

EIR

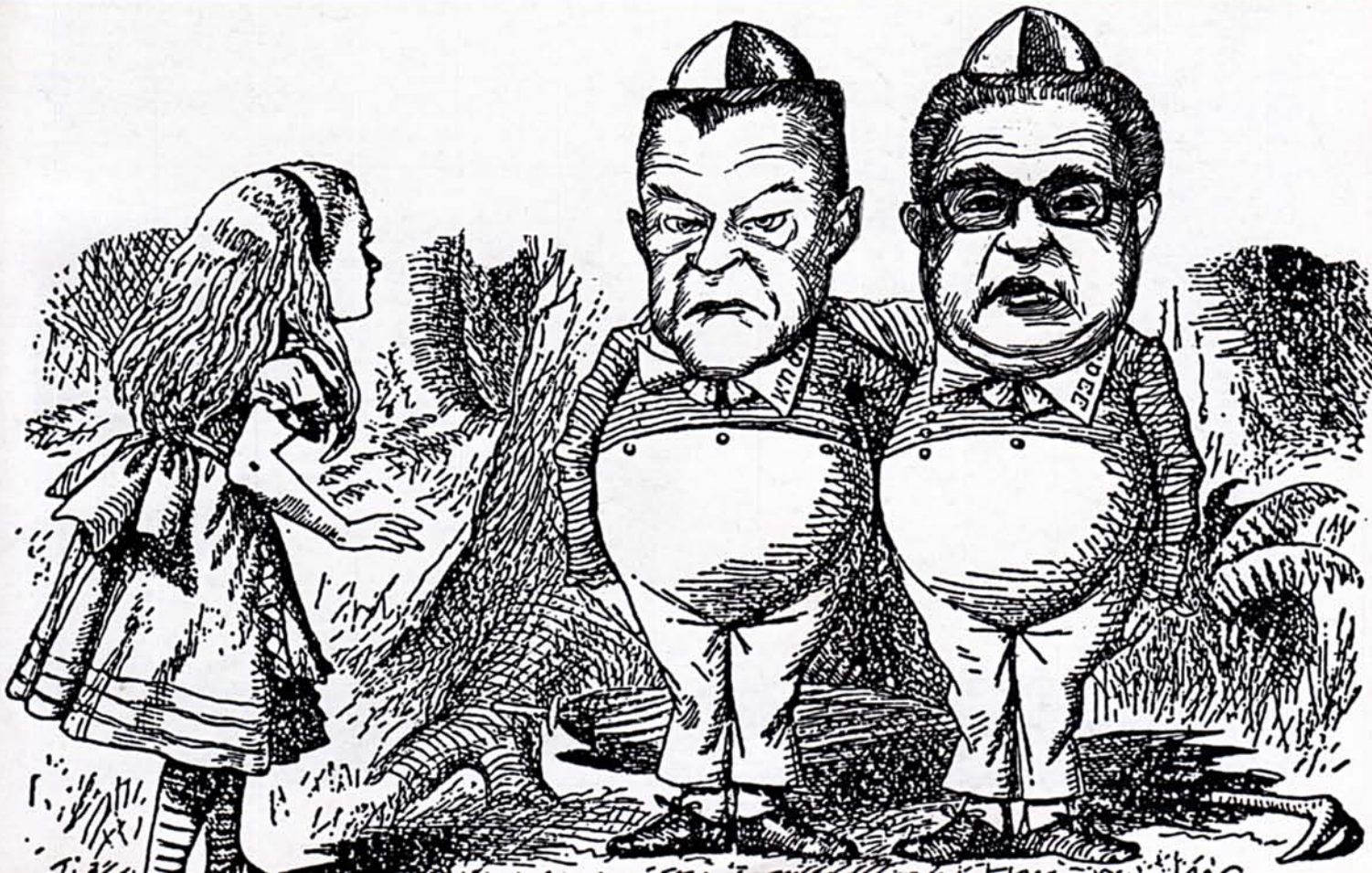
Executive Intelligence Review

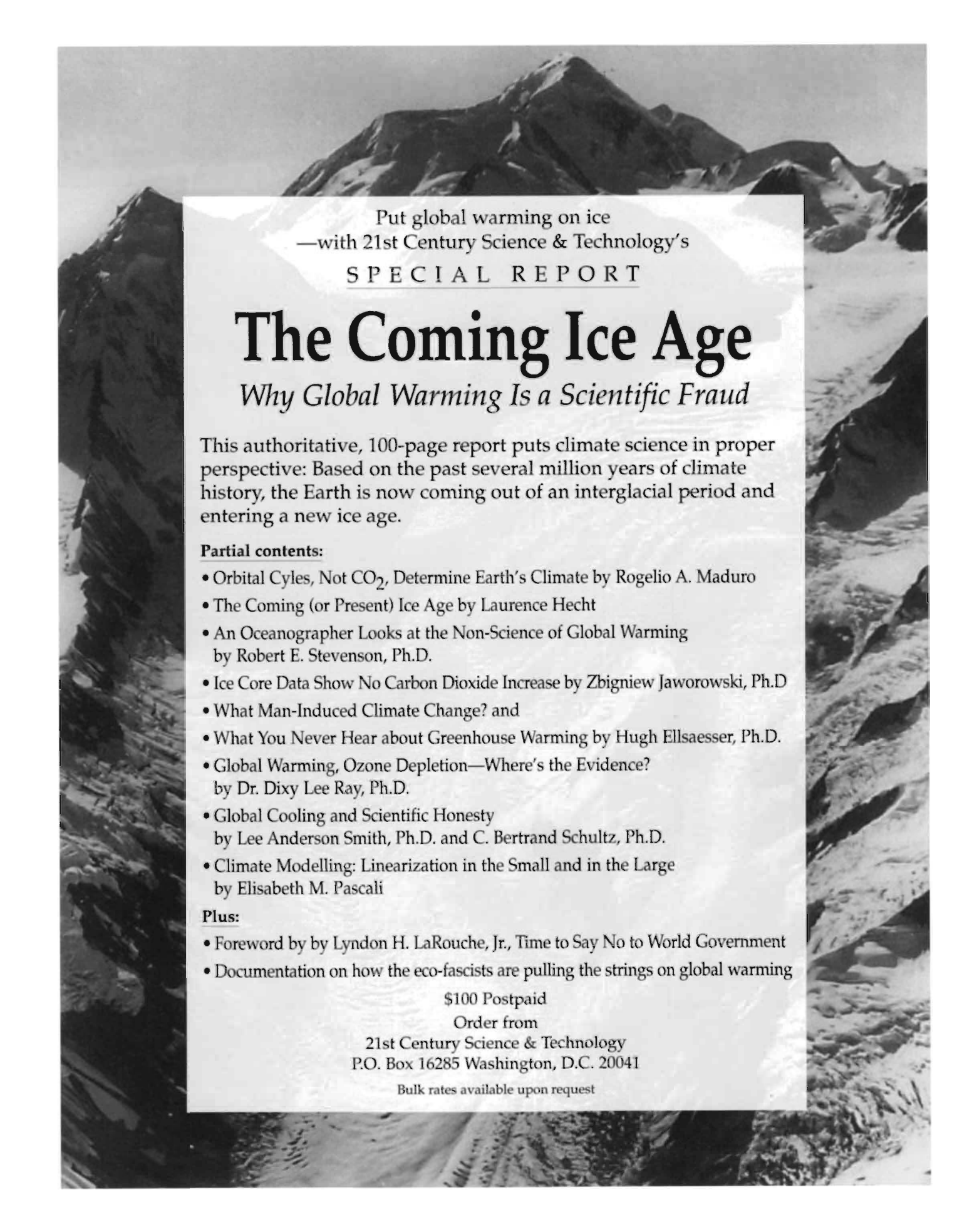
December 5, 1997 Vol. 24 No. 49

\$10.00

APEC leaders tread water, as floods rise
The lesson of "The 'Spot' Resolutions"
DOJ fraud embarrasses Clinton

Tweedledum goofs again





Put global warming on ice
—with 21st Century Science & Technology's

SPECIAL REPORT

The Coming Ice Age

Why Global Warming Is a Scientific Fraud

This authoritative, 100-page report puts climate science in proper perspective: Based on the past several million years of climate history, the Earth is now coming out of an interglacial period and entering a new ice age.

Partial contents:

- Orbital Cycles, Not CO₂, Determine Earth's Climate by Rogelio A. Maduro
- The Coming (or Present) Ice Age by Laurence Hecht
- An Oceanographer Looks at the Non-Science of Global Warming by Robert E. Stevenson, Ph.D.
- Ice Core Data Show No Carbon Dioxide Increase by Zbigniew Jaworowski, Ph.D.
- What Man-Induced Climate Change? and
- What You Never Hear about Greenhouse Warming by Hugh Ellsaesser, Ph.D.
- Global Warming, Ozone Depletion—Where's the Evidence? by Dr. Dixy Lee Ray, Ph.D.
- Global Cooling and Scientific Honesty by Lee Anderson Smith, Ph.D. and C. Bertrand Schultz, Ph.D.
- Climate Modelling: Linearization in the Small and in the Large by Elisabeth M. Pascali

Plus:

- Foreword by Lyndon H. LaRouche, Jr., Time to Say No to World Government
- Documentation on how the eco-fascists are pulling the strings on global warming

\$100 Postpaid

Order from

21st Century Science & Technology
P.O. Box 16285 Washington, D.C. 20041

Bulk rates available upon request

EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editorial Board: *Melvin Klenetsky, Lyndon H. LaRouche, Jr., Antony Papert, Gerald Rose, Dennis Small, Edward Spannaus, Nancy Spannaus, Jeffrey Steinberg, Webster Tarpley, William Wertz*

Associate Editor: *Susan Welsh*

Managing Editors: *John Sigerson, Ronald Kokinda*

Science Editor: *Marjorie Mazel Hecht*

Special Projects: *Mark Burdman*

Book Editor: *Katherine Notley*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS:

Asia and Africa: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg, Paul Goldstein*

Economics: *Marcia Merry Baker, William Engdahl*

History: *Anton Chaitkin*

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Russia and Eastern Europe:

Rachel Douglas, Konstantin George

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bogotá: *José Restrepo*

Bonn: *George Gregory, Rainer Apel*

Buenos Aires: *Gerardo Terán*

Caracas: *David Ramonet*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Mexico City: *Hugo López Ochoa*

Milan: *Leonardo Servadio*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Stockholm: *Michael Ericson*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

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. World Wide Web site: <http://www.larouchepub.com> e-mail: eirms@larouchepub.com

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-65013 Wiesbaden, Otto von Guericke Ring 3, D-65205 Wiesbaden, Federal Republic of Germany Tel: (6122) 9160. Homepage: <http://www.eirma.com> E-mail: eirma@eirma.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.

Copyright © 1997 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Periodicals postage paid at Washington D.C., and at an additional mailing offices. 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

Regular readers of *EIR* will have noticed a marked change in this magazine, over the past month or so. It is not just the size—we seem to be continually bursting at the seams—but, even more, the exceptional quality of every issue. This reflects Lyndon LaRouche's insistence on the principles of musical thorough-composition: Each issue is put together from the top down, for maximum coherence and political impact. That is because, unlike "the competition," *EIR* is full of *ideas*. These are ideas upon which the possibility of continued civilization depends. If you aren't struggling with these ideas, then you're not really serious about whether you and your posterity live out the remainder of this century, and into the next.

So, read the magazine all the way through. Don't put your *EIRs* in a neat pile, to study someday when you go to your retirement home!

Start with LaRouche's introduction to our report on the Asia-Pacific Economic Cooperation summit. What qualities of leadership are required to bring the world out of the maelstrom into which we are now rapidly plunging? Do you criticize our President's stand at Vancouver? What are the flaws that he shares with his entire generation, which have brought about the impotence and hysterical denial of reality that we see among the leaders of most nations?

Now, turn to *Strategic Studies*, in which LaRouche uses the most recent babblings of Zbigniew "Tweedledum" Brzezinski, to show how British geopoliticians are manipulating both Washington and Moscow policymakers. *EIR* reporters provide further documentation, including from Egyptian President Hosni Mubarak's highly important denunciation of London's role in harboring international terrorists. The British vulnerability to exposure is further elaborated in several news articles in the *International* section.

In our *Feature*, LaRouche and associates bring to bear a further dimension of historical analysis, concerning Abraham Lincoln's 1847 "Spot" Resolutions. The issues involved in Lincoln's fight against Tennessee Democrat and slave-owner James K. Polk, are most directly relevant to the war we wage today.

Next week, we'll be featuring (for starters) the visit of Helga Zepp LaRouche to Nigeria. You can be sure that the British oligarchs will be losing sleep over that threat to their new empire in Africa.



EIR Contents

Interviews

13 Gerald Kuhn

Mr. Kuhn, a geologist based in southern California, has done pioneering work on the relationship of volcanoes to climate.

64 Christian Sendegeya

Mr. Sendegeya is the vice president of the National Council for the Defense of Democracy in Burundi.

Departments

16 Report from Bonn

Without new ideas, no new jobs.

17 From New Delhi

Currency collapse looms over India.

71 Australia Dossier

Extraordinary Rembrandt exhibit under way.

80 Editorial

It's time to bury the IMF.

Photo and graphics credits:

Cover, Alan Yue adapts a drawing from Lewis Carroll's *Through the Looking-Glass*. Pages 7, 36, EIRNS/Stuart Lewis. Pages 25, 27, EIRNS/John Sigerson. Page 32, BasicBooks. Page 39 (Clay), New York Public Library Picture Collection. Page 39 (Polk), Louis A. Warren Lincoln Library and Museum.

Strategic Studies



Alice in Wonderland meets Zbigniew Brzezinski (left) and Henry Kissinger (right).

20 Tweedledum goofs again

"Zbigniew Brzezinski's most important political asset is that he is so obviously goofy," writes Lyndon LaRouche of this British asset.

28 William Yandell Elliott: Confederate high priest

The man who launched the careers of Sir Henry Kissinger and Zbigniew Brzezinski.

30 Brzezinski's geostrategic scheme for Eurasia

Excerpts from Zbigniew Brzezinski's "A Geostrategy for Eurasia," published in *Foreign Affairs*, the journal of the New York Council on Foreign Relations.

32 Russian commentary on Brzezinski's plan

Articles by Sergei Glazyev and Yuri Maslyukov.

32 British 'do business' in the Caucasus

35 Clinton must impose sanctions against Britain for terrorism

Egypt's President Hosni Mubarak has courageously taken the initiative in denouncing Britain's protection of terrorists.

Economics

4 So, the mountain will come to Clinton

Lyndon H. LaRouche, Jr. comments on the Asia-Pacific Economic Cooperation (APEC) summit in Vancouver, Canada.

6 APEC leaders tread water, as financial tidal wave sweeps in

William Jones reports from Vancouver.

9 Derivatives threaten shaky world financial system

12 Brazil advances in space technology

Brazil has become the first developing sector nation to participate in the International Space Station.

13 Volcanoes and the weather: surprising, nonlinear effects

An interview with Gerald Kuhn.

18 Business Briefs

Feature

38 **The lesson of “The ‘Spot’ Resolutions”**

Abraham Lincoln’s 1847 “Spot” resolutions, writes Lyndon LaRouche, established “a benchmark, that point of reference out of which the United States became, during the 1861-1876 interval, the most powerful, most advanced economy of the world, and the model for all other societies capable of providing the means of true freedom to the entirety of their populations.”

42 **How Britain’s treason machine made war against Mexico**

Anton Chaitkin and John C. Smith, Jr. examine Lincoln’s bold exposure of President James Polk’s lying pretexts for the Mexican War.

46 **Bancroft and the treason school of history**

International

48 **New probe, after 27 years, shows Mattei was murdered**

Italian nationalist leader Enrico Mattei died on the eve of a trip to the United States, during which he was to meet President Kennedy. That meeting would have sealed an alliance for a strategic development policy—a powerful threat to British strategic interests.

51 **Permindex: Britain’s Murder, Inc.**

55 **Fight for development at Nigerian economic summit**

A report on the Fourth Nigerian Economic Summit, addressed by Helga Zepp LaRouche.

57 **Unbridled free trade is no help for Nigeria**

Brief comments on Vision 2010, by Sam Aluko.

59 **Diana’s murder: French scramble to cover role**

Authorities in charge of the cover-up are especially nervous that *EIR* has identified that Socialist government officials were at the scene.

60 **Why London supports Rwanda’s confessed mass killer Paul Kagame**

64 **What it will take to bring peace and development to Burundi**

An interview with Christian Sendegeya.

72 **International Intelligence**

National

74 **DOJ fraud embarrasses Clinton**

The head of the DOJ Fraud Section is telling lies about the railroad prosecution of Lyndon LaRouche.

76 **Mayors warn of social crisis because of ‘welfare reform’**

Most cities in the United States will not be able to meet the job requirements set out in the 1996 welfare reform law, because of “a serious lack of available jobs in many cities,” according to Philadelphia Mayor Ed Rendell, based on a survey by the U.S. Conference of Mayors.

78 **National News**

So, the mountain will come to Clinton

by Lyndon H. LaRouche, Jr.

November 28, 1997

“We live in a system which has a high level of uncertainty and a great degree of insanity. The time to start worrying, is when someone tells you everything is entirely rational, and that the fundamentals are sound.”

John Kenneth Galbraith to BBC, Nov. 23, 1997

The essential outcome of the Vancouver meeting of APEC, is the refusal of the President of the United States, President Clinton, to visit that “mountain” referenced in the famous address of the Rev. Martin Luther King, Jr. That “mountain” has a way of dealing with those who attempt to ignore it, as President Clinton did before, and during that conference. Soon, that “mountain” will visit President Clinton. This time, he will not be able to pretend to ignore it.

There is a characteristic behavioral peculiarity among the majority of “Baby Boomers,” or, in Europe, the so-called “sixty-eighters,” and their children. This sort of negation was typical of the existentialist “transvaluation of values” which dominated the student population of our universities during the passage through the Vietnam years of 1964-1972. Here, in the United States, this pathological trait is expressed commonly by the expression: “Don’t go there.”

Then it was: “Vietnam? Don’t go there!” “Industry and its blue-collar life-style? Don’t go there!” “Bourgeois values? Don’t go there!” And, so on.

Today, when those acquired habits, adopted by a majority among two generations of today’s adults, are expressed by our head of state, as his response to present moments of

crisis, a fruitful reflection is to be found, once again, by reference to Hamlet’s celebrated Act Three soliloquy:

“Whether ’tis nobler in the mind to suffer
The slings and arrows of outrageous fortune,
Or to take arms against a sea of troubles,
And by opposing end them. . . .”

To this, the all-too-typical “Baby Boomer,” like his or her offspring, responds, ritually: “Don’t go there.” The President hears this litany reflected in the reports he receives on recent opinion polls, and, often, the perceived “voice of the people,” rather than reason, may govern his response.

What this says, today, is summed up in single antiphony: “The Future? Don’t go there!” The danger is, that, under the influence of that litany, we, our nation, like our posterity, will, indeed, have no future.

The President of our United States, like all heads of state, is confronted by two horrifying choices.

On the one hand, he is confronted by an ongoing, rapidly accelerating process of disintegration of the world’s entire financial system. I believe, that he now knows that this is the worst crisis this planet has known in all of modern history. There is no way in which this present system can be perpetuated longer than a very short time; it is as doomed as the sinking *Titanic*; nothing could save it.

On the other hand, the kinds of protectionist “New Bretton Woods,” Hamiltonian measures which could prevent the passengers of that *Titanic*—nations and their populations—from going down with the doomed ship, would provoke a

murderous rage against the President from the most dangerous killers on this planet, the British monarchy-dominated "Club of the Isles," the insider's name for that London-centered international financier oligarchy and its lackeys.

The apparent White House reaction to this dilemma? "Let us discuss publicly the worst financial crisis in modern history, now hitting us."

"Don't go there!"

"Let us discuss publicly the kinds of measures which might enable the nations to survive the collapse of this doomed financial system."

"Don't go there!"

Indeed, that litany, "... Don't go there," has been the sum and substance of President Clinton's public appearances at the Vancouver APEC conference. One must hope this will change. Although it is not certain that that happy change will actually occur, the President has only begun to feel the pressures of the reality he has seemed to deny exists.

The President would not visit the mountain while in Vancouver? He would not "go there"? Very well, the mountain will visit him soon, at his Washington, D.C. Executive Mansion. He need not "go there;" the mountain will come to him.

This is the stuff of which the real-life, Hamlet-like tragedies of governments, nations, and even entire civilizations are made. The President should hang a specially prepared reproduction of the famous painting "Belshazzar's Feast," on a wall-space of his "Oval Office," facing his desk. The special feature of this reproduction would involve no other change, than in the choice of the faces for the characters depicted. "Belshazzar" himself would wear the homely face of Federal Reserve Chairman Alan Greenspan, and the horrified face of the President himself would be among those prominently visible nearby. The moving finger would have nearly completed the message.

What will actually happen when the mountain visits the President in his Executive Mansion? That is for the President himself to answer, and to think about, during the coming days. The fate of this nation depends upon his answer.

The President's difficulties

Yes, at Vancouver President Clinton showed Hamlet-like vacillation in face of a deadly crisis; but, virtually none of you are in a position in which you are entitled to condemn him for that too readily. The pressures upon him, are in fact far beyond anything the general public, or the leading daily news media recognizes. The citizen should awaken to reality, to recognize the awesome nature of the pressures which are acting upon the U.S. President. Rather than condemn him for his weakness, one should explore means to deal with some of the monstrous political and other pressures upon him at this juncture. Your survival, your family's survival, our nation's survival, our civilization's survival, may each

and all depend upon many of you doing just that.

These pressures fall, predominantly, into two classes. One of these classes is "external," the other, "internal." Both kinds of pressures interact, and neither can be overlooked in any serious attempt to correct, or even to understand the President's problem.

In respect to all among those contributing causes which make the present international financial crisis systemic, as opposed to cyclical, the origin of the present crisis is changes in cultural values which were introduced to a majority among students at the 1964-1972 university campuses. These changes, away from the tradition of fostering investment in scientific and technological progress for increasing both the productive powers of labor and for demographic improvements in households, are the entirety of the distinctive causes for a systemic world crisis at this time. It is the persisting influence of these cultural changes, during the recent thirty years, which is entirely to blame for the world's present state of misery. That is the source of the most relevant external pressures.

The two generations—called, in the U.S.A., "Baby Boomers" and "Generation X"—which now dominate the adult population and its opinion formation, are the internal, "peer group" pressures faced by nearly every member of those two generations. The myth of the "golden generation" is typical of the most deadly expression of those "peer group" pressures.

One aspect of this "peer group" pressure stands out when we think of persons occupying or advising the top-most decision-making centers within our society, especially within our government.

In my own generation, for example, the possibility of a necessary and justified war, as St. Augustine has defined this, was a fact of life, for which nearly all thinking citizens knew they must be prepared. This meant warfare with the characteristics of modern warfare since Lazare Carnot's 1792-1794 introduction of the principles of modern warfare. This implied the possibility of "putting one's own life on the line," and possibly also the lives of others, all for the sake of one's nation, and of humanity generally; it was the cup which could not be refused when it was passed directly to you. You had to anticipate "going there."

The proper policy debate in such matters, was never whether such decisions should be made, but whether the particular choice of decision proposed, qualified as a necessary and justified cause for such action in the particular case considered. In a society committed to the notion that truthfulness and justice must always overrule precedent and procedure, such decision-making, while often monstrously difficult and frightening, was always possible.

The lack of that sense of that "cup," a deficiency expressed by the cant-litany of "Don't go there," represents a moral defect in the developed moral and intellectual capaci-

ties of the victim, an inability to make and to execute rational decisions under the pressure of extremely traumatic circumstances. The commitment to avoid making such decisions of great pungency and force, is, for many of the post-war adult generations, a virtual absolute.

Under the latter circumstances, truth and justice are the first victims to be sacrificed to such a sense of axiomatic expediency. In effect, morality has flown out of the window, and pragmatic expediency in service of precedent and established procedure, fill up the space from which considerations of truth and justice have been expelled.

This kind of peer pressure, from the so-called “me generation,” and the “Xers,” is the most deadly enemy of nations from within today. The accustomed hostility to the kind of decision-making which has distinguished every occasion civilization, in the past, has risen above a menacing crisis, combined with the extent and irrationalist intensity of peer-pressure on this point, makes it most difficult for any President, especially one who himself represents the relevant, afflicted generations.

This internal problem, is combined with actual fearfulness of the external enemy. Combined, it represents a challenge to leadership which would have been accepted, fruitfully, by such among our national heroes as General William Tecumseh Sherman or General Douglas MacArthur, or France’s Lazare Carnot. It is a challenge not easily accepted by those reared in the circumstances of those whose childhood and adolescence occurred during the post-World War II decades. I have no difficulty confronting such challenges; at least, relative to the monstrous challenge this represents for even the most exceptional leading persons among the post-war generations.

The correlated difference, is that the best among those of us from earlier generations pursued happiness, in that sense of joy, called *agapē*, gained from living the life of a needed person, whereas the post-war generations offset an intrinsic lack of happiness in their choices of what are called “life-styles,” by an obsession with pursuit of momentary pleasures. The moral relativism of the post-war generations, by rejecting the notion of a common truthfulness for all mankind, has successfully expelled truth from their lives; in this circumstance, what could they imagine the truth of their own lives to be? What, in truth, is so valuable to them, that they would lay down their lives, their careers, their fortune, for the sake of that truth? Without a compelling submission to truth, lacking in these generations, effective choices of decision, in matters requiring great pungency and force, simply do not exist.

Only a great shock, can shatter the mortal grip of the post-war 1964 changes in cultural orientations. That financial shock is about to be delivered to the White House gate. The mountain has packed its bags, and is coming soon, to visit our President at his Washington residence.

APEC leaders tread water, as financial tidal wave sweeps in

by William Jones

As the 18 leaders of the Asia-Pacific Economic Cooperation (APEC) forum met in Vancouver, Canada on Nov. 23-24, a series of rough jolts on the world’s financial markets upset the nicely orchestrated political agenda for the meeting. It was clear from the beginning that the world financial crisis, which is wreaking havoc in the Asian markets, would be a prime topic of discussion. As it developed, the continued unravelling of the Asian financial markets during the course of the conference quickly became *the* topic of discussion.

From the beginning, it was intended that the leaders would accept the extended bailout arrangements worked out by U.S. Treasury officials and the Asian finance ministers in Manila on Nov. 18. The much-vaunted “Manila Framework,” a “crisis management” attempt to deal with an erupting volcano, simply calls for more financial back-up to the limited funding of the International Monetary Fund (IMF) to meet the unfolding crisis. More IMF austerity for the countries affected by the crisis is set as a precondition for any assistance. In addition, anticipating that the magnitude of the expected eruptions will far outstrip any funding the IMF may provide, the financial leaders in Manila called for “a cooperative financing mechanism” for mobilizing “outside funding” from individual countries, that would supplement whatever the IMF had to throw into any bailout. The idea that the IMF wouldn’t have the funds necessary to meet a crisis led one of the Korean financial officials to comment, “If the IMF is short of funds, the IMF isn’t worth its name.”

The Asian Monetary Fund

The “financing mechanism” was what remained of a Japanese proposal to establish an Asian Monetary Fund, which could support Asian currencies that were under attack. Such a fund would operate independently of the IMF, it was thought. But, the IMF hit the roof when the proposal was made. There would be no funding without conditionalities, the IMF insisted, and no independent lending to countries under attack except under IMF conditions. After U.S. Treasury Secretary Robert Rubin had initially expressed support for the Japanese proposal, pressure was put on the United States to back off. Therefore, when South Korea turned to the United States and Japan for temporary help to resolve their own liquidity prob-



At a press conference in Vancouver, President Clinton described the Asian financial crisis as "a glitch in the road." He is shown here at an earlier meeting with Japanese Prime Minister Ryutaro Hashimoto.

lems, they were quickly told to go to the IMF. "We were told that any help from other countries would only be in the context of an IMF agreement," Dr. Kim Ki-Whan, Ambassador-at-large for Economic Affairs and the Korean Ministry of Foreign Affairs, told reporters at a press conference in Vancouver on Nov. 23. South Korea then turned to the IMF with a keen sense of betrayal and humiliation.

Hoping that the APEC leaders would simply rubberstamp the Manila arrangement, President Bill Clinton tried to play down the Asian crisis. Speaking at a joint press conference with Canadian Prime Minister Jean Chrétien on Nov. 23, Clinton called the crisis a "glitch in the road." This was immediately interpreted that the President was not taking the magnitude of the crisis seriously enough. During his bilateral meetings the next day with Japanese Prime Minister Ryutaro Hashimoto and President Suharto of Indonesia, and at a breakfast with leaders of the Association of Southeast Asian Nations (ASEAN), the President was quick to back-track from his comment. When asked about the crisis at a photo opportunity with Prime Minister Hashimoto, President Clinton said, "We need to take this very seriously; we need to work very hard at it. We don't need to be at all casual, but we should also have confidence that we can work through it." When asked about the President's comment the day before, National Security Adviser Sandy Berger claimed that the word "glitch" was an "undefined term." "I don't know that this was a carefully conceived word," Berger admitted.

Japan has its own problems

But the financial blow-out could not be "talked away." On Nov. 24, a tearful Shohei Nozawa, the president of

Yamaichi Securities, the fourth-largest securities company in Japan, announced that the firm was closing its doors, when it was discovered that it had billions of yen in bad debt in off-balance-sheet accounts. The Bank of Japan, hoping to avert a panic, immediately announced that it would cover fully the deposits and inter-banking transactions of the bankrupt firm.

The crisis in the Japanese banking system created a further problem for the "Manila arrangements." One of the prime backers of the back-up funding in the Manila arrangement was to be Japan, which, despite its own banking crisis, is the major creditor nation in Asia. And yet, as the Japanese banking system unravels, the Japanese may have to look after their own house rather than provide funding to other ailing Asian economies. At a press conference on Nov. 25, Prime Minister Hashimoto warned that Japan could no longer be a "locomotive" of the Asian markets. "We are certainly not arrogant enough to think that we can take the role of locomotive for Asia," he said. The Manila gerry-rigging is, however, dependent on countries willing to provide funding to keep the bankrupt financial system afloat. There is, however, no actual fund that will be established for that purpose, but rather, the whole operation is dependent on commitments of individual nations to provide funding quickly when needed. One of the "providers" may soon be out of the running, as the crisis unfolds.

In addition, the Japanese hold billions of dollars worth of U.S. Treasury bills. The fear has been that if the Japanese should experience a liquidity problem, they might run to sell those bills, leading to a collapse of the market. The Clinton administration was keen on assuring the Japanese that, regard-

less of their problems, they would not suffer the fate of South Korea. Responding to a question from *EIR* on Nov. 24, Deputy Treasury Secretary Larry Summers said, "I do not see, under any circumstances that I foresee, any IMF program for Japan. Obviously, Japan, working with the IMF, has a crucial role in responding to—as do we—in responding to the various situations that may arise."

More fundamental than the flawed technicalities of the Manila-Vancouver "arrangements," was the absolute failure to face the fact that the IMF-based international financial system is dead in the water. The visible failure of the President to address that basic issue at Vancouver, by negotiating arrangements for a New Bretton Woods System to replace the crumbling IMF system, will only serve to intensify the financial convulsions.

At the APEC leaders' meeting on Nov. 25, Mexican President Ernesto Zedillo tried to draw an analogy to the earlier peso crisis, encouraging the others that if they made the hard choices and implemented the IMF austerity package, everything would turn out well. President Clinton gave his full backing to this fairy-tale of the "Mexican recovery," making an even more far-fetched analogy with the savings and loans institutions' crisis in the United States.

Mahathir attacks free-market ideologues

Although President Clinton failed to face reality, other leaders realized that more fundamental questions remained to be answered. Malaysia's Prime Minister Mahathir bin Mohamad, a spokesman for defense of national economies, addressed some of the more fundamental questions which the Vancouver organizers had hoped to avoid.

Speaking to a gathering of APEC business leaders on Nov. 23, Mahathir launched a broadside against the ideologues of the unbridled "free market." "Market forces are as prone to abuses as are command economies," said Dr. Mahathir. "It must be remembered that self-interest is what moves market forces—and self-interest is not far divorced from greed. Unchecked greed can overcome good sense in the market."

Mahathir reiterated his charges that the Asia financial crisis was brought on by speculative attacks against some of the Asian currencies. "These countries had worked very hard in order to build their economies and give their people a decent life," he said. "From defeated and colonized people, they had pulled themselves up by their bootstraps in order to achieve a good degree of development. They had been largely successful in overcoming poverty in their midst. There was hope that, within two or three decades, they would be able to become developed countries."

"The truth is that some market players decided to pull out, ostensibly to prevent themselves from losing their money when the economy collapsed. Were they indeed holding huge amounts of the currencies of the countries concerned, when they dumped them, in order not to be caught by the devalua-

tion?" he asked. "The evidence seems to show that they had not invested in these currencies at all. They had merely borrowed these currencies in order to sell them and thus devalue them. It is the same with the shares."

"How can they do this and destroy the economies of so many countries and the livelihood of so many millions of people?" Mahathir asked. "The answer is the free market. The free market allows them to do this. It is too bad that countries and people have to suffer and pay a heavy price. But that is the way a free market works. Market forces cannot be interfered with. It is sacrosanct."

"Power corrupts," Mahathir warned. "As much as government can become corrupt when invested with absolute power, markets also can become corrupt when equally absolutely powerful. We are seeing the effect of that absolute power today, the impoverishment and misery of millions of people and their eventual slavery."

For countries like South Korea, Thailand, Indonesia, and the Philippines, now forced to impose IMF austerity, the message struck a sympathetic chord.

The issue was also brought to the fore by Mahathir at the ASEAN leaders' breakfast with President Clinton on Nov. 24, and again at the morning meeting of APEC leaders on Nov. 25. Speaking at a press conference on Nov. 25, Mahathir was asked if he were not a "lone voice." "I am not a lone voice," Mahathir responded. "Almost every nation from Southeast Asia has focussed on the need for dealing with the problems of speculative moves against their currencies." Even Dan Tarullo, Assistant to President Clinton on International Economic Policy and the U.S. sherpa for the APEC meeting, admitted that at the APEC meeting, "a number of leaders thought it was difficult to distinguish the good and very positive effects of currency trading, which is to say facilitating trade and investment on the one hand, from activity that some think was not so good."

On Nov. 25, representatives of the APEC Business Advisory Council told APEC leaders that speculation is a "time bomb" that could ruin banks and destabilize economies. Hopewell Holdings Chairman Gordon Wu Ying-sheung, a member of the council, said: "We called for cooperation in developing and enforcing rules against market manipulation and abuse in their efforts to lower or raise the value of a currency." Wu said that speculators could obtain easy credit from banks, enabling them to leverage their holding 20 to 30 times. "Some of these banks will get burned and then their governments will have to bail them out," Wu said. "This easy credit is a time bomb."

The attempts by President Clinton and other APEC leaders to go into a state of denial over the bankruptcy of the existing financial system, has set the stage for the next round of convulsions. Like the proverbial King Canute, who tried to stop the tides, the President may soon find himself adrift in a world of woe, as the U.S. economy is swept along into global economic chaos.

Derivatives threaten shaky world financial system

by Richard Freeman

During the last week of November, the world financial system entered a convulsion, signaling its death agony.

In Japan, the nation's fourth-largest investment bank, the \$31 billion-in-assets Yamaichi Securities, and one of the nation's 21 largest commercial banks, the \$78 billion-in-assets Hokkaido Takushoku, filed for bankruptcy, forcing the Bank of Japan to pump in \$21 billion in "liquidity support" to these two banks to provide sufficient funds for the banks' customers to withdraw their deposits. At Yamaichi's 116 branch offices, lines of worried customers, drawing out their deposits, wound round the block. Five of the remaining 21 largest commercial banks—Mitsui Trust and Banking Co., Yasuda Trust and Banking Co., Long-Term Credit Bank of Japan, Chuo Trust and Banking Co., and Nippon Credit Bank, with assets, respectively, of \$320 billion, \$270 billion, \$224 billion, \$160 billion, and \$104 billion, for a total of \$1.080 trillion—stand on the verge of bankruptcy, with their stocks being hammered on the Japanese stock exchange. The U.S. Federal Reserve Board of Governors and the U.S. Treasury Department, on the one side, and the Bank of the Japan, on the other, have been in furious discussions to activate a 1995 arrangement, whereby the Fed extends to Japanese banks collateralized loans, in order to prevent Japanese banks from dumping their sizable holdings of U.S. Treasury securities on the market as a means of raising cash. A dumping of such major proportions would send the U.S. dollar, the world's reserve currency, through the floor.

In South Korea, the banking and financial situation has turned from bad to highly dangerous. Despite the fact that South Korea has lined up \$20 billion in borrowings from the International Monetary Fund—an amount that knowledgeable sources say will rise to \$80 billion before the end of December—the Korean government and Korean corporations, including banks, have \$122 billion in loan obligations to foreign creditors, 56% of which is short-term, and on which they have no means to pay. This threatens the world's settlements system.

In Russia, the market for GKO's, which are the short-term Treasury securities of the cash-short Russian government, has dried up, and the banking system, which has a shortage of liquidity, is imploding. In Brazil and Argentina, two of the

three largest economies in Ibero-America, currency and stock market crises are acute. Two dozen other countries around the world are in the same boat.

Various major forces in the world, such as Federal Reserve Chairman Alan Greenspan, are attempting to treat this as a mere cyclical crisis, which can be crisis-managed—a dangerous flight into virtual reality. But this is emphatically not a cyclical crisis, but a systemic crisis, of global, historically unprecedented proportions. It is not based on a few mistakes, of whatever size, but stems from a 30-year policy of post-industrial society utopianism. This has destroyed the physical economy. At the heart of the crisis is the worldwide level of \$125-150 trillion in derivatives. Each of the crises described above, such as in Japan and Korea—which are merely localized expressions of the systemic crisis—can burst this derivatives bubble, which, in turn, would immediately melt down the world's banking system, starting with the United States.

Japanese banks

Japan, the world's second-largest industrial economy, with the world's biggest banking system, is one of the focal points of the financial crisis. Though Japan possesses a still considerable industrial-manufacturing economy, it suffers from a "bubble economy" of bloated real estate, stock market, and, of late, derivatives speculation.

An economics researcher for the U.S. Congress, who has been following Japan's financial crisis for the last several years, reported on Nov. 21, that Japan's banks have \$800 billion of non-performing loans, of which \$400 billion are held by the 21 largest commercial banks alone. In addition, he said, the Japanese insurance companies are loaded with non-performing loans and investments to the real estate sector, which he estimates to be several hundred billion dollars. This brings the total non-performing financial paper in the Japanese financial system to over \$1 trillion.

This does not factor in the \$300 billion which Japanese banks have lent to the nations of Asia, of which \$156 billion has been lent to Asian real estate outside Japan. A significant portion of that has gone bad.

The response of Japanese institutions has been mainly

“administrative”: The Bank of Japan lowered the interest rate at which it lends, through the discount window, to Japanese banks, to 0.5-0.75%. The Japanese banks borrowed at this lower rate, to invest in instruments in Japan and around the world, including U.S. and European nations’ Treasury bonds, which yielded 4-7% rates of return. The banks pocketed the profits from the interest-rate spread. But, Japan, like other nations, avoided tackling fundamental underlying problems, leaving in place many of the rotting speculative structures.

In addition, in March of next year, Japan is scheduled to apply its version of the “Big Bang,” which will deregulate and “liberalize” Japan’s financial markets, and greatly add to the problem.

A few weeks before the Nov. 17 failure of Hokkaido Takushoku bank, and the Nov. 24 failure of Yamaichi securities (a 100-year-old investment bank), Sanyo Securities, a second-tier investment bank, closed up shop. On Nov. 25, Tokuyo City Bank, a small regional bank, announced that it would cease operations, making four bank failures within a month.

The Bank of Japan pumped in a minimum of \$21 billion of “liquidity support” into the banking system: \$15 billion into Hokkaido Takushoku, and \$6 billion into Yamaichi Securities. One financial analyst reported that this was to provide money “so that if you had \$10,000 at Yamaichi, there will now be sufficient money there so you can draw your \$10,000 out.”

On Nov. 26, Moody Investor’s Service placed under review for possible downgrade the credit rating of 5 of the top 20 banks of Japan. Moody’s assigns a rating to each type of debt or credit that a bank has: senior debt, subordinated debt, commercial paper, etc. Moody’s also assigns an overall rating of “financial strength” for each bank, starting with an A as the best rating and working its way down to the lowest rating, E.

Moody’s has assigned either an “E” or “E+,” which signifies “very weak intrinsic strength,” to 5 of the top 20 banks in Japan (listed here, with their asset size as of Sept. 30, 1997):

- Mitsui Trust and Banking, \$320 billion;
- Yasuda Trust and Banking, \$272 billion;
- Long-Term Credit Bank of Japan, \$224 billion;
- Chuo Trust and Banking, \$160 billion;
- Nippon Credit Bank, \$104 billion.

These five banks have combined assets of \$1.080 trillion.

On Nov. 27, a Japanese Finance Ministry spokesman denounced Moody’s rating announcement, indicating that it constituted interference into Japan’s affairs.

On Nov. 26, a spokeswoman for Moody’s said that the five banks “are very weak financially. We don’t comment on whether they may go bankrupt, but Moody’s believes that they don’t have sufficient financial strength to stand

alone. We think they will need a safety net to survive.”

She stated that some of these banks will turn to groups that they are part of, for financial assistance. For example, she said that Yasuda Trust and Banking Co. is part of the Fuyo Group, which consists of Fuji Bank, Yasuda Trust and Banking Co., Yasuda Life Insurance, and Yasuda Fire and Marine. She said that Yasuda Trust and Banking Co. announced on Nov. 25 that it would issue either subordinated debt/debentures (which can be converted into equity), or equity directly, which the other members of the Fuyo group would buy up, to infuse liquidity into Yasuda Trust and Banking Co. However, it should be noted that Fuji Bank was also the largest creditor of Yamaichi Securities, and when asked to bail Yamaichi out during that investment bank’s last days, it declined.

Moody’s stated that, at the moment, the Bank of Japan will not be lending any money to the five banks with the E or E+ rating, “because the Bank of Japan only gives that liquidity support, once a bank has failed.”

The Hokkaido Takushoku Bank had \$78 billion in assets when it failed, and it required a \$15 billion “liquidity support” operation from the Bank of Japan. Were the five Japanese banks with very low credit ratings to fail in the next few weeks, the Bank of Japan might end up having to pump in \$150-175 billion in “liquidity support,” an amount that would require extreme pump-priming and would likely, along with the bank failures, contribute to the blow-out of the Japanese financial and banking system, and the world credit system.

The Moody’s spokeswoman was asked, “There has been discussion of off-balance-sheet liability derivatives exposure of Japanese banks which could create a problem. What is the situation with the derivatives exposure of these five banks?” She responded, “No comment.”

During the two trading days of Nov. 26-27 on the Japanese stock market, the shares of Mitsui Bank fell 32%, those of Yasuda Trust closed down 38%, those of Fuji Bank closed down the limit; and those of Daiwa Bank closed down 50%. Yamaichi Securities stock fell heavily in the period prior to its ceasing operations. Further, as an indicator of difficulties, Japanese banks must pay a “risk premium” of three-quarters of a percentage point on the inter-bank borrowing market.

South Korea and beyond

In South Korea, five major banks—Cho Hung Bank, Commercial Bank of Korea, Korea First Bank, Hanil Bank, and Seoul Bank—are reportedly in serious trouble. Thirteen of the largest Korean banks are reported to have \$30 billion in non-performing loans, representing 10% of all credit volume, although the actual figure could be much higher.

In mid-November, Korea approached the IMF for a \$20 billion loan package. On Nov. 23, a Tokyo-based banking source reported, “This was an extreme liquidity crisis. It could

not have been allowed to go on even a few more days without an IMF loan,” or else it “threatened the entire world’s settlements system. . . . The G-7 central bankers and finance ministers have been in continuous meetings on Korea for over a week. The meetings were non-stop. They may deny this, but that’s what is going on. The meetings started with the G-7 Finance Ministers in Frankfurt last Saturday [Nov. 15]. . . . Many more central bank meetings have occurred.”

He stated that the problem is that Korean corporations, including banks, owe \$122 billion to international financial institutions. Were the creditors of Korea to either refuse to roll over their loans, most of which are short term, or try to collect on past loans, this would cause grid-lock in the Korean banking system, forcing Korea not to make payment on many more loans, and, in turn, “could close down the world’s settlement system.”

The IMF loan package of \$20 billion will not be enough, and a second package is already being negotiated, which will bring the total IMF-organized loan agreement to Korea, to \$80 billion, this source predicted.

The IMF package will have harsh conditionalities, and will include extreme forms of globalization, the source said. Korea will be forced to open its stock market, its financial sector, its bond market, and get rid of its closed system. As well, many industries will be forced to cut back or shut down, and workers will be fired.

