

# Black Monday, 1997 happened on schedule

by Marcia Merry Baker and John Hoefle

There's no denying it now. On Oct. 20, 1997, "Black Monday" occurred, centered on Hongkong and Asian markets, then wheeling back around, showed up within 72 hours, throughout the Western Hemisphere. On Oct. 23, a global meltdown of share markets took place, with the grand total of share values wiped out in one day worth billions of dollars. In Hongkong alone, \$325 billion (in Hongkong dollars) is the loss estimate for Oct. 23, during the biggest one-day drop ever in the Hang Seng index.

The collapse is on. And in case anyone needed verification, you could read about it in your local newspaper anywhere in the world, even in the United States, where previous months of "virtual reality" had all but blacked out the subject of financial dangers. On Oct. 24, even the *Washington Post* ran, "Hong Kong Free Fall, Worldwide Ripple Effect Follows Months of Instability." On the other side of the world, the *South China Morning Post* headlined, "HK Triggers Global Sell-Off."

In this issue, we provide a chronology of some of the events over the past 15 weeks, leading up to the global markets' plunge of mid-October. Even before the October fireworks hit, losses in hyper-inflated stock markets over the year-to-date already amounted to an estimated \$1.2 trillion.

The detonator date was the 10th anniversary of Black Monday, Oct. 19, 1987—the day when the New York Stock Exchange saw a 20% drop of the Dow Jones Industrial Average; but the specific day is of no significance. What counts is that Black Monday and subsequent market shocks hit *on schedule* in October, because they are the result of the impossibility of the international financial bubble (of speculation in stocks, currency trades, futures, derivatives, etc.) to continue

in any way, shape, or form for much longer. Mid-October was a likely time for "Black Monday" for many reasons (e.g., Sept. 30 is the fiscal year end, or mid-point, for many governments and corporations), and it came to pass.

The timing, and nature of this unfolding financial breakdown, throw attention on the person who most accurately forecast these events: Lyndon LaRouche—the person with the demonstrated expertise to deal with the crisis. Over the past three decades, LaRouche has called it right repeatedly, on "market" episodes and behavior, because he has been accurate about the state of the underlying economic and financial processes, including what emergency remedies are in order in this epic breakdown period.

Last spring, LaRouche singled out the likelihood of October for a fall in global share markets. In February, he advised no sane person to have any holdings in the stock market. In June he warned in a radio interview that, "sometime very soon, between now and the end of the year, possibly in the month of August—more probably, no later than October, but certainly, by around the end of the year—this world is going through one or two of the greatest shocks, financial shocks of the century." For those who are lured to stay in today's "sucker's market," LaRouche had this advice: "Get out, while the getting is good. Don't stay in for that extra buck you just *might* make. You might lose almost everything. *That's* what the story of the soaring stock market means."

Then, as events unfolded, LaRouche said in an Oct. 21 radio interview: "What is in process now, is an ongoing collapse, of various kinds of things, but a collapse which is *driven* by the impending collapse of a hundred-trillion-dollar-equivalent world derivatives bubble, which represents

entirely current obligations—the same year—an amount which exceeds the total value of the product, the annual product, of all world nations combined; which means—the United States carries about 30% of that risk; and that's not the limit of short-term obligations—which means, that every banking system in the world, with the exception of China's, is presently bankrupt.”

### 'LaRouche' is the financial news

Because of his reputation for calling the shots, and possessing the knowledge to deal with the crisis, LaRouche is now appearing in the news columns of many nations (with the exception of the United States).

What has become a hallmark of LaRouche's claim to fame, is his "Triple Curve" schematic representation, of how the *disassociation* of the direction of world financial and monetary valuations (hyperbolically upward), away from the physical economy (downward), would inevitably reach the unsustainable phase of financial crash and breakdown. LaRouche issued this "Triple Curve" image and analysis in 1995, during a tour of Italy and Germany.

Look at coverage of LaRouche during the week of 1997's Black Monday. On Oct. 22, the Brazilian business daily, *Gazeta Mercantil*, published a column by Vitor Grunewald, citing EIR News Service as its source, reporting that "the world financial system is heading toward a disintegration crisis in the short-term"; the article reports that U.S. economist Lyndon LaRouche, since February, has been circulating an "Appeal to President Clinton to Convoke a New Bretton Woods Conference," the which has received the support of thousands of key personalities from more than 20 countries, among them, three former heads of state—João Baptista Figueiredo of Brazil, José López Portillo of Mexico, and Godfrey Binaisa of Uganda.

In Nigeria, the magazine *Conscience International* (dual French-English edition, issued the week of Oct. 20) carries LaRouche's photograph on the front page, with the headline, "Exclusive Interview with Lyndon LaRouche, American Presidential Aspirant and World's Strongest Critic of IMF and World Bank." (See article, p. 12.)

### The Black week

As the chronology below shows, over this summer, currencies, stocks, and assets in the four principal Southeast Asian nations of Thailand, Malaysia, Indonesia, and the Philippines lost 20-40% in value, in speculative runs initiated by mega-financial operators—most prominently, George Soros—in the context of International Monetary Fund-enforced "global finance."

The week of Black Monday opened with a bang. The Southeast Asian currencies and markets all dropped—Hongkong (Hang Seng stock market index fell 5%), Thailand (stock market fell 3.1%), Malaysia (down 3.4%), Singapore (down nearly 2%), Taiwan (down 4%); and currencies like-

wise down, with the Taiwan dollar at the lowest level since October 1987.

On Tuesday, the Hongkong Hang Seng stock market index fell another 4%, and turmoil continued. In New York, however, commentators gloated that Asia's pain was Wall Street's gain; the Dow index rose by 139 points, with attribution to outflows from Asia going into U.S. stocks. But scarcely had night fallen on this fantasy, when, on Wednesday in Asia, the Hang Seng fell another 6% (down a total of 14% in three days); and on Thursday, Oct. 23, markets fell in a swoop internationally—New York, throughout Europe, Mexico and South America, as well as Asia. So much for the idea that financial crises can be kept "separate."

On Oct. 23, the following declines occurred (in percent change):

**Europe:** Britain (-3.06), France (-3.42), Germany (-3.6), Belgium (-2.66), the Netherlands (-3.61), Switzerland (-2.61).

**Asia-Pacific:** Japan (-3.03), Hongkong (-10.41), Singapore (-4.72), Malaysia (-24.72), Philippines (-5), Australia (-2.53).

**Americas:** United States (-2.33 Dow; -2.16 Nasdaq; -1.84 S&P 500), Mexico (-4.54), Brazil (-8.15 São Paulo).

### The big one: derivatives

While these share declines are spectacular in scope and implications, they are as nothing compared to what is in store from the financial blowout threat posed by derivatives—a threat in the process of being activated because of the current, inevitable fall in share markets, real estate, and all the other hyper-inflated venues of speculation. Internationally, the face value of derivatives contracts outstanding (hedges, options and futures of all kinds) is in the range of \$100 trillion. In the United States alone, the top ten banks account for over \$22 trillion of these contracts. The point is, that the highly leveraged nature of derivatives deals, means that once something goes awry, the *reverse-leverage* effect kicks in, to blow out nominal assets all the way through the financial bubble system. Think of simultaneous "Orange County" derivatives crises hitting all over, all at once.

"This all is a horror story beyond imagination," was the view expressed to *EIR*, by one financial insider in Europe, in the wake of the Oct. 23 world stock markets' drop. He was referring specifically to derivatives, to market interconnections, and global contingencies.

