fire and police officials in the area consider it a major escalation by eco-terrorists and anarchists, who have built up an extensive presence in the Eugene area.

*Item:* On June 4, an estimated \$1 million in damage was done to a specialty grass seed manufacturing facility, owned by Pure Seed Testing, in Canby, Oregon. Ostensibly, the company, which produces and tests grass seed for golf course greens, was conducting experimentation with genetically modified seeds, and this prompted eco-terrorists to break into their facility and wreck almost the entire stockpile of seed and grass. The attack was claimed by a group calling itself the Anarchist Golfing Association, in a news release sent to GenetiX, a news service that supports the eco-terrorists.

Another group, going by the name Cropatistas, has carried out similar attacks, in what even the FBI has acknowledged is a growing pattern of sabotage targetted against genetic-engineering firms and laboratories. So far, in 2000, the FBI has acknowledged that there have been 11 such attacks, including a New Year’s Eve attack on an agriculture department building at Michigan State University, and a February attack on a similar facility at the University of Minnesota. These two attacks were claimed by the Earth Liberation Front, the group responsible for the \$12 million attack at Vail. In all of 1999, there were only 18 such incidents reported.

An FBI spokesman told MSNBC reporter Miguel Llanos on June 14 that the groups conducting these attacks are difficult to investigate, because there “is no real pattern.”

FBI Director Louis Freeh, in testimony before Congress in 1999, acknowledged: “The current domestic terrorist threat primarily comes from right-wing extremist groups, Puerto Rican extremist groups, and special-interest extremists.” He added, “The most recognizable single-issue terrorists at the present time are those involved in the violent animal rights, anti-abortion, and environmental protection movements.” Hardly a word of warning commensurate with the kinds of action seen at Vail and in Eugene.

## Oregon Police Alert

In a related development which also signals the seriousness of the terrorist threat in the Pacific Northwest, the Oregon State Police on June 1 issued a special bulletin, alerting all law enforcement and emergency response personnel against “Anarchist Weapons Used Against Law Enforcement.” The bulletin, circulating among all criminal justice agencies in the state, warns, “Eugene law enforcement has recently come into contact with two new types of weapons used by anarchists.

“The first weapon is a Tiki torch type of device. It is



OREGON STATE POLICE

**BULLETIN**

**OFFICER SAFETY ALERT**



Issue Date: June 1, 2000    Bulletin Number: 2000-005    Expiration Date: June 1, 2001

**Anarchist Weapons Used Against Law Enforcement**

Eugene law enforcement has recently come into contact with 2 new types of weapons used by anarchists.

The first weapon is a Tiki torch type of device. It is constructed with a broom handle topped with a 3lb-coffee can containing kerosene and gasoline soaked rags, topped with a wax candle. Subjects have thrown these devices at police officers in Eugene during confrontations.

The second weapon is an egg that has been drilled and drained, and filled with glass etching solution. The egg is then resealed with wax. A Eugene PD outpost was vandalized with anarchy graffiti and egged. The substance in the eggs is extremely corrosive and will burn skin.

Use caution when confronting anarchists.

*A bulletin to law enforcement agencies on the terrorist threat.*

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“The second weapon is an egg that has been drilled and drained, and filled with glass-etching solution. The egg is then resealed with wax. A Eugene PD [Police Department] outpost was vandalized with anarchy graffiti and egged. The substance in the eggs is extremely corrosive and will burn skin.”

The warning bulletin concluded, “Use caution when confronting anarchists.”

### **Gore and Oxy ‘Targets’**

Several recent articles in the *Earth First! Journal* have targetted Vice President Al Gore’s relations with Occidental Petroleum, and, according to Clausen, both the Los Angeles Police Department and the ATF are on alert for a possible terrorist attack against Occidental’s international headquarters in Los Angeles, perhaps during the Aug. 14-17 Democratic National Convention.

The March-April 2000 issue of *Earth First! Journal* featured an article about the role of Occidental Petroleum in Colombia, where they were granted drilling rights by the Colombian government on lands owned by the U’wa Indians. In January and February of this year, Colombian Army and National Police units invaded the U’wa region to remove protesters, to allow Occidental drilling to begin.

The *Earth First! Journal* reported, “U’wa supporters around the world have been stepping up their actions to support the resistance. Activists have targetted Occidental’s two most important shareholders—Fidelity Investments, which controls nearly 10% of Oxy stock, and U.S. Vice President

Al Gore, who has long-standing ties with Oxy. . . . He owns up to \$500,000 in Oxy stock and stands to reap large financial rewards from the drilling on U’wa land.”

The *Earth First! Journal* cited the Rainforest Action Network as one of the groups involved in leading protests against Gore at his campaign headquarters in Nashville, Tennessee; Olympia, Washington; and Santa Barbara, California. Furthermore, the *Earth First! Journal* story linked the U’wa protests to support for the Colombian narco-terrorist Revolutionary Armed Forces of Colombia (FARC). “On Feb. 29, FARC responded to Clinton’s proposal [for an additional \$1.3 billion in anti-drug aid to Colombia] by declaring war on the U.S. and vowing to fight against what they called U.S. ‘interventionism.’ . . . From Big Mountain to Chiapas to Colombia, indigenous people are saying ‘*Ya basta!*’ [“Enough already!”] Confront Al Gore when he comes to your town.”

Clausen noted the irony in the *Earth First! Journal* targetting Al Gore, whose 1992 “deep ecology” manifesto, *Earth in the Balance*, which has been re-issued this year, is as violently anti-technology as the worst rhetoric of Earth First! and the Unabomber Ted Kaczynski. “Our country is being destroyed by these radical environmentalists and eco-terrorists,” Clausen said, “and as far as I am concerned, Al Gore is one of the people most responsible for this.”