With regard to the Korean bond market, according to this source, until now, only Koreans could own Korean bonds, which actually allowed Korea to internally manage its credit.

After a \$40 billion financial loan package to Indonesia, a \$17 billion package to Thailand, some \$70-80 billion expected to go to Korea, the IMF is running out of money.

South Korea had been attempting to develop a “full set” industrial economy. For instance, its ship-building industry still builds 40% of the world’s ships.

But many of the other southeast Asian economies had not proceeded much along the path of a “full set” industrial economy. To a significant extent, they relied on cheap-labor exports. These are the pussycat “Asian Tigers,” such as Thailand, Indonesia, and Malaysia. This made them vulnerable to the rounds of London oligarchical financier-directed currency and stock market attacks. Thus far this year, their stock markets have all fallen 40-60%.

As the Southeast Asian economies contract, this adversely affects world trade, especially for America.

In Russia, an extreme internal liquidity crunch has left the financial system wobbly. The Russian government’s attempt to hold a fire sale involving valuable state-owned oil and other properties, will make matters worse.

The derivatives bubble

The European press has at least covered some of these developments, however piece-meal. But in America, there

has been a denial of reality. However, beyond the headlines, is the reality that this is a deeper phase of the systemic process of blow-out of the world financial system, with the principal trigger being the world’s derivatives market. The IMF bailouts, with attached conditionalities, and the various liquidity injections that various nations are making on a “crisis-management” basis, according to “administrative rules,” will solve nothing. The new liquidity will fuel the danger of hyperinflation, but will not correct the underlying bloated speculative structure. The IMF conditionalities will merely cut further the already ravaged world physical economy.

The danger that threatens to turn the current crisis into a death knell for the world financial system, is the derivatives bubble. The Bank for International Settlements reports that in 1996, derivatives for a select number of industrial countries were \$82.6 trillion, up from \$69.3 trillion in 1995, and \$62.6 trillion in 1994. But the BIS survey covered just 79 institutions in 11 countries, leaving out many derivatives’ holders. *EIR* has estimated, for 1997, total world derivatives holdings to be \$125-150 trillion.

In the United States, total derivatives holdings are \$38 trillion, as of mid-1997, nearly a fourfold increase from \$10 trillion in 1990. Of the 1997 amount, the leading eight U.S. commercial banks hold \$22.6 trillion of derivatives. These eight banks have combined equity capital of \$93 billion, which is just 0.2% of their derivatives exposure. The equity capital is supposed to provide a cushion in emergencies. During an emergency, these eight banks — Chase Manhattan, J.P. Morgan, Citicorp, Bankers Trust New York, BankAmerica, NationsBank, First Chicago NBD, and Republic New York — could cover 0.2% of their exposure; *any bigger derivatives failure would melt down the U.S. banking system.*

The \$125-150 trillion world derivatives bubble is inter-linked across countries and markets — bonds, stocks, currencies, commodities, etc. A failure in one part of the market *can trigger the disintegration of the entire world system.* Reverse leverage will make this process happen with lightning speed.

Thus the Japanese and South Korean crises, which are very real and very devastating in their own right, could become the detonators which could ignite the global derivatives explosion.

On Nov. 20, Union Bank of Switzerland (UBS), one of Switzerland’s “Big Three” banks, fired most of its derivatives trading department personnel in both London and New York. The *South China Morning Post* covered the story under the headline, “Trading Losses Force UBS Shake-Up.” UBS deliberately withheld loss figures, but private sources report that the derivatives loss is large.

On Nov. 25, the economics editor of a major British newspaper told *EIR*, “There are rumors of huge derivatives losses at one of the big banks in London. I can’t tell you which one, of course.”

Brazil advances in space technology

by Geraldo Luis Lino

On Nov. 2, the Brazilian government made its first attempt to launch a satellite, using its Satellite Launch Vehicle, or VLS, as it is known by its Portuguese acronym. Launched from the Alcantara base in the state of Maranhão, the VLS mission was to place in orbit an SCD-2 A satellite, which would carry out remote sensing of environmental data. Like the VLS, the SCD-2 A was built entirely in Brazil.

Unfortunately, a problem in one of the VLS's four rocket engines forced mission control to abort the launch and explode the rocket just one minute after liftoff. Despite the international media's harping on the "failure" of the satellite launch, it in fact represents a significant achievement for Brazil. The completion of the VLS, the first Brazilian-made orbital rocket, represents a crucial phase in the Complete Brazilian Space Mission, or MECB, as well as a historic moment in the country's scientific and technological endeavors. With the VLS, Brazil joins that select group of countries capable of placing an artificial satellite in orbit, using its own technology. Moreover, Brazil is one of only a few nations able to plan, build, and test its own satellites.

When President Bill Clinton visited Brazil in mid-October, among his delegation was Dan Goldin, director of the National Aeronautics and Space Administration. During this visit, Brazil and the United States signed an agreement, in which Brazil will collaborate in the International Space Station. No other developing nation has signed such an agreement, and Brazil's participation paves the way for others, such as China and India, to also join. Thus, it is a real milestone. Moreover, this type of technological cooperation with the United States is the type of constructive, mutually beneficial initiative which can go a long way toward overcoming the antagonism and suspicion which characterizes the current U.S.-Brazil relationship.

The VLS launch is no small achievement for a program which, although more than 40 years old, is forced to operate—like everything else in Brazil—under the weight of enormous difficulties. These include chronic underfunding, as well as the policy of "technological apartheid," imposed by the foreign architects of the "new world order"—not to mention their domestic allies. Even *Science Today* magazine, put out by the Brazilian Society for the Advancement of Science, attacked the MECB in one of its first editorials. For budgetary

reasons, the Air Force, which coordinates the MECB, hadn't been previously able to carry out an experimental rocket launch.

The deliberate evisceration of the technological programs of the Armed Forces, beginning with the government of Fernando Collor de Mello (1990-92) and continuing under the present Fernando Henrique Cardoso administration, aggravated these budgetary restrictions.

A national project

The VLS is a four-stage rocket, propelled by solid fuel. With a height of 19.5 meters and a cargo weight of 50 tons, it can launch satellites weighing 100-350 kilograms, into orbits at an altitude of 250-1,000 kilometers. This can be done at several inclinations, from equatorial to polar orbits. In fact, the location of the Alcantara base, at 2° latitude from the equator, facilitates the launches, by providing a substantial savings in fuel, compared to rockets launched from bases located at higher latitudes.

At a cost of \$6.5 million, the VLS is one of the least-expensive satellite launchers in the world. It was developed by the Aeronautical Technology Center (CTA), at a total cost of \$171 million. It is scheduled to be continued in two more advanced models: the VLS-2, able to lift 400 kg to altitudes of 2,000 km; and, the VLS-3, which will be capable of placing satellites weighing up to one ton into geostationary orbits, at altitudes of 22,000-36,000 km. Both models will use liquid fuel, a technology still being developed in the country.

Brazil's space program began in 1954, with the creation of a group of experts from the National Research Council, and the Brazilian Air Force, under the direction of Brig. Oswaldo Baloussier. In 1961, the National Commission for Space Activities was founded, coordinated by Col. Aldo Vieira da Rosa, one of the CTA's founders and a key backer of Brazil's aerospace activities. In 1965, construction began of the launch base at Barreira do Inferno, located in the state of Rio Grande do Norte, in Brazil's northeast.

In December 1966, the first of a series of rockets was launched, for meteorological and atmospheric research. All were imported, primarily from the United States. In the 1970s, after the founding of the Space Activities Institute, the Sonda Program was set up. These were the first series of nationally produced rockets. There were four models, Sonda I through Sonda IV, each representing a crucial phase of the program. The VLS's first stage is made up of four Sonda IV rockets. As has occurred in other countries, the technological spinoffs from the Brazilian space program have been applied in different industrial sectors, but their importance goes well beyond the economic benefits. Aside from the training of an important critical cadre of scientists and technicians in a state-of-the-art sector of human knowledge, it will, in the future, provide the country with a passport for greater participation in what will be humanity's great adventure in the 21st century: conquering the cosmos.

Volcanoes and the weather: surprising, nonlinear effects

This interview is part of a series exploring the science of climate, in particular the El Niño phenomenon, as opposed to the Chicken Little approach of the media, which have broadcast scare stories, especially in California, about the coming El Niño deluge. As previous articles have indicated (EIR, Sept. 19, 1997, pp. 18-25, and EIR, Sept. 26, 1997, pp. 13-16), the cause of El Niño is not really known, and even its effects are not known—or, there is disagreement about what they are. The typical climate model approach to El Niño is axiomatically doomed, because of the nonlinearities involved in the oceans and the atmosphere, which cannot fit the present models.

One of the points of disagreement among climate scientists, is on the role of volcanoes. One researcher has called the theories of volcanic influence on the climate “flaky.” And atmospheric scientist Hugh Ellsaesser suggested that it may be just as likely that El Niño could cause volcanic activity. There can be as much as a meter’s difference in sea levels, Ellsaesser explains, between the western and eastern regions of the Pacific Ocean. As this water flows back during an El Niño, it represents a tremendous shift in pressure on the ocean floor, which could trigger a volcano, if the subsurface conditions were right, he suggests.

In this interview, Gerald Kuhn talks about the nature of volcanic influence on climate and weather. Kuhn is a geologist, based in southern California, who worked closely with Dr. Francis Shepard, the father of marine geology, at the Scripps Oceanographic Institution, until Shepard’s death in 1985. Together they wrote many books and articles, and did pioneering work on the relationship of volcanoes to climate. Kuhn was interviewed in September by Marjorie Mazel Hecht. His article on volcanoes and climate will be featured in the Winter 1997-1998 issue of 21st Century Science & Technology magazine.

EIR: You’ve been looking at the relationship of volcanoes to climate for many years. How did your work begin, relating volcanic eruptions and weather patterns?

Kuhn: In the 1970s, the late Dr. Francis Shepard and I were evaluating the erosional history of the coastal cliffs in San Diego County, California. This was preliminary to a

study of the southern California coast; an effort which in itself was the forerunner of developing erosional concepts to apply to the cliffed shores of the United States. We were working on the hypothesis that erosion of the cliffs was episodic, rather than a gradual, sand-grain by sand-grain loss of the rock material.

Even more revolutionary than that concept, was our observations that seemed to indicate that the erosion was caused by rains from storms, instead of the long-held conclusion that coastal cliffs were eroded by ocean wave action. The waves were simply the means by which the erosional debris was carried from the beaches to the sea.

We had excellent charts of the California coast that covered more than a century of surveys, along with good records dating back to the Franciscan fathers who oversaw the missions from the 1700s. The charts and the records told us when and how much erosion there had been, so we began to search for circumstances that would have initiated what appeared to be some horrendous, stormy periods. This led to the determination that an extraordinary amount of erosion took place along the U.S. West Coast after the eruption of Krakatau, August 1883.

EIR: What was so unusual about this stormy period?

Kuhn: Not only had coastal erosion greatly increased after more than a decade of drought, but there were extreme floods, especially in southern California. There, the floods in 1884 were the most devastating ever recorded, before or since. This stormy episode led us to investigate, therefore, the possible relationship to volcanic eruptions. In particular, we needed to learn which, if any, of the eruptive materials had exacerbated weather patterns.

EIR: What kinds of records did you find to look at?

Kuhn: We began a systematic study of all U.S. government weather records, going well back into the middle of the 19th century, along with records from the British Meteorological Office, records from all of the California missions, logs, and diaries of mariners who sailed along, or to, the California coast in the 1800s, along with every scientific paper dealing with weather, meteorology, and coastal seas available in

the libraries of Scripps Institution of Oceanography, Woods Hole, and the Naval Academy.

Then, of course, we also addressed our attention to historical records of volcanic eruptions. It turns out that there are quite good records dating back to near the beginning of the 19th century, and lots of usable anecdotal information dating back to the 15th century.

EIR: What did you learn? Is there an obvious correlation?

Kuhn: It appeared to be usual, that a short time after an eruption, especially a Strombolian-type, in which vast quantities of sulfur products were punched into the stratosphere, that there were tremendous increases in storm conditions, including hurricanes, tornadoes, and flood-producing torrential rains, in those parts of the world thoroughly influenced by the eruptive cloud.

In other parts of the world, conditions can be quite the opposite. Droughts, frigid weather, are experienced while others feel the floods, and while still others find themselves basking in warm, pleasant weather—in each case, conditions not normal to those geographic areas at such times of the year.

In other words, it is usual for worldwide weather conditions to be perfectly nonlinear, chaotic after a decent eruption; such as, Mt. Pinatubo, 1991; Tambora, 1815; and Katmai, 1912.

EIR: Did you see any weather patterns after these volcanic periods?

Kuhn: For the significant volcanic episodes of the last 120 years, and for which the most reliable records exist, we learned that the weather following every eruption went through sudden changes, deviating well from the normal in the pertinent area at the particular time of the year. One of the most amazing circumstances we examined in post-volcanic periods is the completed displacement of seasons. The clearest of such events is the experience of a “year without a summer.”

Such a dramatic seasonal “exchange” has taken place five times since 1800. An excellent example, quite well documented, occurred after the eruption of Tambora in 1815. The frigid summer of 1816, including snow and ice, throughout New England, including Cape Cod, ruined all of the crops. There wasn’t a lot of sunbathing or boating at Hyannisport either.

EIR: Is there a clear correlation between volcanism and El Niño; that is, warm-water periods in the tropical Pacific Ocean?

Kuhn: No, not at all! In fact, our research leads toward the impression that the great stormy periods at mid-latitudes are more intense during cold-water episodes; that is, a time of an El Viejo.

As my research continues, it becomes clear that we have a long way to go, before we understand all of the parameters

that influence weather and/or climatic variations, of whatever magnitude. We simply must realize that every weather system, and every input into long-term variations that we might possibly term “climatic,” is composed of a bunch of nonlinearities which are not now, and may never be, possible to put into a solution. The best we can do is point out some relationships that seem to follow a chosen event, recognizing that “cause and effect” remain questionable.

For example, we know that stormy years of record have followed great, sulfur-rich volcanic eruptions, and at times when there is no warm-water event at all; that is, no El Niño. On the other hand, after other large sulfur-rich, Strombolian explosions, the same kind of stormy weather has struck mid-latitude lands and there has been a nicely measureable El Niño in the eastern tropical Pacific.

It is just so obvious that we are really far from understanding the interactions, the interplays, and the influence of the great, natural, nonlinear characteristics of our Earth.

EIR: What are the variables of volcanic activity that seem to be involved in creating abnormal weather?

Kuhn: For the past three decades, atmospheric scientists and volcanologists have investigated volcanic glass for sulfur volatiles. It was becoming apparent that any possible volcanic impact on weather, or climate, was not the result of the size of the eruption, or how much dust was ejected, but rather the magnitude of the sulfur compounds produced. There was good evidence that even a relatively moderate eruption, such as sulfur-rich El Chichón, 1982, can have a major impact on the atmosphere when the sulfur products are punched through to the Junge Layer in the stratosphere.

Then, when along comes a super-eruption of a sulfur-rich volcano, as was Mt. Pinatubo, whose Strombolian eruption cast 20 million tons of sulfur volatiles to 18-25 km, you can bet that the weather systems, the “weather-guesser’s” models, and the climatologists’ incantations are going to be disrupted for a few years.

EIR: How was the Mt. Pinatubo aerosol cloud measured?

Kuhn: The eruption was monitored, day after day, by the Total Ozone Mapping Scanner (TOMS) on the Nimbus-7 satellite. The space-borne sensors detected a total mass of sulfur-rich aerosol cloud at a height of 22+ km in the stratosphere that indicated the volume was double that produced by El Chichón. Within three weeks, the sulfurous cloud had encircled the Earth, and formed into an almost continuous band between 20°N and 20°S.

The TOMS instrument had been refined to measure sulfur after the El Chichón eruption in 1982.

EIR: Why is the sulfur content so important?

Kuhn: Detailed examination of the aerosols from Mt. Pinatubo, by Brasseur and Granier, shows that about a month after the eruption (June 1991), “The sulfur dioxide was converted

into sulfuric acid (H₂SO₄), which in the stratosphere condenses into small particles (aerosols). The aerosol load after this volcanic eruption was one or two orders of magnitude larger than that produced by biological and anthropogenic sources.” They went on to point out that the sulfur volatiles appear to be the single most contributing source to “temporary ozone depletion.”

There are still many questions unanswered about the sulfur—such as, how far does it get up, and why are some volcanoes sulfur-rich and others not—but it is rather clear, now, that the sulfur compounds play a key role in the formation of the vast “haze” or “Dry Fogs” experienced in the northern U.S. after the North American and European eruptions in 1783, 1831, and Katmai, Aleutians, 1912.

Benjamin Franklin was one of the first to describe the effects of the great European “Dry Fog” in 1783. Franklin, as the first U.S. ambassador to France, prepared a memorandum in May 1784 that was communicated to the Royal Academy by a Dr. Percival on Dec. 22, 1784.

Old Ben wrote: “During several of the summer months of the year 1783, when the effect of the sun’s rays to heat the earth in these northern regions should have been greatest, there existed a constant ‘fog’ over all of Europe, and a great part of North America. This fog was of a permanent nature; it was dry, and the rays of the sun seemed to have little effect

toward dissipating it, as they easily do for moist fog, arising from water. They were indeed rendered so faint in passing through it, that when collected in the focus of a burning glass [magnifying glass], they would scarcely kindle brown paper. Of course, their summer effect in heating the earth was exceedingly diminished.

“Hence, the surface was early frozen.

“Hence, the first snows remained on it unmelted, and received continual additions.

“Hence, the air was more chilled and the winds were more severely cold.

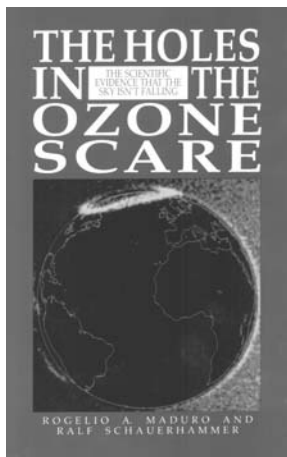
“Hence, perhaps, the winter of 1783-84, was more severe, than any that had happened for many years.

“The cause of this universal fog is not yet ascertained. Whether it was adventitious to this earth, and merely a smoke, proceeding from the consumption of fire of some of those great burning balls or globes which we happen to meet upon our rapid course around the sun, and which sometimes [are] seen to kindle and be destroyed in passing our atmosphere, and whose smoke might be attracted and retained by our earth; or whether it was the vast quantity of smoke long continuing to issue through the summer from Hekla in Iceland, and that other volcano which rose from the sea near that island, which smoke might be spread by various winds, over the northern part of the world, is yet uncertain.”

U.S. environmental groups were given millions of dollars in the past five years to spread scare stories about a man-made ozone hole that would cause cancer on Earth.

Now, for only \$15, you can learn the truth about the ozone scare.

THE HOLES IN THE OZONE SCARE
The Scientific Evidence that the Sky Isn't Falling



\$15 plus \$3 shipping and handling

Send checks or money orders (U.S. currency only) to
21st Century
P.O. Box 16285, Washington, D.C. 20041

So, You Wish To Learn All About Economics?



by Lyndon H. LaRouche, Jr.

A text on elementary mathematical economics, by the world's leading economist. Find out why *EIR* was right, when everyone else was wrong.

Order from:

Ben Franklin Booksellers, Inc.
P.O. Box 1707 Leesburg, VA 20177

\$10 Call toll free 1-800-453-4108.
plus shipping (\$1.50 for first book, \$.50 for each additional book). Bulk rates available. Information on bulk rates and videotape available on request.

Without new ideas, no new jobs

While "expert" economic forecasts come and go, the unemployment figures keep rising.

For once, German Economics Minister Günter Rexrodt (a devout follower of neo-liberal doctrines) reflected economic reality, when, on Nov. 24, he said that "a rise of the unemployment level beyond 5 million, this coming winter, cannot be ruled out." Strangely enough, Rexrodt received more criticism than support, reflecting the current state of mind of the political, industrial, and banking elites. The constant repetition of statements by prominent figures that the Asian crisis is something particularly "Asian," is far away, and does not affect the allegedly "sound" German economy, tells us that a majority of decision-makers here still have not grasped the situation, or, at best, are in a state of shock.

In every month of this year, national unemployment has been 350-400,000 above the respective month of 1996. This means, that February 1998 will top the 4.67 million officially recorded jobless of February 1997, and reach 5.0-5.1 million. This author has not been alone, since February 1997, in forecasting that. The more surprising fact is that, when Rexrodt chose to tell the truth (the first surprise), he came under widespread attack (the second surprise), and, he was even attacked by Bernhard Jagoda (the third surprise), the director of the National Unemployment Office, who should know better.

Jagoda does know better. He mocked the official agenda for the Nov. 20-21 Luxembourg "Job Summit" of the European Union, saying that it would not produce more than a lot of paper and meaningless pronouncements about the solemn EU in-

tent to "fight unemployment." In an interview with the weekly *Der Spiegel* on Nov. 17, Jagoda said that what should be resolved there instead, should "be neither new statistics or reports, but a departure to new frontiers."

"If, for example, the Europeans would agree today, to connect Moscow and Madrid, Norway, and the southern coast of Italy with a maglev train, it would bring a giant incentive for innovations and employment," Jagoda said, giving one example of such a new frontier. This was the first prominent political endorsement in Germany for a transcontinental maglev technology project, in a long time. The planned Hamburg to Berlin rail line for the German Transrapid maglev system, and possible exports of the system to other countries outside of Europe, has been the best that could be expected to come from senior figures of the German political system, in recent years and months.

As chief administrator of the several million German jobless, Jagoda knows that new waves of layoffs are on the agenda, that the national jobless figure will climb above the 5 million mark by February. The "experts" have not yet taken into account the effects of the "Asian" financial and banking crises on German exports between now and 1998.

Without grand designs for great projects that each employ tens of thousands of people, all talk about reducing joblessness is blather. The design for a maglev grid across Europe, for other big infrastructure projects and "frontier" projects of space technology, are an absolute must, as Lyndon

LaRouche and *EIR* have repeatedly insisted. Anything less than LaRouche's design of 1989, for a trans-continental "Paris-Vienna-Berlin Productive Triangle," and for the various "Eurasian Land-Bridge" proposals offered by LaRouche, will have no chance of reducing unemployment. The kinds of "small incentives" which the EU Jobs Summit decided upon, to create 50 jobs here and another 30 there, to tell the free market to act, and other impotent and discredited measures of that kind, will not reduce the current official EU unemployment of 18 million.

The EU wants to stick to the 1999 schedule for the introduction of the full European Monetary Union, with the new, single EU currency, the "euro." This, the German labor union of commerce, banking, and insurance employees has found out, will lead to a giant downsizing, eliminating 120,000 jobs in Germany in these three sectors of the economy alone. In the EU, 800,000 to 1 million jobs will be killed.

While the EU is creating 30 jobs with its "incentives," it is destroying 30,000 jobs with its monetary union project; and, this destruction will begin in 1998, before the envisioned start of the monetary union, because the banks want to be "lean and fit" by January 1999, and because many banks have heavy losses resulting from the Asian crisis, and are exposed in Asia to the tune of tens of billions of marks.

Therefore, the Rexrodt warning about 5 million jobless was a good start. What has to follow, now, are bold proposals for projects that have the potential of creating many new jobs at a time—like the Jagoda call for a maglev grid for Europe. The \$200 billion which has been spent for jobless support in the EU in 1997, could have been spent in a productive way: for big projects and several million real, new jobs.

Currency collapse looms over India

Despite repeated assurances from the Finance Ministry and the Reserve Bank of India, the rupee continues to fall.

The Indian economy is in shambles, and the rupee is heading the way of the Southeast Asian currencies. Repeated statements issued daily, to the effect that "the Indian economy's fundamentals are strong," by the Finance Ministry and the Reserve Bank of India (RBI, the Central Bank), intended to reassure investors, have had no effect whatsoever.

On Nov. 24, the day the Yamaichi brokerage house in Japan went down, panic set in on the Bombay Stock Exchange, the premier bourse in the country. The rupee fell to a historic low of 38.50 to the dollar. It recovered somewhat after the RBI pumped some \$500 million into the market.

There is no doubt that the rupee is in for some real trouble. After the RBI had assured investors that it would keep the rupee at 37.80 to the dollar, it spent some \$200 million on Nov. 21 in an effort to maintain parity. But, on the very next day of trading, the RBI allowed the rupee to slide further. Exporters are hoping that the rupee becomes as cheap as 40 to the dollar. It is likely that they will get their wish in no time.

The man who holds the reins of the RBI is Dr. Bimal Jalan, a favorite of the International Monetary Fund-World Bank crowd who was fired from his job as finance secretary by then-Prime Minister C.S. Chandrasekar for peddling the IMF line. It is obvious that Jalan, who began his career working for the World Bank, has godfathers. It must also be said that Jalan is not the worst of the lot aspiring to be RBI governor. But, surely, Jalan belongs to the club that controls India's

economic policies now.

Jalan was appointed governor by Finance Minister Palaniappan Chidambaram, India's whiz kid whose close association with Jeffrey Sachs, the wrecker of the Russian economy, is key to understanding the IMF-World Bank vise-like grip on India's economic policies today. It is a certainty that the current 13-party coalition government is near collapse, and Chidambaram will lose his job. The bad news is that he may continue as finance minister in a caretaker cabinet till the country goes to the polls early next year.

During his seven-month tenure, Chidambaram has campaigned for closer integration of the Indian economy with the global economy. That India does not have the institutional mechanism or capability to fend for itself against the cannibalistic currency speculators, had never been much of his concern. His repeated assertion that the health of the economy is good because the inflation rate is low, forex reserves are "high," the fiscal deficit is being reduced, and GNP growth is significant, has, almost like a chanting mantra, played over again and again mindlessly.

The most serious problem that haunts the Indian economy is the stagnation of the industrial sector and continuous deterioration of infrastructure. India's agricultural and mining sectors have done well in recent years in preventing a catastrophe. A recent study by R. Nagraj of the Indira Gandhi Institute of Development Research shows that in the post-reform period, beginning in 1991, much of the IMF-

directed structural adjustment has resulted in investment in tertiary sectors, taking investment away from manufacturing. It also noted that the "profits" generated in the capital market, and which show up in the GNP growth calculations, went into inter-corporate investment and real estate.

Nagraj points out that during the reform process, the growth in physical investment, which is cited by the Finance Ministry as a sign of success, had changed composition, away from infrastructure and manufacturing. As a result, industrial output has slowed rapidly and export has become more dependent on the cheap rupee. The promotion of the private sector by the IMF and its backers has resulted in a growing negative trade balance, because the corporate sector is a net importer.

However, what is devastating, is that the annual growth rate of the manufacturing sector, measured by the index of industrial production, during the six years since the reforms, is, in fact, lower (6.4%) than during 1986-91 (8.9%). The biggest loser has been the capital goods sector, whose annual growth rate fell nearly 60%, to 6.4%.

But, it is likely that Chidambaram does not correlate these data with what is happening in the economy. In a keynote address to a recent seminar on "Emerging Asia," he did not caution duly about the poor state of economic affairs, which is of concern to most Indians, but harped on his pet theme of the currency market. He said that the short-term depreciation of currencies below their intrinsic value is "an unavoidable price that developing countries have to be prepared to pay to stem sudden outflows."

Chidambaram is wrong here, too. Recently, both Thailand and Malaysia have experienced depreciation of their currencies and sudden outflows almost simultaneously.

Business Briefs

Australia

Privatization program back-firing in Victoria

Realizing that the state of Victoria will experience drastic power shortages over the coming summer months, even though privatization was sold to the population as the solution to such problems, state Treasurer Alan Stockdale recently wrote to the five private electricity distribution companies now controlling Victoria's electricity supply, demanding that they ensure that adequate power is available for peak-use days, the Nov. 17 *Herald Sun* reported.

The foreign-owned corporations which bought into the electricity industry have become hysterical at this unexpected order, and are demanding that the government pay the cost of ensuring the power supply, which is expected to be \$20 million. Keith Stamm, chief executive officer of United Energy, one of the five companies, wrote in reply: "We believe that from a public policy perspective, the government has formed the view that a higher level of reliability is in fact required. It is inappropriate to expect market participants to pay for a higher level of reliability."

Victorian Premier Jeff Kennett has paid AUS \$20 billion to the banks, as a result of his privatization program of the last few years, which has greatly degraded Victoria's infrastructure.

Biological Holocaust

HIV returns after use of anti-viral drugs

Australian doctors treating patients infected with the human immuno-deficiency virus (HIV) are becoming concerned about the effectiveness of anti-viral drugs, specifically the highly touted three-drug cocktail of protease inhibitors, the Nov. 15 *Sydney Morning Herald* reported. At the Adelaide conference of the Australasian Society for HIV Medicine, doctors from Sydney and Melbourne said that they believed that the virus must be developing resistance to the drugs, or that patients were not following the complicated

treatment regimen.

Doctors reported that many patients who had achieved undetectable levels of HIV, are now relapsing and again showing clear evidence of infection. And, half of the patients are showing an unusual side effect: wasting of fat on all body areas except the belly.

Dr. Stephen Kent, of the McFarlane Burnett Centre for Medical Research in Melbourne, reported the results of a study of 158 HIV-infected patients who had shown in two separate tests to have undetectable levels of HIV. However, six months later, about one-quarter had relapsed, and had detectable levels.

Dr. Andrew Carr, staff specialist in immunology at St. Vincent's Hospital in Sydney, reported that although it was not yet clear that the protease inhibitors had caused the wasting away of fat, the study showed that this could lead to an increase in the long-term risk of vascular disease. Carr agreed with the Melbourne study results, and predicted that doctors would start seeing more sicker patients again. Some doctors at the conference disputed these findings.

Economic Policy

Argentinian demands protective tariffs

Javier Tizado, vice president of Siderar, an Argentine steel company, said that protective tariffs should be reestablished, the daily *Clarín* reported on Nov. 17. Tizado's comment came in response to a question from reporter Silvia Naishtat, on what Argentina could do in the event that Brazil's currency, the real, were devalued.

The debt and currency crises of Brazil and Argentina are threatening to cripple trade. Of \$17 billion in bilateral trade this year, \$8 billion of Argentina's exports will go to Brazil. *Ambito Financiero* columnist Horacio Alonso reports that with Brazil's austerity measures, Argentine exports will drop by 15%, or \$1.2 billion. Ernesto Ambrotsetti, an analyst with the Argentine Rural Society, notes that of the \$14.3 billion in agricultural export revenues of Argentina in 1996, at least 17.3% were from exports to Brazil. Some 40% of Argentine oil and fuel

production goes to Brazil, and its automobile sector, which relies heavily on the Brazilian market, will be hit hard.

Naishtat commented that Tizado "doesn't trust the methods" of Deputy Finance Minister Carlos Rodríguez, the kook who the week before predicted an early end to the current financial crisis, based on "lunar cycles." However, equally bad, Tizado said he relied instead on J.P. Morgan's assessment of the crisis. He admitted that protective tariffs would delay regional integration.

Arturo Azevedo, an Acindar steel company executive, told *Clarín* that Brazil is the primary concern of Argentine businessmen. "We have to determine the degree to which Brazil could suffer a speculative attack. It has the alternative of resisting or devaluing, and that will determine the extent of slow-down in Argentine growth—which will be greater if there is a devaluation."

Trade

Russia, China step up nuclear cooperation

Russian Ministry of Atomic Energy (Minatom) head Viktor Mikhailov outlined ongoing and future Russian cooperation with China on nuclear energy, in an interview with the daily *Novye Izvestia* on Nov. 18. Mikhailov had just returned from China with President Boris Yeltsin.

Three nuclear agreements have been signed by Russia and China, two in 1992, and one in 1996. Minatom is now in the process of building a uranium enrichment plant in China, the first phase of which has been completed, Mikhailov said. The plant is producing \$20 million worth of nuclear fuel per year, and the second section will be completed next year, ahead of schedule. The entire complex will be operational in 2001.

Second, Russia is "completing the development of a technical project for a nuclear power plant for China, and a general contract is to be signed in December 1997," Mikhailov reported. He said that a "facility for the manufacture of thermal units" (steam turbine generators) for the 1,000 megawatt Russian VVR reactor, is being built in China. Minatom is also "planning to build a plant

FRANCE has seen the number of low-wage jobs (i.e., paying at most 3,650 francs, or less than \$700 per month) double, from 5% of all those employed in 1983, to 10% today, according to the Labor Ministry. The rise in part-time employment, which rose from 8% to 17% in the same period, has been a major factor.

POLAND should suspend its 1997 debt-service payments and use the money for urgent social problems, said Marian Krzaklewski, head of the Solidarnosc action committee, who leads the biggest party in the new government coalition, the German daily *Frankfurter Allgemeine Zeitung* reported on Nov. 19.

UKRAINE Airlines' pilots, who have been on strike since early November, picketed the parliament on Nov. 19. The pilots are demanding the payment of back wages as well as increased salaries and better pensions. Their strike has shut down virtually all domestic flights.

AIDSSUBTYPES are multiplying, the Frankfurt, Germany Speyer House Research Institute, has found. A few years ago, for example, most HIV-positive blood samples were infected with subtype B. Now, subtype C, detected a year ago, is estimated to be responsible for one-third of all new infections.

CHINA'S Vice Premier Wu Bangguo pledged support for four projects in Thailand, in October. These include the Southern Seaboard Development Project (the oil-rail project across the Kra Isthmus), which will shorten the time of transport of oil from the Andaman Sea and the Middle East to the South China Sea.

MADELEINE ALBRIGHT, the U.S. secretary of state, blamed Israel for the dire economic conditions of Palestinians in the West Bank and Gaza, in a speech to the fourth Middle East and North Africa economic summit, which opened in Doha, Qatar on Nov. 16. She did not mention the other culprit: the World Bank.

for the processing of spent nuclear fuel from nuclear plants," he said. (This would insulate China from the international environmental madness that has accompanied the reprocessing of spent fuel by Japanese and other facilities in Asia.)

Asked about longer-term plans for cooperation, Mikhailov said Russia is going to build a fast-neutron (breeder) reactor, the BN-800, in China. With uranium enrichment capabilities to produce fuel, a breeder program, and reprocessing facilities for spent fuel, China will have developed an independent nuclear fuel cycle. He said that Minatom's trade with China grew from \$70 million in 1996, to \$150 million this year. By the turn of the century, he said, "we expect to reach the level of \$600-700 million."

Finance

Philippines cracks down on currency speculation

Twice during the week of Nov. 17, the Bangko Sentral ng Pilipinas (BSP, the central bank) moved against currency speculation by banks, first targeting forward forex sales contracts, and then hitting at questionable currency "swaps," the Manila *Daily Inquirer* reported.

On Nov. 19, Central Bank Governor Gabriel Singson criticized the record rate of increase in cancellations of forward currency contracts, warning the banks that as of Oct. 24 onward, illegitimate forward exchange sale cancellations "will be retroactively excluded from computation of the bank's open position." Under those circumstances, the bank will be fined and lose its letter of credit opening privileges. The BSP reported that from June to September 1997, cancellations shot up to \$634.8 million, as against \$228.2 million from January to May.

On Nov. 20, Central Bank Deputy Governor Alberto Reyes met with officials of the Philippines Bankers Association to explore "reasonable" ways to regulate currency swaps, which officials say have aggravated the local currency plunge. Two proposals "being considered seriously" are: limits on banks use of currency swaps; and disallow-

ing swaps being used to circumvent reserve requirements, along with strict criteria to determine the legitimacy of swap transactions, similar to forward transactions.

BSP figured out that banks were buying on the spot currency market, while simultaneously selling the same amount 30-days forward, and then parking dollars in foreign currency deposit units until the forward contract matured. The conversion of peso liquidity allowed them to evade both the 13% statutory reserve requirement on all peso deposits, and the 20% tax on interest income.

Taiwan

Business interests push for ties with mainland

The full weight of Taiwan's business community has been turned against President Lee Teng-hui, and is demanding rapid improvement in relations with the mainland, the Nov. 6 *Far Eastern Economic Review* reported. Lee, who has been moving closer to a "Taiwan independence" posture, despite Beijing's warnings, has vigorously refused to remove the ban on direct trade and investment in the mainland, while coercing business leaders to cancel major industrial and infrastructural projects, even if they were "indirect."

But now, Chang Rong-fa, chairman of Evergreen, the world's largest container-shipment company, has publicly criticized President Lee, demanding progress toward open business relations. Chang has been backed up by Kao Ching-yuan, CEO of President Enterprises, Taiwan's largest investor in the mainland. Kao is on the Kuomintang party's 31-member central standing committee. Also, Y.C. Wang, head of Taiwan's largest company, Formosa Plastics, recently wrote a column calling for a "federation" among mainland China, Taiwan, and Hongkong.

It is important to note that Hongkong's new chief, Teng Chi-hua, was previously head of Taiwan operations for one of Hongkong's largest shipping companies, and has close ties to the Taiwan business community.

Tweddledum goofs again

by Lyndon H. LaRouche, Jr.

November 24, 1997

Zbigniew Brzezinski's most important political asset is that he is so obviously goofy. Back during President Carter's administration, a dean of the Washington, D.C. press corps frequently referred to him as "Woody Woodpecker." In Yiddish: "How could such a 'nebbish' be a serious threat to anyone as much as himself?" Goofyness is a disarming feature of his personality, a perverse substitute for charm, which seems to deceive almost everyone but Russians. Now, since the October 24, 1997 appearance of a translation of his "Geostrategy for Russia," in Moscow's *Nezavisimaya Gazeta*,¹ "Zbiggy" has made himself a menace to the Clinton administration's Eurasia flank.

There is a nasty coincidence in the appearance of Brzezinski's rant in a Russian publication at this time. Recently, the British monarchy has been bragging, far, wide, and loud, that it has beaten out the United States, in a geopolitical race to take control over the rich strategic harvest of "Caspian oil."² Under those circumstances, given the content of Brzezinski's piece itself, the appearance of that piece in Moscow could have nothing but the worst imaginable, most inflammatory impact on leading circles in Russia today.

Although some of us, on the U.S.A. side, know that Zbiggy, as usual, is working for the British side on this issue, in Russia he is regarded as the U.S. strategist whose livery he affects. Russians, especially high-ranking ones, should have

known that he has been a British Foreign Office asset the entirety of his adult life. Unfortunately, for reasons with which I am painfully familiar, most Russian audiences still prefer not to know that; so, in Russia, it is the U.S.A. which is blamed for his latest rush of malevolent goofyness.

Considered in the narrowness of the present moment, that immediate U.S.A.-Britain strategic conflict over "Caspian oil," is a sore point in current U.S.A.-Russia relations; but, in the larger strategic picture, in the context of the presently onrushing disintegration of the world's financial and monetary systems, his bird-like loonyness is only indicative of deeper, more durable problems which both the U.S.A. and Russia must overcome quickly. If leading Russians generally were to recognize the truth, that he is a British asset, they would understand the appearance of his piece in *Nezavisimaya Gazeta*. Therefore, for the sake of Russians, as well as U.S. patriots, we situate the matter, here, in the more important, larger context.

The United States needs Russia's strategic cooperation, especially in Eurasia. Admittedly, Russia has come upon very hard times; but, the influence of what remains functional from the old Soviet apparatus, throughout Eurasia, especially, is something whose cooperation the United States needs very much now, to protect U.S.A. strategic flanks from the U.S.A.'s deadly adversaries in London. The comments on Brzezinski's latest piece of trash, from such leading Russia economists as Sergei Glazyev³ and Yuri Maslyukov,⁴ provide a warning of the Clinton administration's risk in failing to distance itself from him and those Anglo-American "Atlanticists" like him.

His Russian critics make no mistake in identifying the content of the threat to Russia implicitly represented by his

1. Zbigniew Brzezinski, "Geostrategy for Russia," *Foreign Affairs*, September/October 1997. This article was presented as an excerpt from Brzezinski's book, an attempt to rook the reader, entitled *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, a title typical of Brzezinski's long-standing penchant for pretentious gobbledegook.

2. Typified, in the London press, by such items as Maggie O'Kane, "Gold Rush," *The Guardian*, Nov. 12, 1997; James Meek and Tom Whitehouse, "Where Madness Seeps Out of the Earth," London *Observer*, Nov. 23, 1997.

3. Sergei Glazyev, "Russophobia," *Nezavisimaya Gazeta*, Nov. 18, 1997.

4. Yuri Maslyukov, "The Military Security of Russia," *Pravda-Pyat*, Nov. 15, 1997.



Zbigniew Brzezinski in 1975, at the Trilateral Commission office in New York City. Since the appearance of a translation of his “Geostrategy for Russia,” in a Moscow newspaper, “Zbiggy” has made himself a menace to the Clinton administration’s Eurasia flank.

perverse rantings. Nor do they err in abhorring the influence which he and his—you should excuse the use of the term—“co-thinkers” might have on U.S. foreign policy. However, there is one very bad flaw in the argument of both Glazyev’s and Maslyukov’s reviews of that item; both critics follow the popular post-Stalin trend in Soviet mythology on this point. Most Russians, as most Arab militants, still mislead themselves today, that the military power of the U.S.A. signifies that the U.S. is the origin of virtually everything which is both important and unpleasant, in any part of the world.⁵

5. The number of Arab and other Islamic terrorist organizations which the British monarchy openly harbors in London is an example of the way in which British duplicity corrupts Arab militants into adopting the false perception that the British monarchy is an Arab’s friend against the terrible U.S. imperialist. Similar, if not as nakedly crude a selection of tactics are deployed from London to woo Russians into kindred delusions.

In short, with relatively very few individual exceptions, even otherwise sophisticated Russians simply do not recognize the reality, that the British Empire is the most powerful financial-political force on this planet, also within the UNO organization, today. For that reason, they do not recognize whom he represents. It is a hazardous error of judgment on their part.

For somewhat different reasons, most leading pragmatists (read, “opportunists”) in Washington politics, are too fearful of the rabidly Anglophile, Wall Street-controlled, leading U.S. daily news media, to wish to face readily available facts concerning Brzezinski, either. Consequently, neither of these, Russians or most leading U.S. figures, adequately appreciates the what and why, which lies behind his goofball mask.

Given, the present strategic realities of a time in which the present world financial system is disintegrating, it is important that the purveyors of U.S. foreign-policy cuisine recognize the problem which that goofy bug in the soup, Brzezinski, represents. This problem must be recognized, at last, by both Russians and Americans—and, others.

A species of lackey

No one could rightly dispute Sergei Glazyev’s charge, that Brzezinski is a “Russophobe;” sticking to the appropriate zoological similes, of “Woody Woodpecker,” Canada’s loon, and so on, it would be fair to describe him as, on the subject of Russia, virtually a salivating, decorticated Pavlovian dog. The mistake would be, to attempt to explain his knee-jerk Russophobia by a wave-of-the-hand reference to the seemingly relevant, long history of Poland-Russia relations. His problem has a different root. The writer and his associates uncovered that root, during the early through middle 1970s, in the course of a continuing, in-depth investigation into the background of his sibling rival, U.S. Secretary of State Henry A. Kissinger.

That inquiry covered three phases of his relations with Kissinger. The first phase was the circumstances, and immediate outcome of his displacement by sibling rival Henry A. Kissinger, in a British intelligence “kindergarten” then based at Harvard University: Professor William Yandell Elliott’s Wilton Park unit. The second, was his association with Cyrus Vance and Miriam Camp in a 1975-1976 operation of the New York Council on Foreign Relations (CFR), CFR’s “Project 1980s” design of what became Jimmy Carter’s Presidency, including the design of the “controlled disintegration of the economy” policy,⁶ which Carter appointee Paul A. Volcker used to wreck the U.S. economy, beginning October 1979.⁷ The third phase of the study, was his taking over Kissinger’s

6. Fred Hirsch, Michael W. Doyle, Edward L. Morse, *Alternatives to Monetary Disorder*, 1980s Project Studies/New York Council on Foreign Relations (New York: McGraw-Hill, 1977).

7. Lyndon H. LaRouche, Jr., Oct. 16, 1979 (reprinted, “Volcker’s Measures Will Lead to Disaster,” *EIR*, March 15, 1996, pp. 17-18).

former position, and policies, as National Security Advisor under Carter (or, perhaps, Carter under Brzezinski and Vance).

The famous Kissinger-Brzezinski sibling rivalry, which began at William Yandell Elliott's Harvard-based, Wilton Park "kindergarten," is fairly described as something midway between Lewis Carroll's characters, "Tweedledum and Tweedledee," and the anti-social slum-characters of the film "Clockwork Orange." Nickname them "Twist (Kissinger) and Twitch (Brzezinski)," if you wish; with the caveats supplied here in mind, "Tweedledum and Tweedledee" will be the more convenient literary style.

Although neither is known, recently, to wear uniforms of any kind, one can not understand either of the pair in a significant way, without viewing them as, spiritually, liveried lackeys—virtual "Leporellos"—of a Venetian feudal court. Any effort to interpret the behavior of either of these two sibling rivals is a failure, unless one sees the mentality of such a lackey within each. One must begin with their political apprenticeship, during their early days under the "Old Fagin" of Harvard University campus, Elliott.