This European veteran broker explained, "What we are now going through worldwide is the greatest test of the \$100 trillion derivatives market since the October 1987 crash. I just spoke today with a good friend who is a major derivatives broker on the Chicago Board of Trade. I asked him to explain to a naive ignorant trader of only 30 years market experience the theory of derivatives, so I can grasp it. He said, 'Mark, it's simple really. It's called the theory of the spread. You spread your risk over many markets, so when one goes down, another

risers, and you stay ahead.' I asked him, 'John, tell me then, what if *all* markets go down at the same time?' 'Mark, that never happens!' I replied, 'John, have you bothered to look at your Reuters financial screen today? It's not just Hongkong. It's New York, Tokyo, London, Frankfurt—every market is falling at once.' "

Thus, the reality of the financial breakdown is apparent, to at least sane people, even wicked ones. However, you will still hear commentary that, "the economic fundamentals are sound," and that, "the age of 'new era economics' means that no inflation and no crash need ever occur."

The debate between the "old" and "new" era economists, as Richard Freeman demonstrates in an accompanying article, is as phony as the talk about the "growth" of the economy and the "soundness of economic fundamentals." It's all a sideshow. The question on the table, is whether the governments of the world will exercise their sovereign powers to put the international bankers and their bankrupt financial system through the equivalent of bankruptcy proceedings, and launch an emergency campaign to rebuild the world's tattered productivity. The question is: Will the governments exercise their powers to save their populations from the looming horrors, or will they capitulate to the bankers and allow the world to sink into a new Dark Age?

## 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.

So, You Wish  
To Learn All  
About Economics?

A Text on  
Elementary  
Mathematical  
Economics

by Lyndon H. LaRouche, Jr.

## Chronology

# The countdown to Black October, 1997

### July 2

**Thailand:** After repeated speculative hits on the currency, the government de facto devalues the baht by instituting a managed "market float." There had been a strict exchange rate policy, since 1984. Within hours of the announcement, the currency sinks to 27-28 baht to the U.S. dollar, down from 24.25. Within 24 hours, the baht drops still further, by 20%. In May 1997, the Bank of Thailand lost an estimated \$4 billion, trying to defend the baht against speculative runs.

### July 11

**Philippines:** After repeated speculative runs against the currency, the government de facto devalues. Central Bank Governor Gabriel Singson, of the Bangko Sentral ng Pilipinas, releases a statement, mandating "the peso-dollar rate to move within a new wide range consistent with significantly changed market conditions." During the week of July 6-11, the Philippines spends \$1.5 billion of their \$11.5 billion foreign reserves attempting to defend the peso. The peso immediately collapses from an already low 26.4 to the dollar, down to 29.45. International Monetary Fund (IMF) Managing Director Michel Camdessus states that he "strongly commends the Philippine authorities for their timely and decisive action."

### Aug. 15

**New York:** Dow Jones Industrial Average drops 247 points, one of the now-typical wide swings marking the unstable end-phase of the financial system.

### Aug. 27

**Philippines:** Peso sinks to record low of 30.45 to the dollar.

### Aug. 28

**Philippines:** Stock market sees largest one-day loss in 10 years, down 9.28% for the day, to 2,071.97 points.

**Malaysia:** Ringgit has fallen to its lowest rate since being floated in 1973, down to 2.872 to the dollar. It loses 4% during the week, under heavy sell-off driven by large international speculator funds. The Kuala Lumpur stock index falls 5.66% in the morning trading, breaking a four-year low of 799.56; it

ends slightly higher, for a 4.51% daily decline.

**Hongkong:** The Hang Seng index posted its fifth biggest point drop, falling below 15,000, for the first time since July 11. It ended down 4.2%, or 657.8 points, at 14,876, in the largest drop since March 1996.

### Sept. 1

**Southeast Asia:** The month of August saw virtual free-fall in most Asian stocks. From their highs earlier this year, the stock markets of Thailand and the Philippines each lost 42% of their nominal value. Malaysia's market lost 37%. Indonesia's market, 33%. Singapore's, 21%.

**Japan:** During August, the Tokyo Nikkei 225, the world's second-largest stock market, lost 13% in value, an ominous sign, given Japan's role as the major lender to most East Asian economies.

**Western Europe:** The French stock market has fallen by 10% from its peak in late July. The German DAX has fallen by 12%. The Swiss stock index by 13%.

### Sept. 2

**New York:** The Dow Jones posts the greatest single-day point gain in its history, with a rise of 257 points; nine of the ten greatest single-day point gains have occurred in 1997. During August, the Dow fell by more than 100 points on four separate occasions, after which it rose more than 100 points in three successive days.

The Dow began August at 8,222 and ended at 7,622, down 7.3%. While that does not compare with the 23% drop (508 points) that took place on Black Monday, Oct. 19, 1987 (or the 25% drop of Oct. 29-30, 1929), the August instability is a harbinger.

In August, some \$730 billion in nominal value of stocks traded on the New York Stock Exchange was wiped out, leaving the value of all stocks traded on the New York exchange at about \$10 trillion.

Worldwide, more than \$1.5 trillion in stock values were wiped out this summer.

### Sept. 4

**Japan/Thailand:** Japanese firms have lost 1 trillion yen due to the baht currency devaluation, reports the Bangkok spokesman of the Japanese External Trade Organization (JETRO). Foreign exchange losses since the baht was floated on July 2 total between \$8.73 and \$9 billion. However, the JETRO spokesman says that Japan will still roll over foreign currency loans given to companies in Thailand, which Japanese loans account for about half of the total debt of the private sector. Private sector debt, in turn, equals 80%, or \$72 billion, of Thailand's total \$90 billion in foreign currency debt. In the next 12 months, \$37 billion of the private sector debt comes due. The spokesman says, however, that more conditions will be attached to any rollover.

### Sept. 15

**Malaysia:** Value of ringgit has dropped 20% since early July; share prices are down by 30% since that time.

**Thailand:** Baht has lost 30% of its value since July 1.

**Philippines:** Peso has lost 23% since it was devalued on July 11.

### Oct. 1

**Malaysia:** The ringgit falls 4.5%, hitting 3.408 to the dollar, and then recovers to 3.36, a 3.5% drop. This represents a 25.5% decline in the value of the currency since early July; and, a 40% collapse in the value of the stock market since the beginning of the year.

**Indonesia:** The rupiah falls 6.5% to a low of 3,445 to the dollar, then recovers to 3,370 (5% down). The drop continues the pattern of hitting new lows every day of trading since Sept. 23; the rupiah is down 40% against the dollar, since the beginning of 1997.

**Philippines:** The peso drops 2.2%, to 35.61 against the dollar—a 25.8% decline since the July 11 devaluation.

### Oct. 13-14

**Thailand:** New financial restructuring measures are released, which relax conditions imposed on the 58 financial companies whose operations were suspended earlier in the summer. The companies can take eight years, not three years, to repay loans to the Bank of Thailand (estimated at \$11.9 billion, or 430 million baht); majority foreign ownership in these companies can continue for ten years, not the previously stated five years; and other measures. The firms have until Oct. 30 to present restructuring plans.

Senior finance officials release the outline of their plan for restructuring the finance sector. Finance Minister Thanong Bidaya outlines five proposals, worked out jointly with the IMF and World Bank, which will be submitted to the cabinet for approval on Oct. 17.

**Vietnam:** Measures are announced to de facto devalue the currency, the dong, by 4.55%; the government widens the trading band in the dong, to 10% in either direction, from the previous 5% variation. The IMF praises the adjustment, as reflecting "the new exchange rate alignment that has emerged in the region in the last few months." The government has foreign reserves equivalent to only 6-8 weeks of imports, so it is in no position to intervene to support the currency. A devalued dong means sharply higher costs for imports, especially petroleum products. The devaluations of other currencies in the region, especially the Thai baht, have adversely affected Vietnam's trade revenues, especially from rice.

### Oct. 15

**New York:** Dow Jones index drops 38 points.

**Pakistan:** Government devalues the rupee by 8% against the dollar, prompted in part by the effects of currency devalua-

tions in Southeast Asia. The rupee is devalued to 44.05 to the dollar, from 40.52. Government spokesmen indicate, unofficially, that the devaluation was a condition for the IMF to grant Pakistan a loan (\$1.6 billion for three years). The Pakistani devaluation now puts pressure on the Indian rupee; a year ago, the two currencies were on a near par.