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## Book Reviews

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# Challenges of Space Flight, Then and Now

by Marsha Freeman

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### **Failure Is Not an Option**

by Gene Kranz

New York: Simon & Schuster, 2000

413 pages, hardbound, \$26

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### **Off the Planet: Surviving Five Perilous Months Aboard the Space Station Mir**

by Jerry M. Linenger

New York: McGraw-Hill, 2000

259 pages, hardbound, \$24.95

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Every voyage of discovery has had its dangers, and those of space exploration are no exception. But the difference in the way these risks are viewed by people of different generations is striking, as is evident by comparing these two recent books, and even their titles.

Most people became familiar with Gene Kranz after viewing the movie *Apollo 13*, in which he was portrayed by actor Ed Harris. The title of his book comes from the phrase used by Kranz in that film, and throughout his years in Mission Control, to characterize his approach during the many perils of the manned space flight program. As he says in his first chapter, his slogan “failure is not an option” was, in Mission Control, a “creed that we all lived by.”

Kranz was born in 1933 in Toledo, Ohio. He was commissioned in the Air Force in 1954, after the Korean War, and flew high-performance jet fighters, watching Soviet “MiG aircraft making contrails high in the sky over the demilitarized zone in Korea.” In 1960, Kranz joined the NASA Space Task Group and was assigned as Assistant Flight Director for Project Mercury. He retired from NASA in 1994 after 37 years of service.

Jerry Linenger was one of seven American astronauts to live aboard the Russian Mir space station, during the 1995-98 joint Shuttle-Mir missions. He was born in 1955 in Michigan,

graduated from the U.S. Naval Academy, and received a doctorate in medicine and other medical degrees. He served as a naval flight surgeon and joined the astronaut corps in 1992. He left NASA following his five-month stay aboard the Mir.

There is no question that both men are very accomplished, and were very capable in what they did. The difference seems to be that one grew up at the end of World War II and during the Korean War, and the other, during the political and social confusion of the 1960s.

### **Every Mission Is Life-Threatening**

Reading Kranz’s personal account of manned space flights, from Alan Shepard’s first sub-orbital mission in 1961 to the last Apollo mission in 1972, one quickly realizes that each mission had its moments of high anxiety. While one might suppose that it was the astronauts in the spacecraft who had command over their fate as crises arose during each mission, Kranz vividly describes how the flight controllers in Mission Control, make the sometimes split-second decisions that determine the successful, or tragic, outcome of each flight. And, in the beginning, many of these flight controllers were around 24 years of age. “Outside of wartime,” Kranz states, “I do not believe that young people had ever been given responsibilities so heavy or historic.”

During the Mercury program, rocket scientists and flight controllers were asked to do what America had never done before—send a man into space. “We [in the Mission Control Center] fully expected to lose one or two astronauts in Mercury,” Kranz states.

Kranz describes the first orbital flight in the Mercury program in the following way: “When I look back, I find it hard to believe that when we launched John Glenn we had had a total of three orbits’ worth of experience during the two preceding missions. Two of the Mercury-Atlas rockets had failed. . . . We were rolling the dice in a way that would not be allowed in today’s space program.”

The driving force was to beat the Soviet Union in the new race for space. But each man working in the program knew that sailing on “this new ocean” would be the greatest adventure, and the defining accomplishment of this country, for this century. The real driver was the leadership from the White House. “I saw [President John F.] Kennedy when he came to visit Mercury Control at the Cape with Shepard and Glenn,” Kranz relates. “His energy and charisma were electrifying; he made believers out of all of us, even the most skeptical.”

For many younger Americans, the assassination of President Kennedy in 1963 led to disillusionment and despair. But in the space program, Kranz relates, “none of us will ever forget what it was like to live through that incredibly sad weekend when America came to a stop, stunned by this tragedy. At Mission Control and throughout NASA, in our hearts we resolved to honor John Kennedy’s memory by meeting the challenge he had set for us.”

The major determination a flight controller makes in the



*Eugene Kranz (with cigar) in the mission operations control room during the Apollo 13 splashdown, April 17, 1970.*

process of launching the spacecraft, and at each critical point in continuing the mission, is a “Go/NoGo” decision. During the two-astronaut Gemini program of the mid-1960s, the decision time to abort the mission after launch, by activating the ejection seats and jettisoning the crew, was two to four seconds. There was no time to consult with colleagues, or to ask the opinion of the supervisor. Each man, based on his knowledge, experience, and training, made that sovereign decision. His judgment could determine whether or not the astronauts would survive. The “ultimate standard,” Kranz states, was that “failure is not an option.”

### **‘A Bright Glow of Promise in a Dark and Anxious Era’**

The year 1969 would be the “year of Apollo,” but throughout the country, the counterculture and moral decline of the nation were evident.

In August 1967, Kranz had gone to the University of California, Santa Cruz campus to brief scientists on Mission Control’s responsibilities. “It was my first live encounter with the hippie generation,” he recalls. “When I left I was glad to get back to a world I understood. But would these young people comprehend the meaning of all we had been trying to accomplish for so many years—the greatest use of economic and technological power in history for peaceful purposes? . . . I returned from that campus in California wondering what the young people I saw there would make of the legacy we were trying to pass on to them—and to the rest of mankind.”

As the astronaut crews and Mission Control prepared for the first manned landing on the Moon, Kranz reports, “All around us the tumult of the 1960s continued. . . . Campuses across the land were seething as students protested the war in Vietnam and marched for civil rights. Race riots had broken out in major cities in the summer of 1967. Then, after Martin Luther King was shot and killed on April 4, 1968, there were riots in more than a hundred cities. In June, Robert F. Kennedy was killed while campaigning for the Democratic nomination for President. Even the space program was picketed, and bomb threats were reported. Everything we carried into the Mission Control Center was inspected. Security guards roamed our parking lots during missions. Fortunately, the public’s support for the lunar program remained high. Apollo was a bright glow of promise in a dark and anxious era.”