Elliott himself is very revealing. He, like the intellectual author of the assassination of Louisiana's Huey Long, lying Robert Penn Warren, is representative of the Nashville "Agrarians," the Twentieth Century's most influential hotbed of pro-Confederacy nostalgia and related cultural and moral decadence.⁸ Early on, Elliott was an impassioned Anglophile, who acquired standing as a de facto U.S. resident agent of Chatham House's "Round Table" adjunct of the British Foreign Service.⁹ In this capacity, Elliott acquired the franchise for the U.S. branch of British intelligence's Wilton Park organization. Both of his more famous protégés, like relatively numerous other matriculants of Elliott's Harvard "kindergarten," have retained the position of agents of influence of the British Foreign Office, to the present day.¹⁰

8. Numerous sources, including: *Fugitives Reunion: Conversations at Vanderbilt, May 3rd to 5th, 1956* (Nashville: Vanderbilt University Press, 1956); audiotape of Elliott's remarks to the "Fugitives Reunion" (Vanderbilt University Libraries, Special Collections); see also, accompanying article on Elliott.

9. "Chatham House," a.k.a. London Royal Institute for International Affairs (RIIA), itself the co-founder of the New York Council on Foreign Relations (CFR).

10. Although Kissinger and his friends have reacted with hysteria against the present writer's persistence in identifying Kissinger as an agent of influence of the British Foreign Office, Kissinger himself was unrestrained in bragging publicly, in a public address delivered at Chatham House on May 10, 1982 ["Reflections on a Partnership: British and American Attitudes to Foreign Policy"], that he had been an agent of influence of the British Foreign Office during his "incarnation" under Presidents Nixon and Ford. In the aftermath of that 1982 address, the British establishment, including Lord Peter Carrington, established the firm of Kissinger Associates, Inc., as a lucrative pension for Britain's aging commissioner. Nor, on June 20, 1995, was Kissinger loathe to accept Her Majesty's award of the title of "Sir Henry Kissinger," as Honorary Knight Commander of the Order of St. Michael and St. George, an order customarily issued only to members of the British foreign service.

The facts, showing both of them to be the British Empire's agents of influence, deployed against the U.S.A., are incontestable. How can anyone be so shameless as to deny these facts? Many are so shameless. One is reminded of the old saw about the ostrich sticking its head in the sand when faced with threatened danger, or embarrassment.¹¹ The objection to the facts of Kissinger's and Brzezinski's treasonous pedigree, is reenforced by a popular misunderstanding of human nature, and therefore of both history and strategy.

Hear the truth of this matter perversely, but precisely represented by lackey Henry Kissinger, on May 10, 1982, bragging, like the Leporello of Mozart's *Don Giovanni*, cataloguing his treasonous services against the United States, all for the boot-licking amusement of this degraded lackey's decadent masters at Chatham House. Would that France's Gustave Doré had been alive and present, to supply a fitting depiction of that obscene spectacle.

"All accounts of the Anglo-American alliance during the Second World War and in the early postwar period draw attention to the significant differences in philosophy between Franklin Roosevelt and Winston Churchill reflecting our different national histories. . . ."¹²

"The disputes between Britain and America during the Second World War and after were, of course, not an accident. British policy drew upon two centuries of experience with the European balance of power, America on two centuries of rejecting it. . . . Britain remains Hobbesian: She expects the worst and is rarely disappointed. In moral matters Britain has traditionally practiced a convenient form of ethical egotism, believing that what was good for Britain was best for the rest. . . ."

"... during the '20s the U.S. Navy Department still maintained a 'Red Plan' to deal with the contingency of conflict with the British Fleet. . . ."¹³

11. Don't blame it on the ostriches: only people are capable of such foolishness.

12. So far, Kissinger's statement is accurate. Russian readers should take note, that this is the difference between the U.S.A. and Britain as Josef Stalin understood it accurately. Citations are from the prepared text of Kissinger's May 10, 1982 Chatham House address, as supplied, at that time, by Kissinger's cronies at the Washington, D.C. Georgetown Center for Strategic and International Studies.

13. U.S. "Plan Red," as in force at the beginning of the 1920s, was a complement to war "Plan Orange," for the case that Britain's ally Japan would attack the U.S. naval base at Pearl Harbor, opening a general Britain-Japan war intended to destroy forever the global significance of the U.S. Navy. Notably, at his court-martial, General Billy Mitchell warned that air power required a change in U.S. "Plan Orange," creating far more damage than the Navy Department was then prepared to consider for such a case. Ironically, it was a last-minute change of plans by the Japan command, to reenforce greatly the aircraft deployed on its carrier force, which made the December 7, 1941 attack so relatively devastating.

And, then, to Kissinger's own treasonous role in his official positions as virtually "acting President," under Presidents Nixon and Ford.

"Our postwar diplomatic history is littered with Anglo-American 'arrangements' and 'understandings,' sometimes on crucial issues, never put into formal documents.

"The British were so matter-of-factly helpful that they became a participant in internal American deliberations, to a degree probably never before practiced between sovereign nations. *In my period in office, the British played a seminal part in certain American bilateral negotiations with the Soviet Union—indeed they helped draft the document. In my White House incarnation then, I kept the British Foreign Office better informed and more closely engaged than I did the American State Department.*"¹⁴

Such is Kissinger's public admission of his treasonous role under Nixon and Ford, as if under oath on the witness stand, testifying to the essential, common quality shared between himself and Zbiggy, and with other products of Harvard University's same Elliott litter. Few criminals ever voluntarily confessed their criminality with such candor—or, might one better say, "braggadocio"?

The key word for each of our pair, is "lackey." Agreed, they are "treasonous" in the continental European sense of that term. To what purpose? Is it money? Few on this planet today are greedier than Kissinger Associates' Henry, but, the root of his evil twines deeper than that. It is a quality of moral degeneracy which springs from unnatural causes, not natural ones. The root of this moral degeneracy is found in their adopted social class. In these two, and comparable cases, the social class is that of born-and-bred oligarchical, household lackeys, whose sense of identity is located in wielding a lackey's power of arrogance, an authority which springs not from within themselves, but rather a Faustian sort of authority, delegated to them by the wealthy oligarchical families upon which they fawn.

These are the Leporellos, Rigolettos, and Iagos of the operatic stage, the sententious Polonius of *Hamlet*. Lackeys of this sort constitute a well-defined type of criminal mind, the type otherwise found in such oligarchical families' lackeys of the U.S. Justice Department's permanent bureaucracy as Jack Keeney¹⁵ and Mark Richard.¹⁶ It is a form of pestilence en-

countered world-wide, an epidemic of lackeyism, of flunkies placing themselves against truth and justice, and above the constitutional powers of both citizens and elected government. Of that pestilence of out-of-control, amoral, bureaucratic lackeys of wealthy-family interest, we must purge our governments, if this, and other nations, are to survive the presently ongoing doom of that global financial system now writhing and coughing in last extremity.

The May 1982 Chatham House address expresses that indelibly. Everything which Kissinger said of himself, is key to the mortal soullessness of Brzezinski. The fault in both, as in many like them, is of a species-nature, not a matter of nationality or nominal religious confessions. Our "Tweedledum and Tweedledee" have sold their souls, to become lackeys of a global, Venice-style, feudalistic financier-oligarchy. This is the continuation of that same financier oligarchy which was known to the Seventeenth and Eighteenth Centuries as "the Venetian Party" of England and the Netherlands. It is that London-centered, but multinational, financier-oligarchical faction, which has been known to insiders, since Britain's widowed Queen Victoria retired to battiness in the attic, as "the Club of the Isles."

As we note in another connection, in this same edition of *EIR*: Inside the United States itself, this feudalistic (e.g., financier-oligarchic) social formation has been typified by three treasonous social strata which have afflicted our republic, like an assortment of venereal diseases, since the American Revolution itself.

The first of these, as we note in that other item in this edition,¹⁷ is those New England families whose wealth and power, as so-called "Yankee bluebloods," take their origin from their role as British East India Company opium-traders of the Massachusetts-based Perkins Syndicate and the creator of George Bush's Skull and Bones cult, Yale's, and the Harriman clan's drug-running Russell and Company. The second is London-controlled Manhattan bankers, such as Bank of Manhattan founder Aaron Burr, the Peabody-Morgan clan, and treasonous August Belmont, the latter the Civil-War-period "king-maker" of the Democratic Party. The third, is the southern slaveocracy, whose tradition is typified by President Theodore Roosevelt, by the Nashville Agrarians, the Kappa Alpha Society, and that Ku Klux Klan which was revived, from the White House, and from Goldwyn and Mayer's Hollywood, by the disgusting President Woodrow Wilson.¹⁸

Real politics, both within the United States, and in its

14. Emphasis added to original text.—LHL.

15. Jack Keeney is currently Acting Assistant Attorney General in charge of the Criminal Division.

16. Mark Richard is currently Deputy Assistant Attorney General. The role of Jack Keeney and Mark Richard was exposed in testimony to the Mann-Chestnut Commission, an independent panel which held public hearings to investigate gross misconduct by the Department of Justice in the LaRouche

case, and others, on Aug. 31 and Sept. 1, 1995. The transcript of those hearings was published by the Schiller Institute, "Independent Hearings to Investigate Misconduct by the U.S. Department of Justice." See also, *EIR*, June 30, 1995, pp. 4-35.

17. Lyndon H. LaRouche, Jr., "The Lesson of 'The "Spot" Resolutions,'" in this issue.

18. See Lyndon H. LaRouche, Jr., "What Economics Must Measure," *EIR*, Nov. 28, 1997. See subhead, "The modern national economy," pp. 15-22.

foreign relations, is defined by reference to the paradigmatic, continuing, mortal conflict between the anti-oligarchy tradition of Leibniz-follower Benjamin Franklin and Franklin's associated authors of the 1776 U.S. Declaration of Independence and 1789 U.S. Federal Constitution, on the one side, against those treasonous, pro-British, "American Tory" forces associated with the evil doctrines of John Locke.

The issue was and is, not a conflict among competing nations, as nations; it is a struggle, typified by those American patriots who repeatedly warred against our republic's mortal adversary, the British monarchy, to establish and defend a form of society consistent with the Christian conception, that every individual person is made in the image of God.¹⁹ The issues were between two diametrically opposing conceptions of God, man, and nature: the pagan, oligarchical tradition of the Mesopotamian, Roman, Byzantine, and British empires, against the Christian republican tradition leading into the Fifteenth-Century beginnings of the modern European nation-state. Our Fausts, the British adversary's Brzezinski and Kissinger, each takes the Devil's own, financier-oligarchical side, as consistently, and with as much slipperily deceptive guile, as an intrinsically immoral lackey might do.

This oligarchical lackey's axiomatic world-outlook, is the characteristic feature, the fingerprint, of the mental life of each, the curvature — or, perhaps, better said, the "twist" — in all of their thought-processes and writings. This geopolitical "twist," like the unprovoked twist which contorts the face of the compulsive, "bi-polar" wife-beater, is the familiar signature of Brzezinski's perverted style in all of his pieces which I have examined, as, once again, in the original, *Foreign Affairs* version of the piece which was translated for appearance in the Oct. 24 *Nezavisimaya Gazeta*.

As to the motives of Brzezinski himself, the answer to such questions has been provided in a famous epigram of Britain's Alexander Pope, who, like the artless Dryden, enjoyed familiarity with oligarchic lackeys of our subject's type. Recall: written on a dog's collar, was the inscription, "I am my master's dog from Pew; pray, sir, and whose dog are you?" That is also the root of our subject's political motives: seldom more, little less. Politically, he is like Don Giovanni's Leporello, a political pimp, whose motives reside in his perception of his master's desires, not his own. His species is that of the miserable creature celebrated for the utterance: "Nothing personal: I'm just doing my job."

Brzezinski and Caspian oil

What are the motives, then, of Leporello's master? What is the target of British imperial interest in Central Asia in general, and Transcaucasus in particular? What is the geopolitical method by means of which that adopted strategic interest is defined? Essentially, it is the same as during the British Empire's "Great Game" against Russia, China, Germany, and

the United States, throughout the late Nineteenth Century, and beyond the period of World War I. The motive is geopolitics against the "Eurasia Heartland," as it was for the "Coefficients" of King Edward VII's Lord Milner, for Admiral "Jacky" Fisher, for Britain's Fabian World War I propagandist H.G. Wells, and for Halford Mackinder.

Henry Kissinger's May 10, 1982 address puts his finger on the crucial consideration which controls the mind and mouth of rival Brzezinski, as it does his own.

The war-time policy of U.S. President Franklin Roosevelt, terrified the British monarchy as it had been terrified of nothing so much before then, as of President Abraham Lincoln and of the American Revolution itself.

Had Roosevelt not died before the close of World War II, the result would have been precisely what Prime Minister Winston Churchill and, later, Kissinger feared. Under Roosevelt, the post-World War II world would have become an "American Century," in which all colonial empires, such as those of the British, Dutch, French, and Portuguese, would have been immediately dissolved by U.S. might. At the same time, as Roosevelt plainly forewarned the British, "British Eighteenth-Century methods," those of Adam Smith's British East India Company tradition, would have been purged from international affairs, and replaced by the proffer of American methods, those of the Franklin-Hamilton-List-Carey-Lincoln tradition, for the self-development of the victims of British and other imperialism, the former colonies.

With the premature death of Roosevelt, and the premature accession of Averell Harriman's Harry Truman, the Truman administration proceeded to attempt to uproot every strategically crucial feature of the Roosevelt heritage. It acted with approximately the malevolent zeal shown, later, against France's Charles de Gaulle heritage, by Britain's asset François Mitterrand. The continuing fear in London, was that some leadership might once again rise in the U.S., to reawaken the patriotic policies of Franklin Roosevelt. President Kennedy threatened to become such a leader, and he was soon dead; in his better moments, President Clinton has shown a wont for reawakening Kennedy's efforts to revive the Roosevelt legacy, and he, although still alive, is mostly tied down by a London-steered mob of our native Lilliputians, today's lunatic right.

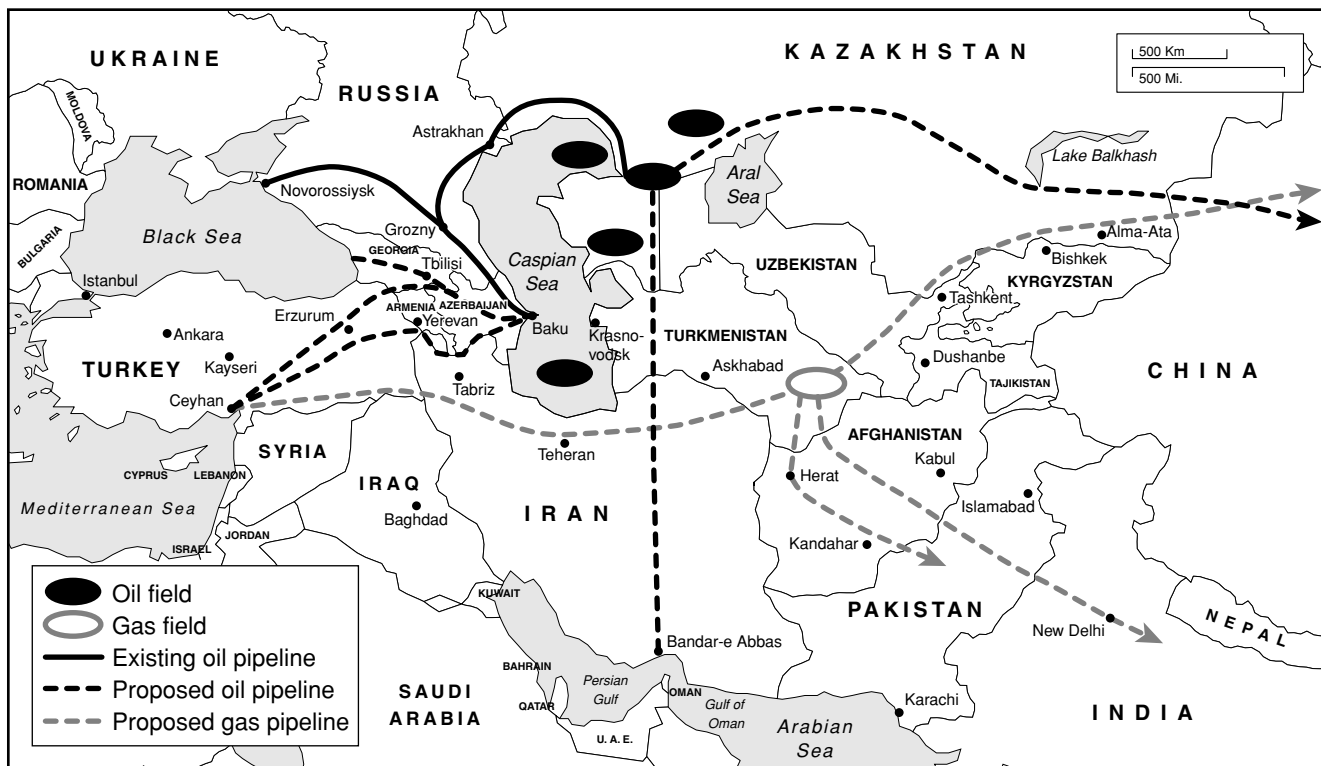
In short, the post-war policy of the British monarchy, from Roosevelt's death to the present day, has been a cozy embrace of its intended victim, our republic; in short, our liberties have been "burked." So far, it has nearly succeeded in destroying us through our own desire to be royally stroked; the prominence of such unworthy creatures as Kissinger and Brzezinski, symptomizes the degree to which such gullibility is rampant within our leading political institutions.

Truman gave the British and French back their imperial colonies. London, at Bertrand Russell's direction, orchestrated the nuclear conflict, for reasons which never differed from U.S.A.-hater Russell's stated purpose: obsession with

19. Lyndon H. LaRouche, Jr., op. cit., passim.

FIGURE 1

Eurasian oil and gas pipelines



establishment of world government, aimed, above all, as current Prime Minister Tony Blair has freshly insisted, to destroy the power of the United States. London used the aftermath of the Cuba missile crisis, when Soviet General Secretary Nikita Khrushchev had backed down to President Kennedy, to begin the process of destroying the scientific and industrial power which President Lincoln had established the United States to be. Prime Minister Margaret Thatcher’s London used the collapse of the Soviet Union, as the occasion to launch “globalist” policies intended to obliterate all national sovereignty from this planet, through supra-national agencies dictating the financial, monetary, social, and “ecological” policies of each and every nation of this planet. Not even the family bedroom escaped the supra-national supervision of her own and George Bush’s “new world order.”

Granted, the U.S.A. has been greatly corrupted by this British-directed subversive influence upon our institutions. Nonetheless, the vital interests of the U.S.A. have a more durable historic basis than could be effaced by a mere several decades of Anglophile corruption. After decades of this, from the incumbency of British agent Albert Gallatin, under Presidents Jefferson and Jackson, and the British influence expressed by Presidents Jackson, van Buren, Polk, Pierce, and Buchanan, our tradition struck back, with President Lincoln,

and changed the remainder of the history of the second half of the Nineteenth Century, world-wide. Since the assassination of President McKinley, in 1901, we had the worst possible political leadership most of the time, as typified by the Presidencies of such scoundrels as Theodore Roosevelt, Woodrow Wilson, and Calvin Coolidge; but, our national spirit was not dead yet. Under Franklin Roosevelt, the Lincoln tradition erupted into power and led us onward and upward, until Roosevelt’s untimely death.

The Leibniz legacy of Benjamin Franklin’s genius persists. Still today, as during 1776-1901, the irrepressible conflict between the American republican tradition and the British Commonwealth’s financier-oligarchical imperium, defines the fundamental conflict world-wide. Thus, the vital interests of the U.S.A. and the British monarchy clash again, in mortal struggle, in Central Asia and Transcaucasus. As usual for him, in this conflict, Brzezinski is on the wrong side, the British side; his referenced piece in *Foreign Affairs*, expresses his guilty folly.

That taken into account, look at the map of those portions of Eurasia which surround the combined areas of the Transcaucasus and former Soviet Central Asia. [Figure 1.] How do U.S.A. and British global strategic interests clash ominously in this region of the planet? Brzezinski’s piece of infan-

tile play-acting the former role of Britain's Lord Curzon, expresses the British interests, working against the vital interests of the U.S.A. That should be clear beyond reasonable doubt.

The central, determining issue of the recent decades, especially since the 1989-1991 break-up of former Soviet power, is the presently ongoing, terminal phase of collapse of the world's present financial and monetary systems. The strategic issue is therefore defined accordingly. The essential strategic question is, who, what survives the early, global collapse of this doomed IMF-centered financial system?

The British financier oligarchy, for its part, has already accepted the doom of the present financial system. Unfortunately, the U.S. Clinton administration apparently has not been willing, yet, to face that reality. The most recent public manifestations in the Vancouver APEC meeting, make this potentially fatal blunder of the White House very clear. That blunder by the White House, supplies the otherwise doomed British financier oligarchy its principal margin of strategic advantage over the United States. Those British financier interests expect, even desire, the liquidation of all existing sovereign nation-states, throughout the planet, including the United Kingdom itself. This is not merely their plan; it is their ongoing practice, conspicuously so since early 1995.

The race for control of Caspian oil expresses this strategic conflict between the U.S.A. and British oligarchical interests.

As previous editions of *EIR* have documented this extensively, since early 1995:²⁰ The Anglo-Dutch financier-oligarchy—let us simply give them their traditional name, “the Venetian party”—is bent upon grabbing up virtually total control of the world's strategically crucial raw-materials resources, as they are presently doing in South America, in Africa, and in the former Soviet Union's territory. When all existing financial and monetary systems have disintegrated, before the close of the present century, the Venetian party assumes that it will be able to determine who lives and dies throughout this planet—wherever they choose to permit life to continue. Under such conditions, at that time, the institution of the sovereign nation-state would have been rendered fully as extinct as the Dodo.

That is one aspect of the British grab for petroleum and other strategic raw-materials assets in the combined region of Transcaucasus and Central Asia. There is more, much more.

There is an alternative to such a global “Clockwork Orange” society. There is no possibility, that the present global financial system will outlive this century. The system is on its death-bed; the date of death is uncertain, but the patient's condition will do nothing but grow worse each day. By the

20. See, H. Graham Lowry, *How the Nation Was Won* (Washington, D.C.: EIR News Service, 1987); Lyndon H. LaRouche, Jr., “What Economics Must Measure,” op. cit.; “The True Story Behind the Fall of the House of Windsor,” *EIR Special Report*, September 1997; Webster Tarpley, “Venice's War Against Western Civilization,” *EIR*, Nov. 18, 1994; “Lord Palmerston's Multicultural Human Zoo,” *EIR*, April 15, 1994, pp. 4-45.

end of this century, the system will be dead and gone. The only practical question, is whether or not the nations can survive the collapse of the financial system. If governments continue their foolish efforts to bail out the doomed IMF and similarly troubled financial markets, we are all doomed; however, if we are prepared to break free of the IMF's grip, there are alternatives for nations and their people, even if there are no more alternatives for this dying, disintegrating global financial system itself.

Survival requires that we kill the financial disease, the present international financial system, rather than waiting for the plague to die out, and our nations with it. In short, the governments must put the present financial system into bankruptcy, with sovereign governments as the receiver. This is to be done, essentially, in the same way any responsible government puts any ordinary bankrupt bank into receivership. These governments must, simultaneously, create a new international financial and monetary system, based upon scrapping all present “globalist” and related supra-national agencies and policies. That is the precondition for the survival of the U.S.A. and other nation-states beyond the close of this present century.

To do this, requires that a powerful combination of nations act suddenly, and in concert, to bring this change about, whether or not nations outside such a partnership are opposed to such measures, or simply unwilling to support such changes. If the U.S.A., together with China, act so in partnership with a significant number of other nations, their actions will be sufficient to establish the new system in effect, despite any opposition, or mere reluctance by any, or all powers outside that concert of action.

For that reason, the process of partnership into which the U.S. Clinton administration has entered with China, is the crucial pivot upon which the survival of civilization depends immediately. It is that pivotal opportunity for our nation's survival beyond the end of this century, which the British oligarchy and Brzezinski's rantings threaten. This is the standpoint from which we should view both the British grab for control of Caspian oil, and the dovetailing threat against China, presented by British agent of influence Brzezinski.

The attempt to consolidate British control over the flow of so-called Caspian oil, means a diversion of flows from the eastward and southward directions. From a standpoint of economy of movement, the most rational principal channels for export of that petroleum are southward through Iran, to the Indian Ocean, and eastward, to the great, growing market in China, and in Russia's eastern Siberia.

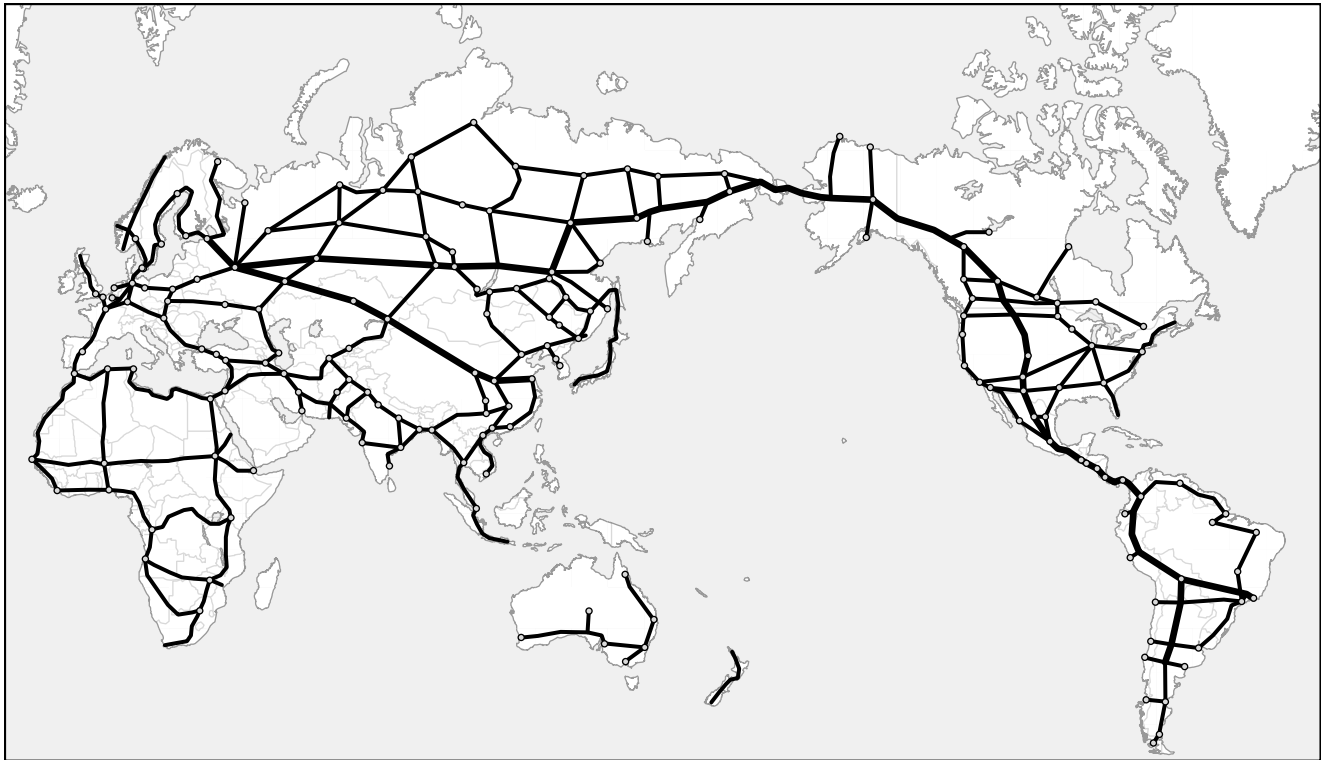
Although the U.S. government tends to delude itself, that it enjoys control over old Politburo veteran Heidar Aliyev's Azerbaijan, the reality is quite different. American personnel are relatively thick on the ground, but the Anglo-French, anti-U.S.A. partnership is actually in control of the situation.

A senior British figure of relevance put the matter in the following context:

“The British are doing what they have done for the last

FIGURE 2

Proposed worldwide rail network, in the context of the Eurasian Land-Bridge



100-200 years in this region, playing the role of a balancing act, an honest broker, a referee, or umpire, working all sides. We can't compete directly, we don't have the economic clout; but, we can use leverage, through our very skilled diplomats, to maneuver one side or the other, to British advantage." That is where British agent of influence Brzezinski fits in.

Brzezinski would recognize immediately, a key name on the French side of the anti-U.S.A. Britain-France Middle-East game. The name is Marie Bennigsen, daughter of the Alexandre Bennigsen, who, we must suspect, is a familiar name for Brzezinski's ears and eyes. This lady is indicated, by London sources, and correlated French actions, to be part of the Entente Cordiale's anti-U.S.A. game in the Transcaucasus and Central Asia.

A few excerpts from Maggie O'Kane's featured piece, in the Nov. 12 edition of *The Guardian*, present a British view of London's war against the U.S.A. over Caspian oil.

"Today, the 'first oil' from the Caspian Sea will flow towards Europe and thus end the first round of the Great Game as Britain, America, France and Russia struggle again to control the wealth of Central Asia. . . . As the oil begins to flow today it brings with it a British victory over the oil titans, America, France, and Russia. British Petroleum holds the biggest share in the largest consor-

tium in the fastest growing community of Brits abroad; they're getting rich."

A similar view of the matter is presented in the referenced item in the Nov. 24 London *Observer*.

However, as we have already stressed, this is not merely an oil-grab game. This is a strategic move by the British and their anti-U.S. accomplices, to ensure that no economic-recovery program is successfully launched on this planet during the immediate decades ahead. Turn to what should now be the familiar map of the "Land-Bridge" project, to see exactly how Brzezinski's current proposals constitute a threat to the human species generally.

The lunacy of 'geopolitics'

The clear target of anti-U.S.A., Anglo-French operations in the Transcaucasus-Central Asia theater, is flanking operations against both Russia and China, and also Iran, India, and the nations of South and East Asia generally. A glance at the Eurasian Land-Bridge alternative [Figure 2] shows the nature of the threat these Anglo-French operations represent against civilization as a whole. Take a step back into history, to the U.S. Lincoln administration, to understand this map, and how and why the British invented geopolitics to destroy the worldwide influence of the U.S.A.

This brings us to the implications of “geopolitics” in the twisted excursions of Brzezinski’s current literary out-gushings.

The deadly superstition called “geopolitics” grew up during the latter decades of the last century, chiefly as a British strategic reaction against the influence of the 1861-1876 rise of the U.S. economy to world leadership, and the imitations of U.S. policy, copied in Germany, Russia, Japan, and elsewhere during the post-1876 decades. This is best described as the spread of the influence of the “Lincoln-Carey” economic revolution, establishing the 1861-1966 standard of comparison

for defining a modern nation-state economy.

The British monarchy focussed expression of concern on two leading features of this Lincoln-Carey revolution. On the one side, the British were alarmed by the role of the machine-tool-design sector of economies based upon this “model.” Economies so organized, tended toward much higher rates of increase of their per-capita productive powers of labor and standard of living than the models which the British oligarchy deemed tolerable. Secondly, the development of such economies required large-scale, technologically progressive modes of state-fostered basic economic infrastructure, such as trans-

William Yandell Elliott: Confederate high priest

William Yandell Elliott, the head of Harvard’s government department who launched the foreign policy careers of McGeorge Bundy, Sir Henry Kissinger, and Zbigniew Brzezinski, was, from no later than his days as an undergraduate at Nashville, Tennessee’s Vanderbilt University, part of a network of unreconstructed Confederates who continued Britain’s Civil War against the United States through cultural and other means, until their deaths. The group, known as the “Fugitives,” after their 1921-24 poetry magazine, or the “Nashville Agrarians,”¹ after the anti-industrial policy drive they launched in 1930, was founded by Sidney Mtttron Hirsch, a Rosicrucian occultist, and Elliott’s cousin, John Crowe Ransom. Elliott, Ransom, and their cousins and Confederates, including Stark Young, Andrew Nelson Lytle, Frank Lawrence Owsley, Donald Davidson, Robert Penn Warren, Allen Tate, and William Frierson, were descended intellectually and, in many cases, biologically, from the Tennessee Templars (Freemasons) who founded the post-Civil War Ku Klux Klan along with Albert Pike and Nathan Bedford Forrest.

The core “ideas” pursued by these confederates are suggested by these excerpts from their writings:

From their statement of “principle,” in their 1930 manifesto, *I’ll Take My Stand*: “All tend to support a Southern way of life against what may be called the American or prevailing way . . . Agrarian *versus* Industrial.”

Elliott’s cousin, Frank Lawrence Owlsey, on the role of African Americans after slavery: “For ten years the South, already ruined by the loss of nearly \$2,000,000,000 invested in slaves . . . was turned over to the 3 millions of former slaves, some of whom could still remember the taste of human flesh and the bulk of them hardly three

1. See, Stanley Ezrol, “Vanderbilt University and the Night Writers of the Ku Klux Klan,” *New Federalist*, Oct. 7, 1996, p. 7, for more on the Fugitive/Agrarian movement.

generations from cannibalism.”

Elliott’s cousin, Andrew Nelson Lytle, from *Bedford Forrest and His Critter Company*, his elegy to the Klan’s first Imperial Wizard: “[The Ku Klux Klan] was the last brilliant example in Western Culture of what Feudalism could do.”

Ransom on Christianity and the Renaissance, which restrained the feudal order, and initiated the era of the modern nation-state: “The New Testament has been a failure and a backset. . . . It’s hurt us. . . . Satan is the Hebrew Prometheus. . . . He is Lucifer the Spirit of the Renaissance. . . . But then Jesus is Lucifer again.”

Most histories of the Agrarians lie that Fugitive poet Elliott disagreed with the Agrarian movement. In fact, the Fugitives’ published correspondence, and Elliott’s own recorded remarks to the 1956 “Fugitives Reunion,” sponsored by the Rockefeller Foundation at Vanderbilt, reveal that he actively helped plan *I’ll Take My Stand*, and criticized it only for lacking “universal appeal.” He remained a close collaborator and co-thinker of the Agrarians until his death, and publicly promoted their work with events at Harvard, and in many other ways. At that 1956 reunion, he praised his cousin Lytle, the most perfervid pro-Ku Klux Klan racist of the group, and one of the ideologues of the post-war Buckleyite Conservative movement, as one of the greatest novelists of the 20th century.

Ties to the British literary establishment

Elliott’s particular role as “editor in absentia” of *The Fugitive*, was to use his Rhodes Scholarship residency at London’s Oxford University—aside from Elliott, this small Vanderbilt-based group included Rhodes Scholars John Crowe Ransom, William Frierson, and Robert Penn Warren—to promote Fugitive relations with the British literary establishment, including the occultist William Butler Yeats, with whom he reported spending many a late night drinking session, and Robert Graves.

Elliott’s 1935 book, *The Need for Constitutional Reform: A Program for National Security*, was produced in conjunction with, and endorsed by the Agrarians’ *Who*

port models based upon the successful establishment of trans-continental “development corridors,” from the Atlantic to the Pacific, under the Lincoln-Carey program.

For British strategy, these concerns were translated into the issues which prompted the monarchy of Britain’s Edward VII, to organize, and to prepare the launching of what is known variously as “The Great War” or “World War I.” Of concern, was pre-1894 transpacific cooperation among Japan, the United States, and others, and transatlantic cooperation between the United States, which provided the successful model for this, and the successful realization of that model by

Germany, and, to a large degree, also the pre-1905 Russia of Mendeleyev and Witte.

Germany’s post-1876 economic development struck the British throne with seismic political shudders. More savage, was the British terror at the prospect of continued, Eurasian cooperation among the pre-1901 United States, the pre-1898 France of Sadi Carnot and Gabriel Hanotaux, Germany, and Alexander II’s, Mendeleyev’s, and Witte’s Russia, in developing trans-Eurasian railway development corridors, from the Atlantic to both the Pacific and Indian Oceans. For that reason, Britain bears the sole significant war-guilt for World War I.

Owens America: A New Declaration of Independence, released the same year — also the year during which the Louisiana circle surrounding Elliott’s fellow Agrarian Rhodes Scholars Robert Penn Warren and Cleanth Brooks, successfully agitated for the assassination of Sen. Huey Long. In it, Elliott appeals for the replacement of the United States Constitution with a British-style permanent corporate bureaucracy controlled by an aristocracy:

It may be that this development of the Reconstruction Finance Corporation will eventually put the government in the position of a giant holding company with such substantial stock ownership and representation in direction and management that it can exert all the scrutiny necessary for a flexible control of the nation’s economic life. Great Britain has followed this technique. . . .

The possibility that this technique offers the compromise between socialism and capitalism necessary to avert the violent struggle predicted by both . . . is at least worth considering. . . .

At the head of the whole civil service there should be an officer like the British Permanent Secretary for the Treasury. . . . All appointments and promotions should be cleared through him. . . . [emphasis in original]

After World War II, Elliott edited Harvard’s textbook, *Western Political Heritage*, along with his favorite, Henry Kissinger, and others. In that book’s concluding essay, Elliott argued for a world government which would prevent industrialization, as the only way to prevent nuclear war. This argument was identical to the Agrarian program, and the postwar program of the Agrarians’ British controllers, including Julian Huxley and Bertrand Russell.

Anglophile and pagan occultist

Elliott was no superficial Anglophile; he was an adherent of the wildest pagan occultism, imbibed through his lifelong friend, Hirsch, as well as the better-known Yeats.

At the 1956 reunion, Fugitive Alfred Starr (who became president of the Bijou Theatre chain) described Hirsch’s view, otherwise identified by Fugitive Allen Tate as Rosicrucian, as follows:

“He believed in the wisdom of the Ancients. . . . People handed down these truths as the really great heritage from one generation to another, always carefully concealed. . . . The truths were available only to the superior people who were capable of seeing them; and they had to be handed down in the form of myths.”

Elliott, then serving on Dwight Eisenhower’s National Security Council after having spent years hosting world leaders at Harvard’s International Summer Seminars, said, “Sidney had this dominating, almost mesmeric habit of addressing people in the Socratic manner. . . . The insights that he had about the struggle of myths and systems, and the nature of the struggle of the people who became the epic exemplars, was superior in its political insight to any figure I’ve known.” In unpublished tape-recorded remarks to that gathering, Elliott reports having escorted Hirsch from his home to the Vanderbilt campus. Eyewitnesses report that in that period, Hirsch’s home, which Elliott visited, featured occult artifacts, a life-size nude portrait of Hirsch, and a human pelvis hanging from the ceiling, which Hirsch would caress as he engaged in conversation.

As Elliott acknowledged his spiritual debt to this madman, Elliott’s student, Dr. (now, “Sir”) Henry Kissinger, was preparing *A World Restored*, for its 1957 release in London. Kissinger was well acquainted with Elliott’s circle of crazed Confederates. As Elliott’s virtual *aide de camp*, he would have participated in the Fugitive events Elliott organized at Harvard. As executive director of Elliott’s Harvard Summer School International Seminars, he had worked with Andrew Nelson Lytle, who chaired its Humanities division in 1954. Later, during the summer of 1959, he supervised the work of Agrarian Allen Tate. Apparently, Kissinger approved. He dedicated his book to “Professor William Y. Elliott, to whom I owe more, both intellectually and humanly, than I can ever repay.”

—Stanley Ezrol

The term “geopolitics” became the characteristic expression of Britain’s fear of loss of its imperial world-domination. During the late Nineteenth Century, and first four, pre-nuclear decades of the Twentieth, Britain’s leading concern was to ensure the overwhelming supremacy of British maritime—and, therefore, also naval—power over any conceivable combination of nations outside the Empire itself. This meant, in practice, an included determination, not only to destroy the ongoing development of Eurasian continental railway “land bridges,” but to slow down, even reverse the rate of economic development on the continent of Eurasia, and, in the feared and hated United States. The notion of strategy based upon political geography of sea-power versus Eurasia “heartland,” emerged from this British—or, should one better say, “British”—imperial obsession.

In this setting, “geopolitics,” the old Roman imperial policy of “balance of power” which Britain had employed earlier, divide and conquer, assumed new dimensions.

The act of overthrowing the existing government of France, to bring a *revanchist* assortment of political degenerates to power, against cooperation-partner Germany, was the first step of the Prince of Wales, later King Edward VII, toward a war aimed at destroying the potential of an anti-London concert of power on the continent of Eurasia. To bring Germany’s leading continental partner, Witte’s Russia, into alliance with France and Britain, against Germany, was crucial for Edward VII and his lackeys. If the U.S.A. could be summoned to support Britain logistically, against Germany, rather than continuing the U.S. pre-1901 alliance with both Germany and Russia, then Britain and its continental dupes, France and Russia, could be summoned to war for the mutual destruction and enduring enmities of a “Great War.” The 1901 assassination of U.S. President William McKinley, to bring that wicked Anglophile spawn of the Confederacy, Theodore Roosevelt, to power, and the subsequent election, with crucial assistance from Theodore Roosevelt, of Ku Klux Klan buff Woodrow Wilson, ensured Britain the position to launch the 1914-1918 “Great War” with aid of an orchestrated Balkan War.

It is that same policy which London focusses against continental Eurasia today. That is the governing consideration behind Brzezinski’s disgusting opus.

Today, the possibility of moving directly from the unstoppable, presently ongoing doom of the present financial system, to economic recovery globally, demands international cooperation in a great seed-crystal program of infrastructure development. The only possibility for such a program of the needed scope, is a reconstruction program based upon what we have defined, more broadly, as the Eurasian “Land-Bridge” program, and, more narrowly, the “New Silk Road” program. These programs, engaging all continental Eurasia, Africa, and, across the Bering Strait, into all of the principal land-masses of the Americas, are indispensable for the human race as a whole, and, thus, also for the U.S.A.

A glance at the natural, as well as the political geography

of our global land-bridge-route map, shows immediately the strategic significance of Central Asia and the Transcaucasus for the world as a whole. Caspian oil as such, is a relatively trivial consideration by comparison.

Get to the heart of Brzezinski’s rant. What is the practical effect of his proposed scheme from the standpoint of the land-bridge route-map? It is World War I all over again! The words spring to the lips of any sane person: “That miserable clown, Brzezinski!”

The fact that a clown such as Brzezinski may be goofy, does not mean that insanity can not be dangerous.

Documentation

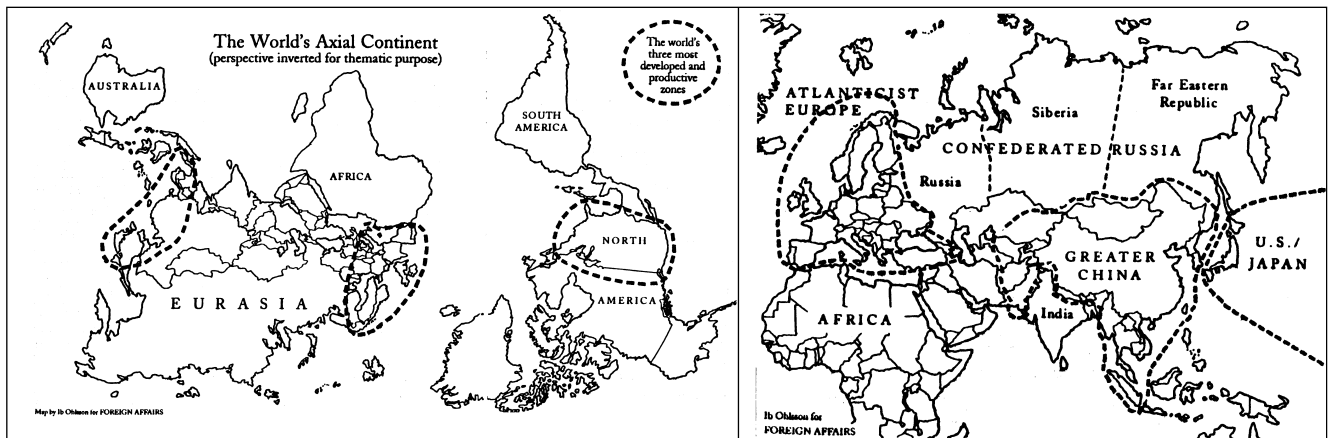
Brzezinski’s geostrategic scheme for Eurasia

The following are excerpts from Zbigniew Brzezinski’s “A Geostrategy for Eurasia,” published in Foreign Affairs, the journal of the New York Council on Foreign Relations (September-October 1997). The article was adapted from his new book, The Grand Chessboard: American Primacy and Its Geostrategic Imperatives (New York: Basic Books, 1997).

... Eurasia is the world’s axial supercontinent. A power that dominated Eurasia would exercise decisive influence over two of the world’s three most economically productive regions, Western Europe and East Asia. A glance at the map also suggests that a country dominant in Eurasia would almost automatically control the Middle East and Africa. With Eurasia now serving as the decisive geopolitical chessboard, it no longer suffices to fashion one policy for Europe and another for Asia. What happens with the distribution of power on the Eurasian landmass will be of decisive importance to America’s global primacy and historical legacy. . . .