**Thailand:** Government increases the excise tax on gasoline and diesel fuel, raising pump prices 1.21 baht (\$.034) per liter. Gasoline prices have risen nearly 50% since the July

2 de facto devaluation of the baht. Public utility rates have increased, as well as excise taxes on luxury goods. The consumer price index increased 7% in September, up from the average 5% increase per month since the beginning of the year.

### Oct. 16

**New York:** Dow Jones index drops 119 points.

**Thailand:** Prime Minister Chavalit Yongchaiyudh re-

## New vs. old monetarism: a tale of two diseases

A fight is raging between the "New Age" and the "Old Age" schools of monetarism. The "New Agers" insist upon an "information society," a New Era economy of growth, where crises never occur and people are "wired" together by computers. The "Old Agers," whose most notable political force is Federal Reserve Board Chairman Alan Greenspan, aver that people and governments will have to suffer greatly in order to keep the world financial bubble afloat, although they concede that there may be some problems in the financial markets. The Oct. 11 *Washington Post*, in the lead article in its business section, "Debating Myth or Miracle Behind a 'New Economy,'" presents this as the leading economics debate of this century. In fact, this is a dispute between two diseases, sharing the same etiology. The informed person, seeking mental and physical health, will stay away from both schools.

The "New Agers," like Alvin and Heidi Toffler, hold that the ages of agriculture and of manufacturing represented the first and second waves of society, respectively, but that both agriculture and manufacturing have become obsolete. Now, society will embark on the "third wave," which will have hardly any factories and farms. This is the shimmering world of "the information age," bedecked with computers, audio head sets, and virtual reality machines.

### New Ager: Peter Schwartz

Peter Schwartz is a leading "New Age" spokesman. In a Sept. 15 paper which he co-authored, entitled, "The Long Boom: A History of the Future, 1980-2020," which serves as a "New Age" economics manifesto, Schwartz stated that "we are watching the beginnings of a global economic boom on a scale never experienced before," which he said, is due to the employment of 60 million personal computers, computers in offices, and globalization.

By globalization, he means the removal of financial and other regulations; unrestricted free trade; zero population growth; and every variety of financial perversity. Schwartz writes: "Right around 1980, Margaret Thatcher . . . begins putting together the formula that eventually leads toward the new economy. At times it looks brutal: busting unions, selling off state-owned industries and dismantling the welfare state. [But] . . . the pain pays off." Schwartz claims that the pain led to an economy of unending growth, which will not experience financial breakdown. Creative thought or hard work have no place in this techno-topia, where problems are solved as if by waving a magic wand, or swallowing peyote.

Schwartz comes from a nest of "futurologists," which explains where the New Age economics came from. During 1982-86, he headed scenario planning for the Royal Dutch/Shell company in London. In 1988, the Global Business Network (GBN) was founded, to push the New Age economics. Schwartz is a leader of GBN. Two of the network's cofounders, Napier Collyns and Steward Brand, were also leaders of the Royal Dutch/Shell planning department. Royal Dutch/Shell, jointly controlled by the Dutch and British monarchies, is a key part of the British Commonwealth's current plan for top-down control of the world's energy and raw materials supplies. RD/Shell has had a 25-year project to rework the general corporation into a New Age entity, which Schwartz helped design.

Schwartz also served as a top official of the Stanford Research Institute (SRI), as did other leaders of the GBN. The SRI is the mother institution of the New Age. In 1966, the SRI's Willis Harmon released his book *The Changing Image of Man*, which argued for what he called a "paradigm shift" away from optimism, science, and culture, toward the fascist gutter world of the counterculture. Other leading forces in the GBN include the *Whole Earth Catalogue*, the Club of Rome, and members of 1960s and 1970s counterculture rock bands. The economics "New Agers" have a broad array of support in the business and financial community, including among its proponents Ed Yardeni, chief economist at Deutsche Morgan Grenfell;

vokes the IMF-mandated oil price increase.

### Oct. 17

**New York:** Dow Jones index ends 91.85 points down, closing at 7,847, giving it a drop of 3.1% in total value over three trading days, and a drop for the week of 198.18 points. Leading the fall were technology stocks (which had high price-earnings ratios, were favored for speculation, and had helped pump up the overall stock market bubble).

Bill Joy, co-founder of Sun Microsystems; and top persons in the editorial offices of *BusinessWeek* and the *Wall Street Journal*.

### Old Ager: Alan Greenspan

On the other side of the debate are the "Old Age" monetarists, led by Fed Chairman Greenspan. For a long while, Greenspan identified with the gobbledygook of the "New Agers." He still professes some of their core premises. In an Oct. 14 address to the libertarian Cato Institute, Greenspan said that physical economic production plays a much less important role "in the creation of wealth," than the combined weight of processing of information and financial services.

But Greenspan parts company with the New Agers' flower-power view that the economy can continue on blithely without experiencing a crisis. In his clearer moments, Greenspan acknowledges that a crisis is just around the corner, which, in actuality, could end the current financial system. Greenspan believes that no level of austerity is too severe, gouging wealth out of the living standards of the population and out of manufacturing companies and farms, to transfer to the account of his banker friends, in order to save the system. Moreover, this austerity must be implemented now.

In testimony on Oct. 8 to the House Budget Committee, Greenspan made this point transparent. He called for cutting Social Security benefit payments to the elderly; adjusting downward the Consumer Price Index to further reduce Social Security benefits; making people work to an older age before they can retire and receive benefits; and privatizing Social Security, to put the money into propping up the bloated stock market. He also called for severe cuts in Medicare. These combined cuts will increase the elderly death rate. He also called for holding wages down, and no new spending for infrastructure.

Should someone try to convince you, dear reader, to choose sides between "New Age" and "Old Age" monetarists, tell him, "No thanks, but I think I can find you good psychiatric treatment."—*Richard Freeman*

**Malaysia:** Government announces austerity measures.

### Oct. 19

**Thailand:** The entire 48-man cabinet resigns.

### Oct. 20

**Hongkong:** Hang Seng stock market index falls 5%.

**Thailand:** The baht falls to a record low of 38.65 to the dollar offshore, equal to a 33% fall in the currency since July 1. The stock market falls 3.1%.

**Indonesia:** The rupiah closes at 3,640, which is a 33.2% collapse since July 1.

**Taiwan:** Stock market falls 4%. Taiwan dollar hits the lowest level since October 1987.

**Malaysia:** Stock market falls 3.4%.

**Singapore:** Stock market falls nearly 2%.

**London:** The FTSE 100 index falls 2.3% on "Brown Monday," as Gordon Brown, Chancellor of the Exchequer, inaugurates a new computerized trading system; the FTSE ends down 1.1% for the day, which wipes out over £10 billion of share values.

### Oct. 21

**Hongkong:** Hang Seng stock market index falls 4%.

**Malaysia:** The ringgit hit a low of 3.335 to the dollar this week, which amounts to a drop of 24.3% since July 1.

**New York:** Dow up 139 points; commentators gloat that Wall Street benefits by outflows from Asian stock markets.

### Oct. 22

**Hongkong:** Hang Seng stock market index falls 6%. Governor of Hongkong, speaking in London, releases a statement of commitment to defend the Hongkong dollar.