The mettle of the men of space was severely tested during the first Apollo lunar landing, but each Apollo mission had its heart-stopping moments. On Nov. 14, 1969, thirty seconds after the launch of Apollo 12, “observers saw a brilliant flash of lightning in the vicinity of the launch complex,” Kranz relates. The consoles in Mission Control, which provide the controllers the detailed information about the status and performance of the millions of component parts in the rocket and spacecraft, went blank. When the data came back up, it was all a jumble.

Twenty-four seconds after the blackout, spacecraft Commander Pete Conrad reported that the gyroscopes used to determine the spacecraft’s orientation and velocity, were not

functioning. As Kranz states, “The crew was literally flying blind, without instruments they could trust.”

An engineer a few years out of college, who was responsible for the electrical systems on the spacecraft, had precious little time to decide whether the crew should continue its mission. While the rest of Mission Control prepared for a possible abort, John Aaron got instructions to the crew which fixed the problem. No abort command was issued.

The performance of Mission Control through the crisis aboard Apollo 13 is legendary. After the explosion in the oxygen tank on the spacecraft, Kranz reports, “Our objective from here on was survival. The crew’s only hope was Mission Control.” Speaking to astronauts and engineers who were assigned the task of devising a plan to keep the Apollo 13 crew alive as they swung around the Moon, and then working out a plan to bring them back to Earth, Kranz told them: “When you leave this room, you must leave believing that *this crew is coming home*. I don’t give a damn about the odds and I don’t give a damn that we’ve never done anything like this before. Flight control will *never* lose an American in space. You’ve got to believe, your people have got to believe, that this crew is coming home. Now let’s get going!”

Summing up the triumph of Apollo 13, Kranz reports that the day after the crew landed safely, the lead flight directors received the Presidential Medal of Freedom from Richard Nixon, on behalf of the mission operations teams. In part, the medal read: “Their [the mission operations teams] extraordinary feat is a tribute to man’s ingenuity, to his resourcefulness and to his courage.”

## The Human Factor

The human factor is the critical one in space exploration. As Kranz states, “It isn’t equipment that wins the battles; it is the quality and determination of the people fighting for a cause in which they believe.” Only people can make the mission work, when the equipment doesn’t.

In his book recounting his five-month stay aboard the Mir space station, former astronaut Jerry Linenger takes great pains to state, somewhat defensively, that he was well-prepared for his long-duration mission, because there had been criticisms of his ability to work effectively with his two cosmonaut crew members, and with Mission Control in Moscow.

One problem was that when Linenger started training for the Mir mission, he was still pretty much a rookie, having flown one Shuttle mission, which, as he says, “I was assigned quickly partly in order to qualify me to be able to go to Mir.” Older, more experienced astronauts observed that this lack of experience helped account for Linenger’s traumatized reaction to the crises that would face him on the space station.

Linenger also felt that the time was right for him to undertake this adventure when he volunteered for the Mir mission, because he had no children. In an interview with this author,

for the book *Challenges of Human Space Exploration* (Chichester, U.K. and New York: Praxis-Springer, July 2000), astronaut Michael Foale, who was on board the Mir when it had a collision with an unmanned Progress supply ship, stated that a person’s family situation is an important factor in space flight. He said, for example, that he was not going to train for a long-duration mission to the International Space Station until he felt that his young son was old enough to do well without him for a while.

But while Linenger and his wife were in Russia for his training, she became pregnant. As he states in his book, “Astronauts with young children also opted out [of Mir].” He found himself worrying about his wife, wondering whether, if anything happened to him, he would ever see his infant son again.

To further unsettle Linenger, his wife became pregnant again before his flight, with a due date two weeks after his planned return to Earth. He describes his taking leave of his wife and small son right before the mission, saying, “I was sorry that I had to leave right in the middle of [his wife’s] pregnancy. . . . The only thing that worried me was leaving her and John behind.”

While Linenger proposes that he did not have great concerns when he volunteered for the Mir mission, he states, “Russian technology was viewed as inferior and crude. And although the extent of the danger would not be known until after American participation in the joint flights began, Mir space station was suspected by most astronauts to be outdated, possibly unreliable and unsafe.”

Describing his months of training at Star City in Russia for his Mir mission, Linenger makes an interesting comparison between himself and Foale. After complaining about the accommodations at the cosmonaut training center (“We had been promised Western-style duplexes”), and the fact that public bathrooms in Russia were “disgusting,” Linenger states that Foale was “the perfect diplomat,” with “fewer reservations than me about just how far the cooperative spirit between the Americans and Russians could be pushed.” Linenger himself describes the joint program as being “conceived and thrust down NASA’s throat by the Clinton administration as a form of foreign aid to Russia.”

While there is no doubt that the Shuttle-Mir program was conceived as a political offering to the Russians, and that the Russian economy, thanks to “advice” from the likes of Harvard Prof. Jeffery Sachs and the International Monetary Fund, was collapsing, one would have hoped that the astronauts who had to live under the same conditions as the cosmonauts would come away from that experience, not complaining, but marvelling at what the Soviet Union and Russia had accomplished in space over 40 years with such comparatively meager resources.

That the fire aboard the Mir during Linenger’s stay there was a serious event, there is no doubt. His description of it is graphic and frightening. And, unfortunately, although there



*Left to right: John Blaha, Former NASA astronaut Jerry Linenger, and Mission Commander Michael Baker greet each other at the hatch opening as the Space Shuttle Atlantis crew was welcomed aboard Mir by Russian cosmonauts Valeri Korzun and Alexander Kaleri and Mir resident Blaha.*

were two Soyuz capsules at the station, each of which can accommodate three passengers for a quick return to Earth in an emergency, the location of the fire blocked the pathway to one of them, and there were six astronauts on the Mir, during a change of crews.

Judging from his own description, in many ways, Linenger found living in the the Mir “like a cell,” and at times, nearly intolerable. While he often congratulates himself on keeping an even psychological keel during the mission, he describes all of the typical mental afflictions of life in an isolated environment. He does admit: “I had underestimated the strain of living cut off from the world in an unworldly environment.”