In the western periphery of Eurasia, the key players will continue to be France and Germany, and America’s central goal should be to continue to expand the democratic European bridgehead. In the Far East, China is likely to be increasingly pivotal, and the United States will not have a Eurasian strategy unless a Sino-American political consensus is nurtured. In Eurasia’s center, the area between an enlarging Europe and a regionally rising China will remain a political black hole until Russia firmly redefines itself as a post-imperial state. Meanwhile, to the south of Russia, Central Asia threatens to become a caldron of ethnic conflicts and great-power rivalries. . . .

Failure to widen NATO, now that the commitment has been made, would shatter the concept of an expanding Europe and demoralize the Central Europeans. Worse, it could reig-



Brzezinski's insane geopolitical view of the world, as published in the New York Council on Foreign Relations' journal, Foreign Affairs.

nite dormant Russian political aspirations in Central Europe. Moreover, it is far from evident that the Russian political elite shares the European desire for a strong American political and military presence in Europe. Accordingly, while fostering a cooperative relationship with Russia is desirable, it is important for America to send a clear message about its global priorities. If a choice must be made between a larger Europe-Atlantic system and a better relationship with Russia, the former must rank higher.

Russia's historic task

... Russia's first priority should be to modernize itself rather than to engage in a futile effort to regain its status as a global power. Given the country's size and diversity, a decentralized political system and free-market economics would be most likely to unleash the creative potential of the Russian people and Russia's vast natural resources. A loosely confederated Russia—composed of a European Russia, a Siberian Republic, and a Far Eastern Republic—would also find it easier to cultivate closer economic relations with its neighbors. Each of the confederate entities would be able to tap its local creative potential, stifled for centuries by Moscow's heavy bureaucratic hand. In turn, a decentralized Russia would be less susceptible to imperial mobilization.

Russia is more likely to make a break with its imperial past if the newly independent post-Soviet states are vital and stable. Their vitality will temper any residual Russian imperial temptations. Political and economic support for the new states must be an integral part of a broader strategy for integrating Russia into a cooperative transcontinental system. . . .

China as the eastern anchor

... Although China is emerging as a regionally dominant power, it is not likely to become a global one for a long time. The conventional wisdom that China will be the next global power is breeding paranoia outside China while fostering megalomania in China. It is far from certain that China's explosive growth rates can be maintained for the next two

decades. . . .

A de facto sphere of Chinese regional influence is likely to be part of Eurasia's future. Such a sphere of influence should not be confused with a zone of exclusive political domination, like the Soviet Union had in Eastern Europe. It is more likely to be an area in which weaker states pay special deference to the interests, views, and anticipated reactions of the regionally dominant power. . . .

Greater China's geopolitical influence is not necessarily incompatible with America's strategic interest in a stable, pluralistic Eurasia. For example, China's growing interest in Central Asia constrains Russia's ability to achieve a political reintegration of the region under Moscow's control. In this connection and in regard to the Persian Gulf, China's growing energy needs means it has a common interest with America in maintaining free access to, and political stability in, the oil-producing regions. Similarly, China's support for Pakistan restrains India's ambitions to subordinate that country, while offsetting India's inclination to cooperate with Russia in regard to Afghanistan and Central Asia. . . .

The bottom line is that America and China need each other in Eurasia. Greater China should consider America a natural ally for historical as well as political reasons. . . .

Transcontinental security

In the long term, Eurasia's stability would be enhanced by the emergence, perhaps early in the next century, of a trans-Eurasian security system. Such a transcontinental security arrangement might involve an expanded NATO, linked by cooperative security agreements with Russia, China, and Japan. But to get there, Americans and Japanese must first set in motion a triangular political-security dialogue that engages China. . . . The emergence of such a transcontinental system could gradually relieve America of some of its burdens, while perpetuating beyond a generation its decisive role as Eurasia's arbitrator. Geostrategic success in that venture would be a fitting legacy to America's role as the first and only global superpower.

Russian commentary on Brzezinski's plan

Zbigniew Brzezinski's new book is the subject of recent commentaries in the Russian press, by such influentials as Sergei Glazyev, head of the Information and Analytics Section of the Federation Council, and Yuri Maslyukov, chairman of the State Duma's Committee on Economic Policy.

Glazyev's article, "Russophobia," appeared in *Nezavisimaya Gazeta* on Nov. 18. He writes: "Brzezinski, who constantly emphasizes that Russia and the Soviet Union are the same thing, unambiguously asserts the necessity to destroy Russia, from the standpoint of American interests, describing its future in American geostrategy sometimes as a 'political black hole,' and elsewhere as 'a freely confederative Russia, consisting of European Russia, a Siberian Republic, and a Far East Republic.' . . . The dismemberment of Russia into three parts, Brzezinski believes, will become the basis for achieving a balance of power, in American interests, in Eurasia: 'Each of such confederative entities could succeed in local development of its creative potential, which for centuries was hampered by the heavy bureaucratic hand of Moscow.' The development of the 'creative potential' of the fragments of dismembered Russia will proceed, according to this design, with the guiding influence of the U.S. and its partners. The American colonization of Ukraine is proposed to be implemented jointly with Germany and France; that of Azerbaijan and Uzbekistan, jointly with Turkey and, in part, Iran; that of Siberia and the Far East, jointly with Japan and China. We see that, in the view of this chief American geostrategist, there is enough of the Russian inheritance for everybody, which will permit the U.S. to carry out its strategy of 'soft hegemony'



Zbigniew Brzezinski's demand for dismembering Russia has alarmed Moscow analysts, who miss the point about whose interests his proposal really serves.

in the world, paying with Russian resources."

"Of course," Glazyev acknowledges, "Mr. Brzezinski is not President of the United States, and not even Secretary of State. Official Washington would hardly confirm the existence of such a geostrategy in respect to Russia. Nonetheless, many facts bear witness to the undoubted influence of the ideas expressed by this political scientist, on the practical work of American secret services and pressure groups."

In a discussion of Russia's national security requirements, published on Nov. 15 in *Pravda-Pyat*, Yuri Maslyukov cites the same passages from Brzezinski. He writes that the West is still dominated by notions of the in-born "aggressive, totalitarian, imperial nature of Russia," and asserts that there is "broad support" for Brzezinski's notion that "Russia is a superfluous country," which should be dismembered.

British 'do business' in the Caucasus

by Rachel Douglas

The British presence in the Transcaucasus, North Caucasus, and Central Asia comprises business projects, cultivation of political assets, and irregular warfare. The capabilities, by which "the British are doing what they have done for the last 100-200 years in this region, . . . [to] use leverage, through our very skilled diplomats, to maneuver one side or the other, to British advantage," as one official put it, are drawn from the historical arsenal of the Empire, and the legacy of British intelligence in the Soviet period. And, some nominally American institutions, such as the "Bush league" oil companies that are very active in Azerbaijan, effectively serve as auxiliaries for British geopolitical schemes; that puts them at odds with the U.S. administration's repeated, explicit rejection of any modern version of Britain's 19th-century anti-Russian "Great Game."

Our chronology records the intensification of British activity in the Transcaucasus this year, as well as relevant earlier events, since the return of London intimate Heidar Aliyev to power in Azerbaijan in 1993.

Dramatis personae

Heidar Aliyev, President of Azerbaijan. An ex-KGB officer, then head of the Communist Party of Azerbaijan and a member of the Soviet CP Politburo, Aliyev comes from a prominent Azerbaijani family. His family antecedents' paths crossed those of British intelligence, at the famous 1920 Baku Conference of Toilers of the East, and, later, in factional wars within the Azerbaijani Muslim hierarchy. Today, his brother Natic Aliyev is president of Azerbaijan's state oil company, SOCAR, and Heidar Aliyev's son, Ilham, is vice president.

Continuing Heidar Aliyev's own intimacy with London intelligence circles ever since the Soviet period, his son-in-law has been posted as Azerbaijan's ambassador to Great Britain.

Terry Adams, president of the Azerbaijan International Operating Company (AIOC), the consortium for offshore oil development in the Caspian Sea. Adams is a British Petroleum executive, with a 30-year career in the Mideast and Far East.

Lord McAlpine, formerly a director of his father's engineering and construction firm, Sir Robert McAlpine & Sons, and a vice president of the European League for Economic Cooperation. Usually resident in Venice, Lord McAlpine was instrumental in bringing Britain's current New Age eco-fascist Tony Blair regime into office. A close friend of Lady Thatcher, and a top Tory Party fundraiser for 15 years, he declared in March 1995, that the Conservatives should yield power. In 1996, McAlpine defected to the late financier Jimmy Goldsmith's Reform Party.

Aslan Maskhadov, current President of Chechnya (Ichkeria). The region in the North Caucasus, southern Russia, declared independence from Russia in 1991, under the late Jokhar Dudayev. Over 50,000 people were killed in the war that ensued, beginning in 1994, in which a delicate cease-fire has prevailed since late 1996. *EIR* has documented the "Ichkerians'" close ties with London, as well as with oil companies in George Bush's Houston. According to a Chechen spokesman in 1996, "George Bush and the Republicans were certainly more sympathetic to Chechen independence than Clinton. . . . [Margaret Thatcher] is 100% on our side, our most important supporter in Britain." (See Linda de Hoyos and Joseph Brewda, "The British Monarchy Rapes Transcaucasus, Again," *EIR*, April 12, 1996; Roman Bessonov, "Chechnya, the Russian Sicily," *EIR*, April 28 and May 5, 1995.)

The pipeline routes for "early" Caspian Sea oil include the existing Baku-Grozny (Chechnya)-Novorossiysk (Russia) line, and Baku-Supsa (Georgia). For future shipments, the front-running route is Baku-Ceyhan (Turkey).

Chronology

June 1993: Azerbaijani President Elchibey overthrown. Heidar Aliyev, returned to power on the shoulders of a rebel militia force, tears up basic agreement on Caspian oil development, negotiated June 11 with U.S.-based companies Pennzoil and Amoco, as the lead foreign partners.

March 1994: After visiting London, President Aliyev and British Prime Minister John Major sign agreement, clearing the way for British Petroleum to lead the oil consortium to exploit Azerbaijan's Caspian Sea oil resources.

September 1994: BP's Caspian Consortium deal is finalized at a ceremony in Baku, by President Aliyev and British Energy Minister Tim Eggar, as well as a representative of the U.S. Department of Energy. BP and its partner, Statoil of Norway, ultimately secure a 25.67% share in the first offshore contracts.

December 1994: Russian Army begins bloody, unsuccessful attempt to subdue Dudayev breakaway regime in Chechnya.

January 1995: Aliyev receives Lord Ashburton, chairman of the board of BP, who is in Baku for the first session of the Steering Committee for the consortium's joint development of Caspian oilfields.

Sept. 18, 1996: The Center for Strategic and International Studies (CSIS) holds a one-day conference in Washington, on "Central Asia: Energy and Geopolitics." Zbigniew Brzezinski speaks on "The Geopolitics of Central Asia." Moscow's *Rossiyskaya Gazeta* writes that a "fundamental premise" of "the American political scientist," is that "Russia must reconcile itself to the loss of this region."

Dec. 17, 1996: Terry Adams, chairman of AIOC, meets in Baku with Chechen representative Eduard Khachukaev, to discuss Caspian oil transit across Chechnya.

Jan. 31, 1997: British Minister of State for the Department of Trade and Industry Lord Fraser, in Baku at the head of a delegation from nine British oil and gas companies, receives Aliyev's personal guarantees that British companies working in Azerbaijan will enjoy good conditions.

Feb. 28, 1997: AIOC announces that it will spend \$315 million through its Georgian Pipeline Company, set up in 1996, to complete a Baku-Supsa pipeline by December 1998.

May 1997: The Chechen oil company Yunko and the Russian Ministry of Fuel and Energy announce plan to restore war-damaged pipelines in Chechnya, in order to transport oil from Baku to Novorossiysk.

July 2, 1997: Russian media report Security Council Deputy Secretary Boris Berezovsky is negotiating a pipeline option Baku-Sukhumi (Abkhazia, Georgia)-Novorossiysk, circumventing Chechnya.

July 21, 1997: U.S. Deputy Secretary of State Strobe Talbott, speaking at Johns Hopkins School of Advanced International Studies (SAIS), welcomes the prospective development of "a valuable trade and transport corridor along the old Silk Road." Talbott attacks "Great Game" geopolitics in strong terms, saying that the 19th-century books of Rudyard Kipling should be left on the shelf in the fiction section. Although it has become "fashionable" to say that events in the region are a replay of the Great Game, "fueled and lubricated by oil," Talbott warned, the Great Game was a "zero-sum" game, which the United States has no desire to replicate.

July 22, 1997: Sen. Sam Brownback (R-Kan.) presides over U.S. Senate Foreign Relations Committee hearings on the Caucasus and Central Asia, at which he urges that the United States "move forward aggressively" to curb Russian influence in the region. Russian media cover the Republican senator's remarks about a "Silk Road to Freedom," as representing a U.S. administration policy, hostile to Russia.

July 28, 1997: President Aliyev arrives for a one-week tour of the United States, on which a major stop is three days in Houston as the guest of the "Bush-league" Enron Corporation. On Aug. 1, Aliyev and President Clinton sign a treaty,

allowing \$8 billion worth of oil deals between Azerbaijan and Exxon, Chevron, Mobil, and Amoco. At Aliyev's only public address during the visit, a forum at Georgetown University in Washington, D.C. on July 30, Zbigniew Brzezinski makes the introductory remarks. His theme is geopolitics.

September 1997: At a Washington symposium, "Caspian Oil: Pipelines and Politics," Julia Nanay of the Petroleum Finance Company (Washington) warns of a "creeping presence" of Asian companies, interested in exporting oil to the south and east, through Iran and to China.

October 1997: *Finansovyye Izvestiya*, Oct. 7, reports Russia probes into building a Baku-Novorossiysk pipeline through Dagestan, instead of Chechnya. Minister of Fuel and Energy Boris Nemtsov says, "I take a skeptical view of the Chechen authorities and believe that Russia must create all the conditions to ensure that it is not dependent on Chechnya's whims" (*Rossiyskaya Gazeta*, Oct. 9).

Oct. 23, 1997: Aslan Maskhadov fires Hozhahmed Yarikhanov, the head of Yunko, who had handled negotiations with Moscow on restoration of the pipeline through Grozny, Chechnya, which was completed earlier in the month.

Oct. 28, 1997: Russian First Deputy Premier and Finance Minister Anatoli Chubais visits London.

Nov. 4, 1997: Russian President Boris Yeltsin lifts the 15% ceiling on allowable foreign ownership of Russian oil companies, in effect since 1992. Nemtsov confirms that foreign investors may take 100% stakes in domestic oil firms. Four oil companies are slated to be auctioned off by the end of 1997, the largest of which is a portion of Rosneft, the sale of which is supposed to raise \$1.5 billion. Boris Berezovsky, just ousted from the Security Council, charges that Yeltsin's decree was arranged by Chubais in London.

Nov. 5, 1997: *Nezavisimaya Gazeta*, co-owned by interests linked with Berezovsky, exposes stepped-up British oil operations in the North Caucasus, namely the Oct. 13 signing, in Grozny, Chechnya, of a "protocol of intent" for a new pipeline venture. The new firm, together with the "Ichkerian" government, will operate the Chechen segment of the Baku-Novorossiysk pipeline. Signatories are: Maskhadov; Hozhahmed Nukhayevev, president of the Caucasus Common Market Closed Share Society (former first vice premier in Chechnya; Nukhayevev has been involved in a "Caucasus Common Market" scheme, also known as the Caucasus Investment Fund, with Adnan Khashoggi, British, and Japanese interests); Lord McAlpine; Francis Pike, executive director of Peregrine Investments Holding Ltd.; Patrick Robertson, general director of Robertson and Associates. Nukhayevev and Pike's companies are also launching an international investment fund, which is expected to take control of the whole oil, cement, energy, transport, and communications systems in Chechnya. *Nezavisimaya Gazeta's* Igor Rotar alleges that the person behind the deal is one "Mansur" Jachimczyk, executive vice president of the Caucasus-American International Chamber of Commerce, a shady Polish-born operator, who

styles himself after one of the 19th-century leaders of anti-Russian guerrilla warfare in the Caucasus. *Nezavisimaya Gazeta* warned that if this protocol of intentions is implemented, "Russia will lose the whole Northern Caucasus."

Nov. 11, 1997: Maskhadov leaves for one week in the United States, sponsored by Turkish business interests. The United States refuses to treat it as an official visit.

Nov. 12, 1997: On a Caspian Sea drilling platform, Aliyev presides over a ceremonial spigot-opening, for the first "early oil." Present are British Minister of State Derek Fatchett, Nemtsov, U.S. Secretary of Energy Federico Peña, Ukrainian, and Turkish officials. President Yeltsin and Queen Elizabeth II send congratulations to Aliyev. Lukoil, the only Russian (but, partly owned by Atlantic Richfield) participant in the consortium, has won the tender for the first consignment of the oil, supplied by SOCAR via the Baku-Grozny-Novorossiysk pipeline.

Nov. 17, 1997: The two biggest British oil multis, BP and Royal Dutch-Shell, announce moves into Russia's strategic oil and gas sector. Shell signs a strategic cooperation agreement with the Russian national gas monopoly, Gazprom, giving the Anglo-Dutch multi 50% ownership of a joint enterprise to develop oil and natural gas deposits in Russia and elsewhere. Together with Lukoil, the Shell-Gazprom team will bid for Rosneft. In a deal arranged by Onexsimbank boss Vladimir Potanin and his ally, Chubais, British Petroleum has obtained a 10% stake in Onexsimbank-controlled Sidanco oil company, including a seat on the corporate board.

Nov. 18, 1997: BP announces that it and Sidanco are joining the bidding for Rosneft.

Nov. 18, 1997: U.S. Ambassador Bill Ramsay tells a conference of oil executives in London, that the United States rejects the notion of a 20th-century Great Game. "I want to make it crystal clear we are not competing with Russia in the Caspian," Ramsay said.

Nov. 19, 1997: At a conference in Washington called "Caspian Pipelines: The Keys to the New Oil Rush," Secretary Peña gives a broader picture of the region's development, in which the Baku-Ceyhan pipeline, which the U.S. supports, is just one part. "We are building a new Silk Road, but the commodities now are not silk and spices. They are oil and gas. The pass will be taken not by camels and caravans but by pipelines, fiber optics and railroads."

Nov. 19, 1997: *Izvestia* reports that Lord McAlpine is running irregular warfare in the North Caucasus. A group of retired British Special Air Service (SAS) officers has gone to Chechnya, to search for British citizens Jon James and Camilla Carr, who belonged to a Quaker mission and were detained by gangsters. *Izvestia* writes that Lord McAlpine established the necessary contacts in Grozny, and Nukhayevev and other Chechen businessmen earmarked £250,000 for the operation. A British Foreign Office-linked London strategist tells *EIR*, "British relations with Mashkadov and his team are very close."

Clinton must impose sanctions against Britain for terrorism

by Joseph Brewda

President Bill Clinton must impose sanctions against Britain because of its harboring of international terrorists, as the bloody shootings in Luxor, Egypt on Nov. 17, which left 62 tourists and other innocent bystanders dead, again reaffirms. The massacre was the work of the Islamic Group, whose leaders have been given political asylum in Britain. The same group was responsible for the 1993 World Trade Center bombing in New York City.

In proclaiming responsibility for the massacre, Islamic Group leader Adel Tawfiq al Sirri, who fields an international terrorist campaign out of his offices in London, told the London Arabic daily *Al Quds al Arabi*, "The attack in Luxor came as a response to the violent practices by the Egyptian government against the Islamists in Egypt." Al Sirri was granted political asylum in Britain, despite his conviction in Egypt for a 1993 assassination attempt against former Egyptian Prime Minister Atif Siddiqi. Al Sirri's London sidekick, Abel Abdel Majid, was convicted for bombing the Egyptian Embassy in Pakistan in 1995, which left 15 dead.

In February 1997, the British government gave the terrorist duo permission to open Islamic Group offices in London. It is from there, that they order massacres in Egypt, according to statements of both the Egyptian government and the Egyptian attorney of the terrorist group.

London's protection of the Islamic Group is hardly the only instance of such hospitality, as *EIR* has reported. At least 22 of the 30 organizations on the U.S. State Department list released on Oct. 8 of terrorist groups banned from the United States (among them the Islamic Group), have London headquarters, or are dependent on British funding and logistical support (see "England's 'Lizard Queen' Is the Mother of International Terrorism," *EIR*, Nov. 28, 1997).

Meanwhile, new attacks are expected. On Nov. 19, the U.S. State Department issued a worldwide warning to U.S. citizens travelling or residing abroad, "to exercise greater than usual caution." It added, "U.S. diplomatic posts worldwide are taking appropriate security precautions."

Of course, the Islamic Group could also strike within the United States, as it did in 1993. In May 1997, the group issued a statement vowing to kill President Clinton and any other

U.S. government employee, if the group's spiritual leader, Sheikh Omar Abdul Rahman, were to die in a U.S. prison, where he is now incarcerated for his role in the World Trade Center bombing.

Mubarak takes leadership

In response to the latest outrage, Egyptian President Hosni Mubarak has courageously taken the initiative, and denounced British protection of these terrorists. At a press conference in Aswan, Egypt on Nov. 23, President Mubarak emphasized, in statements published by the Egyptian government press, that the Luxor murderers "live in Britain, Afghanistan, and other countries, where they plan and finance their crimes. If these states had cooperated in eliminating these criminals, such crimes would not have happened."

"If a terrorist group has committed a crime, we have to find out who is behind them," he told the international press corps. "The terrorists live in England, and in other countries, like Afghanistan. They have committed crimes, and some of them have been sentenced. Despite all that, they are still living on English soil, and raise money, and plan [their actions], together with fugitives in Afghanistan. The whole lot of them are murderers.

"All these terrorist actions would not have happened if European states had not protected these terrorists. The harboring and financing of these terrorists by foreign powers, has helped increase the violence."

Significantly, President Mubarak refused to let Britain off the hook. When one journalist suggested that Sudan, a frequent scapegoat for British crimes, was responsible, Mubarak replied, "No. No. They exist in Europe and Afghanistan. Sudan has changed, and the situation is better there now. But there is a coordination between those who are in England, and those in Afghanistan."

Mubarak also had little use for Western journalists, who put out the tired old line that his government should hold a dialogue with the terrorists, out of so-called humanitarian concerns. "Dialogue with whom?" Mubarak asked. "We tried for 14 to 20 years, and each time we had a dialogue with them, they became stronger. And if these foreign states had not



Egyptian President Hosni Mubarak with President Clinton. In the aftermath of the Luxor shootings, Mubarak charged England with harboring terrorists. The Luxor murderers “live in Britain, Afghanistan, and other countries,” he said, “where they plan and finance their crimes. If these states had cooperated in eliminating these criminals, such crimes would not have happened.”

harbored those who received hard sentences, all this would not have happened!”

Mubarak also angrily responded to British newspaper attacks, which in their typical racist fashion have accused the Egyptian government of provoking the Luxor massacre, through violating the terrorists’ human rights. In the case of the London *Independent*, Mideast correspondent Robert Fisk has gone so far as to say that the massacre was a direct result of Egypt adopting “Washington’s view of eliminating terrorism in Egypt,” which, he said, is simply creating “bigger torture cells” for arrested terrorists.

Referencing such smears, Mubarak exclaimed, “The terrorists who make the plans, and have the money, are living in Europe. And now, the terrorists have killed their children. Therefore, they shouldn’t be attacking us. How long are they going to protect terrorists? If you don’t want your children killed, why do you protect terrorists, and give money to the murderers, who violate human rights; and they will continue to do so, as long as you give them safe haven.”

In an interview with the French daily *Libération* later that day, Mubarak specified just who in the British government is responsible for this terrorist protection. Accusing the British government of “laxity, if not collusion with Islamists who are refugees on British soil,” Mubarak blasted the previous Conservative government of John Major, and British intelligence, for failure to act against the London group. “We contacted John Major and his security services,” Mubarak said. “They found all sorts of excuses.” These excuses revolve around a law which supposedly prevents them from taking effective action against terrorists safehoused there,

such as Islamic Group leader Tawfiq al Sirri, who, Mubarak emphasized, was implicated in the “assassination attempt against the ex-prime minister, Atif Siddiqi.”

“We got nowhere” with the Major government, Mubarak said. “We are now asking the government of Tony Blair to return these men to us. If they have a problem with the law, the law can be changed, to protect people.” He concluded that the British seem to have no desire, to act to protect people.

British run for cover

Such lessons have yet to be learned by Anglophilic Republicans in the U.S. Congress, such as Sen. Al D’Amato (N.Y.), who continue to target the Palestine Liberation Organization, Sudan, Iraq, and other third parties for terrorist sanctions, in order to provide Britain an alibi. Nor has President Mubarak’s statements been covered in the United States to *EIR*’s knowledge, except for an Associated Press wire published in Texas.

But, back in Britain, the Crown is showing nervousness about the exposure of its role, and responding with typical evasion and lies.

On Nov. 24, the day after Mubarak’s speech, the London *Times* published the official government response to Mubarak’s condemnation, in an article entitled “London Is Not Terror Haven, Say Ministers.” The newspaper, which serves as the mouthpiece of the British foreign policy establishment, reported that “the government yesterday denied President Mubarak’s accusation that Britain was a haven for Islamic terrorism. The Foreign Office said that the government unre-

servedly condemned terrorism, and took the threat from Muslim radicals very seriously. 'We are strongly committed to taking action against anyone who uses the U.K. as a base for terrorist activities,' an official said, adding that Britain's record was good compared to other countries."

However, the paper admits some problems, such as the fact that planning overseas terrorist actions is not a crime in Britain. The paper says that the government is trying to deal with this lapse, which an increasing number of governments, such as Egypt's, are complaining about. "The government is urgently seeking ways to tighten the law to prevent Islamic exiles and asylum-seekers from using Britain to promote action against friendly governments. Jack Straw, the Home Secretary, is to begin consultations in January on two specific new laws bringing in a ban on fundraising in Britain for terrorist groups and making it an offense to conspire to plot terrorism overseas."

But, the paper also admits that the proposed legislation will not really deal with the problem. For one thing, the Home Secretary has already reported that the government "would not propose the ban on incitement to terrorism demanded by many foreign governments," because it "would clash with the right to free speech."

"The government is also looking at a proposal to proscribe terrorist organizations," which, the *Times* frankly confesses,

would be a "clear break with past policy." It argues that the reason for the failure to proscribe terrorist organizations, is that "until now, officials have said a blanket ban would only drive extremists underground."

The paper adds that the reason the government is contemplating at least a cosmetic change in the law, is that it is being forced to. "In the past two years," it reports, "Britain has been increasingly embarrassed by the large number of Islamic extremists coming here. Many governments, including those of Egypt, Algeria, Tunisia, Turkey, Bahrain, and Saudi Arabia, have denounced their presence in Britain and called for tighter laws. Unlike almost all other European countries, Britain does not forbid foreign exiles from engaging in politics provided they do not break British law. At present, moreover, the law does not specifically outlaw masterminding terrorist activities overseas."

It adds that "there are at least 15 extremist groups in Britain seeking to overthrow established governments in the Muslim world. They also oppose the Middle East peace process, denounce current rulers and want all secular governments overthrown and Islamic states established."

London's official response to Mubarak's statement makes it clearer than ever, that President Clinton must act, and impose sanctions on Britain, until such time it chooses to join the ranks of civilized nations.

EIR SPECIAL REPORT

The True Story Behind The Fall of the House of Windsor

Reprints of EIR's 1994-1997 groundbreaking exposés

The studies reprinted here are essential combat manuals for the war which must be fought to save civilization, from the financial, economic, and social breakdown crisis brought on by British Imperial dominance of the world economy.

The Coming Fall of the House of Windsor
(Oct. 28, 1994)

The Sun Never Sets on the New British Empire
(May 24, 1996)

Britain's "Invisible" Empire Unleashes the Dogs of War,
(Aug. 22, 1997)

Epilogue: Can the House of Windsor Survive Diana's Death?
(Sept. 12, 1997)

Order from:

EIR News Service

P.O. Box 17390 Washington, D.C. 20041-0390 Order number EIR 97-004 **\$75**



The lesson of “The ‘Spot’ Resolutions”

by Lyndon H. LaRouche, Jr.

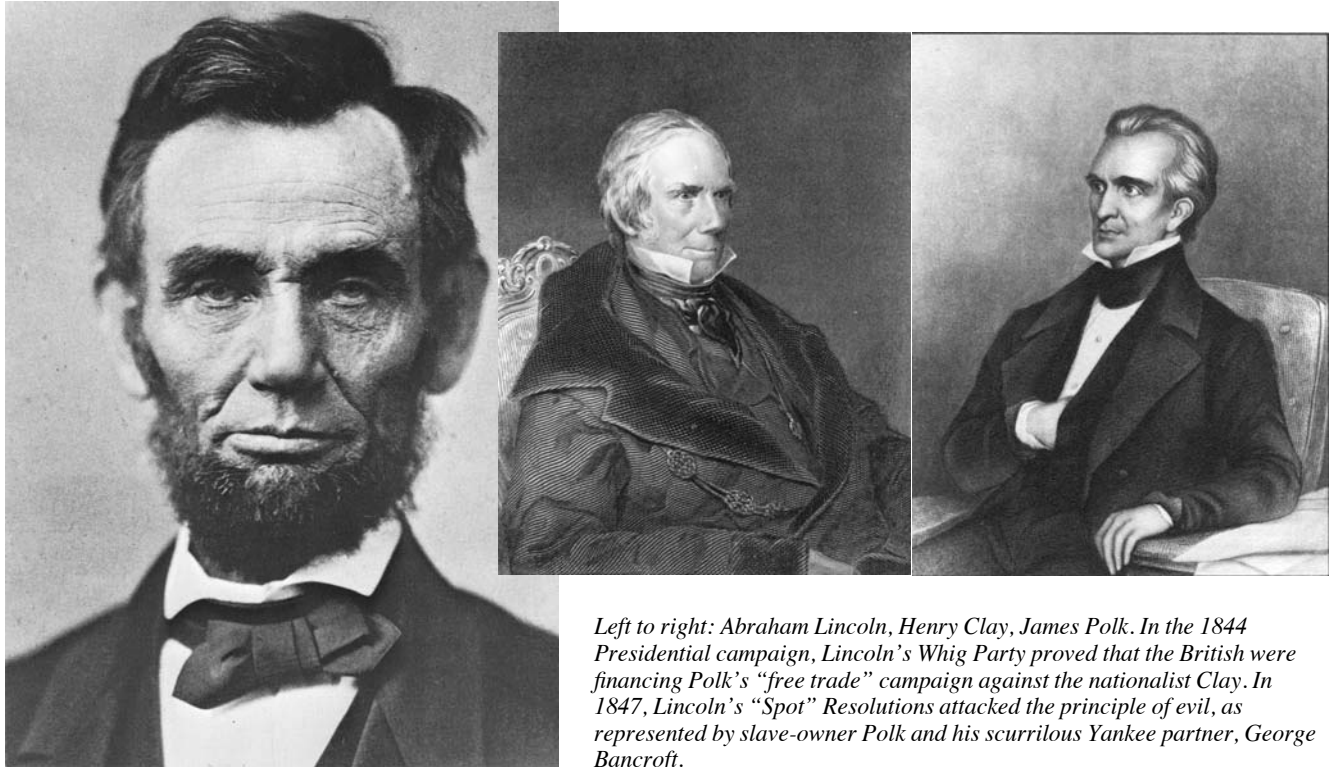
November 26, 1997

One-hundred-fifty years ago, on December 22, 1847, Abraham Lincoln, as a U.S. Representative from Illinois, introduced a celebrated motion into the U.S. Congress. This motion contained eight proposed resolutions, whose mere submission exposed U.S. President James Polk as a liar. This document became known in the history books as “The ‘Spot’ Resolutions.”¹ Although the full importance of Lincoln’s motion did not begin to be recognized until more than a dozen years later, his action proved ultimately to have been among the most important turning-points in U.S. history. That lesson has special, crucial bearing upon the challenge which now confronts President Clinton, because of a presently accelerating, global, systemic financial catastrophe, the greatest crisis in all modern history.

The essential facts of the matter are detailed by Anton Chaitkin, in his reports on this matter immediately following. The point of my prefatory remarks here, is to point up the invaluable object-lesson to be applied to those increasingly perilous circumstances, the which now threaten to destroy the U.S.A. even as early as some time, soon, before the time of the 2000 Presidential primary campaigns.

The essence of the story of the “Spot” resolutions, is located in the exemplary, degraded relationship between two key figures of Polk’s Presidency. These are Tennessee Democrat, slave-owner, and lying scoundrel, James Polk, himself, and a vile creature deployed by Yankee opium-trafficking interests, “anti-slavery” changeling George Bancroft. Bancroft, as Chaitkin indicates, was a scurrilous Democrat, later turned Republican, a character who later acquired a richly undeserved reputation as an American historian. Here, we leave the remainder of the

1. *Congressional Globe*, Thirtieth Congress, First Session, 1848, p. 64. The text of Lincoln’s original draft is found in *The Collected Works of Abraham Lincoln*, Roy P. Basler, ed. (New Brunswick, N.J.: Rutgers University Press, 1953), Vol. I, pp. 420-422.



Left to right: Abraham Lincoln, Henry Clay, James Polk. In the 1844 Presidential campaign, Lincoln's Whig Party proved that the British were financing Polk's "free trade" campaign against the nationalist Clay. In 1847, Lincoln's "Spot" Resolutions attacked the principle of evil, as represented by slave-owner Polk and his scurrilous Yankee partner, George Bancroft.

“yellow sheet” on these two wretches to Chaitkin’s literary mercies; it is the significance of the partnership between slave-owner Polk and Yankee Bancroft which points to the crucial historic issues.

To understand the implications of Lincoln’s actions then, and later, it is necessary to push aside the idle gossip, mis-named “American History,” which teachers and textbooks used to peddle to their victims, the pupils.

In those former classrooms, legend ran to the effect, that the history behind the issues of the American Revolution and Civil War began approximately 1763, when the end of France’s colonies and bases in Canada eliminated that principal, strategic motive, which had, earlier, prompted the British monarchy to tolerate the economic and other liberties previously enjoyed by its North American colonies.

Contrary to popularized classroom mythologies, those post-1763 repressive measures taken by King George’s Crown, merely brought the long-embedded, irreconcilable conflict with the British monarchy into the open, making acutely intolerable what were already long established, opposing notions of God, man, and nature.²

The roots of the conflict

The Seventeenth-Century English colonization of North America had two principal roots. One, the positive impulse,

2. H. Graham Lowry, *How the Nation Was Won* (Washington, D.C.: Executive Intelligence Review, 1987).

was the general optimism which affected the growing, literate portion of western Europe’s industrious classes, under the continuing influence radiating from the revolutionary, Fifteenth-Century, Italian Renaissance. Beginning approximately the period of the accession of James I to the throne of England, the failure of Europe to free itself of oppressive relics of feudalism, prompted frustrated republicans to pursue the development of the new form of society at a relatively safer distance from the immediate overreach of the powerful, parasitical, landed and financier aristocracies of Europe.

The successes of the English Seventeenth-Century colonies, the Massachusetts Bay Colony and the Commonwealth of Pennsylvania most notably, contrasted sharply with the savage worsening of the political situation in the British Isles during the period from the accession of England’s James II through the accession of George I. The December 1688 seizure of top-down control, by the mass-murderous tyrant, William of Orange, and, later, his protégés, the Duke of Marlborough and George I of Hannover, accelerated the republicans’ impulse for building up the colonies in North America, at the same time that the victory of that depravity which became known as the Liberal Party in Britain, deepened the spiritual gulf between that monarchy and all decent men and women in both Europe and the Americas.

So, the philosophical and political conflict between the republican spirit of the colonists and the oligarchical mindset of the British ruling oligarchy, was well established before those developments of the 1760s and 1770s. The post-1763

actions by the monarchy, forced the philosophical differences into what became their expression as the 1776 Declaration of Independence and first, 1776-1783 U.S. war against our mortal, British enemy.

Although North America was relatively free of the kind of oligarchy which crushed the population of the United Kingdom, the spores of that same fungus were implanted on our territory. The existence of such alien infestations was addressed by Cotton Mather, in his fight against the Bogomil-like, self-designated “elect” among the New England Puritans. Later, the local opponents of Mather became the core of the British East India Company’s opium-trafficking Yankee traders. Nation-wide, our domestic species of social saprophytes and parasites, came to be identified with three principal oligarchical groupings: the New England “Tories” who, from the 1790s onward, based their financial power on the cornerstone of the British opium trade; the Manhattan bankers, such as treasonous Aaron Burr, and, later, the Morgan and August Belmont interests; and, the southern slave-owning classes.

Thus, although there were Hobbesian varieties of practical, competing interests between the American, oligarchically-minded “Tories,” and their British oligarchical cousins, down to the present day, the respective imperial and provincial oligarchs shared the same general philosophical-political outlook, that of Francis Bacon, Thomas Hobbes, and John Locke—with a bit of “Hell Fire Club” varieties of imported British satanism blended in. These sometime competitors naturally tended to coalesce against their common adversary, against the American republican, anti-Locke faction centered around Leibniz-follower Benjamin Franklin.

Under the conditions from 1789 until the aftermath of the Crimean War, when every leading government in Europe was, or was in the process of becoming a mortal adversary of the United States, the British were able to build up this three-headed, polymorphous perversion, “American Toryism,” as a more or less actively treasonous element inside the U.S.A. The 1814-1815 families of the notorious “Hartford Convention,” like the later Confederate States of America (CSA), were expressions of the most actively treasonous phases of this social-political slime-mold, this British oligarchical influence, polluting the domestic life and strife of the U.S.A.

As stated above, and in other published locations, the essential characteristic of this history of the combined foreign and domestic conflict (between the American patriots, on the one side, and the oligarchical forces of both the British Empire and the Holy Alliance, on the opposing side), must be understood as a conflict between irreconcilably opposing conceptions of God, man, and nature.³

It is fair to say, and essential to understand, that there were no proper Christians among the leaders of our European

3. Lyndon H. LaRouche, Jr., “What Economics Must Measure,” *EIR*, Nov. 28, 1997.

adversaries, including the nominally Christian ones, or among the leaders of the “American Tory” parties, either. A person either accepts the fact, that all individual persons, man and woman alike, are made in the image of God, by virtue of that divine spark of reason whose expression is typified by scientific and technological progress, or one is no Christian.⁴ So, one must read the Apostle Paul’s *I Corinthians* 13. This defines the real Christian, whom Abraham Lincoln, as we know him as a patriotic public figure, typifies with a special excellence, both during the Civil War, and, earlier, as author of the “Spot” resolutions.

The fruit of later Civil War victory, was already present, as seed, in Lincoln’s authorship of the “Spot” resolutions of December 1847. While the issue of a lying President Polk’s filibustering war against Mexico, was the nominal issue of those resolutions, the subsuming, real issue, was the conflict between patriotic persons and the combined forces of that oligarchical fungus which spilled over from the upper-class cess-pots of Europe, into the Americas. The fungus was aptly represented by both Polk and his backer, Bancroft, the first representing the slave-owners, the second, what became the typical, opium-flavored, Yankee “abolitionist” Tory.

‘Single-issuism’ is immorality

The saying goes, sometimes accompanied by tearful expressions of sincerity: “He may be a mass-murdering thief, but he was always good to his family, attended church regularly, and never cheated on his wife.” Thus, the name for those whose political activity is defined in terms of selected, moralizing “single issues,” is the proper definition of the term “hypocrite.” The most appropriate synonyms for “hypocrite,” in such cases, are “charlatan,” “sophist,” “scoundrel.”

Even to this day, there are many ostensibly well-meaning sophists, in addition to the abundance of charlatans and kindred scoundrels, who make the false and foolish argument, that Lincoln’s opposition to slavery was “opportunist,” that he placed “Union” above the urgent issue, that of human rights of slaves. People who are taken in by that sort of sophistry,

4. In Germany, among the *Lesergesellschaften* which rallied to the cause of the American War of Independence, a metaphor was popularized, identifying Benjamin Franklin’s dual role as the intellectual leader of the American Revolution and as a leading scientist in the philosophical tradition, and among the still-existing networks of Gottfried Leibniz, in both North America and in Europe. “Divine Spark of Reason” was equated by notables of the period, such as Georg Forster, with Franklin’s leading participation in contributions to the founding of electrodynamics. This was expressed by the *Götterfunken* of Friedrich Schiller’s *An die Freude*, as adopted by Beethoven for his Ninth Symphony. A counter-action against this metaphor came from the agents of British Foreign Office’s Jeremy Bentham, by Bentham asset Mary Shelley’s anti-American rant, her 1818 *Frankenstein, The Modern Prometheus* [Dr. Franklin = Dr. Frankenstein], in which this issue of “God’s sparks,” was featured. During the later Nineteenth-Century, British effort, to debase the Franklin whom the monarchy hated, this was expressed by the propaganda efforts of the Newcomen societies.

would be wise to keep their mouths shut, and listen, when serious political issues are being discussed; their best self-interest, is to learn, rather than to preach. Better than speak such rubbish, they should study, and emulate the beautiful souls of the greatest civil rights leaders, such as the wonderfully noble Frederick Douglass and the martyred Rev. Martin Luther King, Jr.

Unlike the silly single-issue rabble, serious statesmen recognize that the choice between good and evil in the social relations of so-called “ordinary people,” is a matter of institutions, not shibboleths.

The fight against slavery could be won, only by eliminating the institution of slavery, by expelling from power, those laws, and, above all else, those people, who followed the philosopher of English liberalism, John Locke, in Locke’s institutionalized dogma of “Life, Liberty, and Property,” as the Confederate States of America did. In other words, without destroying the continued existence of that Confederate States of America, and without reducing to absolute penury and political harmlessness, the entire class of slave-owners and their political agents, slavery could not be eliminated. Any other view of the matter, is less than worthless opinion.

Similarly, one is a hypocrite if he or she proposes, today, to eradicate racism from public practice, without ripping out the institution of racism currently embedded in the permanent, civil service bureaucracy of the U.S. Department of Justice’s Criminal Division. One can not eliminate the evils of poverty and related conditions in the U.S. today, without ripping the venereal disease called “economic liberalism” out of our financial institutions, including the present chairmanship of the Federal Reserve System, or even that intrinsically unconstitutional System as a whole.

If there is any systemic form of evil in society, one must eliminate the institution which imposes that evil, and establish the institutions which will ensure the cause of the good.⁵

The entire history, and known prehistory of mankind, until Europe’s Fifteenth-Century Renaissance, is a record of the

failed efforts of mankind to triumph over evil, an evil which prevailed for lack of that kind of ruling institutions which submit themselves to a certain principle of natural law: that each person is made in the image of God, and that society must be so composed, that it affords each and all such beings the social and related conditions of life suited to such a noble creature.

In other words, the fight is not for individual *arbitrary* freedom of choice. The individual person is mortal, and, in isolation, more or less defenseless against overreaching institutions of power. The fight for any right principle of law or customary practice, is to establish institutions which will ensure the victory for the causes of truth and justice, against the evils not only of wicked tyranny as such, but also the moral degradation inhering in political and related pragmatic compromises.

In dealing with an oligarchy, one is dealing with a pagan institution, an heirloom of that Mesopotamian tradition which the Apostle John identified as the “Whore of Babylon.” The object of our dealings with such evils, must be, to deprive that institution of the right to shape the policies of society, hopefully without injustice to the natural individual human rights of the “prodigal son” found among that oligarchical class. The essential object must be, to establish that absolute supremacy of such republican institutions as will efficiently provide the quality of freedom to the noble creatures each man and woman are born to become.

Lincoln’s “Spot” resolutions, like his leadership as President, attacked the enemy as a class, attacked the evil institution, rather than as some single-issue sophist, or, some disgustingly, morally impotent pragmatist might have done, who focussed merely on the particular offense secreted as an expression of the culpable institution’s inherent propensity for evil. In the “Spot” resolutions, he attacked the institution of evil as represented by Polk and Bancroft, rather than narrowly debating the issue of the war with them, rather than seeking a negotiated compromise of a single issue. He established, thus, then, in December 1847, as a bench-mark, that point of reference out of which the United States became, during the 1861-1876 interval, the most powerful, most advanced economy of the world, and the model for all other societies capable of providing the means of true freedom to the entirety of their populations.

As the ensuing developments of 1861-1865 attest, and the revival of the Lincoln tradition as our font of moral strength under President Franklin Roosevelt, Lincoln’s 1847 “Spot” resolutions, coming at the break in the unity of our nation’s adversary, the British pact with Metternich’s “Holy Alliance,” were the opening blow leading our republic out of the terrible isolation of the 1789-1848 period, into becoming its true self once more, under President Abraham Lincoln’s 1861-1865 war of national renewal.