### Oct. 23

**Asia-Pacific:**

**Hongkong:** Hang Seng stock market index falls 10.41%.

**Japan:** Nikkei index falls 3.03%.

**Singapore:** Stock index down 4.72%.

**Indonesia:** Stock index down 2.2%.

**Malaysia:** Stock index down 3.38%.

**Philippines:** Stock index down 5%.

**Australia:** Stock index down 2.53%.

**New Zealand:** Stock index down 1%.

**Europe:**

**London:** Stock index down 3.06%.

**Germany:** Stock index down 3.6%.

**France:** Stock index down 3.42%.

**Americas:**

**New York:** Stock indices down—Dow, 2.33%; NASDAQ, 2.16%; S&P 500, 1.84%.

**Mexico:** Stock index down 4.54%.

**Brazil:** Stock index down 8.15% (São Paulo); 7% (Rio).

# Soros's financial warfare is under increasing investigation

by Gail G. Billington and Cynthia Rush

George Soros is facing new, possibly criminal investigations into his hostile hedge-fund-centered speculation against Asian currencies and stock markets. Despite the best efforts of the mouthpieces of Wall Street and London to spiff up his public image, as the contagion of Soros-style financial hit-and-run attacks spreads to Taiwan and Hongkong, and continues to devastate the weakened nations of Southeast Asia, these nations are aggressively organizing, bilaterally, regionally, and internationally, to put this looting on the agenda of every major international meeting through the end of 1997.

Nor are Soros's problems limited to Asia. His name dogged President Clinton throughout his tour of three Ibero-American nations on Oct. 12-18; and, thanks to *EIR*, public debate on Soros's sordid activities erupted in Argentina, during a press conference with U.S. White House drug policy adviser, Gen. Barry McCaffrey (ret.). The President didn't mention Soros's name in public, but Argentine figures who met with Clinton privately, said he expressed concern that Asian-style monetary instability might erupt in Argentina and throughout Ibero-America.

The attacks on Soros, launched by Malaysian Prime Minister Dr. Mahathir Bin Mohamad at the Association of Southeast Asian Nations (ASEAN) summit in late July, and, again, with renewed pungency, at the International Monetary Fund and World Bank Annual Meeting in Hongkong in September, have served as a rallying cry that is now being echoed among "emerging market" nations worldwide. The intensity of this momentum increases in tandem with the spread of the financial hemorrhaging, and the view that the crisis is spinning out of the control of the IMF.

Following the Oct. 20-23 hedge-fund assault that sank the Hongkong exchange 23%, and parallel attacks which forced Taiwanese authorities to float their currency on Oct. 17, Denmark's *Jyllands-Posten* headlined its report on Oct. 22, "The Taiwanese Financial Oversight Board Is Opening Up Investigations Against George Soros." The lead article in the paper's two-page coverage reported, "Taiwan and South Korea have become victims of the unpredictable market forces which to a large extent are controlled by the computers of secret funds, hunting paper-thin exchange margins and, again, the American multi-speculator and political philanthropist George Soros is in the focus. . . . The Futures and Securities Commission (FSC) of Taiwan has now opened up an investigation

into the transactions of George Soros's multibillion-dollar fund on the Taiwanese futures exchange and on the Singapore Monetary Exchange, SIMEX. The FSC thinks that the speculations of Soros's fund was one of the primary reasons for the panic sellings which Friday last week and Monday this week, cost almost 15% on the stock exchange index." An FSC spokesman says, "Mr. Soros has put our markets under extraordinary pressure through his speculative trading on the SIMEX. Our investigations have not been completed yet, and we have not yet decided what actions to take."

The paper reported that on Dec. 2, the finance and economics ministers of the Asian nations will meet in Japan to draft the charter of the Asian Monetary Fund (AMF), the \$100 billion fund proposed by Japan at the IMF meeting in September, with the support of China, South Korea, Taiwan, ASEAN, and with a positive nod from U.S. Treasury Secretary Robert Rubin. During bilateral talks in Tokyo between Thai officials and their Japanese allies and creditors in early October, Thai Finance Minister Thanong Bidaya told reporters, "The purpose of the Asia fund is to round up the funding requirements and the contributions of Asian countries in case of a crisis, and it is a good idea. But somehow it has been delayed. Why not put it in the APEC forum? Why just keep it in Asia? The IMF will not have enough to deal with any crisis by itself, and [the AMF] is an effort to prepare something solid."

Japan's Deputy Finance Minister Eisuke Sakakibara toured Asian capitals during Oct. 14-22 to discuss the AMF idea, which several leaders have said could be used to blunt the effect of crises caused "by accident." As Thanong Bidaya's comments suggest, the AMF, which was the subject of discussions in 1995 between influential Japanese circles and *EIR*'s Founding Editor Lyndon LaRouche, will not solve the crises hitting these countries today. It would, however, blunt the worst effects of IMF "conditionalities" in the transition to complete overhaul of global monetary arrangements.

## Soros on the hot seat

There has been no letup in organizing on this theme since the IMF Annual Meeting. Malaysia's Dr. Mahathir continues to act as a spokesman in this effort, taking up the subject during his Sept. 25-Oct. 5 tour of four Ibero-American nations (see *EIR*, Oct. 10 and 17, 1997), where, despite a delayed

reaction of the press and institutions, his message re-emerged in headline stories in Venezuela and Brazil, which greeted President Clinton upon his arrival in those nations. The stories linked Dr. Mahathir's call for reining in the speculators, to the AMF, and to LaRouche's Urgent Appeal for a New Bretton Woods Monetary agreement.

While Dr. Mahathir was in Argentina on Oct. 2-5, the media there, with the complicity of the Menem government, initially refused to cover Mahathir's attacks on Soros, or to say anything about his visit. *EIR* finally broke this blackout, forcing several dailies to report on his statements, and setting the stage for public discussion of Soros on Oct. 17, at a press conference with General McCaffrey, who accompanied President Clinton on his trip.

Several months of *EIR*'s organizing to expose Soros, paid off. When *EIR*'s correspondent Gerardo Terán arrived at the seminar on anti-drug policy which preceded the press conference, he found that all of the reporters present had in their hands a copy of the box published in *EIR*'s Spanish-language supplement, *Resumen Ejecutivo*, entitled "McCaffrey Attacks the Drug Legalization Campaign," referring to Soros's financing of pro-drug referenda in two U.S. states. The press corps was abuzz with comments and questions, as to what Soros might be doing in Argentina in this regard. Terán was questioned at length by several reporters who wanted to know more.

When the press conference began, the first question was from TV Channel 13 reporter Enrique Sdrech, who asked whether Soros's role in financing drug legalization campaigns in the United States were under investigation, and whether he might be involved in similar pro-drug activities in Ibero-America. Terán then followed by noting that Dr. Mahathir had just been in the country, and had accused Soros of laundering drug money, "to purchase land and speculate in the international markets. What is U.S. policy regarding this new modality of drug-money laundering which has developed with globalization?"

Despite the Menem government's assertion that the country is in fine financial shape, developments in Southeast Asia, and Soros's name, seemed to be on everyone's mind. At an Oct. 17 luncheon of U.S. and Argentine businessmen, Finance Minister Roque Fernández told his audience not to worry about an Asian-style monetary crisis in Argentina, although he admitted that "some tension" existed in the international banking community over Argentina's anticipated \$9 billion balance-of-payments deficit this year. His deputy, Carlos Rodríguez, quickly piped up that the deficit isn't due to increased public expenditures, but to more "private sector imports," which shouldn't be a cause for alarm. He then cited Soros as a positive example of one of these private sector "businessmen"!

Peru's ambassador to Vietnam and Thailand, Oscar Maurtua de Romana, drove the point home to his countrymen in two articles in Lima's business daily *Gestión*, on Oct. 5 and

12, praising Mahathir, whose leadership, he said, "goes beyond the bounds of the borders of his country," and urging Peruvians to support the concept of the AMF.