It is telling what Linenger chooses to report about his stay on Mir. Nowhere are mentioned the experiments he worked on, which were his ostensible reason for the mission. “I looked at the same two faces for months on end,” he writes. “After a while, our conversations grew stale. . . . Family and friends existed only in some far-away place that we could see, but not physically touch. We were sucking down the same dehydrated food, day after day.”

After the fire, and various equipment breakdowns, when Moscow Mission Control instructed Linenger to help the two cosmonauts with the repairs that were needed on the station, he told the NASA team there that that was “unacceptable”; that he intended to complete his assigned science experiments. Both Foale and Shannon Lucid would report after their Mir missions, that “pitching in” to help with repairs, and spending social time with the cosmonauts, at the expense of the science experiments, were important to maintaining

positive relations among the crew.

Throughout the book, Linenger compares his astronaut “rugged individualism” to the “slavish” behavior of the cosmonauts vis-à-vis Mission Control. In his book, by comparison, Kranz describes the military-style discipline required, and enforced, in Mission Control.

After Linenger returned to Earth, he advised that the Mir was not safe for the remaining American astronauts to be sent there. While he states that there is risk in every flight that must be weighed against the benefits, he clearly believed that the risks on the Mir were too great. Judging from the book, he continues to think so, even though NASA Administrator Dan Goldin sent a top-level team, including Gen. Tom Stafford (ret.), who commanded the Apollo-Soyuz mission with the Soviet Union in 1975, to Russia before astronaut David Wolf was sent on board Mir, to assess the safety of the station. Stafford’s evaluation was that it was safe enough to continue the program.

Linenger is one of the three astronauts who lived on Mir who has left the space program. The other four await new flight assignments.

The dedication of his book is to his children, reading: “May their lives be full of adventure.” In his preface, he relates that he had read about Russian trials and tribulations in *War and Peace*. “I now read simpler books, mostly children’s books, to my boys as bedtime stories. I enjoy them. They all have happy endings.”

But not everything in life has a happy ending, and the sensible risks that space travellers are willing to take in the future, will determine whether space exploration continues.

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# National News

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## Thirteen Million U.S. Children in Poverty

UNICEF's Innocenti Research Center in Florence, Italy, reports that 13.5 million American children, 22.4% of the total, live in households with less than half of the national median income, according to the June 13 *New York Post*. Among the 26 "industrialized" countries studied, only Mexico has a higher proportion of poor children than does the United States: 26%.

Child poverty in the United States is higher now than in the 1960s and 1970s.

The UNICEF study found that the Scandinavian countries, led by Sweden at only 2.6%, have the lowest level of child poverty. Following the United States among the worst countries, were Italy (20.5%), Britain (19.8%), Turkey, and Ireland.

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## Agencies Say NMD Not Ready for Deployment

A General Accounting Office report, commissioned by Sen. Dan Akaka (D-Hi.), a supporter of National Missile Defense, has warned that the NMD plan being considered by President Clinton is based on inadequate test data and other uncertainties, and warns against "pushing the envelope" by making a deployment decision prematurely. The report, which has been endorsed by the Pentagon, according to the *Washington Post* on June 17, warned that key components are not able to be tested, due to treaty and funding restrictions, and there are other "untested assumptions," including the idea that "rogue states" could send nuclear weapons against the United States by 2007.

In addition, a panel of retired military commanders and senior defense scientists have given the Pentagon's Ballistic Missile Defense Organization a classified report, warning about the folly of an early deployment of the NMD. The panel, headed by former Air Force Chief of Staff Gen. Larry Welch, affirmed that, with adequate time to fully test all the components of the system, the NMD plan would work.

Concerns include the cited problems with the booster rocket for interceptor mis-

siles, doubts about whether the interceptor can distinguish an enemy missile from decoys, and concern that the timetable for constructing a working system in five years is unrealistic, the *Post* reported on June 18. The article noted that the Welch report carries far more weight than earlier such assessments, "because the panel had extensive access to secret information and is giving lengthy briefings on its conclusions directly to Pentagon decision-makers."

Earlier in the week, a group of prestigious former Pentagon officials, including former Defense Secretary William Perry and former Joint Chiefs of Staff Chairman Gen. John Shalikashvili, had issued a similar warning about the dangers of a hastily deployed system. They called on President Clinton to defer making a deployment decision, and let the next President decide.

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## Holbrooke Pushes for United Nations Army

The man who would like to be Al Gore's Secretary of State, U.S. United Nations Ambassador Richard Holbrooke, called for the transformation of the UN's peacekeeping department into a standing army, in an interview with the *New York Times* published on June 14. "The peacekeeping department is effectively the UN's Ministry of Defense," he said. He continued, "Peacekeeping needs three things: more financial resources, more and better-trained military and civilian personnel in the field, and a coherent command structure overseas with better central direction out of New York."

Military professionals "borrowed" from national militaries, have to be brought in, despite opposition from most of the world's developing nations, he said, because the UN cannot keep relying on what the *Times* described as "polyglot pick-up armies."

Holbrooke said he would welcome a debate in the United States on the role of UN peacekeeping as a factor in U.S. national security—but not during the U.S. election campaign.

According to the *Times*, UN Secretary General Kofi Annan agrees with Holbrooke, and the upcoming selection of a new head of the peacekeeping department (the contract for the French civilian who currently heads it, Bernard Miyet, runs out later this year)

could be used to introduce changes, in an end-run around the UN General Assembly.

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## Project Lazarus: Can Gore Be Revived?

Al Gore's new campaign staff, led by Commerce Secretary William Daley, "when the boss does not hear them," call their job "Project Lazarus," the Italian daily *La Repubblica* reported on June 17. "But it will not take a saint to make the miracle of resuscitating Lazarus Al Gore." Gore, the article goes on, "looks like the gunfighter in a comic film, who cannot shoot straight."

According to a *Los Angeles Times* poll of 1,686 registered voters, polled during June 8-13, George W. Bush was leading Gore by 10 percentage points. Only 6% of Republicans planned to vote for Gore, and 53% of independents who had been backing Republican candidate John McCain, had swung behind Bush.