We need such leadership again today. We need it desperately, for the sake of all our posterity.

5. This argument is a practical one, but it has the most profound scientific basis. As in physical science, the selection of those propositions deemed suitable for institutionalized practice, is governed by what Plato’s Socratic method identifies as an *hypothesis*: a set of definitions, axioms, and postulates, which determines which propositions will be allowed as theorems of that system, and those which will not. In government, as in science, the ruling definitions, axioms, and postulates, express ruling assumptions respecting God, man, nature, and the interrelationship among these three. In the western Christian situation, this conception of statecraft was developed from the standpoint of reference provided by the struggle to free mankind from worship of pagan gods, in the development of Greek Classical culture. To this end, the notion of Reason as developed in the work of Plato, defines the hypothesis (set of definitions, axioms, postulates), which provided the setting for a notion of society and its ruling institutions premised on the notion that the inborn power for Reason in the individual, defines all persons as made in the image of God, and that society must be crafted to meet the requirements which that conception of God, man, and nature implies. See Lyndon H. LaRouche, Jr., *op cit.*, *passim*.

How Britain's treason machine made war against Mexico

by Anton Chaitkin and John C. Smith, Jr.

We celebrate this month the 150th anniversary of Abraham Lincoln's "Spot" Resolutions, his bold exposure of President James Polk's lying pretexts for the Mexican War. Lincoln the Congressman risked his career, helping lay the basis for his nation's survival under his own future Presidency.

He and his fellow nationalist leaders knew then that the British Empire, America's mortal enemy, subversively guided the political faction which had launched the unnecessary and unjustified war against Mexico (1846-48).

In the 1844 election, Lincoln's Whig Party had issued a pamphlet proving that the British were financing the "Free Trade" campaign of James K. Polk, against his rival for the Presidency, the protectionist, nationalist Henry Clay. Lincoln's party asked patriots to decide "whether British gold shall buy what British valor could not conquer" in America's Revolution and the War of 1812. Quoting from British newspapers and from the literature of Prime Minister Robert Peel's free trade political movement, the Whig pamphlet documented the British transfer of at least \$440,000 (equivalent to hundreds of millions today) to put behind the Polk campaign.

It was, in fact, a British "underground" political machine that put Polk into the Presidency, and that pulled the strings to start his administration's war against Mexico. The British pointman throughout was George Bancroft, a Massachusetts-based political operative now known primarily as an historian.

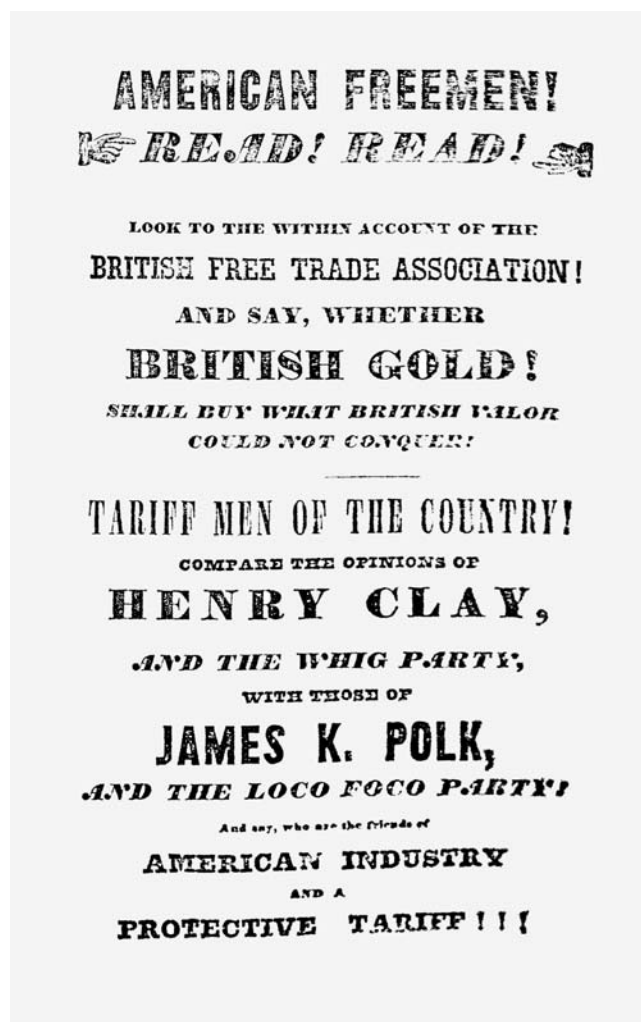
It was Bancroft's plot that made Polk the surprise, "dark horse" candidate of the Democratic Party in 1844. Then, as a Cabinet officer in the new regime, Bancroft himself pushed the provocative actions, and he and his outrageously criminal sponsors managed the decision-making process that led to the Mexican War.

Bancroft's false reputation as a "patriotic" writer, and the textbooks' silence on his perfidy in the fateful 1840s, are due to the continued power of Bancroft's own treason faction of historians at Harvard and other locations (see article, p. 46).

At the outset of the Polk administration, political debate revolved around the "Oregon Territory" between Mexican-owned California and Russian-owned Alaska, an area contested by the United States and Britain; and around the territory of Texas, which a revolution had taken from Mexico and which had just been annexed to the United States by the

previous administration of John Tyler.

The strategic question was, should America risk another war with Britain by kicking the British out of the Oregon Territory? Or should America accommodate the British Empire's expansion of its Canadian colony, and point Anglo-



Cover of the 1844 electoral pamphlet, issued by Abraham Lincoln's Whig Party. The pamphlet showed how the British paid for James K. Polk's Presidential campaign.

Saxon guns southward, thus using the tense Mexico-Texas relations as a trigger and pretext for an aggressive war to steal California?

American nationalists bluntly said, take the Pacific Northwest and fight Britain, not Mexico. Whig former President John Quincy Adams, at that time in Congress allied to the young Abraham Lincoln, warned that Britain was dispatching warships and troops to Canada, and he called for U.S. preparations to drive the British Empire entirely from North America. Democrat Sam Houston, the Texas independence leader, counselled Polk to maintain peace with Mexico, and called for an Oregon Territory showdown against the British. Whig leaders such as Adams and Henry Clay had wanted to *buy* Texas and California from Mexico, not acquire them at the cost of a war between the sister North American republics.

Indeed, even the Polk 1844 campaign had appealed to the predominant nationalist sentiment, with Polk's famous election slogan, "54-40 or fight!" That is, Polk pledged to exclude the British from all of the contested Pacific Northwest Territory, up to the southern border of Alaska at latitude 54°40'. But this was deception.

We shall now look behind the scenes, at the British treason machine managing that regime of lies, acting against which Abraham Lincoln made his first great mark on world history.

Bancroft's power, from his poison pedigree

George Bancroft wrote to James Polk on July 6, 1844, explaining in polite terms, for the official record, how Bancroft had just manipulated the Democratic National Convention to get the party's nomination for Polk. The Bancroft letter begins:

"The last time I had the pleasure of conversing with you was . . . when . . . you were leaving the [Washington D.C.] scene of your [Congressional] service for . . . [your] glorious [Tennessee gubernatorial] campaign of 1839. I watched your progress with intensest interest, made the more near and personal by the zeal of our friend [Jeremiah George] Harris." This Mr. Harris first worked for George Bancroft, editing Bancroft's own *Bay State Democrat* in Boston; then, in 1839, was transferred to Tennessee to edit the Nashville *Union* and make it into the central propaganda organ boosting James Polk's candidacy for governor.

The 1844 letter continues:

"My eye was immediately turned towards you for the service of the nation, and our Massachusetts Democracy . . . very readily received and acted upon the suggestion of rallying around you" for a possible vice presidential race in 1840.

"At the [1844 Democratic] convention I immediately exchanged a few words with our friend Gen. Pillow, of your neighborhood"—that is, Polk's Tennessee law partner—" . . . and I renewed my old acquaintance with Gen. [Andrew Jackson] Donelson," former President Andrew Jackson's nephew and private secretary.

As other pre-candidates failed to get the nomination, Ban-

croft continues, "It flashed on my mind, that it would be alone safe to rally to you. This I motioned to my . . . New Hampshire [friends]. . . . We spoke with Gov. [Henry] Hubbard; he agreed; and the N.H. delegation was fixed. I then opened the matter to our . . . friend [Massachusetts] Gov. [Marcus] Morton . . . and he coincided. . . . [Y]our faithful friends Gen. Pillow and Donelson . . . informed me that if we of N[ew] E[ngland] would lead off, they would follow with Mississippi and Alabama and some others."

Bancroft goes on to describe how he personally converted the Ohio, New York, and Louisiana delegations to Polk, and "I saw my friend Fink, state delegate of Maryland, who heartily came into the scheme. . . ."

Now Bancroft's surprise was sprung. "It came to voting. You should have heard the cheers" as the New Hampshire and Massachusetts delegations announced for Polk, and the astonished Virginia delegation changed course and voted for Polk, who now swept to victory.¹

Where did George Bancroft, whose only previous public office was (customs) Collector of the Port of Boston, get the power to make a U.S. President? And why would the Northerner Bancroft, who claimed to oppose Negro slavery, boost Polk, a degenerate mediocrity of a Tennessee slaveowner and land speculator? Polk, who asserted that "a slave dreads the punishment of stripes [whipping] more than imprisonment, and [whipping] has, besides, a beneficial effect on his fellow slaves"; Polk, who as Speaker of the House had enforced the "gag rule" against Congressmen daring to challenge the slaveocracy.

Polk had shown himself a dogged opponent of American nationalism; he was a radical Free Trader, and had been Congressional leader of the 1830s witch-hunt against the Bank of the United States and its president, Nicholas Biddle. Bancroft had been a pamphleteer in that crusade against Biddle. But Bancroft's political role stemmed from his personal, very private relations with the British sponsors of the Free Trade faction.

George Bancroft was born into a nest of treason, and was bred an agent of the bitterest enemies of American nationhood and independence.

His father, Aaron Bancroft, left Massachusetts in 1780, in the middle of the American Revolution, going into exile in Nova Scotia with the swarm of "Tories," that is, those who supported continued British rule over the American colonies. But Aaron Bancroft returned after the war in 1783, settling in Worcester, Massachusetts. There he married Lucretia Chandler, whose father, John Chandler, leader of Worcester's Tories, had fled to England with most of their family, leaving her behind.

During the two decades following the Revolution, the

1. This backstage conspiracy for Polk was repeated exactly in the infamous 1852 Presidential nomination of New Hampshire's Franklin Pierce, plotted by Bancroft's fellow Boston-based British agent, Caleb Cushing.

British Empire nurtured within the United States a stay-behind Tory network, headquartered in Massachusetts. The leading intriguers were assembled into a single multiply-intermarried set, consisting of the Cabot, Lowell, Higginson, Forbes, Cushing, Perkins, Sturgis, and Paine families, with some other families, and with their exiled relatives and commercial partners in England. This political clique, which George Bancroft would serve, was dubbed the “Essex Junto” (most of its leaders were from Essex County, Massachusetts). They worked for the secession of the Northern, and later the Southern states from the American Union. The Junto’s chief, Sen. George Cabot, failed in his attempt to make British spy Aaron Burr the U.S. President in 1800.

Meanwhile, the British Empire created, through its Essex Junto, the most important criminal enterprise in American history: a syndicate to smuggle the narcotic opium into China, alongside the British East India Company’s smugglers. The syndicate was based in Newburyport, Massachusetts, and London, England, and was financed, as the East India Company was, by Britain’s Baring bank. This racket, smuggling chiefly Turkish opium, provided the bulk of the family fortunes for the Cabots and other prominent “blue-blood” Boston families.

Bancroft’s own family relations were crucial to the formation of the crime ring. His grandfather, old Tory John Chan-

dlar, had a political protégé and nephew named William Paine, who had grown up for the most part in the Chandler household along with his cousin Lucretia, George Bancroft’s mother. As the American Revolution approached, this William Paine went to England, met with King George III, got a medical degree, and wrote back to America, “The Colonists had better lay down their arms at once, for we are coming over with an overwhelming force to destroy them.”²

Dr. William Paine was appointed apothecary—the head druggist—to the British forces which invaded America during the Revolution; he saw service with the invaders in New York and Rhode Island, and fled again to England. Returning later to Worcester, Massachusetts, Dr. Paine continued as a high-ranking officer on the British military payroll, while living in the United States.

Dr. Paine’s sister Sarah married James Perkins, who, with his brothers Thomas H. Perkins and George Perkins (a Tory exile resident in Turkey to procure the opium), formed the core of the syndicate. Dr. Paine’s daughter Esther married Joseph Cabot, of the syndicate; and Dr. Paine’s son Frederick W. Paine—a close friend of his second cousin George Bancroft—was a leading organizer of the syndicate’s dope-smuggling, personally based in London along with the Chandler family exile relatives.³

George Bancroft was born into this web of crime in 1800. George’s own older brother, John Chandler Bancroft, was employed by the Perkins-Paine syndicate as an international opium smuggler.

Frederick W. Paine married Anne C. Sturgis, whose uncle William led the Sturgis family dope-dealing firm, Bryant & Sturgis. By the 1820s, the Perkins-Paine syndicate, in an operating alliance with the William Sturgis firm, held a tight monopoly over Turkish opium smuggled into China. This William Sturgis, working in tandem with Bancroft, was to play a leading role in the British machinations which led to the U.S.-Mexican War.

Bancroft’s career as a British agent

George Bancroft entered Harvard College in 1813. The Essex Junto, in absolute control over Harvard, had made John T. Kirkland its president in 1810. In 1812, Kirkland had stipended Aaron Burr, returning from British exile in disguise, out of Harvard funds. Kirkland’s sponsor and future father-in-law, Junto boss George Cabot, then led the underground political efforts and intelligence activities to try to sabotage the U.S. military in America’s second war against Britain, 1812-1815; Cabot chaired the notorious 1814 Hartford Convention, a futile attempt to break up the American Union.

Student George Bancroft, like his classmate Caleb Cushing, was a particular pet of the Junto and of Harvard president

2. See *The Loyalists of Massachusetts*, p. 386.

3. For Frederick Paine, see Anton Chaitkin, *Treason in America* (New York: The New Benjamin Franklin House, 1984), pp. 129-131.

DO YOU KNOW

- that the American Revolution was fought ~~against~~ British “free trade” economics?
- that Washington and Franklin championed Big Government?
- that the Founding Fathers promoted partnership between private industry and central government?



Edited by Nancy Spannaus and Christopher White

READ

The Political Economy of the American Revolution

edited by Nancy Spannaus and Christopher White

order from the publisher:

EIR News Service

P.O. Box 17390
Washington, D.C.
20041-0390

or call

Ben Franklin Booksellers

800-453-4108

\$15.00

plus \$4.00 shipping and handling

Kirkland. When George Bancroft graduated in 1817, George Cabot told Bancroft he should go on a European study tour to prepare his further career, and Kirkland signed the checks to stipend Bancroft over the next several years. In 1822-23 he was back at Harvard, on Kirkland's faculty payroll. Throughout this period Bancroft's father, Aaron, was a leader of the British-Essex Junto religious initiative called Unitarianism; the elder Bancroft was president of the American Unitarian Association from 1825 to 1836.

As a Democratic Party Free Trade leader, George Bancroft helped forge the axis between the Northeastern Anglophile financiers and the Southern Anglophile plantation owners, a political combination that thwarted America's full-scale industrialization until Lincoln's 1861-65 Presidency changed the political universe.

Following Britain's 1839-42 Opium War, fought to force China to allow the drug in, as part of Free Trade, Bancroft's classmate and fellow syndicate intriguer Caleb Cushing went to China as an American diplomat. After compelling China to give his Boston relatives equal looting rights with the British, Cushing returned via Mexico, where he drew up a plan for a war between the United States and its southern neighbor.

George Bancroft's scheme having nominated James Polk, Polk was elected President, took office in March 1845, and appointed George Bancroft as Secretary of the Navy. Bancroft and Secretary of State James Buchanan became the leading Cabinet advisers to President Polk, and Bancroft gave the most aggressive counsels against Mexico.

As debate heated up over the Western territories, the British fifth column—Bancroft's covert network—flexed its political muscles. George Bancroft's own personal finances were managed by Samuel Hooper, son-in-law of dope lord William Sturgis and partner in the opium-smuggling firm Bryant & Sturgis. Hooper and Sturgis both mediated with Bancroft and the British Empire at the height of the war crisis.

In 1845, a Boston lecture of William Sturgis on "The Oregon Question" was reprinted and circulated nationally as a pamphlet. In addition to his opium-smuggling, Sturgis ran fur-trapping in the wild Oregon Territory. The 1845 pamphlet called for handing over to the British all of Victoria Island and all the Pacific Coast territory north of the 49th parallel. Sturgis also claimed that the U.S.A. could never successfully inhabit the Pacific Northwest, since any settlers would inevitably sever their allegiance to the "distant" U.S. government. Sturgis wrote, "The Rocky Mountains, and the dreary deserts on either side, form a natural barrier between different nations, rather than a connecting link between parts of the same nation. . . . [an eventual] boundary between the United States, *as they now are*, and an independent nation, comprising the whole of what is now called the 'Territory of Orgeon' " (emphasis in the original).

Secretary Bancroft having consulted concerning the Oregon/British controversy with his moneybags Sturgis, the Polk administration first feigned conflict with Britain, and then

abruptly abandoned its campaign slogan "54-40 or fight," and gave up half the Pacific Northwest to the British, precisely as Sturgis had called for. (The Sturgis dictum against America's Western development, which had been British policy since long before the Revolution, may still today be seen persisting in the Oregon and Washington State ecology freaks and eco-terrorists.)

Here is the sequence of some of the events through which America's strategic posture in the world was bent toward British imperialism, and away from its mission as champion of the republics.

On May 31, 1845, Secretary of the Navy Bancroft was appointed Acting Secretary of War as well, to fill the month-long absence of War Secretary William Marcy.

On June 6, 1845, as temporary head of the War Department, Bancroft ordered Gen. Zachary Taylor to advance his Army forces southwestward into territory beyond the line of Texas settlement—territory still disputed with Mexico. Bancroft's order stated that the site the Army occupied should be "best occupied to repel invasion, and to protect what . . . will be our Western border."

Over the next several months, as the potential conflict with Britain over the Oregon Territory simmered into crisis, Bancroft prepared U.S. naval forces for war with Mexico.

The U.S. Army, having still been unmolested by the Mexicans following Bancroft's order, were moved by Polk still further in January 1846, to take a position along the northern bank of the Rio Grande. Mexican forces in the vicinity eventually came into conflict with some of Taylor's men. The Polk administration took this as a pretext to call, on May 11, 1846, for a declaration of war against Mexico, which had "invaded the United States."

In early June 1846, Samuel Hooper, opium lord William Sturgis' son-in-law, and Bancroft's personal money manager, asked Navy Secretary Bancroft to seize the California coast from Mexico, down to the 32nd parallel, so as to take in all the major harbors, including San Diego. Bancroft responded to Hooper June 2, "If Mexico makes peace this month, the . . . parallel of 35 [north of Los Angeles] may do as a boundary. After that, 32, which will include San Diego."⁴

On June 6, 1846, Secretary of State Buchanan met secretly with the British Ambassador, Sir Richard Pakenham, and agreed to sign a treaty giving Britain control over what is now British Columbia. The treaty was signed June 15, 1846.

Not long afterwards, President Polk granted George Bancroft's request to be appointed U.S. Ambassador to Britain. On May 14, 1847, Bancroft wrote back to President Polk, to "announce a very great and decided change in the views of England with reference to our war with Mexico, to our finances, and generally to the position of the administration and the country. . . . 'You are the lords of Mexico!' said Lord

4. Quoted in Lillian Handlin, *George Bancroft, The Intellectual as Democrat* (New York: Harper and Row, 1984).

Ashburton to me. ‘How could you take the castle of Vera Cruz so soon?’ said Lord Grey [Secretary of State for the Colonies]; ‘You have been entirely successful’ said Lord Clarendon [President of the Board of Trade]; I hope your sacrifice will lead to a peace.’ And even Lord Palmerston [Foreign Secretary] . . . spoke to me in the very warmest language . . . of the immense superiority of the Anglo-Saxon race as displayed in our great number of victories over the Mexicans. . . . [All parties] look very wistfully at the working of [Polk’s Treasury

Secretary] Mr. Walker’s [Free-Trade] tariff and congratulate themselves upon the increase of our revenue.”

Man of the people . . .

George Bancroft constantly orated upon the merits of Andrew Jackson and Polk because they favored “the little man,” “the people,” against the “aristocracy”—by which he meant in particular Alexander Hamilton, Nicholas Biddle, and the Philadelphia industrialists.

Bancroft and the treason school of history

George Bancroft made himself a favorable place in history, not by his great works, but by the control that he and his Anglophile faction have exercised over the historical profession itself. On the campus of the U.S. Naval Academy at Annapolis, Bancroft has been falsely honored as the founder of that institution. And America-hater Charles Beard praised falsehood when he wrote of Bancroft’s historical writings, that “his long and arduous researches gave his work a value which time has not destroyed.”

From the time of his Essex Junto-financed study under Friederich Schleiermacher in Germany, George Bancroft learned to use Romanticism and Popular Democracy to subvert Classical concepts of republicanism. While praising Friedrich Schiller—the greatest moral hero for German immigrants to America—Bancroft distorted Schiller as a Romantic, equating him with Bancroft’s European companion, Lord Byron. The Bancroft gang’s allies, such as Thomas Carlyle, translated Schiller into English as a dripping Romantic, effectively banning his Prometheanism from English-language readers.

Bancroft wrote a 10-volume American history, covering the period from Columbus up to the founding of the Federal government of the United States. We shall inspect a sample of this work.

On events in 1688, Bancroft wrote,

“The insurrection in Massachusetts, which had overthrown the dominion of Andros, had sprung spontaneously from the people, and it insisted on the resumption of the charter. But among the magistrates, and especially among the ministers, some distrusted every popular movement, and sought to control a revolution of which they feared the tendency. Especially Cotton Mather, claiming only English liberties, and not charter liberties, and selfishly jealous of popular power, was eager to thwart the design. And . . . the charter magistrates, in April 1689, joining to themselves ‘the principal inhabitants’ of Boston, constituted themselves ‘a council for the safety of the people,’

and ‘humbly’ waited ‘for direction of the crown of England.’ . . .

“When, in May, the convention of the people assembled, they were jealous of their ancient privileges. . . . [T]he popular party, jealous of the disposition of Increase Mather,” added, to serve alongside Increase Mather, “in the agency for the colony, Sir Henry Ashurst and two of their [the ‘popular party’s’] own number, the patriot Elisha Cooke, and the equally trustworthy but less able Thomas Oakes.”—George Bancroft, *History of the United States of America, From the Discovery of the Continent*, 1880 edition, Vol. IV, pp. 50-51.

Bancroft goes on to describe the Salem village witch-hunting hysteria, and the court trials, mainly blaming Cotton Mather for fanning the flames of hysteria.

In this passage, Bancroft singles out for attack the *leaders* of the republican, anti-oligarchical party in colonial Massachusetts, Increase Mather and his son Cotton Mather.

The Mathers and their allied patriotic conspirators tightly organized the 1689 insurrection which overthrew the tyrannical rule of the British governor, Sir Edmund Andros. Bancroft calls it “spontaneous.” But royalist Edward Randolph wrote that “this [Cotton] Mather had a meeting of Arm’d men at his house the night before they entred upon their strange worke” of the uprising. The leaders read to the assembled insurrectionists Cotton Mather’s charges against Andros, Randolph, and others, who soon surrendered.

Bancroft’s so-called “popular party” was the colonial wealthy merchant oligarchy, counterattacking the patriot leaders, using the street mob. Mather’s enemy Elisha Cooke, the largest mill owner in Boston, secured a “democratic” legal amendment taking away the right to vote from those not possessing a £20 rateable estate. As town tax commissioner, Cooke himself then rendered assessments determining who could vote. Through the Cooke party’s efforts, William Stoughton, a hard-line hysteria-promoting judge in the witch trials, became acting governor; Stoughton appointed Cooke to the ruling Council and to a judgeship in Superior Court. The witch-hunting ended more or less completely, when Increase Mather, returning

But as ambassador to England, Bancroft broke previous American precedent for diplomats and donned full court dress uniforms with swords and rode in luxury personal coaches, the royal splendor needed to engage in the constant whirl of elegant social occasions with Queen Victoria, Lord Palmerston, and Bancroft's British merchant and literary partners.

All this was paid for by arrangement with Samuel Hooper, of Bryant & Sturgis. The regular salary of a diplomat not coming near to Bancroft's requirements, the Tory dopesters

had taken over Bancroft's personal debts, and provided him with a handsome flow of money.

Bancroft's most notable achievement in London was his arrangement with Lord Palmerston, to cede to the powerful British shipping companies the right to full access to American coastal routes. American nationalists had carefully preserved this right to the American Merchant Marine only, since the founding of the nation. Bancroft's agreement caused a storm in the U.S. Congress, and it was invalidated.

from his battles with the authorities in England, wrote that only scientific proof, as he saw it, of witchcraft, not hearsay, must be accepted in a court.

George Bancroft's family background is relevant in these historical matters. His paternal grandfather, Samuel Bancroft, was an ardent partisan and factional ally of Calvinist thunderer Jonathan Edwards. Although Edwards attacked Cotton Mather as "not orthodox," Edwards himself was an apostle of the British anti-Christian philosopher John Locke, for whom human liberty meant only Free Trade. Thus, when Aaron Bancroft, George's father, moved from support of Jonathan Edwards to leadership of the (anti-Trinity) Unitarians, he could keep what was essential—worship of the unbridled power of British bankers and cartel owners, known today as "the magic of the marketplace."

The naval history swindle

It is an outrage against truth that George Bancroft should be credited with "founding" the U.S. Naval Academy, rather than being seen as its subverter. The Academy came into existence as the victory of the very nationalist grouping which Bancroft and his faction worked to destroy.

Bancroft, Polk, and other partisans of British Free Trade succeeded in extinguishing the charter of the Bank of the United States in March 1836. Four months later, the Bank's president, nationalist leader Nicholas Biddle, arranged to fund a tour of Europe for the patriotic scientist Alexander Dallas Bache, for the American to meet and coordinate efforts with the scientific elite of continental Europe.

Bache consolidated an alliance with Germany's Carl F. Gauss, Alexander von Humboldt, and the leading U.S. scientists, and Army and Navy men. Bache's American scientific organization coincided with the nationalist, anti-British faction in both the Whig and Democratic parties. Opposing the Bache group was an empiricist, pro-oligarchical clique led by Naval officer Matthew Fontaine Maury—who was Secretary of the Navy Bancroft's chief adviser.

The Free Trade and Southern-dominated Congress had long blocked the establishment of a Naval Academy. The

Biddle-Bache grouping, based in Philadelphia, succeeded in arranging that a school should be established within the naval hospital there, conveniently under the overall command of Commodore James Biddle, brother of Nicholas. Alexander Dallas Bache's personal scientific assistant, the astronomer/mathematician William Chauvenet, was installed as the chief teacher.

Bache had a very strong influence in Washington by 1845. For example, Bache's uncle, George M. Dallas, was U.S. Vice President, and Bache's brother-in-law, Robert Walker, was Secretary of the Treasury! In 1843, Bache had been appointed chief of the U.S. Coastal Survey, and was making that agency the nation's leading funder and sponsor of scientific research. There was thus overwhelming backing for Bache's 1845 proposal to Naval Secretary Bancroft, that his Philadelphia naval school should become the national Academy.

The deal was struck with Congress, and with the Army, such that the Philadelphia institution was moved onto an Army base at Annapolis, Maryland, and was declared to be the U.S. Naval Academy. Bache's assistant Chauvenet, an exponent of the method and works of Gauss, organized the curriculum of the new Academy.

But Naval Secretary Bancroft appointed, as the first superintendent at Annapolis, the wretched naval officer Franklin Buchanan. The Bancroft-Buchanan-Maury tradition, pro-imperial and Anglophile, eventually sabotaged the Academy's role as a center of science and strategy. Marylander Franklin Buchanan deserted his country and commanded ships for the Confederacy in the Civil War. Virginian Matthew Fontaine Maury was chief scientist for the Confederacy; Maury fled the country and became coordinator of Mexican immigration for Emperor Maximilian, the regime installed by the Anglo-French invasion of Mexico during the American Civil War.

While Bache led President Lincoln's military intelligence team, George Bancroft stalked the streets of Washington, spreading anti-Lincoln gossip. Thus, knowledgeable patriots have suggested that Bancroft Hall at Annapolis, should be renamed Bache Hall, out of respect for historical truth.

—Anton Chaitkin and John C. Smith, Jr.

New probe, after 27 years, shows Mattei was murdered

by Claudio Celani

Exactly five years after participants in an *EIR* conference in Milan¹ called for reopening the investigation on the death of Italian nationalist leader Enrico Mattei, a public prosecutor has concluded the first phase of that investigation, which affirms that Mattei was “unmistakeably” the victim of an assassination.

On Nov. 22, Prosecutor Vincenzo Calia, who had reopened the Mattei investigation in 1994, produced his evidence, 208 pages worth, demonstrating that the explosion near Milan’s airport on Oct. 27, 1962, which brought down the plane in which Mattei, his pilot, and an American journalist were flying, was caused by a bomb “placed in the aircraft landing gear.” The evidence also demonstrates that the first investigation into the matter, which was chaired by an Air Force general and which concluded that Mattei was the victim of an “accident,” was a massive cover-up. On the basis of this and other evidence, Calia is calling for the indictment of a surviving witness, Mario Ronchi, a farmer who lived not far from the site of the plane crash, and who became the key witness in the first investigation. Ronchi, now 76, could lead prosecutors to the accomplices and the mastermind of the assassination, it is thought.

The results of Calia’s investigations are of extraordinary importance. In some ways, Mattei’s death was to Italy what the death of John F. Kennedy was to the United States. And, in the connection between the two men lies the key to Mattei’s death.

As we have already reported (*EIR*, May 9, 1997), Mattei

was killed on the eve of a trip to the United States, during which he was to meet President Kennedy. That meeting would have sealed an alliance for a strategic development policy—an alliance also involving France and Germany—which could have undermined British imperial control over the United States, Europe, and the world. Enrico Mattei’s brother Umberto, who participated in the 1992 *EIR* conference, confirms today: “He confided to us that he felt many enemies around, he talked about threats, especially at the end, when a meeting with Kennedy was imminent, to put an end to the oil war.”

Now, at a hearing scheduled for Jan. 14, a judge will decide whether the request for a trial is accepted. Given the quality of the evidentiary material in the indictment papers, which *EIR* has reviewed in full, it would be surprising if a trial were denied. Prosecutor Calia is optimistic, and is already proceeding with the second part of the investigation, focusing on the higher level, the puppet-masters.

Who was Mattei?

Enrico Mattei was the greatest leader in Italy’s postwar history—perhaps in this century. A self-made businessman, he joined the armed resistance war against the Nazi/Fascist occupation of Italy and soon became the leader of the Roman Catholic component of the Resistance movement. Italian Resistance armies, organized and led by the *Comitati di Liberazione Nazionale* (CLN), operated behind Nazi lines in Northern Italy with logistical and other support from American Office of Strategic Services (OSS) headquarters in Southern Italy. They conducted irregular warfare against occupying German forces and against the army of Mussolini’s puppet-state Salò Republic, succeeded in organizing general strikes, and preceded Allied forces in the liberation

1. A report on the conference, and some translated proceedings appear in *EIR*, Dec. 11, 1992, “Italians Call for Reopening of Files on the Assassination of Enrico Mattei,” pp. 37-40; and, June 11, 1993, “Enrico Mattei, A Historical Model for Today’s Crisis,” pp. 14-28.

of all major Italian cities. At the end of the war, in 1945, the parties represented in the CLN were elected to the Constitutional Congress that drew up Italy's present Constitution, the first ever in the history of the country.

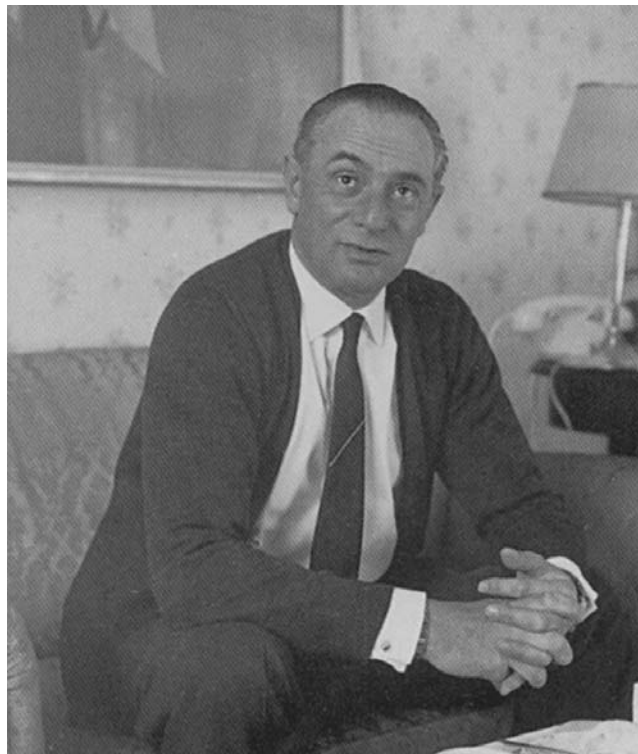
At the end of the war, partisan leader Mattei was given the task of decommissioning the old state-owned oil company AGIP, but he disobeyed, and started the battle to mold AGIP into a tool for forging the economic independence of the nation. In order to obtain the backing of the government, then led by fellow Christian Democrat Alcide de Gasperi, against free-marketeers in the government, Mattei even staged an oil discovery in Northern Italy. Eventually, he got the government funding he sought, and found not oil, but natural gas. This was sufficient to provide the industrial sector with a cheap energy source, which Mattei delivered by building a network of pipelines. Soon, most Italian families received gas for household consumption in the same way.

Mattei then sought to find oil abroad, competing with the oil multinationals, "the Seven Sisters." He turned to producing countries and offered a better deal: Instead of the traditional 50-50 profit split between company and producing country, he offered a bigger share for the producing country, 75%. Furthermore, he offered to train a local labor force, so the producer country could build refineries on site, developing their own industry. It was a revolutionary approach which undermined the colonialist structures still in existence.

The British-centered oil cartel opposed Mattei's strategy with every means, including overthrowing those governments that had struck deals with Mattei, and funding smear campaigns against him in Italy and abroad. In the end, Mattei never succeeded in getting large drilling concessions. Nevertheless, he transformed AGIP into a conglomerate, ENI (Ente Nazionale Idrocarburi), which, besides having a monopoly of Italy's energy supplies, became a giant producer and exporter of investment goods, and a respected symbol of Italy's commitment to the development of the Third World.

What fascinates us to this day about Mattei, and what made him a legend, was his uncompromising attitude on matters of truth and national interest. Although a whole section of the Italian political class at that time shared his nationalist policies against the free market, Mattei had a quality of *Entschlossenheit* that made him a giant in comparison to everybody else.

He was convinced that the fight for development was a continuation of the liberation war he had led against Nazism and Fascism; and, he used the same methods when he felt that his enemies, and the enemies of the country, had cornered him. He publicly claimed Italy's right to achieve energy independence and to develop the world. He was planning to connect Western Europe to Eastern Europe, North Africa, and the Middle East with a dense network of pipelines, and envisioned the importance of nuclear power. In 1959, he built Italy's first nuclear power station, in Latina,



Enrico Mattei, who died in an airplane crash in 1962. Prosecutor Calia reopened the case in 1994, and has now turned up evidence showing "unmistakeably" that Mattei was the victim of an assassination.

which was also the first one built in continental Europe (Britain alone of European countries already had nuclear power stations).

Mattei's plans were on the eve of success when, in 1962, after months of negotiations with Kennedy's envoys, he was expecting fly to the United States to meet with the American President. The meeting, coupled with public celebrations in honor of Mattei, would have sealed a strategic partnership for a development policy which included France and Germany as well. On the eve of that trip, Mattei was assassinated.

One year later, Kennedy was killed. In both cases, a massive cover-up has prevented the truth from coming out, although a connection between the two murders has been demonstrated by the involvement of the Permindex group, otherwise known as "Murder, Inc.," in both cases. *EIR* and publications associated with Lyndon LaRouche have amply exposed the Permindex connection and followed that connection to the broader geopolitical conspiracy run out of London.

This year, a book published in Italy, written by Benito Li Vigni, reproduces British diplomatic dispatches that confirm *EIR* allegations. On the eve of his death, and because of the anticipated alliance with Kennedy, Mattei and "Matteism" had become a *casus belli* for the British Foreign Office. In a confidential report of July 19, 1962, the Foreign Office charged: "Matteism is potentially very dangerous for all the

oil companies which operate in a context of free competition. . . . It is no exaggeration to state that the success of ‘Matteistic’ policy represents the destruction of the free oil system throughout the world.”

The book reports on the 1992 *EIR* conference in Milan, which exposed the role of the Permindex entity in the assassination of Mattei, “on behalf of and under control of British secret services and the British oligarchy. This hypothesis was debated during the *EIR*/Schiller Institute international conference . . . and would lead to the notorious Carlos Marcello, the powerful Italo-American mafia boss in New Orleans, who had been seen in Catania, two days before that tragic Oct. 27, 1962,” when Mattei died.

It was from Catania that Mattei’s plane had taken off. “What was Carlos Marcello doing in the Sicilian city that day? Only a strange coincidence? The question looms larger when one recalls that Marcello was one of the largest shareholders of United Air Taxi, for which pilot David Ferrie worked. Ferrie and United Air Taxi were engaged, among other things, in illegal weapons traffic for Clay Shaw’s International Trade Mart and Permindex; it was those same people and the same British Intelligence structure involved in the assassination of President J.F. Kennedy.”

Li Vigni, who was a young collaborator of Mattei, writes that “it was clear that the realization of Mattei’s great objectives represented a danger, threatening in depth the power of the international oil cartel which had in London, in British Petroleum and Royal Dutch Shell, its strategic and decision-making center.” In the Li Vigni compares Mattei’s development plans with Lyndon LaRouche’s program of the “European Productive Triangle.” LaRouche has been persecuted by the same forces that targeted Mattei: “Lyndon LaRouche,” writes Li Vigni, “ended up in jail because he tried to lead a movement for that economic recovery which Mattei had earlier tried to implement.”

In his book, Li Vigni stresses the role of LaRouche and *EIR* in pushing to reopen the investigation into the death of Mattei.

The indictment papers

Now, Prosecutor Calia’s investigation is bearing fruit. Although the accused witness, Mario Ronchi, is only a “small fish,” he is a key element of the cover-up. *EIR* readers already know this witness, through an interview with author Fulvio Bellini which we published on July 21, 1995. Bellini, who wrote the first book on the Mattei case in 1971, told *EIR* readers that he was interrogated by Calia, to whom he spoke about Ronchi.

The evening of Mattei’s death, Ronchi was interviewed by newspaper and TV reporters. He told them he had heard and seen “a bang and fireball in the sky, coming down like small comets on the ground.” The next day, he changed his story and declared he had seen only “a fire on the ground,”

and heard no explosion in the sky.

After that correction, Ronchi became the key witness for establishing the “accident” version. In the years to come, he received some money; he built a new house, someone built a new road on his farm, and his daughter found a good job.

Calia started his investigation assuming that “we were in 1962, the day after the death of ENI chairman Enrico Mattei, pilot Irnerio Bertuzzi, American journalist William McHale. The plane crashed yesterday. . . . What do we do?” The investigative team went back to the site of the crash, and began the legwork. They came to realize that the first investigation had been a mess.

They interrogated Ronchi again and discovered that he was not the only witness. There were many more witnesses, 30 of whom are alive today and all of whom saw Mattei’s plane exploding in the sky. Yet all these witnesses had been ignored by the first investigation. They had been never interrogated—or, if they had, their statements had been manipulated. Calia interrogated all of them.

Furthermore, Ronchi confessed to Calia that the day after Mattei’s death, “Some SNAM employees [a division of ENI] brought me to San Donato Milanese, in an office that I believe was the SNAM headquarters. In that office, I was interrogated on what I had seen the evening before.” Prosecutor Calia comments: “This . . . totally anomalous fact had never before emerged, and it is extremely worrisome, taking place as it did in the short period of time between the first statements released by Ronchi on the evening of Oct. 27, and the lies he started to tell from the afternoon of Oct. 28 onwards, in time to have them published in the newspapers the next day.”

Today, 35 years later, Ronchi still sticks to his lies. But not only do the 30 new witnesses contradict him; Calia has found the original tape of a TV interview conducted with Ronchi on Oct. 27, which was never mentioned in the official investigation. To his astonishment, Calia discovered that the audio portion had been erased from the tape; the technique used indicates that the tape was tampered with much later, at least as late as 1966. However, Calia had some experts reconstruct the original statements from the movement of Ronchi’s lips, according to which Ronchi says that he “heard a bang.”

Calia writes: “There was great surprise among the investigators at discovering that farmer Mario Ronchi . . . had been interviewed in a TV film clip from *Bascape* and that in 35 years nobody had used that interview to expose Ronchi’s lies.”

Who convinced Ronchi to change his testimony? What happened on Oct. 28, 1962, in the SNAM offices?

Cefis, Her Majesty’s man

After his death, Mattei was replaced by Eugenio Cefis, who had been an ENI manager under Mattei before leaving ENI, allegedly over conflicts with Mattei. Cefis had had con-

nections to London since the days of his participation in the Resistance, under the orders of Sir Charles Hambro. Cefis made a 180-degree turn in ENI's policy, abandoning any design of national interest and starting a massive policy of political bribes. He built up a network of offshore companies, based in Switzerland, to illegally channel ENI's funds into his political operations. Among other things, Cefis sponsored the career of Gianfranco Miglio, a key ideologue of Italian separatism. Eventually, Cefis moved to the private conglomerate Montedison and, at the end of the 1970s, abandoned Italy to settle in Switzerland, whence he has kept control of the illegal money operations. His son is said to run one of the most important Italian salons in London.

Ronchi's cover-up led us to Cefis. Not only did SNAM, under Cefis, build a new road on Ronchi's farm, but Ronchi's daughter got a job with a company called Pro.De (later Ge.Da), owned by Cefis's brother Adolfo. She was hired in 1969 and stayed there for 16 years, even though she missed more than 180 workdays a year.

On the basis of the evidence, Calia requested that Mario Ronchi be indicted for perjury, and as an accomplice after the fact.

Reconstruction of the event

Not only do the 30 witnesses confirm that Mattei's plane exploded in mid-air. Prosecutor Calia has reconstructed the

Permindex: Britain's Murder, Inc.

There is one crucial thread that runs through the assassinations of President John F. Kennedy and Enrico Mattei, and the more than 20 unsuccessful assassination attempts against France's President, Gen. Charles de Gaulle. The thread is Permindex ("Permanent Industrial Expositions"), the Montreal, Canada and Rome, Italy-headquartered front for British intelligence, founded in the late 1950s by British Special Operations Executive (SOE) officer Maj. Louis Mortimer Bloomfield. Ostensibly created to sponsor international trade fairs, Permindex served as the money and logistics hub for the British monarchy's own Murder, Inc.

Bloomfield, who served as the wartime SOE liaison to FBI Director J. Edgar Hoover, assembled an eclectic combination of British intelligence assets under the Permindex logo, ranging from Italian and Hungarian Nazi collaborators, such as Count Spadafora, Giorgio Mantello, and Ferenc Nagy, to the New Orleans-based "businessman" Clay Shaw, and Jean de Menil, the Houston, Texas-based husband of Franco-American oil heiress Dominique Schlumberger. The firm's Rome affiliate, Centro Mondiale Commerciale (World Trade Center), operated under tight control from the Montreal offices of Major Bloomfield, who was an attorney with the Bronfman family law firm, and a founder of the Canadian branch of Prince Philip's World Wildlife Fund and, later, the 1001 Club.

We know about Permindex's role in the Kennedy assassination today, largely because of the efforts of President Charles de Gaulle's security services, which established Permindex's role in conduiting money into a militantly anti-de Gaulle terrorist group, the Secret Army

Organization (OAS), for several high-profile murder attempts against the French head of state. The results of the French investigation into Permindex were leaked to the Montreal daily newspaper *Le Devoir* in 1967, including the involvement of former Office of Strategic Services figure Clay Shaw.

The Kennedy assassination

New Orleans District Attorney Jim Garrison was already looking into the role of some prominent locals in the Kennedy assassination in Dallas, Texas, and Clay Shaw was among his targets, along with David Ferrie, the pilot employed by Carlos Marcello's charter airline, and the President's accused assassin, Lee Harvey Oswald.

The identification of the Shaw-Bloomfield nexus offered closure on the near-simultaneous targetting of Kennedy, de Gaulle, and Mattei by a proven front for the British monarchy's secret intelligence services.