Prime Minister Mahathir addressed the meeting of ASEAN economic ministers in Kuala Lumpur on Oct. 16, which focussed on the currency crisis. Afterward, Philippines Trade Secretary Cesar Bautista told press that the next step is for heads of state to take up the AMF at the mid-November Asia-Pacific Economic Cooperation (APEC) summit in Vancouver, Canada, which will bring together 18 countries, including China and the United States. Bautista's statement, reported in the German daily *Frankfurter Allgemeine Zeitung* on Oct. 18, is particularly interesting as a signal that some circles are finding new courage to speak out. Following the July 11 attack on the Filipino peso, which sank it a record 10% in one day, Bautista adamantly refused to name Soros's likely role, admitting only that "foreign funds" were involved.

### 'Emerging markets' act in self-defense

Prime Minister Mahathir will take the subject next to the Commonwealth Heads of Government Meeting in Edinburgh, Scotland on Oct. 24-27, where he will find allies among the Group of 15 developing nations, which has already issued a statement supporting Mahathir during its meeting at the UN General Assembly session in New York in September. The G-15 includes some of the most important "emerging markets" on all five continents, and some of the most influential former colonies of the British Empire, making it absolutely clear that this is not an "Asian" issue. The G-15 includes Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela, and Zimbabwe.

On Oct. 20, the Peruvian daily *El Sol* reported that Peru's President Alberto Fujimori will attend the Seventh Presidential Summit of the G-15 in Kuala Lumpur on Nov. 3-5, accompanied by his foreign and industry ministers. There, *El Sol* says, "one of the principal subjects . . . will be the problem of 'hot money' flows in the developing sector, and the creation of a fund to counter the damages caused by the flight of such capital."

Also on Oct. 20, Singapore Prime Minister Goh Chok Tong flew to Jakarta for 24 hours of talks with Indonesian President Suharto "on the regional currency problem, the upcoming APEC leaders' meeting in Vancouver, and the informal ASEAN summit in Kuala Lumpur in December," according to a statement from Goh's office. On Oct. 8, due to the currency and stock market collapse in Southeast Asia, Indonesia turned to the IMF for an as-yet-undisclosed assistance package. Following a 75-minute meeting between the two heads of state on Oct. 21, Singapore announced it will help Indonesia with its current financial difficulties, "separate from any package drawn up by the IMF." Clearly, the "emerging markets" are reading the handwriting on the wall: The end of the IMF is near.

# LaRouche's forecasts in Nigerian press

Lyndon LaRouche's forecasts of an imminent disintegration of the global financial system, and his solutions to the crisis, received prominent coverage in the dual English- and French-language African magazine *Conscience International*, which hit the newsstands in Nigeria and throughout West Africa in the third week in October. The issue, which circulates throughout all the ministries of Nigeria, was released at the point that stock markets around the world were shaken by new major falls.

The cover headline of the magazine, which contained a 12-page interview with LaRouche in both English and French, read, "Exclusive Interview with Lyndon LaRouche, American Presidential Aspirant and World's Strongest Critic of IMF and World Bank." The glossy four-color cover features a picture of LaRouche; other, smaller pictures on the front are Princess Diana, Gen. Sani Abacha of Nigeria, and British Prime Minister Tony Blair. Inside, the lead editorial prefacing the LaRouche interview calls for a summit on LaRouche's "revelations," and to put forward a comprehen-

sive development plan for Africa.

The lead story in this issue of *Conscience International*, headlined "Malaysian Prime Minister Attacks Speculation and Free Trade Policy," also reflects LaRouche's leadership in putting forward a plan for a just, new world monetary system. The article says that LaRouche's forecast is coming to pass, and reports on Malaysian Prime Minister Mahathir's intervention at the International Monetary Fund and World Bank Annual Meeting in Hongkong in September, and notes the *Wall Street Journal Europe* article on LaRouche's influence on Mahathir. The article states: "Dr. Mahathir has thus revived the sentiment of the Non-Aligned Movement of the 1970s and gives hope to other developing countries, especially in Africa, that someone is standing up to the blackmail pressure of the old imperialist powers behind the IMF."

The interview with LaRouche is prefaced by an editorial, entitled "Africa Must Rise Against the Imperialists' Bad Dream." The editorial says: "Walter Rodney prophesied perpetual doom of Africa under European rule." Rodney was tagged a radical Marxist for this, and paid the price for exposing the evil designs of the British—Rodney was assassinated. The editorial also cites the anti-imperialism of Frantz Fanon, but says:

"Lyndon LaRouche, renowned economist and the United States' number-one opposition leader, is playing the same tune, and *Conscience International* cannot afford not to bring this message to the hearing of African leaders and African people at home and in the diaspora."

## A summit on LaRouche's ideas

The editorial continues: "In the past 20 years, all predictions of LaRouche on the world economy and politics have come to pass. What about his revelations concerning the World Bank and the International Monetary Fund? He has sounded the alarm about how the Bretton Woods system and its imperial sponsors would not permit the development of Nigeria." He has sounded the alarm on how the so-called development programs of the imperialist countries are great gifts to cripple the African countries.

"*Conscience International* believes it is high time Africa recognize the unchanged bad dream of imperialism—reduction of the population by fanning the embers of intolerance, resulting in the fratricidal wars we have seen in Nigeria, Burundi, Somalia, Sierra Leone, Algeria, Congo, Liberia, Gabon, Angola, and Chad in the recent years.

"It is our belief that Africa should regard LaRouche's apocalyptic revelations as a godsend. We strongly hold that Africa and Africa's leaders should never allow Britain's bad dream for the African continent to come to pass."

The editorial calls upon African leaders to call a summit on LaRouche's ideas. "We believe African leaders should hold a summit on LaRouche's great revelations and come out with a sincere blueprint for a rapid techno-economic advancement into the 21st century."

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](mailto:larouche@larouchepub.com)

## Origins of the AIDS virus: accident or biowarfare?

by Dr. Ernest Schapiro

---

### **Emerging Viruses: AIDS and Ebola. Nature, Accident, or Intentional?**

by Dr. Leonard Horowitz

Rockport, Mass.: Tetrahedron Publishing Group, 1996

563 pages, hardbound, \$29.95

---

At last, a scientist has written a competent account of the origins of the AIDS virus. Dr. Horowitz demonstrates conclusively that AIDS was man-made. Whether this occurred by accident or intention, he does not know; but he does prove that all the necessary institutions, programs, and personnel were in place to spread the virus intentionally as a population control measure. The book is excellent, in that the author presents a phenomenological method of proof, as defined by Lyndon LaRouche in his book *Dialectical Economics*,<sup>1</sup> as opposed to an empirical method of proof. That is, he demonstrates a coherence among the policy dynamic in the period when AIDS first appeared, the institutions and programs that were created, and the attitudes and thinking of the people who carried out the policy. He elaborates a principle of cause and effect, and he is not satisfied unless it accounts for the actual events that transpired.

Most unusual, is that the book details what the population policy of the Malthusians was, starting with the Congressional hearings of July 29, 1969, organized by Rep. George Bush (R-Tex.). Bush arranged testimony by Gen. William Draper of the Population Crisis Committee, for example.