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## New Evidence in EgyptAir 990 Crash

*Aviation Week's* website reported on June 13 that new information which has emerged in the investigation of the crash of EgyptAir Flight 990 last Oct. 31, casts serious doubt on the theory by some U.S. circles, that the plane was deliberately crashed by a suicidal co-pilot. The Boeing 767 crashed off Nantucket Island shortly after taking off from New York, killing 214 people.

Detailed analysis of data from the cockpit voice recorder and the flight data recorder revealed data that suggest mechanical failure, the article says. The evidence pertains to the "split" elevators; evidence that they were moving in opposite directions has been taken as an indication that the first officer and the captain were battling each other for control of the plane. But follow-up analysis is not consistent with that theory.

The *New York Times* reported on June 7, that the Egyptian government has developed a theory of the crash which involves a mechanical problem in the plane's tail, a particular problem which has been seen on other Boeing 767s.

## Vietnam Trade Policy Taken Up by House Panel

On June 15, the House Ways and Means Trade Subcommittee held a hearing to consider U.S. trade policy toward Vietnam. The hearing was triggered by a resolution, sponsored by Dana Rohrabacher (R-Calif.), to disapprove President Clinton's waiver of Jackson-Vanik for Vietnam, the third waiver that Clinton has issued for Vietnam since 1998, which would allow continued support by the Export-Import Bank, the Overseas Private Investment Corp., and the U.S. Department of Agriculture for U.S. firms doing business in Vietnam.

The hearing began with a diatribe from Rohrabacher, speaking from the witness table, against the "corruption, mismanagement, and repression" reigning in Vietnam. He claimed that that government is being subsidized by the U.S. taxpayer, and that this should not be tolerated. He claimed that by supporting his legislation, "we can put the Vietnamese on probation" for a year, and if they begin implementing the reforms "which they have promised," then next year he would reconsider his opposition to the waiver.

Rohrabacher was chided by Sander Levin (D-Mich.) for exaggerating the cost of U.S. trade support. "I don't want taxpayers to think," he said, that anybody "is suggesting that we provide taxpayers' monies to prop up the government of Vietnam."

U.S. Ambassador to Vietnam Douglas "Pete" Peterson, a former House member and a POW during the Vietnam War, provided a completely different picture. Peterson declared that U.S. engagement with Vietnam "works," and that the waiver "will continue to advance U.S. national interests." He said that cooperation, especially on immigration and POW-

MIA issues, has been "excellent." Peterson also reported that he has seen "significant improvements in the human rights process in Vietnam."

Peterson warned that failure to renew the waiver "would be very, very damaging to our overall relationship," because the waiver "has become the symbol of American engagement and of cooperation into the future." Peterson indicated that such a failure would not likely affect the immigration or POW-MIA issues, but there are other issues, such as counternarcotics, health, and environmental programs that "would likely suffer greatly if we were not able to pursue" them.

## Is the Budget Headed for Another Fall Train Wreck?

There was a flurry of activity on appropriations bills in mid-June, but the current pace of the process doesn't necessarily foretell finishing the job in September. On June 13, the Senate passed the Defense Appropriations bill, which had passed the House the week before, by a vote of 95-3. The next day, the House passed the Labor, Health and Human Services, and Education Appropriations bill by a vote of 217-214. Then, on June 15, the Senate passed the Transportation Appropriations bill unanimously, and the House passed the Interior Appropriations bill by a vote of 204-172.

The House debate on the Labor, HHS, and Education bill may be an indication of things to come. During debate on June 8, Labor-HHS Appropriations Subcommittee Chairman John Porter (R-Ill.) admitted that the bill, which otherwise increases discretionary spending by \$2.4 billion over last year, contains "a few cuts." The bill comes in at \$98.6 billion, compared to President Clinton's request of

\$106.2 billion.

David Obey (D-Wisc.) said that the bill doesn't include as much money as is needed because of the GOP's tax-cut strategy. "The fact is," he said, "this bill is frozen in time because it does not respond to the growing costs, growing pressures in our society, even though we have moved from an era of large deficits to large surpluses." Obey warned that in September, the GOP will have to face up to the fact that "this bill and most of the others are not going to be signed by the President of the United States unless additional resources are put in it."

On June 14, the day the bill was voted on, Jack Quinn (R-N.Y.) expressed reservations about the amounts provided for certain education, and other programs in the bill. Obey responded, "The only assurance that any individual member can provide that there will be more funding for a program that he is interested in is to vote for a bill which contains it." He warned that voting for a bill that fails to contain sufficient funding gives "leverage to the very people who are trying to hold down funding for that bill."

## High Gas Prices Agitate Democrats

Soaring gasoline prices in the Midwest are spurring Democrats to pressure the Clinton Administration to take more decisive action. On June 15, Senate Minority Leader Tom Daschle (D-S.D.) and House Minority Leader Richard Gephardt (D-Mo.) met with the President and warned him that voter anger over high pump prices could threaten Democratic attempts to retake control of the House and Senate in the fall. On June 16, Sens. Charles Schumer (D-N.Y.) and Susan Collins (R-Me.) called on the President to re-

lease oil from the Strategic Petroleum Reserve to “immediately reduce the price of oil” and to “send a shot across the bow of OPEC [Organization of Petroleum Exporting Countries] ministers.”

Republicans, on the other hand, are seeing advantage in the situation. Senate Majority Leader Trent Lott (R-Miss.) is chastising Democrats for rejecting his bill earlier this year, that would have suspended the 4.3¢ per gallon gas tax, passed in 1993, if the price of gasoline went above \$2 per gallon, as it now has in many parts of the country. Lott is taking pot shots at the Administration for not having a national energy policy. “This Administration,” he said on June 20, “is not doing anything to produce more domestic oil or to encourage use of alternative sources like natural gas.” He warned that a return of the gas lines of the 1970s “is the kind of thing people get mad about and they want some action on.”