In 1969, Garrison put Shaw on trial for conspiracy to murder President Kennedy. By this time, 14 crucial witnesses, including Oswald and Ferrie, were dead; however, Garrison's case against Shaw failed only because two crucial pieces of evidence, that showed that Shaw had lied under oath when he claimed he did not know David Ferrie, were not presented to the jury. On his death bed, the trial judge told reporters that he was shocked that the jury did not convict Shaw of conspiring to murder the President.

Had Clay Shaw been convicted, it is not hard to imagine that Major Bloomfield and his Permindex-CMC apparatus would have the targets of worldwide attention and exposure. Under those circumstances, President de Gaulle would have likely survived the 1968 destabilization of his government, and the killers of Kennedy and Mattei, including their British masters, would have instead been brought down.—*Jeffrey Steinberg*

plane crash, based on evidence described in the first investigation, as well as evidence suppressed in that investigation. He has been able to demonstrate that the aircraft debris found on the ground was not all “in the direction of flight,” as the first investigation claimed. There were many pieces in a square-kilometer area—especially small fragments, as well as human remains—oriented in a direction opposite to that of flight. Also, in addition to the fire developing from the main section of the plane, which crashed to the ground in the direction of flight, other debris and the human remains were carbonized as a result of a fire which occurred *on* the plane. Furthermore, old evidence and new demonstrates that the airplane’s landing gear was extended, contrary to the conclusion of the first investigation.

In order to explain the disintegration of the bodies, the 1962 investigation assumed that the pressurization inside Mattei’s Morane Saulnier jet had suddenly collapsed, leading to the disintegration of the Plexiglas cockpit. But François Robinet, an expert who was interrogated in 1962 and who is still living today, declared to Calia that the flight altitude communicated by the airplane to the Milan control tower at 18:57 hours, before communication was interrupted, was about 600 meters. At that altitude, there is almost no pressurization in the cockpit, said Robinet, who to this day maintains a Morane Saulnier jet similar in every way to Mattei’s plane.

In addition to the reconstruction, to find out whether there was an explosion on board the craft, Calia ordered chemical, metal, and other analyses on human and airplane remains.

Calia ordered analyses that nobody in 1962 had done, on the human remains as well as the aircraft, to look for possible traces of explosive material. It was not easy to find remains to examine; the bodies—really, the few pieces which had been found on the ground, were in a state of advanced decomposition. But a few objects, like Mattei’s ring and some other belongings, still presented traces of explosive. Even more difficult was to find remains of the airplane. Calia discovered that, after the conclusion of the first investigation, people at SNAM ordered them destroyed! But a few witnesses, including Raffaele Morini, a comrade of Mattei’s during the anti-Fascist partisan war, and others, had saved a few small pieces which they delivered to investigators.

The analyses concluded that “a Compound B charge, slightly greater than to 100 grams” had been placed on the aircraft. On the basis of these findings, Calia writes in the indictment paper, p. 129, Chapter 5: “The technical investigation, supported by verbal and documentary evidence collected, and contradicted by no contrary evidence, allows us to hold it as *unmistakeably proven* that I-SNAP [the code for Mattei’s plane] crashed after a limited, non-destructive explosion, which took place inside the aircraft.

“It is in fact proven that:

- an explosion took place onboard I-SNAP;
 - the explosion occurred during the flight and not coincident with, or after, impact on the ground;
 - the fuel tank did not explode;
 - the engines did not explode;
 - the oxygen tank did not explode.”
- Therefore, Mattei’s plane was sabotaged.

The cover-up

How is it possible that the truth did not emerge in 1962, when there were more than 30 witnesses who saw the explosion, when an autopsy could have been done, when hundreds of people saw the scene with the remains of the airplane, and those remains could have been very easily analyzed? The answer is: Somebody ordered that the truth be suppressed. The way it worked is as follows.

Parallel to the criminal investigation started by the State Prosecutor in Pavia, a parallel administrative investigation is started by an Air Force committee appointed by the government. In reality, the Air Force investigation takes control of the criminal one, as Calia discovered, and, with the help of secret service personnel, manipulates witnesses and prevents crucial evidence from coming to the prosecution.

Thus, for instance, the Oct. 27 police report, which speaks of Mattei’s plane in a “conflagration in the sky,” is not included in the investigation. Instead, it is decided that police work will be done by the Carabinieri, Italy’s military police. This is not unusual, as the Carabinieri have an institutional role as a police force and, *vis-à-vis* the police, have the advantage of tighter national coordination. But in that case, it meant that the military structure of the Carabinieri could more easily obey top-down orders, aiming at a cover-up. In fact, the head of the Carabinieri corps, Gen. Giovanni De Lorenzo, had been head of the Italian secret services (SIFAR) until that year. He had been replaced at SIFAR by Gen. Egidio Viggiani. But De Lorenzo, writes intelligence expert Giuseppe De Lutiis, “kept leading the SIFAR through a surrogate party. If one considers that 80% of the secret service personnel was composed of Carabinieri, one understands the enormous control power developed in that period by the De Lorenzo-Viggiani duo.”

Two years later, De Lorenzo even plotted a coup d’état, in alliance with British lackey and old Mattei enemy Antonio Segni, who in the meantime had become State President. De Lorenzo called his plan “Solo Plan,” meaning that it was to be carried out by the Carabinieri alone. In a meeting with all Carabinieri and SIFAR leaders, De Lorenzo gave instructions and a list of national politicians, many of them opposition members, to be arrested on X Day. The plan eventually was cancelled, and was exposed many years later.

Carabinieri officer Augusto Pelosi, commander of the Landriano station in whose jurisdiction the Bascapè territory belonged, in 1962 led police investigations into Mattei’s death. He has confessed to Calia: “I was under pressure . . .

from all sides, but I was the last wheel in the cart and I realized that I did not count for anything. . . . Also, the Secret Services, as I mentioned, took care of the Mattei case and of the related investigation. They stuck their nose in everywhere. In my opinion, in the Mattei case and in the investigations, there exists a big cover-up that has not allowed the truth to come out. I say this to you as an officer who for many years has conducted police investigations.”

The fact is that by Oct. 28, 1962, the investigative committee which was supposed to run an Air Force “administrative” investigation was already in place, and it turned into the real center of investigations. Head of the committee was Air Force General Ercole Savi. Calia writes: “On the morning of Oct. 28, there arrives in Bascapa Gen. Ercole Savi, chairman of the investigating committee appointed by the Minister of Defense. He is authorized by the State Prosecutor to operate directly in the search, transport, and custody of the aircraft debris. From that moment, the investigation . . . is de facto led by Air Force Squadron Commander Ercole Savi.”

Savi’s committee, “in its March 1963 final report, alleges, in striking contrast to the truth, that ‘at the moment of the crash, because of the late hour and the bad weather conditions (rain, limited visibility), as well as the deserted nature of the locality, it was not possible to collect useful witnesses to reconstruct the final phase of the flight, immediately preceding the plane crash. Also, witness statements related to the phase immediately following the crash, of are slight usefulness.’ ”

Calia has discovered that in order to reach that conclusion, the few witnesses’ statements collected have been manipulated; the indicated time of observation, 19:00 hours, is changed to 19:15, so that it can no longer apply to Mattei’s plane, but to other planes which allegedly took off at that time from Linate Airport.

Not only that: Experts charged with examining the airplane wreckage found that they had already been cleaned, and hence they could not examine them properly. Despite this, a military exercise carried out in Novara, by specialists of the VIII Air Force Department led by Col. Isidoro Capucci, did provide a conclusion that the most probable cause of the crash was either sabotage to the altimeter, or a bomb. But this study is mentioned in neither the report of the investigating committee, nor the criminal investigation. Prosecutor Calia has found the Novara papers in the historical archive of the VIII Air Force Department.

In order to reconstruct what happened in the military committee, Calia has interrogated the surviving members. The committee was formed by Air Force Gen. Ercole Savi, chairman; Brigadier Generals Ottorino Giacomelli and Bruno Ricco; Pilot Col. Cesare Marchesi; Engineer Col. Isidoro Capucci; Medical Col. Arturo Chirico; Lt. Col. Stefano Castellani; Lt. Francesco Biondo; Malpensa Airport Director Arcangelo Paoletti; Milan Civilian Air Force Director Prof.

Giorgio Aldinio and Commander Francesco Giambalvo, Alitalia pilot.

Colonel Marchesi, today a retired general, told Calia that he was “no expert,” “participated only in a couple of meetings,” and “did not understand much” from the technical analysis of the pieces of the airplane. Nevertheless, today Marchesi still insists, “I never thought of sabotage,” and, “It is not known to me that there were witnesses to the Bascapa accident.” Finally, Marchesi confesses that he “never read the final report of the committee” of which he was a member, a report which he himself signed!

Similar to Marchesi’s statements are those of other committee members Arcangelo Paoletti and Francesco Giambalvo: Neither ever read the final report. Unlike the other two, however, Giambalvo reveals that “the two possible causes which I read now as being indicated by the committee as credible, are technical accident or human error. They were both opposed in lively manner in the committee and they were not accepted. Both I and General Ricco absolutely excluded a human mistake. . . . The committee had a majority decision that the accident could not be attributed either to a technical cause, or a human one.”

Therefore, the committee produced a report which no member read, and which came to a conclusion exactly oppo-

For previews and
information on
LaRouche publications:

Visit EIR's Internet Website!

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

<http://www.larouchepub.com>

e-mail: larouche@larouchepub.com

site to the conclusion of the members of the committee itself!

Giambalvo, who at that time was a pilot, expert in the same type of plane as Mattei's, told Calia: "General Savi," the head of the committee, "kept repeating that we ought to reach a conclusion quickly; from this I understood that there were political pressures to close the investigation rapidly with a definitive conclusion, which couldn't be discussed or objected to any further."

Several committee members confirm that it was Savi who said that "there were no significant witnesses" to the accident, and therefore the committee heard no witnesses.

General Savi is now dead, and cannot be called to the stand. But the picture is clear. He was the main operative, probably under direct orders from SIFAR head Viggiani, of the successful cover-up of the assassination. Savi was appointed the same evening as the crash, the evening of Oct. 27, as head of the committee. The rest of the committee was appointed the next day, so that Savi could go alone, early on Oct. 28, to Bascapa to take control of operations.

The question that still shocks us is: Why did nobody talk? Why did all committee members accept what was clearly the role of a puppet? Why was no independent investigation started? How could dozens of witnesses just be written out of existence? Why did a whole country, including Mattei's closest political friends and allies, accept the official version

of "accident"? The phenomenon is unacceptable, but it has an explanation.

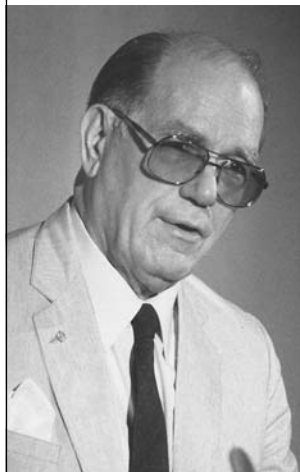
Mattei was killed during the hottest phase of the Cuban missile crisis. Author Nico Perrone, who worked at ENI under Mattei, has reconstructed discussions in the National Security Council on possible repercussions of the crisis in NATO countries, among them Italy. Pro-British elements introduced a scenario in which Italy, led by independentist Mattei, would break out of NATO. Perrone presented his researches at the 1992 Milan *EIR* conference.

In those last days of October 1962, the world seemed to be heading into a nuclear war between the United States and the Soviet Union. Those days were the highest level of East-West tension in the whole period of the Cold War. In that context, it is possible to think that terrified Italian government leaders were pressured to believe that, if it came out that Mattei had been assassinated, that would create a communist revolution in Italy. The scenario for that was in place, since an international press campaign had already slandered Mattei as a "friend of the Russians."

Of course, neither the slander, nor the scenario of revolution, was true. In reality, the issue was Mattei as "friend of Kennedy." But Italy's leadership preferred to accept the immorality of the cover-up.

History repeated itself a year later in Dallas, Texas.

LISTEN TO LAROUCHE ON RADIO



*Frequent Interviews with
Lyndon LaRouche on the
Weekly Broadcast "EIR Talks"*

ON SATELLITE
Saturdays
4 p.m. ET
Galaxy 7 (G-7)
Transponder 14.
7.71 Audio.
91 Degrees West.

SHORTWAVE RADIO
Sundays, 5 p.m. ET
2200 UTC
WWCR 5.070 mHz

**Cassettes Available to
Radio Stations**

**Transcripts Available to
Print Media**

Local Times for "EIR Talks" Sunday Shortwave Broadcast on WWCR 5.070 mHz			
Adis Ababa	0100*	Little Rock	1600
Amsterdam	2300	London	2200
Anchorage	1300	Los Angeles	1400
Athens	2400	Madrid	2300
Atlanta	1700	Manila	0600*
Auckland	1000*	Mecca	0100*
Baghdad	0100*	Melbourne	0800*
Baltimore	1700	Mexico City	1600
Bangkok	0500*	Milan	2300
Beijing	0600*	Minneapolis	1600
Belfast	2200	Montreal	1700
Berlin	2300	Moscow	0100*
Bohemian Grove	1400	New Delhi	0330*
Bogota	1700	New York	1700
Bonn	2300	Nogales	1500
Bombay	0330*	Norfolk	1700
Boston	1700	Oslo	2300
Bretton Woods	1700	Paris	2300
Bucharest	2400	Philadelphia	1700
Buenos Aires	1900	Pittsburgh	1700
Buffalo	1700	Prague	2300
Cairo	2400	Rangoon	0430*
Calcutta	0330*	Richmond	1700
Caracas	1800	Rio de Janeiro	1900
Casablanca	2200	Rome	2300
Chattanooga	1700	St. Louis	1600
Chicago	1600	St. Petersburg	0100*
Copenhagen	2300	San Francisco	1400
Denver	1500	Santiago	1700
Detroit	1700	Sarajevo	2300
Dublin	2200	Seattle	1400
Gdansk	2300	Seoul	0700*
Guadalajara	1600	Shanghai	0600*
Havana	1700	Singapore	0530*
Helsinki	2400	Stockholm	2300
Ho Chi Minh City	0600*	Sydney	0800*
Honolulu	1200	Teheran	0130*
Hong Kong	0600*	Tel Aviv	2400
Houston	1600	Tokyo	0700*
Istanbul	2400	Toronto	1700
Jakarta	0500*	Vancouver	1400
Jerusalem	2400	Vladivostok	0800*
Johannesburg	2400	Venice	2300
Karachi	0300*	Warsaw	2300
Kennebunkport	1700	Washington	1700
Kiev	2400	Wellington	1000*
Khartoum	2400	Wiesbaden	2300
Lagos	2300	Winnipeg	1700
Lima	1700	Yokohama	0700*
Lincoln	1600	Yorktown	1700
Lisbon	2300		

* Mondays

Fight for development at Nigerian economic summit

The Fourth Nigerian Economic Summit, held in Abuja, Nigeria, on Nov. 18-20, was a battleground between the “free market” economics of the International Monetary Fund (IMF), and the perspective of peace through economic development, represented by Helga Zepp LaRouche on behalf of the Schiller Institute and *EIR*, and by the government of Nigeria. The summit had been convened by representatives of the so-called “private sector,” as an exercise in brainwashing sectors of the Nigerian elite, to accept the dismantling of the Nigerian economy, through a program known as “Vision 2010,” which is a modified version of the IMF’s notorious Structural Adjustment Program.

The two-day conference was supposed to elaborate the theme, “Implementation of Vision 2010: The 1998 Budget issues.” In other words, the 2010 project was to be detailed through a series of workshops, and budget allocations defined according to their recommendations.

The hit-man for the IMF faction was Prof. Paul Collier, of Oxford University, who laid down five parameters for the Nigerian economy, which then became the guidelines for the various workshops. Collier was one of two guest speakers from abroad. The other was Mrs. LaRouche, whose intervention turned the entire summit around. The closing speech by Nigeria’s head of state and commander in chief, Gen. Sani Abacha, indicated that the perspective outlined by Zepp LaRouche, was that which corresponded to Nigeria’s true economic needs.

Mrs. LaRouche, wife of Lyndon LaRouche and founder of the Schiller Institute, is well known internationally as the “Silk Road Lady,” due to her tireless advocacy of the major infrastructure project called the Eurasian Land-Bridge. The prepared text of her speech to the conference, on “The Success of the Chinese Economic Reform and Its Significance for Nigeria: Africa’s Secret Weapon for Peace!,” was published in last week’s *EIR*. Her address was welcomed with particularly great enthusiasm by those present, when, departing from her written text, she underlined that “Nigeria, and all of Africa, don’t need population control, but many more productive people, to become modern industrial nations!”

She outlined the current world financial crisis, noting that “there is no national economy in the world which can survive,” if the international financial system is not re-organized. While the IMF system is disintegrating, as the

result of 30 years of mistaken neo-liberal policies, there is also “a completely different dynamic”: the Chinese government’s initiative for the development of the Eurasian Land-Bridge.

Apoplexy from Oxford

Prof. Paul Collier, head of the Center for the Study of African Economies at Oxford University, to his dismay, found himself following Mrs. LaRouche on the speaker’s dais. Collier, who was scheduled to give a report card, in the form of a speech on “The Performance of Africa,” lashed out: “This is not the kind of audience I am used to addressing,” he began, referring to his university function, “but the world is a market-place for ideas. You must be careful,” he said, and warned the conference, “there are charlatans peddling prosperity,” in obvious reference to Zepp LaRouche’s perspective for development in Nigeria and Africa as a whole. “Be careful, not to accept the wrong ideas,” he preached.

The substance of Collier’s remarks was straightforward British imperialist doctrine, and the tone was condescending and insulting. Collier framed his speech in the notion that “poverty has become optional,” which means, if you are poor, it is your own fault. He claimed the rest of the world were growing “at unprecedented rates,” and that, since the policies which led to prosperity are known, it “is your choice.” He ridiculed his host country, Nigeria, saying it was at “the starting line” and could either surge ahead, or “go back.”

Just who Collier is, became clear, when he boasted of having been responsible for the Ugandan “economic miracle.” Collier said he had been working on Uganda for the last five years, and had been behind the financial and economic measures, which, he claimed, had made Uganda such an attraction for foreign investment. First, he characterized Uganda as an example of a country which had experienced “growth without investment . . . with just the right policies.” Thereafter, because of its sterling performance, it gained credibility and attracted investments, he said. Then, he took a swipe at his host nation: “Between 1987 and 1991, Nigeria experienced fast growth without investment, because no one believed it wouldn’t continue. . . . It didn’t.”

Collier outlined five policies that he said would cause growth:

1. *An open, competitive economy.* Here “the most consis-



Helga Zepp LaRouche joins Nigerian officials and business leaders at the Fourth Nigerian Economic Summit in Abuja. She spoke on "The Success of the Chinese Economic Reform and Its Significance for Nigeria: Africa's Secret Weapon for Peace!"

tent problem has been the overvalued niara." Collier claimed that the key to the success of the Asians, and to Germany in the 1950s, was their "undervalued currencies." Open competition, he said, would lead to a 2% yearly growth rate, in and of itself.

2. *Build social capital.* By this, Collier meant, cutting transactions costs, by developing international contacts. His example here was Ghana: "The foreign-owned firms in Ghana are more productive because they have better international contacts."

3. *Phones, electricity, and transportation must be made more efficient.* Here he pointed to the case of England, where, he said, the entire road system was built in 30 years, beginning in 1740. The key to this great success, he claimed, was that, through an act of Parliament that year, toll companies were set up. "This was the precursor to the Industrial Revolution." Then, to add another gibe at Nigeria, he said, "In Nigeria you have the tolls, but not the roads."

4. *The government must reduce investment risks.* "Africa is rated as the riskiest. . . . This is not a conspiracy, just bad news," he quipped. Collier again held Uganda up as his model: "In the five years I have been working with the government of Uganda, the risk rate has gone from 5 to 20, on a [reliability] scale of 100. Nigeria used to be rated 50, now it is 16." One important feature in reducing risk, he said, was to guarantee the autonomy of the central bank; others were, deregulation and lowering corporate taxes.

5. *Peace and security.* Collier said, "I've studied the causes of social disturbance, and the main cause is poverty." Indonesia, he said, has shown spectacular progress since 1967; "now in Africa, it is shown it can work, for example, in Ethiopia, Mozambique, and Tanzania, and, of course, Uganda." Uganda's full convertibility is to be emulated, he

said. Regarding Nigeria, Collier pointed to the vast amount of private capital held by Nigerians abroad: "70% of privately held wealth is abroad." He said, with good policies this capital would come back. Then, in a rare admission of truth, Collier said he would make no predictions about Nigeria, because economists—even Nobel Prize winners—always err when they make predictions. "It's in your hands, not mine," he said.

The President's response

In the workshops that followed, there were intense debates over what economic policy direction Nigeria should adopt. In his closing remarks, General Abacha indicated that he was extremely interested in the Land-Bridge perspective.

General Abacha said: "Ladies and gentlemen, I note with appreciation, that in the course of this . . . summit, we have been treated to an insight into how China has achieved fundamental economic development within a *very* short time. There are several lessons to be learned . . . from how China has overcome the hurdles to its economic growth and development. Nigeria is already drawing . . . on the Chinese experience and we will utilize this for our own development, where they are found relevant to our needs. . . ." He said that those factors which had led Asian nations to growth, were deserving of "our creative emulation," and added, "Once again, I congratulate all those who have participated in this year's summit. . . . I want to sincerely thank the guest speakers, Mrs. Zepp LaRouche, of the *Executive Intelligence Review*, and Prof. Paul Collier of Oxford University, for their thought-provoking presentations. We have carefully noted issues raised in their presentations."

General Abacha said he would study the recommendations made for greater growth and development.

Unbridled free trade is no help for Nigeria

by Sam Aluko

Mr. Aluko is chairman of Nigeria's National Economic Intelligence Committee (NEIC). The following are excerpts from a paper by Mr. Aluko, titled "Brief Comments on Vision 2010 Report," issued from Abuja, the capital, on Nov. 10.

1. Need for public debate and information

The scope of the Vision and the thoroughness of those who prepared it are to be commended. As the authors rightly wrote, the changes necessary in order to achieve the targets of the Vision are ambitious and challenging and can only be achieved "if all stake-holders show commitment to it and are prepared to make the necessary sacrifices" (page 203). The most important stake-holders are the Nigerians, the overwhelming majority of whom did not participate in the formulation of the Vision nor are now aware of what the Vision document contains. It is necessary, therefore, that the Vision document be made available to the wider Nigerian public for information, debate, and scrutiny. The Vision must thus represent, minimally, the consensus of the other active sectors of our population, not just that of the few elite whose views are represented in the Vision document. In spite of the number of memoranda received from the public, the final draft of the Vision should be made public. . . .

5. Planning within a liberalized economy

Wide-ranging targets have been set for the Nigerian economy and its society in the Vision document. To achieve the targets, planning has been identified as vital. Planning means control, and control is antithetical to unrestrained free enterprise, globalization, and even democracy and fundamental human rights unlimited by fundamental human duties and responsibilities. Unrestrained democracy almost always commits suicide, in the same manner that unrestrained dictatorship or socialism almost always commits suicide. Few nations (I do not want to say, no nation) have ever achieved rapid economic greatness via the *laissez-faire, laissez-passer*, privatization route, nor via private enterprise being the main engine of growth. Free enterprise, privatization, and private sector dominance are the consequences, not the causes of economic growth of nations. The Vision document overdramatized the role of the private sector, whereas in almost every page, it calls on the public sector to act or ensure that actions take place or the enabling environment exists. This is

how it should be. It is the public sector that first proposed the idea of Vision 2010. Unless we want to deceive ourselves, the public sector will remain dominant until 2010, after which the private sector may begin to dominate.

6. Similarly, undue haste to globalize the economy, like ours, is to vitiate the will and the commitment of our people to even make the sacrifices necessary to achieve the set goals of Vision 2010. . . .

11. Full employment

Nowhere in the Vision 2010 document is full employment of labor made a target of the Vision. A nation has no greater assets than its working people. Unless the people are fully involved in the process of development, the nation will not achieve accelerated economic growth, nor will the gap between it and the rich nations, nor between its rich and its poor citizens, be reduced. Private sector dominance in a poor country increases not only the inequality of income and wealth, but also increases unemployment and private greed. The culture of hard work cannot also be imbibed unless emphasis is placed on all able-bodied adults being involved in working and being equitably remunerated. It is only through the mobilization of all our nation's productive forces, particularly labor, that the specific roles for the public and the private sectors can be properly and creditably performed.

12. Globalization and competition

Instead of emphasizing immediate global competitiveness, the immediate emphasis should be on internal competitiveness, stimulated by the provision and the sustenance of adequate basic infrastructures, incentives, and subsidies. The plea that subsidies should be removed may blunt the incentive and the capacity for competitiveness internally, with the present weaker segments of the population rendered incapable of being ever strong enough to be able to compete. So, emphasis on appropriate pricing of products without appropriate removal of impediments may be counterproductive and lead to the pricing out of the market a large segment of the population of our country. . . .

14. Structural Adjustment Program

It is surprising that the Vision Committee endorsed *in toto* the SAP, which is one of the main causes of the deterioration in the mores and the morals of our society. SAP has pauperized and criminalized our people through the massive devaluation of the naira [the Nigerian currency], the unprecedented fall in the purchasing power of our citizenry, and the drastic fall in their standard of living. Unless we put in its place a production-oriented program, instead of the money-changing and financial derivatives syndrome, our Vision 2010 will remain blurred. The Vision 2010 Council should look more closely into the document prepared by the National Economic Intelligence Committee (NEIC), titled "Economic Recovery Program: an Alternative to the World Bank and IMF Medium-Term Recovery Program (MTRP), 1996-1998," for supplemental strategies if our Vision 2010 is to be visionary. The new "Medium-Term Economic Strategy" (MTES) of the

World Bank-IMF, which the Visioners advise the government to put quickly in place, is the MTRP in a new garb. It cannot form the basis for the rapid growth of the Nigerian economy. Nigeria has taken, for too long, economic dictation from abroad. It is high time that we depended on our own internal strategies and strength for growth and survival. . . .

16. External debt management and payment

External debt management should be influenced by external debt settlement. We should control and restrain the frivolous use of foreign exchange by our elite, most of whom were members of the Vision 2010. It is scandalous the way public and private sector leaders spend the nation's foreign exchange abroad. If we are frugal, in less than 10 years hence, we will liquidate our entire debt, bearing in mind that what we are earning as foreign exchange, a large part of which is not being recorded today but is kept abroad for questionable purposes. If we are serious, this is an area where our visioners should appeal to their comrades to behave more properly and more patriotically by repatriating from abroad into Nigeria, their legally and illegally acquired income and wealth. We need to revisit the directive of the government during the Buhari regime, 1983-85, that all public officers, including those that aspire to hold public offices, should close their foreign accounts and bring their money back to Nigeria. Any Structural Adjustment Program that is oblivious of the fact that more money flows out of Nigeria annually than flows into it,

through the misdemeanor of both domestic and external economic operators, is Structural Maladjustment, and should not be embraced nor eulogized in our Vision 2010.

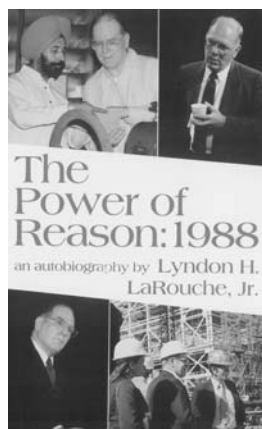
17. Warning

While it is true, as the Visioners adumbrated, that Nigeria cannot and must not remain an island, out of the "global village," we must warn and remind ourselves that whenever we had opened up uncannily to the world, our economy and our people had been the worse for it. The slave trade was the outcome of free enterprise. Our opening up to the world led to the enslavement of our ancestors. It was a free exchange of guns, gunpowder, and industrial implements of the West for our young men and women. It was the free entry into treaties between our rulers and the Western Powers that led to the partitioning of Africa and to our being colonized. The post-colonial dominance of our economy by the West and the aping of their economic and political systems, is a free choice by our leaders and rulers. The Structural Adjustment Program and its appurtenances were also freely adopted by our rulers and technocrats. There had always been, and there will always be, a residual force available to the slave-masters, the colonialists, and the neo-colonialists, to ensure that we play the "free" game. If we do not put in place a large measure of economic nationalism, self-sufficiency, and autarky by 2010, our economic state may not appreciably improve. It may be worse than it is today. That we must resist and reject.

Books by Lyndon H. LaRouche, Jr.

The LaRouche case "represented a broader range of deliberate cunning and systematic misconduct over a longer period of time utilizing the power of the federal government than any other prosecution by the U.S. Government in my time or to my knowledge."

—**Former U.S. Attorney General Ramsey Clark**

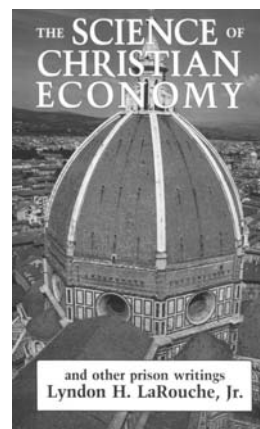
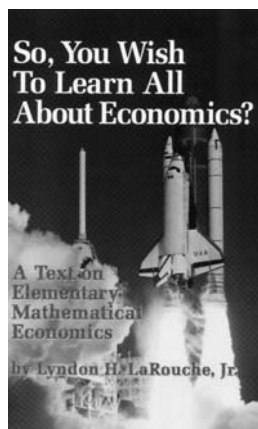


READ LAROUCHE'S BOOKS and find out why the Establishment is so determined to silence his voice.

The Power of Reason: 1988.
An autobiography by
Lyndon H. LaRouche, Jr. \$10.00

*So, You Wish to Learn
All About Economics* \$10.00

*The Science of Christian Economy
and Other Prison Writings* \$15.00



Send checks or money orders to:

**Ben Franklin
Booksellers, Inc.**

P.O. Box 1707
Leesburg, VA 21077
phone 1-800-453-4108 (toll free)
or 1-703-777-3661

Shipping and handling charges: Add \$4 for the first book and \$.50 for each additional book. Virginia residents add 4.5% sales tax.

We accept MasterCard, Visa, American Express, and Discover.

Diana's murder: French scramble to cover role

by Jeffrey Steinberg

There is mounting evidence that French authorities are squirming over the fact that their well-constructed cover-up of the circumstances surrounding the deaths of Princess Diana, Dodi Fayed, and Henri Paul, in a Paris car crash on Aug. 31, 1997, continues to unravel. The authorities in charge of the probe of the crash are particularly sensitive, according to well-placed sources in Paris and London, about one feature of *EIR's* Nov. 21, 1997 exclusive report on the murder of Diana and Dodi: the revelation that Paris Police Prefect Philippe Massoni was at the Place de l'Alma tunnel, shortly after the crash, and that Interior Minister Jean-Pierre Chevènement arrived at La Pitié Salpêtrière Hospital, long before the ambulance that was carrying Princess Diana—thus placing these two senior government officials in charge of the so-called rescue effort.

As Princess Diana was kept inside the tunnel for more than an hour, Massoni and Chevènement were in regular telephone communication. When the ambulance finally did leave for a hospital over four miles from the crash site, it took 43 minutes to reach the hospital, stopping at one point just 500 yards from the emergency entrance for ten minutes.

As the *EIR* report charged, these top French government officials would have been prosecuted for manslaughter or murder if the incident had occurred in the United States.

Enormous pressure

Since the moment of the crash, the French authorities have been engaged in a non-stop cover-up of the crime, leaking a daily dose of disinformation to an all-too-willing Paris media. Sources in London have told *EIR* that the French authorities placed an enormous amount of pressure on Dr. Frédéric Mailliez, the emergency medical doctor who happened onto the scene of the crash before the first ambulances or fire trucks arrived. He had initially told *The Scotsman* newspaper, "I thought her life could be saved" if she had received proper medical attention. However, in a Nov. 22, 1997 interview with the London *Times*, he recanted much of the story, insisting that he was certain that Diana would have died regardless of the medical treatment. "The doctors who treated her have reassured me that no one could have survived with her injuries," Dr. Mailliez told the *Times*.

He also, according to Paris sources, directly lied to the

Times when he claimed that the paparazzi at the scene of the crash were not interfering with the emergency medical care. Romuald Rat, one of the paparazzi under potential criminal indictment for the deaths of Princess Diana, Fayed, and Paul, was in the back seat of the Mercedes, leaning over Diana's body, when Dr. Mailliez arrived; and he returned to the back seat when the doctor went to fetch his medical bag. Reportedly, there are photographs seized from several of the paparazzi at the scene that show Rat in the back seat of the Mercedes.

Dr. Mailliez and his companion, Mark Butt, appeared on the Larry King Live show on CNN on Sept. 23, and there were already signs at that time that the doctor was changing his story, on the two crucial issues: his immediate crash site diagnosis of Princess Diana's condition and the involvement of the paparazzi. Butt did tell Larry King that a dark-colored small car and a motorcycle were parked inside the tunnel, just past the crash site, when they arrived at the scene, and that there were two men standing in the tunnel talking.

The missing Fiat

According to the Nov. 23, 1997 edition of the British weekly *The People*, some French police agencies are not fully going along with the top-down cover-up being directed by the Socialist government. According to *The People's* Stuart Qualtrough, some French police agencies (there are a total of nine agencies involved in the probe) now believe that the missing Fiat Uno that collided with the Mercedes inside the Place de l'Alma tunnel, was specially modified for the attack. The location of paint markings from the Fiat on the right side of the Mercedes are lower than would be expected, suggesting that the car was weighted. The particular Fiat Uno model being sought, a 1984-87 turbo, is a faster car than the Mercedes.

As the result of these new forensic discoveries, *The People* reported that "police could be on the verge of officially treating Princess Diana's death as a murder inquiry."

At the same time, the Paris media, and the majority of the British press, have opened a smear campaign against Princess Diana's younger brother, the Ninth Earl Spencer, focussed on his ongoing divorce proceedings. The December issue of *Vanity Fair* has kept up the slanders against the al-Fayed family, as well. The *Vanity Fair* story by Sally Bedell Smith charged that Dodi Fayed had been a heavy cocaine user. According to sources familiar with the final days of Princess Diana and Dodi Fayed, the two British intelligence services, MI-5 and MI-6, were engaged in an all-out effort to dig up dirt on Dodi Fayed, in the hopes of forcing Diana to cut off the relationship. *The People* has already charged that a six-person MI-6 surveillance team was hounding the couple in Paris on the day of the crash. This report conformed to information obtained by *EIR*, that the MI-6 station at the British embassy in Paris was involved in operations against Dodi Fayed.

Why London supports Rwanda's confessed mass killer Paul Kagame

by Linda de Hoyos

In Mainz, Germany, on May 21, 1997, Rwandan Vice President and Defense Minister Paul Kagame, confronted with questions from *EIR* on the role of his Rwandan military in the massacres of Rwandan and Burundian refugees in eastern Zaire, hissed back at the *EIR* correspondent: "You go and find out." When the question was repeated again, this time from a reporter for the *Mainzer Allgemeine Zeitung*, Kagame declared: "I do not know of any massacres in Zaire. I have no troops in Zaire and have nothing to do with what is happening there."

But, by July 1997, after the news of the massacres of thousands of refugees had finally broken through the Western press, even in the United States, Kagame no longer denied the role of the Rwandan Patriotic Army (RPA) in eastern Zaire. An article appearing in the *Washington Post* on July 9 under the headline "Defense Minister Says Arms, Troops Supplied for Anti-Mobutu Drive," featured an interview with Kagame by the *Post's* John Pomfret. The article began: "Rwanda's powerful defense minister Paul Kagame, has acknowledged for the first time his country's key role in the overthrow of President Mobutu Sese Seko in neighboring Congo, saying that the Rwandan government planned and directed the rebellion that toppled the longtime dictator and that Rwandan troops and officers led the rebel forces.

"Kagame, a Tutsi, also responded to allegations that Tutsi officers of the Rwandan army ordered massacres of Rwandan Hutu refugees inside Congo. . . . Rwandan officers interviewed in Congo said the Tutsis were given a free hand by the Congolese rebels to attack the Rwandan Hutus . . . in exchange for backing the war against Mobutu."

This time, Kagame did not attempt to deny the atrocities, but blamed the deaths on the United Nations for failing to take action to "disarm" the refugees—a reference to the charge that Hutu militias and members of the army of the former government were in the camps. Kagame said, according to Pomfret, "the impetus for the war [against Zaire] was the Hutu refugee camps. . . . Kagame said the battle plan as formulated by him and his advisers was simple. The first goal was to 'dismantle the camps.' The second was to 'destroy the structure' of the Hutu army and militia units based in and around

the camps either by bringing the Hutu combatants back to Rwanda and 'dealing with them here or scattering them.' The third goal was broader—toppling Mobutu. Kagame said, 'It would have been more suitable' if Congolese rebels had done most of the fighting against Mobutu's troops, but it also would have been riskier."

A month after Pomfret's article, the South African *Mail and Guardian* featured an article, "Why Rwanda Trumpeted Its Zaire Role," by Mahmood Mamdani. Mamdani had flown to the Rwandan capital of Kigali, to ask that precise question, and according to his account, received this answer from Defense Minister Kagame: "I wanted to tell the truth. I did not always want to be in the position of lying, of denying things."

Further, the remorseless Kagame declared, "First, truth would allow us to put forth our own point of view, even demand that our point of view be heard on issues like the killing of refugees, and thereby relieve pressure on Kabila and the alliance."

More recently, Kagame has defended the conduct of his troops in eastern Zaire. In an interview with the Pan African New Agency published on Oct. 28, Kagame declared that "I have no apologies or regrets on the conduct of my soldiers." Now Kagame has put forward the claim that armed Rwandan Hutus were preparing an invasion of Rwanda against the Rwandan Patriotic Front (RPF). "Everybody had information of an imminent attack on Rwanda," Kagame told PANA. "He said civilian deaths must have occurred when the armed Hutu in refugee camps, who had participated in the Tutsi genocide, fought his soldiers while mingling among women and children."

Consequences of the truth?

That there was murder of women and children and the elderly is beyond a doubt. In but one example of the reams of evidence that have surfaced on this point, Marcel van Soest, epidemiologist with Doctors Without Borders, testified to U.S. congressional hearings on Nov. 5 that a survey carried out by the organization in July 1997 showed a mortality rate of 80% among refugees, and most of those deaths were violent deaths. The group surveyed was in the Ndjoundou Camp.

“Those refugees had fled the attacked camps in Kivu Province and had undertaken a forced march over a distance of some 1,500 km under the control of elements from the old Rwandan Army (FAR) and various militia men. . . . The survey shows that, of every 5 people from the original group who left the Kivu camps in October 1996, only 1 arrived in Congo Republic; one did not survive repeated military actions; and 3 could not be accounted for. Of those reported killed, 95% were the result of violence and 5% died from disease. . . . It is interesting to note that the proportion of deaths was the same for children under age five as for the entire population, and 41% of deaths by attack were of women.”

Is it not true then, that the entire world knows that mass deaths—some say of up to 600,000 refugees in eastern Zaire—occurred during the Zaire war of 1996-97? Is it not true that the entire world knows that Rwandan Defense Minister Paul Kagame has admitted the role of his troops in such murders, not as the haphazard results of fierce battles, but as a point of strategy, or, as the *Washington Post* said in a front-page headline on June 9: “Massacres Part of Strategy in Zaire War”?

But what have been the consequences to Rwanda and Kagame of this truth? The answer is, “none.”

Since 1994, it has been the policy of the Western governments to label every Rwandan Hutu as a “genocidalist,” in reference to the mass deaths of both Tutsis and Hutus that occurred inside Rwanda in the aftermath of the murder of Rwandan President Juvenal Habyarimana.

In contrast to this stance, Kagame’s confessions have been met with impunity. To the contrary, his confessions have acted to make the entire world complicit in the genocide itself.

Despite Kagame’s admissions, the British Privy Council continues its sponsorship of the Kigali regime, as a subsidiary of its key bastion in the region, Yoweri Museveni’s Uganda. International Development Secretary Clare Short, in Kigali in October, declared that “Britain will continue to work in partnership with the Rwandan government to rebuild the country. This will also benefit many beyond its borders—economic and political stability in East Africa go hand in hand.”

Even in the United States, Kagame continues to be hailed by some as the epitome of the “new leadership” for Africa—along with his comrades-in-arms, Ugandan dictator Museveni, Burundian dictator Pierre Buyoya, Congo dictator Laurent Kabila, Ethiopian dictator Meles Zenawi, and Eritrean dictator Isaias Afwerki.

At a seminar on Nov. 21 on U.S. Policy toward the Great Lakes region held at Henry Kissinger’s Georgetown Center for Strategic and International Studies, U.S. Ambassador to Rwanda Robert Gribben defended Kagame as one of the “new leaders” in Africa, who “recognized that the international community had not come through, and have taken matters into their own hands. . . . This is good for the region, because

it represents Africans taking responsibility for the problems of Africa. We weren’t doing it.” Later, in the same vein, Gribben quoted Museveni, that “the time to look to outsiders is past.”

In short, no matter what atrocities Kagame may confess to, it a “positive development,” to use Gribben’s phrase, that Kagame and his cohorts are in power in East Africa. Gribben has played the role of apologist for the RPF, ever since he took the ambassadorship in Kigali, after Kagame forced the removal of Ambassador David Rawson. In November 1996, Refugees International demanded Gribben’s recall, for his lying representations that “all the refugees” had returned to Rwanda, after Laurent Kabila stormed the Magungu camp, forcing back about 600,000 refugees—or no more than half the total number in Zaire. Acceptance of Gribben’s figures resulted in the calling off of the proposed multilateral force intervention into eastern Zaire, thus leaving the remainder of the refugees to the mercy of Kagame’s troops.

Who is Paul Kagame?

Kagame’s continued respectability in the eyes of the international community leads to a second question: Is it the case that Kagame, as with his close friend and mentor Yoweri Museveni, was chosen by British intelligence for his role as leader of the RPF, and protected in that role, *for the precise reason that he has proven himself to be a ruthless mass killer?* A short examination of Kagame’s short but stunning career permits the reader to answer the question himself. The reader should be forewarned, however, that many of the sources for this profile of Kagame are unable to speak openly; although most of what is put forward is already in the public domain.

Kagame was a member of the group of Rwandan Tutsi exiles whose parents had fled to Uganda in the late 1950s and early 1960s, in the wake of the so-called Hutu revolution in Rwanda. Kagame’s family came to Uganda in 1959, when Kagame was four years old, and he was raised in the Nshungerezi refugee camp in southern Uganda by his mother, after his father died. As a young man, he began orbiting in the circles of Fred Rwigyema, who met up with Museveni in 1976 in Tanzania during the bush wars against Ugandan dictator Idi Amin. When Museveni took to the bush again in 1980, to begin his campaign against the second Presidency of Milton Obote, the young Rwandan exiled youth became a key component of his National Resistance Army, and Rwigyema was a top commander of the NRA.

Kagame was a leading figure in Museveni’s military intelligence even during the days in the bush. After Museveni seized power in January 1986, Kagame became deputy director of the NRA’s military intelligence apparatus, specifically its secret police apparatus inside Uganda.

“Kagame was deputy director of military intelligence,” explains one diplomat who was posted in Kampala at the time, “but, in reality, he was the real boss, because Museveni had greater confidence in him than in anyone else. He was thus

the most powerful person in military intelligence, and was in charge of counterintelligence and domestic security.”

In their role as henchmen for the NRA in between 1986 and 1990, when they “broke away” to invade Rwanda, men who are today top commanders of the RPA wracked up a record of atrocities:

- *The murder of Andrew Kayiira*: All through Museveni’s years in the bush, he had worked in an uncomfortable alliance with the Ugandan Freedom Movement of Andrew Kayiira, and the UFM had played a key role in bringing the

Kagame’s continued respectability in the eyes of the international community raises a question: Is it the case that Kagame, as with his close friend and mentor Yoweri Museveni, was chosen by British intelligence for his role as leader of the RPF, and protected in that role, for the precise reason that he has proven himself to be a ruthless mass killer?

National Resistance Movement to power. Once in power, however, Museveni was not interested in sharing. It is believed that he ordered the assassination of Kayiira. Kayiira was killed in March 1987, and his movement began to fall apart soon thereafter. As director of military intelligence, Kagame would have supervised the assassination plan; certainly, say Ugandans, it could not have occurred without his imprimatur also.

Kagame himself was the overseer of Basiima House, the torture palace of the Museveni regime, until 1990. Political opponents of the NRA regime were illegally detained without charge at Basiima House, Ugandans report. One opponent was detained there for three and a half months, and told *EIR* that he was personally interrogated by Kagame. “There was no public accountability for these people,” he explained. “At any one time, there would be 25 to 40 people at Basiima House. Most people were badly tortured, and many were killed. About four to five people died there every day.”