---

1. Lyn Marcus, *Dialectical Economics* (New York: D.C. Heath Co., 1975), pp. 242-253.

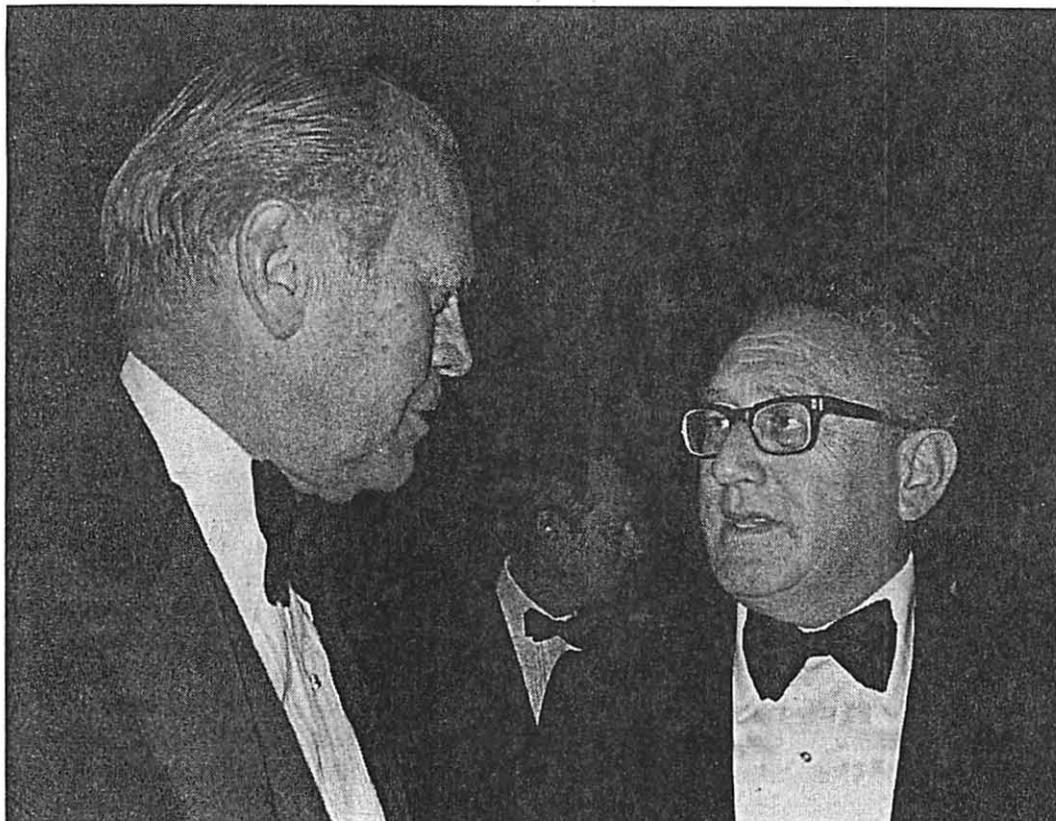
Draper, in a 1971 article,<sup>2</sup> had likened the developing nations to an "animal reserve," where, when the animals become too numerous, the park rangers "arbitrarily reduce one or another species as necessary to preserve the balanced environment for all other animals. . . . But who will be the park ranger for the human race? . . . Who will cull out the surplus in this country or that country when the pressure of too many people and too few resources increases beyond endurance? Will the death-dealing Horsemen of the Apocalypse—war in its nuclear dress, hunger haunting half the human race, and disease—will the gaunt and forbidding Horsemen become Park Ranger for the two-legged animal called man?"

Following these hearings, Bush gained Congressional support for Third World population control programs backed by President Nixon and his national security adviser, Henry Kissinger. Horowitz quotes from National Security Study Memorandum (NSSM) 200, "Implications of World-Wide Population Growth for United States Security and Overseas Interests." This memorandum was completed on Dec. 10, 1974, under the direction of Kissinger. It became U.S. official policy on Nov. 26, 1975. The document cited the World Population Plan of Action drawn up by the First United Nations Population Conference in Bucharest, Romania, in the summer of 1974, and stressed that the plan would only succeed if it were enforced by United Nations agencies and using the power of countries like the United States. NSSM-200 concentrated on 13 developing countries, which it declared were responsible for 47% of the world's expected rate of population growth.

Not mentioned by Horowitz, is that at the Bucharest conference, Helga Zepp, the future wife of Lyndon LaRouche,

---

2. See "The Genocidal Roots of Bush's 'New World Order,'" *EIR Special Report*, May 1992.



*Henry Kissinger (right) with Gerald Ford. Author Dr. Leonard Horowitz presents evidence that Kissinger's Malthusianism and his love of "covert methods" of warfare, may have led to the laboratory creation of the AIDS virus.*

stood up and denounced John D. Rockefeller III, who was on the dais as a leader of the conference, charging him with crimes against humanity, and attacking the scientific fraud of Malthusianism. Her bold intervention sparked a protest against the policy of population control among many attending countries, and provoked the late Dame Margaret Mead, who was one of the conference organizers, who tried to strike Zepp with the witch's forked stick that she carried about with her!

Horowitz quotes NSSM-200 about the revolt that occurred at the Bucharest conference, and relates what followed. Thus, when he conducted a computer search on MEDLAR to find references to USAID-Population Control (USAID is the State Department's Agency for International Development), he found hundreds for 1975, but none thereafter. He quotes NSSM-200 on the importance of dissimulating the population-control policy under the guise of such things as maternal and child health.

### **Kissinger's role**

Kissinger's role in the story is particularly important. Horowitz documents his preference for covert operations, as shown, for example, in his February 1976 testimony before the Senate subcommittee on African affairs of the Senate Foreign Relations Committee. "The Angola situation," Kissinger intoned, "is of a type where diplomacy without lever-

age is impotent, yet direct military confrontation would involve unnecessary risks. Thus it is precisely one of those gray areas where covert methods are crucial if we are to have any prospect of influencing certain events of potentially global importance." Horowitz presents evidence that such possible operations may very well have included biological warfare.

Horowitz delves at some length into Kissinger's oligarchical political philosophy, in which policy disagreements are settled by force, and there is no place for morality—only self-interest. Thus, in April 1955, Kissinger wrote that the United States should be prepared to conduct limited nuclear wars. Horowitz, reflecting on this, asks whether "the incredible proliferation of chemical and biological weapons during the late 1960s and early 1970s may have been the result of Kissinger's articulated need for nuclear alternatives, a broader weapons arsenal that might allow for a more 'graduated defense and flexible response?'" During Nixon's first term, Kissinger, as national security adviser, concentrated power into his own hands to an extraordinary degree, including the powers that ordinarily belonged to the secretary of defense. In 1969, he ordered a survey of chemical and biological weapons. He and Nixon signed a treaty to eliminate these weapons, but they secretly kept a supply.

Horowitz believes that Kissinger ordered the Defense Department to request an appropriation from Congress for an AIDS-like virus to be produced.

animal into which a virus or viruses were injected might not be the species from which they originated. Viruses tend to infect only one, or at most, a few species, but these mad scientists were breaching the species barrier, creating viruses that could infect new hosts.<sup>3</sup> For example, if a cow virus, such as bovine leukemia virus, could be made to grow in human cells in tissue culture, it might then become able to infect a human being. This was the kind of thing that opponents of biowarfare were worried about. There are now a number of examples documented, in which human intervention, deliberate or accidental, caused a new infectious disease. Bovine spongiform encephalopathy (BSE, or "Mad Cow disease"), for example, appeared first on British cattle farms in 1985. The infectious agent, now known to be a protein called a prion, resembles the agent causing scrapie in sheep. It is suggested that the cattle contracted BSE from eating bone meal prepared from the carcasses of sheep.

### The trail of investigation

In telling his story, Horowitz relates his own process of discovery, which makes the book very readable. He confronts the reader with the simplest, most pervasive anomaly: the obstinate refusal by the medical establishment to even consider the possible origin of AIDS in the laboratory.

When Horowitz first presented his wife (and co-investigator) with the evidence that Gallo and other virus cancer researchers were covering up their knowledge of the origin of AIDS, she replied: "Let's think about this for a minute. What was happening politically around the time cancer viruses first came in vogue? Who was in power?"

Horowitz had recently written a book called *Deadly Innocence*, another piece of medical detective work, concerning the story of David Acer, the Florida dentist, five of whose patients, including teenager Kimberly Bergalis, died of AIDS. Horowitz showed that Acer had deliberately infected his patients in order to express his outrage at what he believed was the deliberate infection of homosexuals like himself by the government. Acer's story was covered up by the CDC. Horowitz then came across the work of Dr. Robert Strecker, who believed that the AIDS virus was manufactured and deliberately given to people via vaccines. Strecker cited a hearing by the House subcommittee on Appropriations in July 1969, at which the Defense Department requested a \$10 million appropriation to develop viruses to which the immune system has no defense. That money was granted, and distributed to a number of biological research labs, including the ones already mentioned.