On June 15, the Clinton Administration authorized the release from the Strategic Petroleum Reserve of 1 million barrels of oil to a Citgo refinery in Louisiana, but this was only a response to the blocking of a shipping channel that prevented tanker deliveries to the refinery. Schumer and Collins are calling for the release of 1 million barrels per day for 45 days to bring down prices.

## **C**uba Commission Rejected by Senate

On June 20, the Senate voted down an amendment to the fiscal 2001 Defense Authorization bill to create a national commission to study U.S. policy toward Cuba. The amendment was sponsored by Chris Dodd (D-Conn.), who says that the U.S. sanctions policy of

the last 40 years has been a failure and should be reviewed. The amendment was also a response to pressure from agricultural interests, which have been lobbying for a partial lifting of sanctions to allow the export of food and medicines to Cuba.

During floor debate, Dodd said that there has been a double standard when it comes to Cuba. “A number of other countries are far more of a threat to U.S. national security and antithetical to U.S. foreign policy interests,” yet the sanctions against Cuba are the harshest, he said. He added that we are not going to change Cuba by “building a Berlin Wall off the coast of Florida between our two countries.” Instead, the way to do it is by engagement. “Isn’t it time we start to measure our Cuban policy against the same yardstick that we measure our relations with the rest of the nations of the world?”

Connie Mack (R-Fla.) called Dodd’s amendment “blatantly political, so much so, that no serious effort can come from a commission designed to be so skewed.” He took issue with the selection process that would result in Democrats appointing 8 of the 12 commission members. “By maintaining the current policy of isolating Fidel Castro,” he said, “we are standing shoulder to shoulder with people struggling for freedom.” In comparing Cuba to China, he said that Castro “has failed to make any of the changes made by Beijing.”

Dodd responded that if Mack’s logic were to be followed, “President Nixon never should have gone to China” at a time when there was little freedom there. As to arguments that the amendment was irrelevant to the underlying bill, Dodd said that “this is more relevant than a lot of stuff on this bill because we are dealing with a national security issue that could become

a serious problem” in the event of a civil war in the post-Castro period.

## **G**OP Introduces Its Own Campaign Disclosure Bill

On June 15, Sen. Gordon Smith (R-Ore.) and several co-sponsors introduced legislation to require “full disclosure of contributions and expenditures of groups which have heretofore not been held accountable and yet have been subsidized by the American people through tax-exempt status.” The bill is a broader version of an amendment which Sen. John McCain (R-Ariz.) successfully added to the Defense Authorization bill the week before. In addition to the so-called Section 527 organizations, the bill also applies to the political activities of business and labor organizations that are tax exempt under Sections 501(c)5 and 501(c)6 of the tax code.

The addition of labor unions to the bill is a lightning rod for Democrats, as Senate Minority Leader Tom Daschle (D-S.D.) indicated to reporters the day after the bill was introduced. He called the expansion from Section 527 organizations to labor “unacceptable,” and said that if labor is going to be required to report its political activities, “at least you ought to say corporations and the NRA [National Rifle Association] and Right to Life and all the other organizations ought to be involved as well.”

Sen. Mitch McConnell (R-Ky.) called organized labor “the most important political player on the America scene.” He argued that to include organized labor should not be seen as an act of bad faith or as a poison pill. McConnell’s commitment to the bill is open to question, however, because he himself termed it “of dubious constitutionality,” a label he applies to all such campaign finance legislation.

# *Cut the Mideast Gordian Knot, Mr. Clinton*

The recent turn of events in the Middle East, with the still-ongoing government crisis in Israel, and the equally uncertain succession process in Syria, following the death of Hafez al-Assad, ought to give President Clinton and others reason to pause, and consider a bold new approach to the elusive Middle East peace, an approach that we have advocated in the pages of *EIR* for years, and, as recently as the May 19 issue (“Solving the Water Shortage Is the Key to Mideast Peace”).

It is an open secret around Washington that the President, as of this moment, will not place any undue pressure on Israel to secure the final status agreement with the Palestinian Authority, because to do so, might jeopardize the First Lady’s chances of winning the New York U.S. Senate race, and would all but certainly finish Al Gore’s already sinking quest for the Presidency. “Don’t cross the New York Zionist Lobby in an election year—even if it means that a decades-long effort to secure a just and lasting peace in the Mideast goes down the tubes, for some time to come.” That is the word of the day, coming out of 1600 Pennsylvania Avenue.

Never mind, that the neo-conservative wing of the Zionist Lobby—the people the President does not wish to antagonize between now and November—are the very people who put their last ounce of effort into destroying his Presidency through all of their Clintongate shenanigans. Never mind, that in the June 2000 issue of the *American Spectator*, the flagship publication of the “Get Clinton” mafia, Zionist Lobby propagandist Michael Ledeen states, unequivocally, “Peace between Israel and Syria will come, if at all, after the next war.” Ledeen’s foamings are buttressed by his fellow neo-cons in both the Al Gore and George Bush Presidential camps, who recently launched an outfit called the United States Committee for a Free Lebanon, which has called for a new “Operation Desert Storm,” involving American and “coalition” military forces invading Lebanon to drive the 35,000 Syrian troops back across the border.

The only way to defeat these war hawks, and overcome the apparent lack of consensus within the Israeli

political-military establishment for bold peace moves, is for President Clinton to take the lead and do the unthinkable.

Take up the requests from both Palestinian Authority President Yasser Arafat and Prime Minister Ehud Barak for a Camp David-style summit in Washington. But broaden it to bring in the other major players in the immediate region: Egypt, Jordan, Syria, and Lebanon. And put the issue of water—the life and death issue for the Middle East—squarely on the table. Send Al Gore and his Luddite, eco-freak friends off to summer camp, and make a firm commitment to help build the necessary number of *nuclear desalination plants* to satisfy the expanded water needs of the region, under conditions of genuine economic growth. *EIR*’s recent study showed that 16 such plants could provide sufficient water to 34 million people in five Mideast countries that constitute the fulcrum for war or peace in the region.