Kagame’s chief henchman at Basiima House was Jackson Nvisa, a leading commander of the RPA who was implicated in massacring Rwandan Hutu refugees in Goma and Kisanjani, Zaire. Before that, he was implicated in the murder of the Roman Catholic archbishop of Rwanda and other bishops in spring 1994 in Gitarama, Rwanda. He was also named as the first Rwandan ambassador to Nairobi, Kenya, but was

expelled from the country after the murder of leading Rwandan Hutu refugees. Nvisa retains very close ties to Kagame to this day, say sources.

Other leading commanders of the RPF left behind terror-legacies. Colonel Zaramba, a commander of the RPF, was named as being responsible for the shocking Mukura Railway incident in 1989. In this atrocity, hundreds of rebel suspects were herded into railroad cars and a fire was set under the cars. More than 50 people died of suffocation. When the courts attempted to bring the Museveni government to account for the atrocity, the NRA claimed that RPF commander Zaramba was now in Rwanda (with the RPF invasion), and nothing could be done. The current minister of health in Kigali, Dr. Karemera, was the overseer of the famous Luziro Prison in Uganda, where, many Ugandans say, he injected incarcerated political suspects with the HIV virus.

- *The murder of Fred Rwigyema*. In October 1990, the Rwandan Patriotic Front, which had been organized in Kampala, broke out with a section of the Ugandan Army to invade Rwanda. In the first heat of battle, RPF commander Fred Rwigyema was killed. At the time of the invasion, Kagame was undertaking army training at Fort Leavenworth, Kansas, as an officer of the Ugandan Army. RPF leader Fred Rwigyema had originally been slated to go, but he held back to lead the invasion against Rwanda. Kagame’s length of stay at Fort Leavenworth was two months. Upon his return, he found that Rwigyema had been killed at the front.

The story goes in Kampala, that Rwigyema was murdered by RPF leaders Dr. Peter Banyingama and Major Bunyenyezi. The issues of the internecine warfare were twofold: Rwigyema wanted to wage a protracted “people’s war” against the government of Juvenal Habyarimana, whereas other RPF leaders wanted a full blitzkrieg attack against Rwanda. Secondly, Rwigyema had no ambitions besides bringing back Rwanda’s Tutsi exiles; Banyingama et al. were arguing for carrying out the Museveni-British plan of using the RPF-seized Rwanda as a springboard for moving into eastern Zaire. It is suspected that upon his return, Kagame had Banyingama and Bunyenyezi themselves killed, for their assassination of Rwigyema, who was extremely popular among RPF troops.

Whatever the true story may be, Kagame rose quickly to become the strongman of the RPF, a title he has never relinquished. And he carried out London’s plans, under the direction of Yoweri Museveni. The first blitzkrieg into Rwanda was stalled in 1990, after the French government sent in troops to defend the Habyarimana government.

Between 1990 and 1994, when the RPF marched through Rwanda to seize Kigali in the immediate aftermath of the murder of Rwandan President Habyarimana, Kagame is known to have travelled frequently to London. In June 1994, even before the RPF took Kigali, it is reported that Baroness Lynda Chalker, the patroness of Yoweri Museveni, visited the RPF headquarters in Byumba, from Kampala. According to one knowledgeable source, the RPF had British military

officers advising them on the spot.

- *The murders of Melchior Ndadaye and Juvenal Habyarimana.* While a full analysis of the bloodletting that left up to 1 million dead in Rwanda in the spring-summer of 1994 cannot be accomplished here, among the key events that led to such mass murders were the murders of the first elected President of Burundi, the Hutu Melchior Ndadaye, in October 1993, and the murder of Habyarimana on April 6, 1994, which sparked the mass killings in which Hutus and Tutsis were targeted alike.

In both these murders, knowledgeable sources say, Kagame was involved as a co-conspirator, along with Museveni. From 1993 onward, the RPF was engaged in negotiating the so-called Arusha Accords, which were supposed to arrange a power-sharing agreement between the RPF, the Habyarimana government, and the opposition political parties, under the auspices of the United States, with France, Belgium, and the United Nations. According to one source involved in negotiating the accords, in August 1993, when Museveni and Kagame realized that the arithmetic would not favor the RPF, they began agitating for the overthrow of Ndadaye in Burundi.

In October 1993, Ndadaye was hideously murdered, in an attempted coup by the totally Tutsi Burundian military. Even sympathizers of the RPF acknowledge that the murder was “handwriting on the wall” for many Rwandan Hutus, and was a major factor in the bloodletting that followed, with the shock of the murder of Habyarimana.

Habyarimana, multiple and well-placed sources say, was murdered at Kigali airport by Ugandan forces on site. Here, the reasoning was that any compromise worked out with the Habyarimana government would spoil the next phase of the Rwandan plot: the use of Rwanda as a springboard against Zaire—the mission Kagame zealously undertook.

Further, many Rwandans believe that the mass deaths in Rwanda were pre-calculated by Kagame, as necessary to the RPF’s full and total seizure of power, and the stampeding of Hutus into Zaire. As Gerard Prunier relates in his book *The Rwanda Crisis: History of Genocide*, “During the brief occupation of Ruhengeri town by the RPF in January 1991, an old Tutsi man had remarked to one of the young guerrilla fighters, who had come to ‘liberate’ them: ‘You want power? You will get it. But here we will all die. Is it worth it to you?’ ” Or as another Tutsi survivor of the bloodletting in Rwanda in 1994 said, “Kagame has delivered us unto death.”

- *Murder of Ngandu Kisase.* In a retake of the stories given out on the death of Fred Rwigyema, André Kisase Ngandu, the key military leader of the Alliance of Democratic Forces for the Liberation of Congo-Zaire, was killed in an ambush. However, according to sources in the anti-Mobutu opposition, Kisase was killed by his own bodyguards, with the backing of the RPF, in order to clear the way for marionette Laurent Kabila to take over the ADFL.

Kisase and Kabila had already had a falling out; and Kabila, who was the mere spokesman for the Alliance, charged

that Kisase was trying to throw him out. The major issues, however, were Kisase’s opposition to the Tutsi domination of the ADFL, in which they held all the key posts, and as *La Libre Belgique* put it in an article on May 1, “the pillaging of Kivu’s resources for shipment to Rwanda.”

In December 1996, two of Kisase’s bodyguards were killed, and Kisase barely escaped with his life. Soon after this attempt, Kabila announced the reorganization of the internal security forces of the ADFL, placing Jacques Nizza, a major of the Rwandan Patriotic Army, in charge. On Jan. 6, under protest, Kisase went on an inspection tour to Beni and Bunia, with his security organized by Nizza. Kisase was reportedly then killed at the entrance to the Virunga Park, by Lieutenant Celestin, a Munyamulenge and the number-one security man in the convoy. Celestin was killed in the firefight that followed.

However, in the fray, Kisase was successfully and permanently done away with, and Kabila took over, giving the effective command of the ADFL over to the RPA. Kagame admitted to the *Washington Post*’s John Pomfret that James Kabari, who emerged as the senior commander of the ADFL, is actually an officer of the Rwandan Patriotic Army. “He’s been assigned to help the Army of the Congo,” Kagame told Pomfret, less than a month after Kabila took over Kinshasa. “He’s been requested to organize the Army, training. He’s one of many able commanders we’ve had.”

Help from friends

Kagame’s Rwandan Patriotic Front continues to enjoy respectability in most Western capitals, due not to any merit on its own part—although, happily for the international bankers and the International Monetary Fund, the Kagame government has recently pledged that it will pay all the old debts of the Habyarimana government before it. Personally, the grisly record of Paul Kagame is that he will not shrink back from killing any and all who stand in the way of his attaining and expanding power. Kagame himself, who frequently lashes out at the United Nations, who has managed to expel non-governmental organizations from Rwanda so that his forces can murder Hutu civilians under a cloak of silence inside the country, may believe that he is carrying out mass murder on behalf of “the security of the Tutsis.” This is delusory on his part.

Kagame only enjoys international respectability insofar as his masters at the British Privy Council—aided by the likes of Robert Gribben or Roger Winter of the U.S. Committee on Refugees, who delivered the Rwandan Hutu refugees to Kagame in November 1996—find him useful in carrying out *their* mission: the destruction of the nation-state in Africa; the mass murder of its civilian farming populations; and the hurling back of Africa into a *terra incognita*.

Kagame’s remorseless confessions so far have borne no consequences. It would appear, then, that to bring Kagame to justice, requires the thorough exposure of his masters.

What it will take to bring peace and development to Burundi

Mr. Sendegeya is the vice president of the National Council for the Defense of Democracy (CNDD) in Burundi. He was interviewed by Uwe Friesecke in October, and his answers have been translated from the French. For background on the political battle going on in Burundi, see EIR, Oct. 31, pp. 40-47.

EIR: Why is the CNDD fighting the current government of Pierre Buyoya militarily, through the FDD [Forces for the Defense of Democracy]?

Sendegeya: It is Buyoya, his party, and the Army that made the Oct. 21, 1993 coup attempt, and then completed it materially on July 25, 1996. In actual fact, the coup d'état succeeded because of the Government Convention. The authors of the 1965, 1969, 1972, 1988, and 1991 genocide and President [Melchior] Ndadaye's assassins are still in control of the state. In these conditions, it is impossible to restore democracy, build the rule of law, or set up a fair, sound justice system.

In order to rule, the military-civilian oligarchy in power since 1966 relies on a monoethnic army trained to kill anyone who challenges the system, and on a police force and a magistracy designed for oppression.

Since the coup d'état of Oct. 21, 1993, we estimate some 200,000 people have been killed, at least 190,000 of them—mainly Hutus—by bayonets wielded by the government Army.

Buyoya, since his return to power, has set up Nazi-style concentration camps in which, according to the World Health Organization's report, 1,000 people are dying every day, all of them Hutus.

The international community, especially neighboring countries, has ordered Buyoya many times to reinstate the National Assembly and political parties, to unconditionally open peace negotiations with all parties to the conflict, and to dismantle the concentration camps. The National Assembly was not reinstated, contrary to popular belief, because the Constitution of the republic was abolished. A parliament cannot function without a Constitution. Moreover, for reasons of permanent insecurity concerning their personal safety, more than half of the parliamentarians are in exile abroad. A quorum cannot even be reached. Political parties are still forbid-

den to deploy out in the country and talk to their activists. Since the agreement for negotiations was signed on March 10, 1996, by delegations of the military junta and the CNDD, negotiations have been deadlocked.

EIR: Is the CNDD a Hutu movement? Some say the CNDD and the FDD are dominated by Hutu extremists, who only want revenge.

Sendegeya: The Hima Tutsi oligarchy, in power since 1966, always attempts to ethnicize the Burundian conflict, in order to claim that there is a hypothetical "Hutu danger." It is true that, during these 30 years in power, the conflict has been ethnicized, because of systematically organized genocide against the Hutus.

But in the Frodebu party [Burundi Democratic Front] and CNDD, we intend to prove—and we have done so—that the Burundian conflict is rather a political one, upon which the military-putschist rulers try to stick an ethnic label. All Tutsis cannot accept responsibility for crimes committed against the Hutus; responsibility lies with the Hima military-civilian oligarchy that is in power. The proof of this is that in 1972, and again in 1993, when these Himas decimated the Hutus, they also went after those Tutsis who disagreed with their policy.

Tutsis such as Amédé Kabugubugu, Pierre Ngunzu (ex-ministers); Thadée Sindayigaya, former general director of the Presidency; administrator Gikoro; Commissioner Zacharie, and many Tutsi military men and students were killed by the Army in 1972. In 1993, the Hon. Gilles Bimazubute (vice president of the National Assembly), Englebert Sentamo (governor of Karuzi), Emille Ndayishimiye (director of the Rumonge oil-works), Sebwanza (high school teacher), and, later on in 1996, Lieutenant Colonels Nzeyimana Dieudonné and Zihabandi Cyrille—all of them Tutsis—were killed by this oligarchy in power.

And, don't forget the last King of Burundi, Ntare V, and his friend Emmanuel Biha. I myself have been in exile since 1994. I am a Tutsi, but I had to flee from the Army. Others Tutsis are also in exile, they are all leaders of the Frodebu-CNDD. I will mention Léonce Ndarubagiye (former governor of Gitega), Joseph Ntakarutimana (parliamentarian, for-

mer governor of Ngozi province, and former diplomat), the late Stanislas Kaduga (deputy), Jean-Marie Ngendahayo (former foreign minister), and his brother Déo Ngendahayo, and Mohamed Rukara (regional representative of the World Islamic League).

So, the CNDD is not a Hutu movement, and much less an extremist Hutu movement. All the Tutsis I mentioned, except for the Ngendahayo brothers, are founding members of the CNDD and are part of the leadership. I myself am vice president of the CNDD.

We do not seek revenge, but we think the Hima dynasty must come to an end, in order for democracy and justice to flourish for all. As you know, the Hutus in Burundi make up over 85% of the population, and they have suffered from the Hima oligarchical system more than we Tutsis. It is quite normal that they should outnumber Tutsis in the CNDD. That is natural. If you try to make a revolution, like the one we are building, without Hutus, you will never succeed. But it is not a Hutu movement. It is open to all Burundians, whatever their ethnic group, who are fighting for the ideals I spoke of.

Besides, those who say it's a Hutu movement, do so purposefully. They push this sensitive issue in order to maintain division. In 1961, when the first pluralist elections took place in Burundi, Prince Louis Rwagasore and his party, the Uprona, won with over 80% of the votes. Rwagasore was a Tutsi, but the Uprona was never said to be a Hutu party, even though it was because of the Hutus that he won with such a wide margin.

The Frodebu is said to be a Hutu party, and the CNDD as well. Is it because the presidents are Hutus? And if I am elected president of the Frodebu or the CNDD tomorrow, will they then become Tutsi?

EIR: How did you become the vice president?

Sendegeya: I have been a member of the Frodebu National Executive Committee since it went underground, and I was responsible for propaganda and recruitment. I then became Vice General Administrator of National Documentation and Migrations, and then vice president of the National Assembly, before leaving the country. So, I am not unknown to Burundians, and the esteem they have for me is unquestioned. When the election of the CNDD Executive Committee took place, I had no trouble getting elected to the number two position. . . .

EIR: Frodebu was the party which won the elections of 1993. When and why was this party organized, and who took the initiative for it?

Sendegeya: The Frodebu was created clandestinely in July 1986, at the initiative of a group of 20 people. At that time, other political parties opposed to the sole party in power existed, but operated from abroad, which explains their ineffectiveness in mobilizing the masses. The Frodebu was born

and developed inside the country. Faced with bloodthirsty military dictators, Burundians could no longer remain passive. The dictatorial shift of the rule of Bagaza, who was also attacking the Church at the time, as well as the bad relations he had created with neighboring countries, were the tripwire for those who were thinking about building a better future for Burundi and Burundians.

EIR: Would you say, that today, the CNDD represents the heritage of the late Melchior Ndadaye and Frodebu?

Sendegeya: Yes, unquestionably. I told you how Mr. Ntibantunganya and a small group of Frodebu cadres were misled into signing the Government Convention, which meant de facto sanctioning the Oct. 21, 1993 coup d'état. He was disowned by all the people who had voted for the Frodebu. These people massively joined the CNDD in the struggle to save the Frodebu's achievements and, thereby, Ndadaye's heritage. . . .

If we were to decide today to transform the CNDD into a political party and to leave the Frodebu label to the Ntibantunganya group, I don't know that Frodebu would even make it to 10% in the elections. In other words, the CNDD saved the Frodebu from otherwise certain disappearance.

Today, because we have taken up arms, the military junta is forced to negotiate, and international opinion is not as indifferent as it was, concerning the Burundian problem.

EIR: What did the election of Ndadaye as President of Burundi in 1993 mean for the country? And why was he assassinated?

Sendegeya: The election of President Ndadaye in 1993 meant a great deal for our country. For the first time in Burundi's history, a Hutu has been elevated to become head of state, by the people themselves, Hutus and Tutsis together. For once, for the first time since 1962, the people had exercised their sovereignty to elect their own leaders. As for us Tutsis who had been with Ndadaye up to his victory, we had proved to the Burundians that a Hutu could also lead the country, and that the idea of the so-called innate qualities allowing only Tutsis to rule, was just an invention of the colonizers, who sought to divide and conquer. Unfortunately, this Darwinian thesis was developed by a prelate who had come to preach God's word.

The election of Ndadaye and the Frodebu victory was a victory for all those thirsting for peace, freedom, and justice. His assassination thus inevitably led to revolt and a generalized uprising. He was killed simply because he was a Hutu. That is unfair and intolerable.

EIR: How do you see the conflict between Hutu and Tutsi? What is the historical reason for it, and why, to this day, does it take such a violent form?

Sendegeya: This Hutu-Tutsi conflict is a stupid conflict,

This Hutu-Tutsi conflict is a stupid conflict, but one which is wittingly kept going by a handful of individuals, for whom power means only their own interests. . . . It is incomprehensible and absurd for Burundians, especially among the Tutsis, to let themselves become hostage to such a suicidal ideology.

but one which is wittingly kept going by a handful of individuals for whom power means only their own interests, and not those of the nation or the Burundian people. It is incomprehensible and absurd for Burundians, especially among the Tutsis, to let themselves become hostage to such a suicidal ideology.

I have repeatedly said that if the Tutsis would only give up their boundless, pretentious claim to being God's elected people, the Hutu-Tutsi conflict would disappear by itself. Provided, of course, that a healthy democratic system is set up, in which all Burundians, irrespective of ethnic or regional considerations, have the inalienable right to participate in running their country, through free, transparent, one-man-one-vote elections. Unfortunately, there are some Hutu grouplets who think in terms of vengeance. They make themselves heard through a party called the Palipehutu (Hutu People's Liberation Party). They are as backward as the Tutsis ruling in Bujumbura.

In Rwanda, the Hutus took power in 1959-60, to reject the Tutsi monarchy, but, regrettably, they set up an exclusively Hutu power. We see the price they paid for that today.

I think that no well-advised politician would favor solving the Hutu-Tusti conflict with vengeance. A lasting, acceptable solution involves democratizing the system of government and the administration of the country.

The historical reasons for this conflict are well enough known. There were age-old inequalities between Hutus and Tutsis, that colonialization strengthened. But it appeared that these inequalities would be settled by Prince Rwagasore on the eve of independence. Unfortunately, after he was assassinated on Oct. 13, 1961, the Tutsis became ethnically intolerant, fed by their arrogance and ridiculous pretensions of being superior to the Hutus, which led the Hutus to revolt. But, how intolerance can go so far as to physically exterminate an ethnic group, is simply not comprehensible and revolting for any honest man who believes in God and in universal morality.

Even if the Hutus were the only ones to be the object of this intolerance, the consequences of it should jolt any honest person. That is why the Tutsis in the Frodebu allied with the democratic Hutus to change the situation. Since the peaceful approach had failed, we had no other choice but to resort to fighting.

EIR: What led to the genocide of April 1972?

Sendegeya: Again, it is this spirit of intolerance and of doing away with the other ethnic group by fire and sword that led to the genocide of 1972. Because, had there been Hutus who rebelled, they should have attacked the Army and other oppressing forces (gendarmerie, armed Tutsi militias), and not peaceful citizens, including children. By the same token, the Army and the police had no reason to massacre hundreds of thousands of Hutus throughout the country, when the rebellion launched from outside had only hit three or four villages in the south of the country.

We must say "no" to this universal intolerance and leave honest citizens in peace. That is why I have always rejected both Tutsis and Hutus who peddle intolerance. Fortunately, more than 90% of the Burundians loathe this ideology. But the Tutsi group preaching it is very well armed, militarily. Democratic Hutus and Tutsis who reject this ideology, must get organized to defeat all types of extremism.

EIR: Was there really a premeditated plan for killing so many people?

Sendegeya: When I analyze the facts, I can state today that there *was* a premeditated plan to exterminate part of the population. In fact, there were also unsettling things that happened just before the 1972 events and which, apparently, served as an alibi for what was to come.

First of all, at the end of March 1972, when the last monarch of Burundi, Ntare V, was in Uganda to sign a trade agreement, Foreign Minister Arthémon Simbananiye and Burundi's ambassador to Dar es Salaam, Mr. Mangona, quickly went to Kampala to arrange with Idi Amin Dada for Ntare V to be arrested and extradited, in exchange for a similar fate for Milton Obote (who was to be invited for a visit by his former counterpart and friend Michel Micombero, then handed over in the same way to Idi Amin Dada). On March 31, the government said that ex-King Ntare was preparing an attack against Burundi with mercenary forces. Today, everyone knows that Ntare had never in any way been associated with any attack on Burundi.

Second, whereas the state authorities said they were informed of the coming attack, Micombero dismissed his government on April 29, the day of the attack. That is incomprehensible: A government is dismissed or reshuffled in

order to replace it straight away by another one; but in spite of the April 29 attack, and subsequent disorder for two months or more, Micombero did not name a new government until July.

Third, on the day of April 29, Ministers Albert Shibura (Interior and Justice) and André Yanda (Information and Party) were in Rumonge (village where the events were to erupt that same day) to meet with administrative, military, and judicial authorities from Bururi Province.

The hypothesis that the government itself had financed the Mulélists (troops of former Congo chief Pierre Mulélé, opposed to Mobutu), in order to create disorder and finish off the Hutus, seems ever more plausible to me. This is pure Machiavellianism. How else could you explain the fact that, already on May 1, the ruling power went after those Hutus and Tutsis (Kabugubugu was killed on May 1) that it wanted to get rid of, without even interrogating them? Moreover, Simbananiye Arthémon, who is still living, never denounced the Hutu extermination plan named after him.

EIR: Who were the main perpetrators of those mass killings, and why were they never called to justice?

Sendegeya: The main instigators of the Hutu extermination are well known. The organizers and perpetrators of the massacres are also well known. They were not operating at night, but in broad daylight. These were provincial governors, commanders of military units, prosecutors, and court magistrates, the General Staff of the Army, etc. . . . Not to mention the “brains” behind it: Micombero, Simbananiye, Shibura, and Yanda.

Why were they never brought to trial? In Burundi, these people, even if they are no longer active on the political scene, remain very influential in the background. Those who have the power (Army, magistracy, security) are their cousins and nephews, who have been gradually groomed to take over from them.

The UN should have assumed its responsibility, as it did recently in Rwanda and in the former Yugoslavia; but we wonder what is behind UN indifference and complaisance in the Burundian drama.

We have the impression—history will tell whether we are right—that there has always been a foreign hand involved preventing the UN from acting. The most striking example is the UN investigation into the 1993 events, which was falsified, after an underhanded intervention by a member country of the UN Security Council that we know well.

EIR: Why have all attempts at a peaceful resolution of the conflicts in Burundi so far failed?

Sendegeya: There are two main reasons. First, the ruling Hima oligarchy sees peace negotiations as an inevitable loss of its monopoly of power, because once you have peace, you have to create a truly national army, police, and magistracy, which are now the three main pillars of the dictatorship.

Second, we demand an investigation into all the genocides and political assassinations committed since independence, in order to end impunity. The authors of these crimes are still in power or exercise great influence in the wings.

EIR: What role did the neighboring countries and their governments play over the years, in the Burundi conflict?

Sendegeya: Neighboring countries never really played a role, or, if they did, only in a biased way. Mobutu’s Zaire sent troops to help Micombero during the 1972 repression. Nyerere’s Tanzania, which greatly supported liberation movements in South Africa, Mozambique, Uganda, and elsewhere, did nothing to help the Burundians. Today, these neighboring countries are involved in seeking a solution to the Burundian problem. But as long as sentimentality, taking sides for or against a certain group, and the specific interests of each one of these countries prevail, our neighbors are likely to fail or to find merely cosmetic solutions.

EIR: How do you see the change of power in former Zaire and the rise of Kabila?

Sendegeya: Mobutu’s regime was a dictatorship that all Africa was ashamed of. He not only destroyed infrastructure and the national economy, but the very soul of the Zairean people. Everybody, and especially those Burundian democrats fighting against another dictatorship, prayed for the fall of that regime. However, we would have liked it to fall through the efforts of the Zaireans themselves, and they should have been helped to do it themselves. The fact that the regime was overthrown by foreign armies, which the Zairian people do not support and which they consider to be invasion forces of an ethnic group, removes the salutary, beneficial character from the changes that all Zaireans so much desired, and mortgages the future of the new regime.

This new regime has now realized that it has to confront several protest movements, both within the country—some of them are even armed—and without. To solidly establish power, it is obliged to borrow the same dictatorial methods as those of the former regime. The world is once again witness to the denial of freedom of assembly and freedom of press. Human rights violations are frequent.

Not to mention the genocide of Rwandan and Burundian Hutus, which will stick in the throat of this new regime forever. Foreign financial groups have now seized former Zaire’s wealth. For the people, the fall of Mobutu has only meant a new type of colonial conquest. But it is perhaps too early to pass judgment, even if the beginning seems worrisome. It is never too late to correct things. But, when international financial mafias are in the game—wait and see.

EIR: How do you, speaking for the CNDD, propose to arrive at a lasting peaceful resolution to the Burundi crisis?

Sendegeya: Although we were forced to resort to weapons,

we have always maintained that a negotiated settlement is preferable. We, in the CNDD, think that even if we achieve military victory, we will be obliged to call upon the defeated party to sit down with us at the negotiating table and find a political solution.

We want lasting peace. We do not want to chase our rivals of today out of the country. They would end up reconstituting a new force and again resort to armed struggle. We do not want our country to be perpetually at war. That is why, since 1994, we have said that negotiations are necessary. But the oligarchy in power is against that. So, we shall continue our struggle, and exerting international pressure to get them to negotiate. Such negotiations must target the fundamental problems of the Burundian people as a whole, and not the sharing of ministerial or leadership positions, as was the case of the shameful, humiliating Government Convention.

These fundamental problems were defined in the general negotiating agreement signed in Rome on March 10, 1996 by the CNDD and the government of Bujumbura. These involve:

1. Reestablishing constitutional and institutional order, which implies, above all, ending the coup d'état (including the effects of the Government Convention) and restoring democracy.

2. Reforming defense and security forces (Army, gendarmerie, and other law enforcement functions), which entails:

- merging forces present on the ground in order to have truly national forces that are representative of all components of the nation;
- depoliticizing these bodies;
- revising the laws governing them, and effectively separating the missions of the Army from those of the gendarmerie.

3. Reforming the magistracy:

- create conditions for an effective independence and for indirect control of abuses of such independence;
- make the magistracy a representative body for all components of the nation;
- reconsider the organizational code and judicial competence;
- revise certain measures in certain codes (criminal, labor, etc.) to bring them into conformity with Burundian customs and human rights;
- finally, and above all, eliminate impunity by creating an International Criminal Tribunal (composition to be agreed upon), to try crimes of genocide and political crimes committed since independence.

To these three fundamental problems, one should add the question of repatriation and reinsertion of refugees and persons displaced by war, and the definition of a system of democratic rule. As the Burundian problem is basically a political problem, which has received an ethnic label in order to justify the unjustifiable, we must avoid having Hutu-Tutsi negotiations leading to ethnic solutions. We should rather

orient solutions toward a system of democratic rule in which all ethnic components will automatically consider themselves integrated, without having to use ethnic arithmetic.

Perhaps, in the beginning, we should be somewhat more realistic, and move progressively toward the ideal system we propose.

EIR: What has to change politically in the Great Lakes Region to promote a peace process for Burundi?

Sendegeya: First of all, we have to create conditions for peace, within and outside each country in the region. In other words, each country must undertake a real process of national reconciliation, and eliminate, in this way, hotbeds of internal conflict. This involves a great effort to get beyond one's personal problems and to put national interest above all. That does not mean that we should drop attempts to completely expose certain atrocious crimes that were committed here and there.

After this process of national reconciliation, we suggest that regional powers hold a conference to study the process of regional integration, which might lead to the creation of a politically and economically viable type of federation. This should be complemented by a kind of round table with foreign countries and organizations, with a view to financing a Marshall Plan, allowing the newly federated states to establish their economies on solid ground.

But, given the present situation, our politicians must commit themselves to a new nationalism and to the sovereignty of our peoples over their wealth. Otherwise, there will be plenty of interference, to try and sabotage our projects, or to eat away at the future federal construction. The charted course may be long, but it will depend on our common will. If all be willing to engage on this course, we should be able to promptly begin solving our internal or border conflicts, and then to address common security considerations, by forming a federal Army under unified command.

In all possible cases, and this is true for all underdeveloped or developing nations, it is indispensable to redefine our economic and political relations with the major powers. Let us not forget that the two world wars were caused, among other things, by unbridled competition on markets and international resources. What we see today cannot help but worry us.

EIR: The CNDD negotiated with the Buyoya government in Rome. Was this successful?

Sendegeya: In Rome, we signed a draft agreement for negotiations, whose highlights I mentioned, and these should be on the agenda of the negotiations as such. This draft agreement stipulates that, once hostilities have ended, other negotiating partners will be designated.

Today, these negotiations are blocked for the following reasons:

1. The Bujumbura government violated the secrecy con-

vention by using this preliminary agreement to get the embargo lifted. This was frustrating for us, and we decided to make it known to everyone, because otherwise, it could have been used against us. The government was going to profit by it and then stall the real negotiating process.

2. The Tutsi extremists in Bujumbura want nothing to do with negotiations. They put forward two pretexts, but we know that their hidden reasons are linked to two concerns:

- To prevent Hutus from effectively participating in the administration of public affairs and all other sectors of our national life, which would have been the logical outcome of negotiations;

- Among the extremists are to be found all those criminals guilty of the genocides and political assassinations that this country has known since 1965, and who fear that such negotiations will put an end to their impunity.

3. the present government acts in bad faith.

Mr. Buyoya, who himself promulgated the Constitution of the Burundian Republic in March 1992, after it had been adopted by referendum, then abolished it on June 25, 1996, and does not want to reinstate it. Besides the fact that this shows unacceptable contempt for the population, it also reflects an obvious determination to prevent the functioning of the National Assembly and political parties. If a revision of Constitution should prove to be useful, it would first have to be reinstated, and then, together, we could examine the advisability of revising it, and what to revise.

1. It was agreed that all known genocide and political crimes committed since independence would be identified and tried by an International Criminal Tribunal, but he violated this clause of the agreement more than twice.

He applied to the UN secretary general to set up a tribunal which would judge the so-called genocide of 1993, which the Frodebu was accused of perpetrating. In this way, he hoped to short-circuit the agreement that speaks of all genocides and political crimes—including the assassination of President Ndadaye—committed since 1962.

2. He assigned Burundian courts to judge those presumed guilty of the 1993 massacres, even though those courts were rejected because of their partiality by the great majority of Burundians and by international human rights observers in Burundi. The death sentences pronounced and executed last month were condemned in form and in substance by the entire international community.

3. The international community has demanded that Buyoya dismantle the Nazi-style concentration camps that he had created throughout the country, but he refuses to do so. This goes against the agreement signed in Rome, in which both signatories committed themselves to behaving in such a way as to advance negotiations.

4. To protect unadmitted interests, certain groups oppose, in an almost conflictual way, the Rome process, and the Arusha process directed by ex-Tanzanian President Julius Nyerere.

In our opinion, these two processes are not mutually exclusive, but rather complementary. But these groups think we are going to negotiate power-sharing in Rome, and they want to woo Nyerere and the leaders of our sub-region into helping them gain power. They are wrong. The CNDD intends to negotiate the terms of a truly democratic rule, which will call the population to go to the polls as soon as hostilities have ended, so as to choose their own leaders at all levels.

EIR: What about the new initiative of Julius Nyerere to mediate in the Burundi conflict?

Sendegeya: As I said, it is a praiseworthy initiative. But it should not exclude the other process, just as praiseworthy, which began earlier and was further advanced. The two are complementary. We only demand that both mediators be impartial and avoid taking sides.

EIR: Knowing the problems of your region very well, what advice would you give to the U.S. government and members of the U.S. Congress, as to how American foreign policy could promote peace and democracy in Burundi and the neighboring states?

Sendegeya: As the leading world power, the United States has the possibility and the means to promote peace and democracy in the world, and therefore, in our Great Lakes Region. But, for that, the government and the American Congress must listen to all political actors, in order to better discern our problems. Today, our problems are treated with discrimination and partisanship in American circles. The versions presented by some are taken as Gospel truth, whereas what others say is discounted. That is due, in my opinion, to the multitude of decision-making centers in the American system (CIA, Pentagon, State Department, White House, Congress), whose interests and strategies may differ.

In any case, it is not in the interest of our countries, no matter who is in power, to block the interests of the U.S. or of other developed countries. We need their technologies, so it is desirable to have them on our side. It is through peace and security that our countries' interests will best be served.

We have legal instruments in our countries—laws on entering public markets—and if they are rigorously followed, they offer the best conditions for competition and dispel any fear of favoritism toward companies. In other words, we must fight against corruption coming from companies looking for markets or tapping rights, and have them enter into fair competition.

I am a manager, by training, and I admire the performance of American schools and companies in this domain. I think that if the United States engaged in promoting peace and security in our countries, as they did at home and in South Africa between whites and blacks, then American companies would have the opportunity to come into our

countries, in the interests of both peoples.

Poverty is also a source of conflicts in our countries, but it can only be overcome by bringing in technology. I detest the term "appropriate technologies," which barely hides the intention of foreign, including American, businessmen, to keep us behind in developing technology. Of course, things should be done, as much as possible, within the framework of mixed companies or joint venture projects.

EIR: How important is the economic development of Burundi and the region in such a peace process? What are the most urgent tasks for the economic development for Burundi and its neighbors?

Sendegeya: As I just said, poverty is one of the reasons for social conflicts which then turn into political conflicts. Burundians, like Congolese, Ugandans, Tanzanians, and Rwandans, do not have the high technologies to realize their many potentials. Businessmen do not have enough know-how. Most of our schools and universities do not have a curriculum for teaching international business and finance. We do not have prestigious diplomas for business administration, commercial higher studies, accounting, data processing, etc. . . . Scientific and industrial research is almost nonexistent. That is why our private sector is not developed and is not creating jobs. All university graduates and non-graduates go into the public function, which is oversaturated and otherwise paying unemployed people. That, in turn, has effects on the national economy, especially increasing inflation.

The IMF and the World Bank can introduce as many reforms as they wish in the Structural Adjustment Program, but the problems will remain, as long as our countries lack competent managers, and men able to create businesses and industries, to alleviate the public function and state companies. In present conditions, as long as the public function and state companies are the only milk cows, and lean at that, social injustice (tribalism, nepotism, favoritism) will persist on the job market, and will crystallize socio-political conflicts.

Just consider how much Burundi has spent since the 1980s and since 1994, for national defense, only to prepare for a war among children of the same country. It is absurd. Until 1990, Burundi's largest creditor for bilateral debts, was the former U.S.S.R. They did not loan one penny for development projects or for social aid; they only supplied arms used for self-destruction.

The most urgent objectives, to my mind, for Burundi's development and that of neighboring countries, are:

- Peace and security based on democratic rule (in fact, *sine qua non* conditions for them);
- Effective regional economic integration, gradually followed by political integration;
- Reform and reorientation of teaching curricula on the secondary and higher levels, to adapt them to the needs of

employment, production, markets, and managerial and technological know-how;

- Developing and encouraging scientific and technological research;
- Developing internal and transnational communications infrastructure, to facilitate commerce;
- Integrating agriculture and cattle-raising into an overall economic development program.

EIR: The American politician Lyndon LaRouche, together with the Schiller Institute and hundreds of parliamentarians worldwide, have called on U.S. President Clinton to organize a New Bretton Woods conference to establish a new, just world economic order. What do you think of this proposal?

Sendegeya: Since the gold standard system before the Second World War, and the gold exchange standard system set up at the Bretton Woods conference, at which time the IMF and the International Reconstruction and Development Bank were created, then again, until the international financial crisis prompting President Nixon to drop the dollar-gold convertibility in 1971, and bringing flexible exchange rates back into international trade, one thing has remained constant: International speculation is the root of the dysfunctioning of the international monetary system and, hence, of international commercial trade.

Several reforms of the IMF and the European Union have been attempted, but it is clear that increasingly exaggerated liberal orthodoxy has always inspired planned reforms of the Bretton Woods institutions.

We think that states, public authorities, while staying within the bounds of economic liberalism, must maintain their role as controllers and regulators, via Central Banks, and not give in to anarchistic speculation by financial groups and private industrialists. The results of this *laissez-faire* policy are borne by our populations and, ultimately, by states and their underlying political systems. Social crises with unexpected consequences can be sparked by them.

States cannot justify the catastrophe by taking powerful financial and industrial groups as scapegoats. States are vested with public authority. But even more serious, is that, in the name of these groups, the Bretton Woods institutions exert pressure on national leaders, and even challenge the sovereignty of states. I think that establishment of the new international economic order that certain people have wanted for more than a decade, is an urgent task. We should learn a lesson from what has happened on Asian markets these past few months, and in the Japanese banking system, which plays an important role in Third World development, and in international trade.

Some years ago, African countries had the idea of creating an African Monetary Fund. Asian countries, headed by Japan, have just brought up the idea of an Asian Monetary Fund. Perhaps Africans should join together with Asians to establish an African-Asian Monetary Fund.

Extraordinary Rembrandt exhibit under way

The exhibition is thrilling half a million Australians, who rejected a boycott call by a pornographic modern artist.

Beginning on Oct. 1 and continuing through Feb. 15, 1998, the most superb exhibition of Rembrandt's works ever assembled in one location, is now on display. Melbourne and Canberra are the host cities for a collection of 30 autographed paintings, 40 paintings of the Rembrandt "school," and dozens of etchings and drawings gathered from 58 of the world's foremost galleries and private owners.

Dr. Timothy Potts, Director of the National Gallery of Victoria (NGV) and Coordinating Curator of the exhibition in Australia, stated, "We are getting about one-tenth of all the surviving Rembrandt paintings. They cover the span of his career and all the major themes for which he is famous—biblical history, landscape, portraiture, and self-portraiture."

In addition, 13 of the world's most renowned Rembrandt experts, including Dr. Albert Blankert, the exhibit's Guest Curator, who is based in Holland, convened a two-day symposium to debate the issues of "Rembrandt attribution." As one art critic put it, "The current intense international scholastic debate about Rembrandt—about what is and what isn't a Rembrandt, and his influence on art—has never been more intense."

One of the most eloquent tributes to Rembrandt came from his contemporary, Constantijn Huygens, father of the mathematician and philosopher Christiaan Huygens. In 1630, Huygens visited the studio of the 23-year-old Rembrandt, and later remarked, "I want to say that Rembrandt's finest painting is one of the penitent Judas, returning the silver coins, the price of

the innocent Lord, to the high priest. This painting of Judas I would place on a par with whatever beauty has been created throughout the ages. I maintain that no one, be he Protogenes, Apelles, or Parthasius, ever conceived, or, were they to return to earth, ever could conceive what has been gathered in a single human figure and expressed in its totality by a beardless boy, a Dutchman, a miller's son. I say this in pure amazement. Rembrandt, I salute you!"

Rembrandt's mastery of light and shade, and his technical precision, make him a master craftsman, but it is his capacity to paint the "unpaintable" inner truths of the souls of his subjects—be they strengths, or weaknesses—which make him a true genius. This "painting between the brush-strokes," or, as the musical conductor Wilhelm Furtwängler termed it with respect to music, "singing between the notes," was particularly powerful in two of the paintings, "The Apostle Peter Kneeling" (on loan from a private collection in the U.S.A.) and "Monk Reading" (on loan from the Sinebrychoff Museum, Helsinki).

But, indicative of the prevailing cultural pessimism and the evil duplicity that reigns in the art world today, the NGV simultaneously sponsored a disgusting exhibition by the American photographer Andres Serrano, only a week after the opening of the Rembrandt exhibition.

This exhibition was eventually cancelled by Dr. Potts for security reasons, following the vandalizing of a sacrilegious photograph entitled "Piss Christ," which depicts a crucifix immersed in the artist's urine. The attack

that ruined that photograph was merely the finale in a series of earlier protests, including an appeal to the Supreme Court by the Catholic Archbishop of Melbourne, Dr. George Pell, through Her Majesty's Supreme Court, to try to ban the photograph. Also, an elderly man who was deeply offended, was arrested for trying to remove it from the gallery.

Serrano denounced the NGV and Dr. Potts, screaming, "I protest this spineless act by the NGV. I protest, I protest, I protest!" going so far as to call Dr. Potts a criminal. The satanic Serrano made an appeal to the Australian public to support his protest by boycotting the Rembrandt exhibition. Half a million visitors are expected to view the exhibition; as of Nov. 4, some 70,000 had ignored Serrano's "boycott" and treated themselves to a precious feast of unparalleled beauty.

Given his noted sense of humor, it is likely that Rembrandt, from his immortal resting place, is laughing insightfully at the attempted dirty trick. After Rembrandt's death in 1669, the art scholar Fillip Baldinucci wrote of his humor and his complete devotion to his work: "He was a first-rate joker and laughed at everyone. He dressed in tatty, dirty clothes in which he worked. When he was hard at work not even the foremost monarch on earth would have managed to be granted an audience."

Australia has often been accused of "having no culture." The British aristocracy which has dominated this country, has tried to keep it that way, whereby the average citizen believes his culture to be beer-swilling, corned beef and potatoes, and rugby. Today, Australia must search its soul to find those more noble qualities that will ensure the nation's continued existence through the present crisis. The public support for the Rembrandt exhibit, augurs well for that endeavor.

International Intelligence

Chubais clique downgraded in Russia

Three members of the Russian clique of radical free marketeers, grouped around Mont Pelerin Society-schooled First Deputy Premier Anatoli Chubais, have been booted out of the Russian government. On Nov. 15, President Boris Yeltsin fired Maksim Boyko as Minister of State Property and Pyotr Mostovoy as head of the Federal Bankruptcies Department. They followed Presidential Administration deputy chief A. Kazakov into disgrace. On Nov. 20, Chubais himself lost the finance minister's portfolio.

The pretext for this rout was a pay-off scandal, involving a \$90,000 advance from a publishing house, linked with George Soros's business partner Oneksimbank, to each of these officials, to co-author a book on privatization. The strategic setting is the explosion of the global financial crisis, onto Russia's highly speculative, fragile stock and securities markets.

Chubais was hailed as "finance minister of the year" by *Euromoney* magazine, in September, for his transformation of Moscow into a hot "emerging market." Explaining his decision to keep Chubais on as first deputy premier, Yeltsin said Chubais could maintain good relations with the International Monetary Fund and the markets. In point of fact, the IMF is withholding the latest installment of its credit line to Russia, citing poor tax collection, while sources in and around the Moscow markets expect an imminent collapse of the Russian short-term state debt (GKO) market. The Moscow stock trading index has already fallen over 40% from its August high.

The new Russian finance minister is Mikhail Zadornov, head of the Budget Committee of the State Duma (parliament), who left Grigori Yavlinsky's Yabloko movement in order to accept the cabinet appointment. During the past two months, Zadornov criticized the Chubais team's 1998 budget draft as "flawed," especially its revenue projections, based on the assumption of 2% growth in the Russian economy next year, which Zadornov called "absolutely unsubstantiated." On Nov. 21, the State Duma postponed a vote on the budget draft, once again, until Dec. 5. On Nov. 25, Yeltsin and Prime

Minister Viktor Chernomyrdin held what was described as an "emergency" meeting, on the status of over \$6 billion in wage arrears, to Russian state sector employees and the military.

OBE mis-educator Spady confronted in S. Africa

On Nov. 19, the U.S.-based inventor of the anti-cognitive "outcome-based education," William Spady, addressed 700 people at General Smuts High School south of Johannesburg, to help the huge push to install OBE in all South African schools. Spady got what can only be called "a learning experience," when he was greeted, in the middle of South Africa, by black and white parents and teachers protesting, with signs reading, "Spady, Hands Off Our Children," and "We don't Need Your OBE."

He was visibly taken aback when, at the end of his presentation, Schiller Institute member Phillemon Sekoatle delivered a scathing attack against Spady and OBE, to the cheers and support of many parents and teachers in the crowd. Sekoatle said that America "produced Alexander Hamilton, Henry Carey, Abraham Lincoln, and John F. Kennedy, and went to the Moon—all without the benefit of OBE—so why should anyone think it is of any use?" Further, Sekoatle said, he had been in the United States in 1993, and saw how OBE was actually brainwashing America's schoolchildren, and that in South Africa, it was being used as part of the government's plan to "right-size" schools, i.e., to cut back teaching staff.

Spady started defending the cutbacks (which have become a scandal), on the grounds that "the government has no money." Sekoatle retorted that the government has no money, because it is following International Monetary Fund strictures—"They cut the budget!" Spady then whined that, although OBE will definitely be implemented all over South Africa next year, he would be "taking all concerns about it to the minister of education, whom I am meeting tomorrow morning." Sekoatle concluded by telling Spady, "We don't need your OBE. You better pack your bag and go home."

Sekoatle and friends of the Schiller Insti-

tute have for the past several months carried out a campaign against OBE in the *Vaal Vision*, a newspaper which is widely read in the densely populated industrial area south of Johannesburg, the Vaal Triangle. That campaign resulted in 700 people coming to hear Spady, many of whom were there to oppose him.