3. John Seale, "AIDS as a Cross Species Viral Transfer," *21st Century Science & Technology*, July-August, 1989, p. 15. See also, John Grauerholz, "Was AIDS Created in a Laboratory?" in "AIDS Global Showdown," *EIR Special Report*, August 1988, revised November 1989, p. 119. Horowitz does not take up the possibility that the Soviet intelligence services had a role in creating the AIDS virus. Evidence of this is presented in John Grauerholz, "The U.S.S.R. and the Origin of the AIDS Virus," *EIR*, Feb. 12, 1988, p. 16.

Horowitz picked up on Strecker's assertion that the World Health Organization had played a key role in the research that led to the synthesis of the AIDS virus. Horowitz confirmed that the WHO had laboratories where virus cancer work was being done, and acted as a center for the testing and distribution of biological products—i.e., vaccines and viruses. He also noted an inordinate interest by the WHO in a rare, but lethal, slow virus affecting Pacific Islanders, kuru. Kuru is now known to be a prion disease spread by cannibalism. One thing that caught Horowitz's attention, was that the WHO was making advanced information and techniques available to researchers in both the East bloc and the West.

From an official history of Fort Detrick, Horowitz learned that George Merck headed its first biowarfare program. He read that in 1969, scientists had refused to take part in a conference there, while protesters demonstrated outside. The conference concerned "entry and control of foreign nucleic acid in cells"—Gallo's specialty. He also learned that in 1969, Nixon signed an order outlawing offensive biological research. In fact, as noted above, the programs were continued under another guise and the bioweapons stocks were not destroyed, as revealed before the Church Committee in 1975. Instead, the NCI took over Fort Detrick from the military.

Horowitz discusses the ironies surrounding the alleged "discovery" and naming of the AIDS virus by Robert Gallo and the French Pasteur Institute's Luc Montagnier, by pointing out that both of these men were involved in virus cancer work, read each other's writings, and had attended the same conferences for years. Gallo had been creating AIDS-like viruses since the late 1960s, had developed the antibodies to detect them, and the means to grow these viruses in culture, including the techniques to cause virus-infected cells to reproduce themselves. He had done extensive work since the 1970s in identifying the reverse transcriptase (RT) enzyme, in cancer cells as well as in the viruses themselves. Retroviruses such as AIDS use this enzyme, to reproduce themselves, when they infect a host cell. They are RNA viruses, and the RT allows them to use the machinery of the cell to make viral DNA, which in turn is needed for the virus to reproduce itself inside the cell.

Ironically, although the AIDS epidemic was reported in the CDC bulletin in mid-1981, neither Gallo nor the NCI undertook any research on the disease until 1983, and Gallo sabotaged the work of others! This doesn't make sense, for a biological warfare laboratory which is supposed to protect the population. Gallo and others invented ad hoc explanations for the emergence of AIDS, all of which were proven to be wrong or remain unproven, including the assertion that the AIDS virus was prevalent in Africa years before the epidemic broke out. This line of attack was based on unconfirmed analyses of old serum samples from the 1960s. The most extreme purveyor of this kind of disinformation is Peter Duesberg, who to this day asserts that HIV is not the cause of AIDS, although he was very much in the inner circle, as a principal virus cancer researcher.

Virus cancer researchers and CIA officials also committed a number of very revealing slips of the tongue, detailed by Horowitz. A good example was the 1975 testimony before the Church Committee of Nathan Gordon, a chemist for the CIA. When he was asked about the decision made by his superiors not to throw out a batch of shellfish toxin, he said that the toxin might be useful in research: "Besides, if one had to really in effect study immunization methods for disease vis-à-vis who knows, cancer, anything of that particular ilk, it would take a considerable amount of this particular antigenic material to develop immunization."

Horowitz points out that by no stretch of the imagination had this material anything to do with cancer or immunity; it was a highly lethal nerve poison. In light of the appropriation requested by the Defense Department on July 29, 1969 to produce viruses capable of destroying the immune system (research disguised as study of the virus-cancer relationship), Gordon's slip makes perfect sense.

It was Horowitz's wife's question, cited above, that led him to explore the targetting of black radicals and homosexuals. As he put it, "during the period when the domestic war against black radicals was raging, the African continent became a principal target of the Cointelpro and other CIA anti-communist operations." This, he says, led him to look for the first time into the population-control policy in Africa, and the role of Henry Kissinger.

The author decided to explore the possible channels for the introduction of AIDS into New York City and Africa. Noting Califano's military background and fanatical commitment to population control, he sought a connection between USAID, the Department of Health, Education, and Welfare's vaccine program purveyor, and viral vaccines. Since Merck was already under suspicion as the manufacturer of the infamous hepatitis B vaccine given to New York City homosexuals, Horowitz began to look for references to hepatitis vaccine. He at once found a fraudulent effort by CDC and other researchers to cover up the implications of the rapid growth of AIDS among New York City homosexuals, New York being the first city to get the hepatitis vaccine, and the place where 50% of the first 1,000 cases of AIDS occurred.

The hepatitis B vaccine was developed by Saul Krugman of New York University, in collaboration with Hilleman at MSD and R.H. Purcell at NIAID (a division of the National Institutes of Health). Krugman became infamous in the 1970s, when it came out that he had deliberately infected retarded children institutionalized at Willowbrook in New York City with hepatitis B virus, using the pretext that conditions there were so atrociously unsanitary, that the children would become infected anyway! NYU was one of the institutions that got money from the 1969 grant of \$10 million for biowarfare.

Horowitz found that some of the same biowarfare researchers were heavily involved in the African vaccine programs, including Hilleman from Merck and Krugman. In fact, the hepatitis B vaccine was given to children in Burundi and

Senegal. By following Krugman's trail, he learned of a conference on immunization in Africa organized by WHO. There, a number of scientists said that multiple virus vaccines might be dangerous. One of them, Dr. Frederick Rasmussen, Jr., of the University of California School of Medicine, even suggested that a slow virus might be activated, like the visna virus of sheep.

Horowitz gives a number of accounts of laboratory contamination by viruses, and even the case of unintended contamination of cell cultures by a particular line of cancer cells that became widely disseminated in Russia, before the danger was recognized. One of the most scandalous examples occurred with the Salk vaccine, which was quietly withdrawn from use after it became known that the monkey tissue in which it was prepared was infected with SV40 virus, a virus which can (rarely) cause brain softening in humans with AIDS and cancer in animals. As related by Hilleman of Merck, the company went ahead with the distribution of the vaccine, even after they recognized this contamination. This taped account has never been published. It was brought to Horowitz's attention by Dr. John Martin, director of the Food and Drug Administration's program for vaccines between 1976 and 1980. Martin resigned from the position, because he felt that these kinds of problems were not being adequately addressed.

### The Ebola virus

Horowitz doesn't confine himself to the AIDS virus. He devotes two chapters to Ebola virus. Unlike Strecker and others, he develops the idea that the research which is most likely to have infected people with the AIDS virus, was carried out on monkeys. This is coherent with the discoveries he had made concerning the laboratories in Africa, where research was conducted on monkeys, some of which were sent to other countries in an infected condition, or which became infected while in holding centers along the way. The company that was the principal supplier of monkeys to the Western world was Litton Bionetics.