Mr. President, turn the clock back six years, to 1994, when, faced with a growing war danger on the Korean peninsula, greatly exaggerated and fueled by the same neo-cons and Zionist Lobby fanatics preaching war with Syria today, you did the unthinkable. You offered North Korea access to Western light-water nuclear reactors, to satisfy their energy needs, while denying them the ability to produce weapons-grade fissionable material. Back then, it didn’t matter in the least that the right-wing Zionist Lobby crowd hit the ceiling, and pilloried you for pandering to “rogue states.”

You held your ground, and it can be said, with certainty, that your actions around the light-water reactor offer, helped lay the basis for the breakthrough North-South Korea summit that recently gave everyone hope, that peace and security in the Far East is in sight.

It would be truly tragic, for all of your efforts, over the past seven years, to secure a just and lasting peace in the Mideast, to have come to naught, as your Presidency enters its final months. To avoid the tragedy, take the kind of initiative you took in Korea, with such stellar results, and put the issue of nuclear desalination on the Middle East peace table.

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MidAtlantic Ch. 6  
Monday thru Sunday—  
1:30 am, 11:30 am,  
4 pm, 8:30 pm

## MASSACHUSETTS

- AMHERST—Ch. 10\*
- BOSTON—BNN Ch.3  
Thursdays—3 pm
- GREAT FALLS  
MediaOne Ch. 6  
Mondays—10 pm
- WORCESTER—Ch.13  
Wednesdays—6 pm

## MICHIGAN

- BATTLE CREEK  
ATT Ch. 11  
Mondays—4 pm
- CANTON TOWNSHIP  
MediaOne Ch. 18  
Thursdays—6 pm
- DEARBORN HEIGHTS  
MediaOne Ch. 18  
Thursdays—6 pm
- GRAND RAPIDS  
GRTV Ch. 25  
Fridays—1:30 pm
- LAKE ORION  
AT&T Ch. 65  
Alt. Weeks: 5 pm  
Mon., Wed., Fri.
- LANSING  
AT&T Ch. 16  
Tuesdays—4:30 pm

## MINNESOTA

- ANOKA—Ch. 15  
Thu.—11 am, 5 pm,  
12 Midnight
- COLUMBIA HTS.  
MediaOne Ch. 15  
Wednesdays—8 pm
- DULUTH—Ch. 24  
Thursdays—10 pm
- MINNEAP.—Ch.32  
Wednesdays—8:30 pm
- NEW ULM—Ch. 12  
Fridays—5 pm
- PROCTOR/  
HERMANTOWN—Ch.12  
Tue. btw. 5 pm - 1 am
- ST. LOUIS PARK—Ch.33  
Friday through Monday  
3 pm, 11 pm, 7 am
- ST. PAUL—Ch. 33  
Sundays—10 pm
- ST. PAUL (NE burbs)\*  
Suburban Community  
Ch.15

## MISSISSIPPI

- JACKSON  
T/W Ch. 11/18  
Mondays—3:30 am

## MISSOURI

- ST. LOUIS—Ch. 22  
Wed-5 pm; Thu.-Noon

## MONTANA

- MISSOULA—Ch.13/8  
Sun-9 pm; Tue-4:30 pm

## NEBRASKA

- LINCOLN  
Time Warner Ch. 80  
*Citizen Watchdog*  
Tue-7 pm; Wed-8 pm

## NEVADA

- CARSON CITY—Ch.10  
Sun-2:30 pm; Wed-7 pm  
Saturdays—3 pm

## NEW JERSEY

- MONTVALE/MAHWAH  
Time Warner Ch. 27  
Wednesdays—5:30 pm

## NEW MEXICO

- ALBUQUERQUE  
Jones Ch. 27  
Thursdays—4 pm
- LOS ALAMOS  
Adelphia Ch. 8  
Sundays—7 pm
- TAOS  
Mondays—9 pm  
Adelphia Ch. 2  
Mondays—7 pm

## NEW YORK

- AMSTERDAM—Ch.16  
Mondays—7 pm
- BROOKHAVEN  
(E. Suffolk)  
Cablevision Ch.1/99  
Wednesdays—9:30 pm
- BROOKLYN—BCAT  
Time Warner Ch. 35  
Cablevision Ch. 68  
Sundays—9 am
- CORTLANDT/PEEKS.  
MediaOne Ch. 32/6  
Wednesdays—3 pm
- HORSEHEADS—Ch.1  
Mon., Fri.—4:30 pm
- HUDSON VLY.—Ch.62  
2nd, 3rd Sun.-1:30 pm
- ILION—T/W Ch. 10  
Saturdays—12:30 pm
- IRONDEQUOIT—Ch.15  
Mon., Thu.—7 pm
- ITHACA—T/W  
Ch. 78: Mon.—8 pm  
Ch. 78: Thu.—9:30 pm  
Ch. 13: Sat.—4 pm
- JOHNSTOWN—Ch. 7  
Tuesdays—4 pm
- MANHATTAN—MNN  
T/W Ch. 34; RCN Ch.109  
Alt. Sundays—9 am
- NASSAU—Ch. 17  
Fridays—4 pm
- NIAGARA FALLS  
Adelphia Ch. 24  
Tuesdays—4 pm
- N. CHAUTAUQUA  
Gateway Access Ch.12  
Fridays—7:30 pm
- ONEIDA—T/W Ch.10  
Thursdays—10 pm
- OSSINING—Ch.19/16  
Wednesdays—3 pm
- PENFIELD—Ch.12  
Penfield Community TV\*
- POUGHKEEPSIE—Ch.28  
1st, 2nd Fridays—4 pm
- QUEENS—QPTV\*
- QUEENSBURY—Ch.71  
Thursdays—7 pm
- RIVERHEAD—Ch.27  
Thursdays—12 Midnight
- ROCHESTER—Ch. 15  
Fri.-11 pm; Sun.-11 am
- ROCKLAND—Ch. 27  
Wednesdays—5:30 pm
- SCHENECTADY—Ch.16  
Tuesdays—10 pm
- STATEN ISL.—Ch. 57  
Thu.-11 pm; Sat.-8 am
- SUFFOLK—Ch. 25  
2nd, 4th Mon.—10 pm