French Socialists push Kabila model in Africa

The French Socialist Party organized a conference of African opposition leaders on Nov. 19, where the genocidal methods of Congo-Zaire dictator Laurent Kabila were openly touted as a model for African opposition movements, over the "democratic" paradigm. The conference theme was, "Electoral Strategy, or Armed Overthrow?" The five countries from which opposition leaders were present, were Ivory Coast, Guinea, Niger, Mauritania, and the Central African Republic.

Le Figaro reports that the idea of democratic change through the ballot box is increasingly rejected, quoting Alpha Conde of Guinea: "After all, here in France, democracy did not come peacefully. The French Revolution cut off many heads."

Nice words, for a conference organized by the ruling French Socialist Party!

The lone dissent was expressed by the opposition to Kabila in Congo-Zaire. "The leader of my party, Etienne Tshisekedi, should be here," Tshisekedi's representative said. "It is Kabila who forbade him from leaving Kinshasa. Those who think that Kabila made a war of liberation, are dreaming. Liberation is not achieved by weapons. If this is not true, the African continent will become uninhabitable."

Report 'enormous need' for food aid to N. Korea

Food aid makes "the difference between hunger and starvation" in North Korea, according to a team of American relief experts who returned in late November from a three-month fact-finding trip there. These experts found no diversion of food shipments to the

military, and no signs of discontent among the population due to food shortages.

Spokesman Michael Frank of the Catholic Relief Services told reporters that despite some difficulties the team had in getting access, or surmounting language and cultural barriers, they came away "with the strong conviction that there is an enormous need" for additional food shipments. Frank reported they witnessed "high levels of malnutrition," and heard reports of people taking desperate measures to survive, such as combing already-harvested rice fields to glean grains of rice to eat.

Frank said that "health services are the worst I've seen. I've never seen hospitals as empty [of medical supplies] as I've seen in North Korea. . . . Blankets are worn thin [and there is] no heating."

German daily hails China's 'new Silk Road'

"New Silk Road in China's Wild West" is the headline of a half-page feature in the German daily *Die Welt* on Nov. 19, written by Jane Macartney from Kashi, Xinjiang. The article focusses on the economic build-up in the northwestern Chinese province of Xinjiang. Where a thousand years ago, caravans were transporting silk, jewelry, and glass between China and Europe, today copper, steel, and other products are being traded. She quotes the head of the Xinjiang foreign office, Liu Yushen, saying, "We want to use the Silk Road. We want to rebuild the old trading route. For the moment, goods have to be shipped overseas, but once we have improved our infrastructure, we will be able to transport the goods on roads or railways. That would be much more rapid and comfortable."

The feature highlighted the fact that China describes "the 11,000-km-long road and rail network, being built right now to connect the Eastern coastal regions of China with Central Asia and ultimately with Europe, as the new 'Eurasian Continental Bridge.'" Once this is in the process of being built, goods could be transported overland from China via Russia, Belarus, Ukraine, Poland, and Germany, before reaching the harbors of Rotterdam and Antwerp.

Since the 1993 opening of the rail route through northern Xinjiang, trade has been increasing enormously. Container freight, for example, has tripled this year over last year. One day, Macartney writes, "the railways throughout the moving dunes of the Taklamakan Desert could meander up to Kyrgyzstan and towards the South," transforming the oasis cities in southern Xinjiang once again into major trading centers. Traders from northern Pakistan are quoted, expressing "an optimistic view of the future for the Silk Road." In China's Wild West, "pioneer traders and government officials are committed to secure the rebirth of the old route," she concludes.

BBC broadcast compares eco-fascists to Nazis

Two articles in the London *Guardian* on Nov. 26, carry hysterical previews of a BBC series, "Against Nature," exposing the environmentalist movement, that began airing on Nov. 30. Reviewer John Vidal labels the show's producers "intellectual cowards," for charging that "environmentalist" activists are "politically and socially akin to the Third Reich." The charges in the show, as the angry Vidal enumerates them, are that environmentalists "come from the same stock as Hitler and Goering; doom people to live in abject poverty; want misery to continue; peddle a system as pernicious as 19th-century imperialism," among others.

George Monbiot, for his part, is a bit more accurate, if also hysterical, writing that the series "argues that greens in First World countries are responsible for the deprivation and death of millions of children in the Third World. . . . In their callous disregard for human welfare and their fetishism of nature, greens, it maintains, are not merely conservative, but fascist, drawing their inspiration from precisely the same ideologies as the Nazis." He quotes from the broadcast's promo, which says that the show "highlights the absence of scientific rigor behind notions like the greenhouse effect and global warming." Monbiot doesn't like this one bit, and angrily tirades against it all.

PRINCE PHILIP, chief enforcer of the Club of the Isles, tried to wax *gemütlich* on his 50th wedding anniversary: "It has been a challenge for us but, by trial and experience, I believe we have achieved a sensible division of labour and a good balance between our individual and joint interests. . . . The main lesson that we have learnt is that tolerance is the one essential ingredient of a happy marriage. . . . You can take it from me that the Queen has the quality of tolerance in abundance."

LIONEL JOSPIN, France's Socialist prime minister is planning a spring meeting with President Bill Clinton, which is being set up by U.S. Ambassador Felix Rohatyn, according to the Paris weekly *L'Express* of Nov. 13.

HANS-DIETRICH GENSCHER, Germany's former foreign minister, wrote in a Nov. 19 commentary in *Der Tagesspiegel*: "The course which the 21st century will take, depends on the shaping of a world order, which is based on . . . cooperation and not on confrontation. Such a world order can not be imagined without the full partnership of China. . . . It is now Europe's turn, to make use, decisively, of the chances that were offered by the end of the Cold War."

TEL AVIV Mayor Ron Milo, the son-in-law of the late Menachem Begin, unveiled a plan on Nov. 17 to steal the Likud party out from under Benjamin Netanyahu, by recruiting a majority of the party's Knesset faction to split. He stressed that group was "to make sure that in the next elections the Likud will no longer be under Netanyahu's command."

MARIJUANA decriminalization was defeated in Australia's New South Wales by state MP Franca Arena, who cast the deciding vote against imposing lenient penalties for possession. "I vote according to my conscience," she chastised her fellow MPs. "Children will suffer as a result of your vote."

DOJ fraud embarrasses Clinton

by Lyndon H. LaRouche, Jr.

November 24, 1997

Mary C. Spearing, Chief of the Fraud Section of the U.S. Justice Department's Criminal Division, has issued a fraudulent, lying report, on the subject of the so-called "LaRouche Case." She has crafted the relevant letter in such a fashion as to imply President Bill Clinton's complicity in her hoax.

Her fraudulent report is being issued to citizens who have written to President Clinton, asking for my exoneration. Notably, if Mary C. Spearing had actually studied the case, as her letter implies this to be the case, she is lying outrightly. If she has not examined the relevant facts concerning the way a fraudulent indictment and prosecution was crafted, then, she is lying by virtue of reckless disregard for truth.

Worse, her Section itself played a key complicit role in the fraudulent prosecution in this case. Indeed, her Section played an important role in the crafting of what a final decision by the Federal Bankruptcy Court ruled, in October 1989, to have been a "constructive fraud upon the court," in setting up the fraudulent prosecution against me.

The following are among the outstanding elements of fraud in her letter.

1. She lied about the conviction

Exemplary of her lying is the flatly lying statement: "Six other defendants were also convicted of conspiracy and mail fraud in connection with a scheme to defraud lenders by promising to repay more than \$30 millions in loans and then failing to deliver on such promises."

When Federal prosecutor Kent Robinson, at sentencing, asked the court to accept the argument that the conviction in

my case involved "\$30 millions" in fraudulent loans, the judge repeatedly corrected Robinson, that the total amount involved in the case was \$294,000. Federal Judge Albert V. Bryan, Jr. also ordered a faulty probation report to be corrected, eliminating the "\$30 millions" figure. Mary Spearing lies, when she adopts Kent Robinson's fraudulent figure, "\$30 millions." Either she read the record, and is lying, or she is pretending to have read the record and is lying by virtue of reckless disregard for truth.

2. It was Mary Spearing's Criminal Division's prosecution which aborted loan-repayments by fraudulently bankrupting the debtor firms

On or about September 1986, the Criminal Division's prosecutors in both Boston, Massachusetts and Alexandria, Virginia, were engaged in deliberations on the subject of the desire to craft a "loan fraud" charge against me. It was their considered opinion in those discussions, that, since the debtor firms were continuing to repay the creditors who had issued "soft" political loans to the relevant firms, no loan-fraud charge could be brought successfully unless those firms were first shut down.

The record shows, that the Justice Department's active investigation of loan fraud began on April 21, 1987, the day after the Justice Department had brought a civil bankruptcy action, unlawfully and by constructive fraud upon the bankruptcy court, shutting down the three firms whose loans became the subject of the criminal indictment for conspiracy to commit loan fraud, submitted eighteen months later, on October 14, 1988. This civil case was conducted together with key Justice Department officials, who had been seeking to craft a loan-fraud indictment since a time prior to the Justice

Department's fraudulent bankruptcy initiative of April 20-21, 1987.

It becomes much worse, involving 1987 actions in the bankruptcy case by the same Federal Judge Bryan who covered his own complicity in the 1987 bankruptcy case, by means of crucial, morally corrupt and factually false pre-trial and in-trial rulings in the 1988 criminal case. The following are the most crucial features of the record on this account.

As the prosecution's pre-April 1987 discussions of a desired loan-fraud charge perceived, the entirety of the 1988 criminal case depended absolutely upon eliminating the debtor firms' ability to continue to repay loans, by shutting them down. So, as a part of its construction of the fraud upon the court in the bankruptcy case, the Justice Department not only created a case of first impression in crafting and executing its single-creditor bankruptcy-action, but it also put the firms immediately into receivership by receivers who shut down the firm's business operations. It was this action by the Justice Department which created the non-repayment of loans later used to bring the loan-fraud indictment!

When, immediately following the April 21, 1987 actions, representatives of the unlawfully bankrupted firms appealed to the Federal Court, the Federal Judge who refused to take actions which would have permitted the firms to operate, and to resume loan-repayments, was the same Judge Bryan who subsequently sat on the 1988 criminal case. Moreover, by means of his own pre-trial and in-trial rulings in the latter case, the Judge concealed his earlier role in refusing to act to protect the loan-creditors against the actions of the Justice Department's appointed receivers in the bankruptcy case.

The result of Judge Bryan's rulings, was to exclude from trial all evidence which would have exposed the fraud of the prosecution's indictment. Most glaring was his prohibiting the defendants from introducing the issues of the April 1987 bankruptcy, in which the Judge himself had played a crucial part, relative to the issues of the indictment. During the farce of a trial which resulted from the Judge's fraud upon the jury, by virtue of fallacy of composition effected through such means, the defendants were given no opportunity to have a hearing before the jury on the actually crucial issues of the indictment.

3. How the conviction was orchestrated

The government's own records show, that the so-called "LaRouche cases" had their inception in former Secretary of State Henry A. Kissinger's successful efforts to have his cronies on the President's Foreign Intelligence Advisory Board (PFIAB) launch a foreign-intelligence operation targeting me, in January 1983, under the secret-intelligence provisions of Executive Order 12333. That same month, the Justice Department, in the person of then-FBI Director William Webster, issued an order launching the FBI's part in this secret-intelligence operation. Vice-President George Bush's "Iran-Contra" drug- and weapons-trafficking operation, and

Lt.-Col. Oliver North personally, soon came to play a key role in this secret-intelligence operation against me and certain among my associates.

Already, by April 1983, into 1984, this operation under the secret-intelligence provisions of Executive Order 12333, became the largest, international intelligence task-force operation against a private figure in modern U.S. history. As former U.S. Attorney-General Ramsey Clark was to characterize the "LaRouche case" in later years, it "represented a broader range of deliberate cunning and systematic misconduct over a longer period of time utilizing the power of the Federal government than any other prosecution by the U.S. Government in my time or to my knowledge." There never was a criminal case, except that artficed under the influence of politically motivated actions by the relevant, corrupt sections of government. The notoriously racist top stratum of the Criminal Division of the U.S. Justice Department's permanent bureaucracy, centered around Jack Keeney and Mark Richard, has played a key part in this, from 1983 through the fraudulent letter issued by the Fraud Section Chief, Mary Spearing, recently.

4. What is wrong with Attorney-General Janet Reno

When the facts of the LaRouche case were presented to Attorney-General Janet Reno by former U.S. Attorney-General Ramsey Clark and attorney Odin Anderson, requesting investigation of documented wrong-doing by Keeney, Richard, et al., Reno adopted explicitly the fraudulent argument of Keeney, Richard, et al., and fraudulently dismissed the investigation on that pretext.

Few nations have worse present records for human rights violations than the U.S. government's continuing actions in condoning this nest of racist rascals inside the U.S. Justice Department's Criminal Division. Perhaps the U.S. should apply hard punitive sanctions to itself, until such time as it cleans up this nest of evil around such modern "Himmlers" as Keeney and Richard in the Criminal Division's permanent bureaucracy.

Why the Attorney-General allowed herself to be party to such an immoral act, is not entirely clear. What is clear, is that the Justice Department has put the White House in a very bad position. Apparently, the character of Mary Spearing's letter shows that Fraud Section of the Criminal Division is rightly named; it manufactures fraud. By circulating as many as hundreds of such fraudulent letters in reply to letters addressed to the President, the Justice Department, and the negligence of the White House correspondence staff, have created a major political, and moral embarrassment for the President personally, putting him in the position of either disowning such fraudulent letters publicly, or being viewed according to such appearances, as morally tainted, by the hundreds of thousands of citizens influenced by those who have written to the President personally on this issue.

Mayors warn of social crisis because of 'welfare reform'

by Carl Osgood

On Nov. 21, Philadelphia Mayor Ed Rendell warned that most cities in the United States will not be able to meet the job requirements set out in the 1996 welfare reform law, because of "a serious lack of available jobs in many cities." Rendell was in Washington, D.C. to present a 34-city survey conducted by the U.S. Conference of Mayors, titled "Implementing Welfare Reform in America's Cities," which requested information from cities on the impact of welfare reform.

The job shortfalls reported in the survey amount to nearly 10,000 in Boston, 75,000 in Detroit, almost 6,800 in New Orleans, 53,500 in Philadelphia, almost 10,000 in St. Paul, Minnesota, more than 28,500 in Seattle, and more than 6,700 in St. Louis. These figures, as Rendell pointed out, don't include the number of unemployed who were not previously on welfare, but are also competing for the same jobs. In Philadelphia, this is another 100,000 people, and they have to be added to the 66,000 welfare recipients, all of whom will be competing for around 20,000 low-skill, low-wage jobs over the next two years.

Millions left without subsistence

"What that basically means," Rendell warned, is that "by the summer of 1999 [when welfare benefits expire for millions of people], for the first time since the Depression there will be large numbers of Americans, within American cities and, I would suggest, in rural areas as well, without any subsistence at all—without any cash payment, without any food stamps, without any subsistence at all. We can't let that happen."

One of the problems related to the shortfall in jobs is the distribution and types of jobs available. Rendell made clear that most of the available jobs for which welfare recipients are qualified are not located in the inner cities, where most such people live. Rather, these low-wage service jobs are located in the more affluent suburbs outside the cities, but public transportation systems are not oriented toward those types of commuters; so, welfare recipients who manage to get jobs end up commuting up to four hours per day (Rendell estimated that only 5-10% of welfare recipients own cars), which not only is costly in dollar terms, but also complicates child-care arrangements, since a significant portion of welfare recipients are young, single mothers. The cities also reported

insufficient funds available to cover child-care expenses.

The impact of the general economic collapse is also evident in the Mayors' report. Detroit, for instance, with one of the largest job deficits in the nation, reports that there simply is no money available, as Federal, state, and local governments are all cash-strapped.

Rendell called on the Congress to provide a \$12 billion jobs program, and said that the \$3 billion in the fiscal year 1998 budget reconciliation bill is "a start, but insufficient." It provides \$60 million for the city of Philadelphia, but that amount will only provide training and other services to 8,000 people. Rendell said that doing away with the welfare system the right way, requires spending much more money up front. But, "the problem with this Congress," he said, "is they want to do everything on the cheap. If we're truly going to end welfare as we know it, we have to spend money up-front. It can't be budget balancing."

Documentation

The United States Conference of Mayors' November 1997 report, "Implementing Welfare Reform in America's Cities," is broken down into six sections: Jobs, Child Care, Immigrant Assistance, Assisted Housing, City Implementation Issues, and State Welfare Reform Process. We report here the lead findings under each section.

The 34 cities involved in the survey include: Abilene, Alexandria, Baltimore, Boston, Charleston, Charlotte, Chicago, Denver, Detroit, East Orange, Fort Wayne, Gary, Kansas City, Knoxville, Laredo, Little Rock, Los Angeles, Louisville, Nashville, New Orleans, Norfolk, North Little Rock, Philadelphia, Phoenix, Portland, Rockford, Salt Lake City, San Antonio, San Francisco, Santa Monica, Seattle, St. Louis, St. Paul, and Virginia Beach.

Jobs

- Ninety-two percent of the survey cities able to provide jobs data report that they will not have a sufficient number of low-skill jobs to allow compliance with the welfare law's

work participation requirements.

- Officials in the survey cities were asked to rate their ability to create community service jobs in both the public and non-profit sectors on a scale of one (poor) to five (most positive). Their rating was 3.5. When asked in what fields such jobs might be located, the fields officials most often identified were: child care, school improvement, health care, clerical-office work, recreation, city departments, food industry, elderly care, and public housing.

- Officials in the survey cities estimated that an average of only 27% of low-skill jobs in their cities provide private health insurance.

- All of the survey cities said local employers were willing to hire welfare recipients.

- Eighty-four percent of the survey cities responded that the availability of transportation to work for TANF (Temporary Assistance for Needy Families) and food stamp recipients was a problem. Seventy-four percent of the cities said that they had a plan or a program to provide transportation to work for recipients.

Child care

- Seventy-one percent of the survey cities reported that the state reimbursement rate does not cover the average, current cost of care for full-day, center-based child care. Sixty-two percent of the survey cities reported that the state reimbursement rate does not cover the average, current cost of care for full-day, home-based child care.

- Twenty-nine percent of the survey cities said they anticipate that children who are not receiving child-care subsidies would be displaced from child care.

Legal immigrants

- Twelve survey cities track immigrant status during intake for emergency service.

- Officials in 75% of these cities said requests for emergency food assistance from legal immigrants have increased in the first half of 1997, by an average of 11% across all of the responding cities.

- Officials in 42% of these cities reported that requests for emergency shelter have increased in the first half of 1997, by an average of 64% across all of the responding cities. The number of requests stayed the same in the remainder of the responding cities.

- Ninety-two percent of the survey cities said that the average wait to become a naturalized citizen in their city has increased; it now averages 13.5 months.

- Sixty-four percent of the cities responded that their city government has a program to assist naturalization efforts.

- Forty-eight percent of the cities said there is a waiting list for naturalization/citizenship classes, and in all these cities the wait has increased. In 57% of the cities there is a wait for English as a second language classes, and that wait has increased in 69% of these cities.

Assisted housing

- All of the survey cities save one expect that the changes in the welfare system will have a negative impact on assisted housing. Problems most frequently cited include increased demand, competition for housing between the working poor and transitional welfare recipients, and lost revenue for housing authorities.

City implementation

- Eighty-one percent of the survey cities said requests for food assistance increased in the first half of 1997. Officials estimate an average increase of 17% across the survey cities. Forty-one percent of the cities which reported an increase in requests for food said that the change was due mostly to welfare reform, and another 39% said that welfare reform was equal to other factors as a cause of change.

- Sixty percent of the survey cities said requests for emergency shelter increased in the first half of 1997. The number of requests stayed the same in 30% of the responding cities. Shelter requests increased by an average of 12% across the survey cities.

Fifteen percent of the cities which reported an increase in shelter requests said the change was due mostly to welfare reform, and 46% said that welfare reform was equal in influence to other factors.

- Fifty-two percent of the survey cities reported that they are planning new initiatives to provide emergency assistance to former TANF and/or food stamp recipients. Half of the survey cities responded that agencies are adding beds for homeless persons.

- The survey cities reported that, as a result of welfare reform, they are having to reassess the way funds are being spent to deliver services in the following programs:

Child Care Development Fund: 63% of the survey cities;

Community Services Block Grant: 63% of the survey cities;

McKinney Homeless Assistance Programs: 68% of the survey cities;

Community Development Block Grant: 58% of the survey cities; and

Federal Nutrition Programs: 32% of the survey cities.

State welfare reform process

- On a scale of one to five, survey cities rated their interaction with the state agencies during the TANF planning process just above the mid-point, at 2.7. Sixty-two percent of these cities reported that they were consulted by their state's welfare agencies in this process.

- On a scale of one to five, survey cities rated their interaction with the state legislature during the Temporary Assistance for Needy Families approval process just below the mid-point, at 2.4. Forty-eight percent of the survey cities reported that they were consulted by their state legislature during this process.

National News

Two-parent income evaporating, says CDF

A recent report by the Children's Defense Fund reflects reality more than most: The report, "Rescuing the American Dream: Halting the Economic Freefall of Today's Young Families," showed that the median income of young two-parent families has plummeted in the past two decades.

Two-parent black family median income has fallen the most, by 46% in the last 24 years. In 1973, the average black family with children earned \$19,153. Today, the figure is \$10,380. This puts 64% of African-American children below the government's official poverty line of \$11,821 for a family of three. Other families didn't fare much better, according to the report. White families saw their median income drop 22% while Hispanic families' median income dropped 28%. In every region of the country, 30-49% of children in young families are now poor, and the poverty rate of children headed by full-time wage-earners has tripled since 1973.

There is a strong correlation between parental age and the rate of poverty. The relative hourly wage of workers in their 20s is only 73¢ for every dollar earned by an older worker, down from 88¢ in 1973.

Black farmers protest becoming 'extinct'

John Boyd, president of the National Black Farmers Association from Baskerville, Virginia, will lead a demonstration in front of the White House on Dec. 12—replete with mules, tractors, and trucks—preceding a Dec. 15 meeting with President Bill Clinton, to discuss the plight of small farmers, and particularly black farmers. U.S. black farmers have become virtually "extinct," Boyd charges, as a result of racial discrimination at the U.S. Department of Agriculture and the onslaught against the family farmer by the nation's food cartels.

On Nov. 19, Boyd told the weekly newspaper *New Federalist* that the number of

black farmers has gone from over 1 million in the 1940s, to less than 18,000 today, making up roughly 1% of all farmers. Boyd said he is fighting not only for black farmers, but for all small farmers. The meeting he will have with President Clinton will include representatives of small farmers and other "socially disadvantaged" groups.

Boyd said that there are nearly 1,000 USDA-acknowledged complaints pending, which relate to discrimination by the USDA, about which he wants to ask President Clinton for action. Black farmers, he said, have been systematically discriminated against in obtaining loans for emergencies, equipment, and farm ownership. Boyd recommended that President Clinton "should step in and have a special task force evaluate the department's conduct, as it relates to socially disadvantaged farmers and how they perceive program delivery at the department. . . . We were brought here on slave ships and worked the land and cleaned it up for free, slave labor. We deserve the fair and equitable right to keep our homes. Our forefathers have paid their price. If we lose all of our land, we've lost part of our heritage."

Los Angeles plans mass water and power layoffs

In an effort to make the Department of Water and Power "more competitive," the Los Angeles Board of Water and Power commissioners unanimously approved a plan to slash 2,000 jobs, according to the Nov. 19 *Los Angeles Times*, in what would be the largest municipal layoffs in the city's history. Further, the board plans to implement a still-undisclosed plan to reduce what is being called the utility's "huge burden of debt." The announcement came at hearings which were packed by angry DWP workers. Pat Sanders, vice president of the DWP workers union, said that DWP General Manager David Freeman was leaving "devastation and chaos in his wake . . . killing the Department of Water and Power, and killing the city."

If all this seems reminiscent of debates on restructuring developing nations' debt, it should. The Los Angeles DWP is the largest municipal power company in the

country, and owns some of the largest and newest energy-generating facilities. If the utility is to be privatized, as foreseen by the city's austerity-meisters, its "mountain of debt" will have to be paid down, possibly by liquidating DWP's facilities.

This is the third potentially dangerous municipal crisis to break in Los Angeles. The first was the transport problems caused by the Union Pacific merger, which threatens, among other things, the safety of the city water supply. And a week before the DWP crisis, the County Board of Supervisors announced major cuts in the replacement of the County Medical Facility.

Infighting hits Scaife's 'Get Clinton' kindergarten

The journalistic equivalent of a hair-pulling match has broken out among the kept writers funded by "Get Clinton" (and earlier "Get LaRouche") sugar-daddy, Richard Mellon Scaife. In October, one of the founders of the *American Spectator*, Ronald Burr, was fired for demanding an audit of the \$600,000 annual subsidy to the magazine from foundations controlled by Scaife. It was reported that Burr objected to spending the bulk of the Scaife funds poking around Arkansas and hiring investigators to examine Clinton's past.

Now, a counterattack has been launched by Joseph Farah, the director of the Scaife-financed Western Journalism Center. Farah's article in his Internet "newspaper" *World Net Daily*, on "The Unquiet Death of the 'American Spectator,'" accuses "all three of America's conservative magazines—the *National Review*, the *Weekly Standard*, and the *American Spectator*"—with having found something they can agree on: "the professional disembowelment of investigative reporter Christopher Ruddy, author of the new book, *The Strange Death of Vincent Foster*." Ruddy, yet another Scaife hireling, is reputedly the only reporter for any daily paper whose full-time assignment is the Vincent Foster case. That paper is Scaife's own Pittsburgh *Tribune-Review*.

Farah targets Byron York, a staff writer for the *American Spectator*, who attacked

PLACIDO DOMINGO, director of the Washington Opera, blasted the media's miserly coverage of Classical art, in favor of movies and rock, during a press conference at the National Press Club on Nov. 20. The world-famous tenor said, "Children have all the possibilities to learn, but they learn rock music." He called on corporations to subsidize opera performances so tickets can be given free to those who cannot afford them.

WASHINGTON POST employees organized by the Communications Workers of America, currently in bargaining with the daily, are running radio ads spoofing the *Post's* advertising and slamming its rotten health policy and its plan to hire part-time workers with no benefits. Parodying the John McLaughlin talk show, the ad's truculent host asks: "Didn't they learn anything from UPS?" To which a "guest" responds (a parody of the *Post* ads' come-on), "I guess they just don't get it."

'BIBI' NETANYAHU snubbed moderate Jews during his visit to Los Angeles in mid-November, preferring to attend a \$10,000 a plate dinner for the Aish HaTorah. A reform rabbi angrily told the *Los Angeles Times* that Netanyahu "has refused every similar invitation from the Reform movement since taking office, both in Israel and here." An Orthodox rabbi said Aish HaTorah was not in the "mainstream of Orthodox Judaism."

GEORGE SOROS came under attack for his funding of drug legalization operations in Baltimore by former Maryland Gov. Donald Schaefer (D), who commented that what Soros was doing was "Wrong. Absolutely wrong. He should have put at least a minimum of \$5 million in prevention programs. He's a legalization man, which I don't approve of at all."

ESTABLISHMENT mouthpiece Jim Hoagland complained that the Clinton administration's collaboration with Russia to settle the Iraq standoff was a rejection of the "brilliant duplicity" of Henry Kissinger.

Ruddy's book in the pages of the *Weekly Standard*. Farah complains that York said that Ruddy can't be trusted because he works for a paper owned by Scaife. "Huh?" Farah grunts. "Is investigative reporter York so clueless as not to realize Scaife is also the biggest financial contributor to his own *American Spectator*?" Farah calls the *American Spectator* "directionless" and "spineless," and describes it as "gravely ill, if not on life support."

Moonies push 'family'; Will Bush renew vows?

According to the *Washington Post* of Nov. 19, the Rev. Sun Myung Moon's Unification Church has planned a "Blessing '97" ecumenical marriage and rededication ceremony for as many as 30,000 couples, for RFK Stadium in Washington, D.C., on Nov. 29. The ceremony was to conclude a week-long "World Culture and Sports Festival III," starting on Nov. 24.

The *Post* reports that Moon has shifted from an anti-communist theme to one of "save the family," through his Family Federation for World Peace and Unification, which is officially sponsoring the festivities. One member described Moon's purpose as follows: "Last year, he founded this federation to transcend religions. . . . What he's really saying is . . . we have moved past the age of organized religion and into the age of direct personal experience of God. . . . You experience God in the family." The article reports that Moon's "theology holds that he is a sinless man fulfilling the role that Jesus Christ did not accomplish, because Jesus did not marry and was rejected by his people." Marriage is central to the church's mission, they say.

As *EIR* has reported, last year in Argentina, with George Bush at his side, Moon eulogized man's use of his "organ" as an object of religious worship, an appeal to "family values" matched only by the pornographic definition of masculinity professed by the Promise Keepers.

On Nov. 23, the *Post* expanded on Moon's connections to some more "respectable" proponents of "family values": The Moonies donated \$10.7 million to the Wom-

en's Federation for World Peace in 1995, which sponsored a series of speeches by Sir George Bush and Barbara Bush in Asia and the United States, paying them some \$1 million in fees.

The WFWP made a \$3.5 million grant to the Christian Heritage Foundation in 1995, which later bought a large portion of the debt of Jerry Falwell's Liberty University. In 1996, the Moonies' News World Communications, parent of the *Washington Times* lent \$400,000 to Liberty at 6% interest. Liberty University spokesman Mark DeMoss is also a spokesman for the Promise Keepers.

'Religious persecution' is latest populist fad

Representatives of some 50 Conservative Revolution groups met in Washington, D.C. on Nov. 18, to map out building a populist movement to subvert U.S. foreign policy under the cover of "stopping religious persecution," with special emphasis on China and Sudan. Rep. Frank Wolf (R-Va.), a leading member of British Baroness Caroline Cox's Christian Solidarity International, assured his audience that the "Freedom from Religious Persecution Bill" would pass Congress, although "in what form, I don't know." Later, stressing the populist appeal, he qualified that its success or failure would depend on the ability of the community to express its "values."

Nina Shea of Project Democracy's misnamed Freedom House, blasted the October speech Secretary of State Madeleine Albright at Catholic University, where Albright emphasized that the commonality of universal values underlies both engagement with other countries, and also efforts to alleviate what the United States sees as "human rights" problems. Shea mischaracterized Albright's remark that "we must take into account the values of others," as giving credibility to the idea of "Asian values."

Ironically, much of this crowd's attacks on China centers on alleged "religious persecution" against Tibet, which suffered under a Buddhist theocratic dictatorship which freely employed physical mutilation as a form of punishment.

It's time to bury the IMF

“Whole nations are being murdered by the International Monetary Fund. Many will say, ‘Well, you’ve got to defend reform and democracy. You must uphold the IMF’s authority.’ That’s like saying you must uphold Hitler’s authority! What’s the difference? This is worse. The IMF is more dangerous than Hitler.

“You have come to a point, where the human race has a *casus belli* against the IMF. Now, according to Augustinus, the question is: Is there any other way of dealing with the IMF, except by annihilating its power over this planet? No. Can you save any country from the IMF, except by annihilating the power of the IMF? No. Then . . . our moral obligations for most of the problems on this planet, are, that we must destroy the IMF and what it represents: *Annihilate it as a force upon this planet, with more urgency than the annihilation of Hitler.*”

With these words, statesman and economist Lyndon LaRouche launched a new phase of warfare against the supranational financial agency run by the British-led Club of the Isles, last February. Since that time, the mass murder committed by the IMF has been vastly expanded—in eastern Europe, Africa, Ibero-America, in particular. Simultaneously, an international climate has been building, visibly, toward eliminating the morally and financially bankrupt IMF.

But, in this period of messy transition, there is also a major line-up of nations demanding “aid” from the IMF, because it’s the only agency around. Thailand, Indonesia, South Korea—to name just a few—are clamoring for financial aid amounting to tens of billions of dollars, despite the fact that submission to IMF conditionalities will demonstrably result in the further desperate suffering of their people.

A recent development in Russia underscores this paradox. On the one side, IMF conditions have helped create the situation where an estimated 20 million Russian workers, one-quarter of the workforce, have not been paid their wages for months and months. But, while the government is seeking more IMF money, the international labor movement has convened a confer-

ence in Russia, to launch a campaign targetting the IMF and World Bank.

Bill Jordan, general secretary of the International Confederation of Free Trade Unions, said: “What we are seeing is the transformation of one of the largest countries in the world from a communist state to a free market state. That requires the management of change by the leadership of Russia. They have abdicated that role. They have taken their orders from the international financial institutions, and the resulting chaos is a consequence of bad advice and bad leadership in accepting that advice.”

The IMF also took it on the chin from the U.S. Congress, albeit for some of the wrong reasons. During the final days of the session, the administration attempted to get through a \$3.5 billion U.S. contribution to a bailout fund for the nations of Southeast Asia, particularly Indonesia. Usually, IMF contributions are sacrosanct, particularly to Conservative Revolutionaries. This year, in the wake of the defeat of the “fast track” trade legislation, the appropriation was voted down.

From among the Asian nations, which have taken the brunt of the international financial breakdown this fall, it is Malaysia’s Prime Minister Dr. Mohamad Mahathir, acting as an unofficial spokesman for the region, who has taken the point against the IMF policy of unrestricted free markets (read: looting). Yet, the countries in the area have still officially referred the question of abuse of speculation to . . . the IMF!

The leadership of the movement against the IMF, must be the movement to *replace* it, as well as annihilate it. This is occurring around LaRouche’s concept of a New Bretton Woods system, reinforced by the great project of the Eurasian Land-Bridge and the strategic Machine-Tool Principle. As the collapse of the financial system accelerates, we can expect to find more and more nations turning to LaRouche for hands-on guidance to replace the IMF. The premise must be clear: It’s time for the IMF to be buried, once and for all.

SEE LAROUCHE ON CABLE TV

All programs are *The LaRouche Connection* unless otherwise noted. (*) Call station for times.

ALASKA

- ANCHORAGE—ACTV Ch. 44
Thursdays—10 p.m.

ARIZONA

- PHOENIX—Dimension Ch. 22
Saturdays—8 p.m.

CALIFORNIA

- CONCORD—Ch. 25
Thursdays—9:30 p.m.
- COSTA MESA—
Media 1—Ch. 61
Thursdays—12 Noon
- GARDEN GROVE—Ch. 3
Mondays—11 a.m. & 4 p.m.
- LANCASTER—Ch. 99
Sundays—9 p.m.
- MARIN COUNTY—Ch. 31
Tuesdays—5 p.m.
- MODESTO—Access Ch. 5
Mondays—2:30 p.m.
- SACRAMENTO—Ch. 18
2nd & 4th Weds.—10 p.m.
- SAN FRANCISCO—Ch. 53
2nd & 4th Tues.—5 p.m.
- SANTA ANA—Ch. 53
Tuesdays—6:30 p.m.

COLORADO

- DENVER—DCTV Ch. 57
Saturdays—1 p.m.

CONNECTICUT

- BRANFORD—TCI Ch. 21
Wednesdays—11 p.m.
Thursdays—2 p.m.
- NEWTOWN/NEW MILFORD
Charter—Ch. 21
Thursdays—9:30 p.m.

DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 25
Sundays—12 Noon

HAWAII

- KAWAI—Ch. 12
Weds.—5:30 p.m., 8:30 p.m.
Thurs.—5:30 p.m., 8:30 p.m.

ILLINOIS

- CHICAGO—CAN Ch. 21*
- SPRINGFIELD—Ch. 4
Wednesdays—5:30 p.m.

INDIANA

- SOUTH BEND—Ch. 31
Thursdays—10 p.m.

KANSAS

- SALINA—CATV Ch. 6*

LOUISIANA

- NEW ORLEANS—Cox Ch. 78
Wednesdays—11 p.m.

MARYLAND

- ANNE ARUNDEL—Ch. 20
Fri. & Sat.—10 p.m.
- BALTIMORE—BCAC Ch. 42
Wednesdays—8 p.m.
- BALTIMORE COUNTY—Ch. 2
2nd Tues., monthly—9 p.m.
- MONTGOMERY—MCTV Ch. 49
Fridays—7 p.m.
- P.G. COUNTY—Ch. 15
Thursdays—9:30 p.m.
- W. HOWARD COUNTY—Ch. 6
Daily—10:30 a.m. & 4:30 p.m.

MASSACHUSETTS

- BOSTON—BNN Ch. 3
Saturdays—12 Noon

MICHIGAN

- TRENTON—TCI Ch. 44
Wednesdays—2:30 p.m.

MINNESOTA

- MINNEAPOLIS—MTN Ch. 32
Fridays—7:30 p.m.
- ST. LOUIS PARK—Ch. 33
Friday through Monday
3 p.m., 11 p.m., 7 a.m.
- ST. PAUL—Ch. 33
Mondays—8 p.m.
- ST. PAUL (NE Suburbs)
Suburban Community—Ch. 15
Wednesdays—12 Midnight

MISSOURI

- ST. LOUIS—Ch. 22
Wednesdays—5 p.m.

NEVADA

- RENO/SPARKS
Continental—Ch. 30
TCI—Ch. 16
Wednesdays—5 p.m.

NEW JERSEY

- STATEWIDE—CTN
Saturdays—4 a.m.

NEW YORK

- BROOKHAVEN (E. Suffolk)
TCI—Ch. 1/99
Wednesdays—9 p.m.

BROOKLYN—BCAT

- Cablevision—Ch. 67 & 68
T-W B/Q—Ch. 34 & 35
Fridays—12 Midnight
- BUFFALO—BCAM Ch. 18
Saturdays—12 Noon
- HUDSON VALLEY—Ch. 6
2nd Sun. monthly—1:30 p.m.
- ILION—T/W Ch. 10
Thursdays—10 a.m.
- ITHACA—Pegasys—Ch. 57
Mon. & Weds.—8:05 p.m.
Saturdays—4:35 p.m.
- JOHNSTOWN—Empire Ch. 7
Tuesdays—4 p.m.
- MANHATTAN—MNN Ch. 34
Sun., Dec. 14—9 a.m.
- MONTVALE/MAHWAH—Ch. 14
Wednesdays—5:30 p.m.
- NASSAU—Ch. 80
Wednesdays—7 p.m.
- OSSINING—Ch. 19-S
Wednesdays—3 p.m.
- POUGHKEEPSIE—Ch. 28
1st & 2nd Fridays—4 p.m.
- RIVERHEAD
Peconic Bay TV—Ch. 27
Thursdays—12 Midnight
- ROCHESTER—GRC Ch. 15
Fri.—11 p.m.; Sun.—11 a.m.
- ROCKLAND—PA Ch. 27
Wednesdays—5:30 p.m.
- SCHENECTADY—PA Ch. 16
Wednesdays—10 p.m.
- STATEN ISL.—CTV Ch. 24
Wednesdays—11 p.m.
Saturdays—8 a.m.
- SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.
- SYRACUSE—Adelphia Ch. 3
Fridays—4 p.m.
- SYRACUSE (Suburbs)
Time-Warner Cable—Ch. 12
Saturdays—9 p.m.
- UTICA—Harron Ch. 3
Thursdays—6:30 p.m.
- WEBSTER—GRC Ch. 12
Wednesdays—9:30 p.m.
- YONKERS—Ch. 37
Fridays—4 p.m.
- YORKTOWN—Ch. 34
Thursdays—3 p.m.

OREGON

- CORVALLIS/ALBANY
Tuesdays—1 p.m.
- PORTLAND—Access
Tuesdays—6 p.m. (Ch. 27)
Thursdays—3 p.m. (Ch. 33)

TEXAS

- EL PASO—Paragon Ch. 15
Thursdays—10:30 p.m.
- HOUSTON—Access Houston
Mondays—5 p.m.

UTAH

- GLENWOOD, Etc.—SCAT-TV
Channels 26, 29, 37, 38, 98
Mon.-Fri.—various times

VIRGINIA

- ALEXANDRIA—Ch. 10*
- ARLINGTON—ACT Ch. 33
Sun.—1 pm; Mon.—6:30 pm
Tue.—12 Midnite; Wed.—12 Noon
- CHESTERFIELD COUNTY—
Comcast—Ch. 6
Tuesdays—5 p.m.
- FAIRFAX—FCAC Ch. 10
Tuesdays—12 Noon
Thurs.—7 p.m.; Sat.—10 a.m.
- LOUDOUN COUNTY—Ch. 59
Thursdays—10:30 a.m.;
12:30 p.m.; 2:30 p.m.;
4:30 p.m.; 7:30 p.m.; 10:30 p.m.
- PRINCE WILLIAM COUNTY—
Jones Communications—Ch. 3
Saturdays—6 p.m.
- ROANOKE—Cox Ch. 9
Wednesdays—2 p.m.
- YORKTOWN—Cox Ch. 38
Mondays—4 p.m.

WASHINGTON

- KING COUNTY—Ch. 29
Wednesdays—11 a.m.
- SPOKANE—Cox Ch. 25
Tuesdays—6 p.m.
- TRI-CITIES—TCI Ch. 13
Mondays—12 Noon
Wednesdays—6 pm
Thursdays—8:30 pm

WISCONSIN

- WAUSAU—Marcus Ch. 10
Fridays—10 p.m.
Saturdays—5:30 p.m.

If you would like to get *The LaRouche Connection* on your local cable TV station, please call Charles Notley at 703-777-9451, Ext. 322. For more information, visit our Internet HomePage at <http://www.axsamer.org/larouche>

Executive Intelligence Review

U.S., Canada and Mexico only

1 year	\$396
6 months	\$225
3 months	\$125

Foreign Rates

1 year	\$490
6 months	\$265
3 months	\$145

I would like to subscribe to
Executive Intelligence Review for

1 year 6 months 3 months

I enclose \$_____ check or money order

Please charge my MasterCard Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

Phone () _____

Address _____

City _____ State _____ Zip _____

Make checks payable to EIR News Service Inc.,
P.O. Box 17390, Washington, D.C. 20041-0390.

1998 calendars

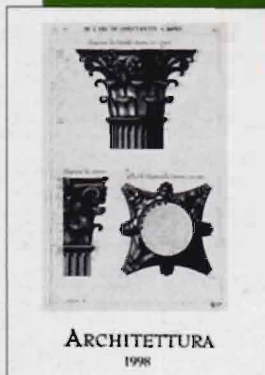
Perfect gifts
for every
occasion

From Ben Franklin Booksellers

Each calendar is a full-sized wall calendar,
priced at \$16.95.



MADONNA
1998



ARCHITETTURA
1998

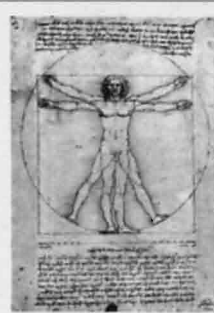
1. ARCHITETTURA: Reproductions of hand-colored designs by Desgodetz. Paris, circa 1682.

6. MADONNA: Paintings of the Madonna by various artists of the Italian Renaissance.



Botanica
1998

2. BOTANICA: A series of hand-colored engravings of flowers, beautifully arranged in stately vases and urns. Italy, circa 1600.



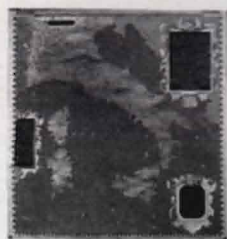
LEONARDO DA VINCI
1998

5. LEONARDO: A selection of Leonardo da Vinci's figure studies, cartoons, sketches, and scientific drawings.



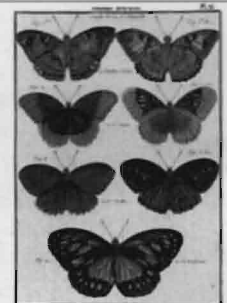
Frutta & Verdura
1998

3. FRUTTA & VERDURA: Reproductions of hand-colored fruits and vegetables by various artists of 19th-century France.



CARTOGRAFIA
1998

4. CARTOGRAFIA: Reproductions of 16th-century maps painted by Ignazio Danti and Fra Stefano Bonsignori in the Palazzo Vecchio, Florence.



Butterflies
1998

7. BUTTERFLIES: Reproductions of hand-colored butterfly illustrations by Benard. Paris, circa 1790.

Ben Franklin Booksellers, Inc. P.O. Box 1707 Leesburg, VA 20177
Order line: 1-800-453-4108 (U.S. only) Fax: (703) 777-8287 Phone: (703) 777-3661

Name _____

Address _____

City _____ State _____ Zip _____

We accept MasterCard Visa Discover and American Express.

Card Number _____ Expir Date _____

Yes, I will accept substitutions.

Please make checks payable to Ben Franklin Booksellers

Shipping and Handling: 1 to 3 calendars \$5.00. Shipped in special, protective carton, and shipped First Class.

calendar copies total

calendar	copies	total
Architettura		
Botanica		
Frutta & Verdura		
Cartografia		
Leonardo		
Madonna		
Butterflies		
shipping and handling		
Total enclosed		

ORDER NOW while supplies last! We have a limited number of some items. Please indicate if you will accept a substitution.