## NEW YORK (cont.)

- SYRACUSE—T/W  
City: Ch. 3  
Suburbs: Ch. 13  
Fridays—8 pm
- TRI-LAKES  
Adelphia Ch. 2  
Sun.: 7 am, 1 pm, 8 pm
- UTICA—Ch. 3  
Thursdays—6 pm
- WATERTOWN—Ch. 2  
Tue. betwn. Noon-5 pm
- WESTFIELD—Ch. 21  
Mondays—12 Noon  
Wed., Sat.—10 am  
Sundays—11 am
- W. MONROE  
Time Warner Ch. 12  
4th Wed.—1 am
- W. SENECA—Ch. 68  
Thu.—10:30 pm
- YONKERS—Ch.71  
Saturdays—3:30 pm
- YORKTOWN—Ch.71  
Thursdays—3 pm

## NORTH CAROLINA

- MECKLENBURG  
Time Warner Ch. 18  
Saturdays—12:30 pm

## NORTH DAKOTA

- BISMARCK—Ch. 12  
Thursdays—6 pm

## OHIO

- FRANKLIN COUNTY  
Ch. 21: Sun.—6 pm
- OBERLIN—Ch. 9  
Tuesdays—7 pm
- REYNOLDSBURG  
Ch. 6: Sun.—6 pm

## OREGON

- CORVALLIS/ALB.  
AT&T Ch. 99  
Tuesdays—1 pm
- PORTLAND—AT&T  
Ch. 27: Tue.—6 pm  
Ch. 33: Thu.—3 pm
- SALEM—ATT Ch.28  
Thursdays—12 Noon  
Saturdays—10 am
- WASHINGTON—ATT  
Ch.9: Tualatin Valley  
Ch.23: Regional Area  
Ch.33: Unincorp. Towns  
Mondays—5 pm  
Wednesdays—10 am;  
Sundays—10 am

## RHODE ISLAND

- E. PROVIDENCE—Ch.18  
Tuesdays—6:30 pm

## TEXAS

- EL PASO—Ch. 15  
Wednesdays—5 pm

## UTAH

- GLENWOOD, Etc.  
SCAT-TV  
Ch. 26,29,37,38,98  
Sundays—about 9 pm

## VIRGINIA

- ARLINGTON  
ACT Ch. 33  
Mondays—4:30 pm  
Tuesdays—9 am
- CHESTERFIELD  
Comcast Ch. 6  
Tuesdays—5 pm
- FAIRFAX—Ch. 10  
Tuesdays—12 Noon  
Thu.-7 pm; Sat.-10 am
- LOUDOUN—Ch. 59  
Thursdays—7:30 pm
- PRINCE WILLIAM  
Jones Ch. 3  
Mondays—6 pm
- ROANOKE—Ch. 9  
Thursdays—2 pm
- SALEM—Ch. 13  
Thursdays—2 pm
- STUARTS DRAFT  
WPMG-TV Ch. 17  
Adelphia Ch. 13  
Saturdays—2 pm

## WASHINGTON

- KING COUNTY  
AT&T Ch. 29/77  
Thursdays—3 pm
- SPOKANE—Ch. 25  
Wednesdays—6 pm
- TRI-CITIES  
Falcon Ch. 13  
Mon-Noon; Wed-6 pm  
Thursdays—8:30 pm
- WHATCOM COUNTY  
AT&T Ch. 10  
Wednesdays—11 pm
- YAKIMA—Ch. 9  
Sundays—4 pm

## WISCONSIN

- KENOSHA—Ch. 21  
Mondays—1:30 pm
- MADISON—Ch. 4  
Tue.-2 pm; Wed.-8 am
- MARATHON COUNTY  
Charter Ch. 10  
Thursdays—9:30 pm;  
Fridays—12 Noon
- OSHKOSH—Ch. 10  
Fridays—11:00 pm

## WYOMING

- GILLETTE—Ch.36  
Thursdays—5 pm

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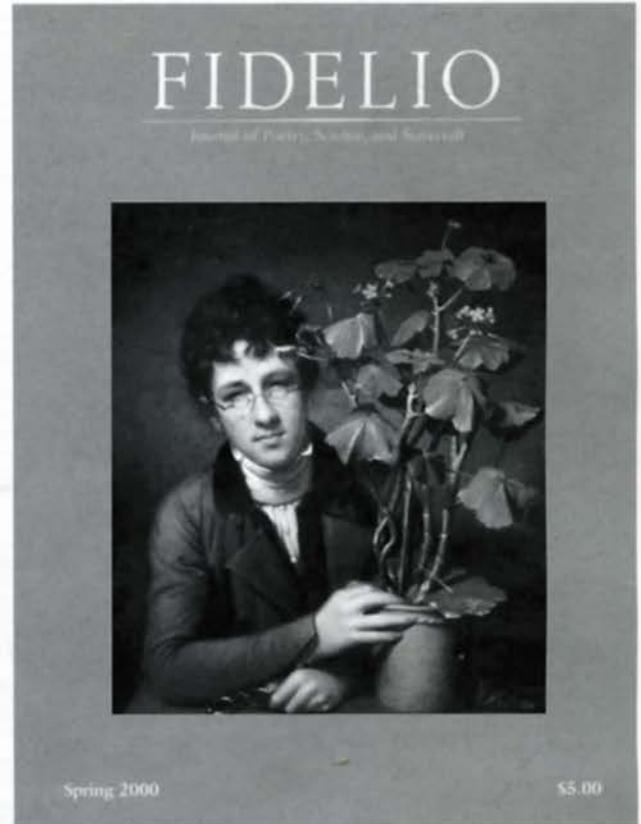
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