Horowitz develops a powerful argument that Marburg and Ebola viruses, and closely related hemorrhagic fevers, which are 100% fatal in their monkey hosts, were created in laboratories, most likely in Africa. Marburg appeared in two German and one Yugoslav vaccine laboratories in 1969 and Ebola appeared in 1976 in Sudan and Zaire. Ebola, named after a town in Zaire, reappeared in Kikwit, Zaire in 1995, with a virus form identical to the Ebola of 20 years before. Horowitz quoted Seymour Kalter, a top NCI scientist, at a seminar in 1975, blurting out that "simian hemorrhagic fever is a man-made disease." Then, apparently realizing what he had said, he quickly changed the subject. Kalter's role in the Special Virus Cancer Program was defined as determining the nature of "viruses that emerge from the research," i.e., viruses that are created. Hence, the title of Horowitz's book.

Horowitz strongly suggests that, just as Dr. Kalter said, Marburg and Ebola were man-made in the 1960s and 1970s,

the most recent Ebola outbreak of 1995 was man-made, too. Particularly suspicious was the spate of books and films which immediately preceded the Kikwit Ebola outbreak of 1995, "predicting" emerging virus diseases. None of these productions suggested that Ebola was man-made.

### A war against Malthusianism

Of more fundamental importance, is the connection this book makes between Malthusian population-control policy and biological warfare, especially in regard to the developing sector. By far the most devastation from AIDS is occurring in the developing sector and in the impoverished communities of the United States. Population reduction is the hegemonic policy outlook today in the policymaking bureaucracies of the industrialized countries, at the United Nations, and in the thousands of non-governmental organizations (NGOs), which are active in the developing countries.

As *EIR* has shown, at the top of the population-control effort worldwide is the Club of the Isles, run by Britain's Prince Philip<sup>4</sup>. Philip has said many things which express his belief that human beings differ in no fundamental way from apes. This bestial view is coherent with his remark that, were

4. "The True Story Behind the Fall of the House of Windsor," *EIR Special Report*, September 1997.

he to be reincarnated, he would want to come back as a deadly virus to help solve the alleged problem of overpopulation. The Club of the Isles has spawned a hierarchy of organizations, from the "respectable" but genocidal World Wildlife Fund, all the way down to such environmentalist terrorist groups as Earth First! Horowitz quotes a letter from "Miss Ann Thropy," printed in *Earth First!* journal: "If radical environmentalists were to invent a disease to bring human population back to ecological sanity, it would probably be something like AIDS. . . . We can see AIDS not as a problem, but a necessary solution."

The population-reduction advocates in 1994 planned to cause adoption of policies at the 1994 International Conference on Population in Cairo that would have allowed the UN to force all countries to submit to a population-control regime. The LaRouche movement led an international mobilization against this, which culminated in an understanding between President Clinton and Pope John Paul II to oppose any such infringement on the principle of national sovereignty. Although the Malthusians' plan was defeated, they are pursuing the same aims in other guises, including the proposed global warming agreement. The Malthusians' policy will be stopped only by an overthrow of the present hegemony of their ideas, and a return to the principle of national sovereignty and the right of all peoples to economic development.

#### Local Times for "EIR Talks" Sunday Shortwave Broadcast on WWCR 12.160 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 . . . . .       | 1800      |
| Detroit . . . . .          | 1700  | Sarajevo . . . . .       | 2300      |
| Dublin . . . . .           | 2200  | Seattle . . . . .        | 0700*     |
| 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 |

# 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**

# Was a laser used in the murder of Princess Diana?

by Jeffrey Steinberg

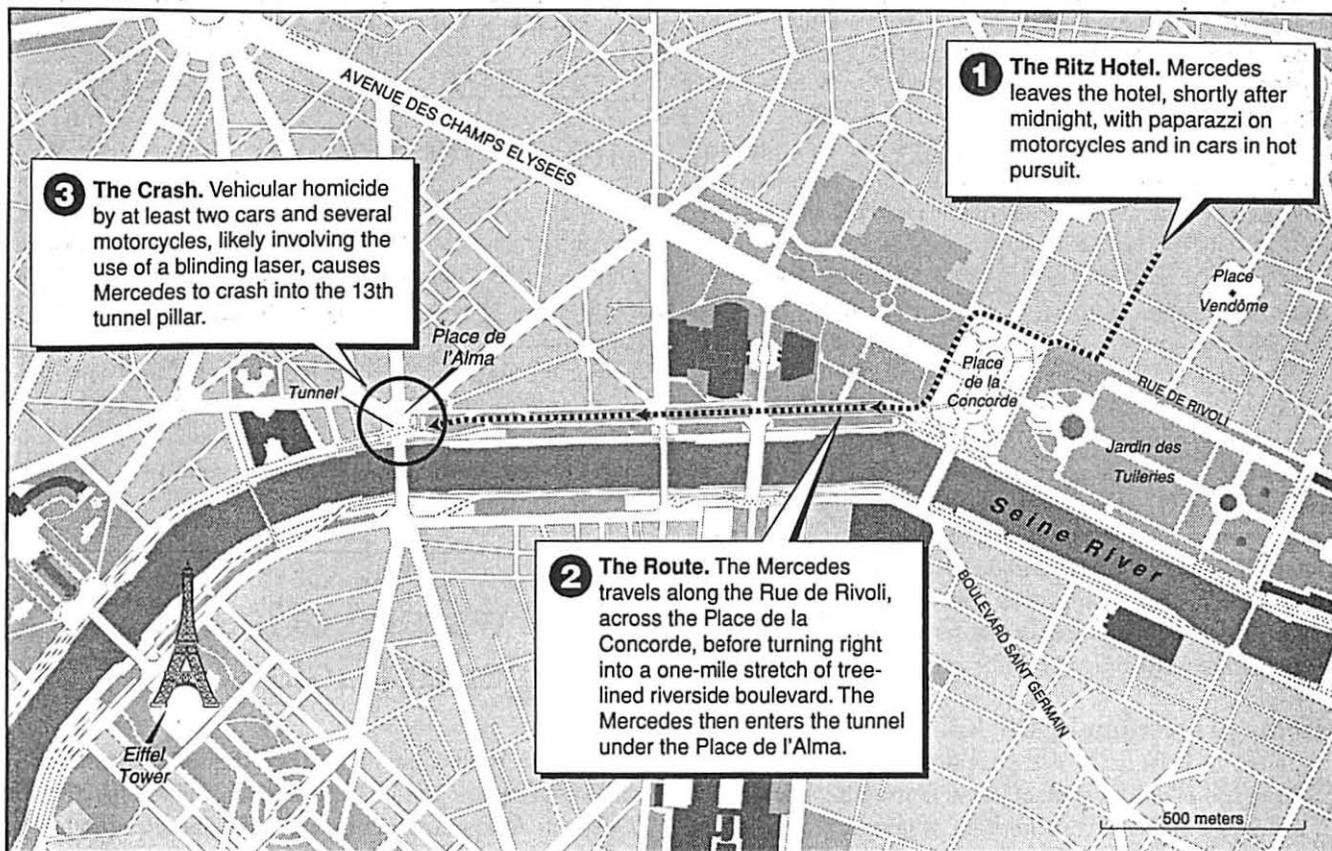
An ongoing review of unclassified scientific data has confirmed that a mobile anti-personnel laser could have been employed by the assassins of Princess Diana, to incapacitate driver Henri Paul, and ensure a "sure kill" of the Princess, her friend Dodi al-Fayed, and their driver and bodyguard, in the car crash in the Alma Tunnel in Paris, on Aug. 31, 1997.

The probe into the possible use of a laser weapon, commissioned by *EIR* Founding Editor Lyndon LaRouche, was provoked by several eyewitness reports, that a blinding flash of light was seen in the tunnel just seconds before the crash. In a Sept. 9 interview with Associated Press, al-Fayed family attorney Bernard Darteville described two photographs, taken from a vehicle in front of the Mercedes, seconds before the crash, showing driver Henri Paul holding his hands in front of his eyes, blinded by a bright light, bodyguard Trevor Rees-Jones flipping down the sun visor over the passenger seat, and Princess Diana, in the back seat, turned around looking at the headlight of a motorcycle, immediately behind the car. The photographs were shown to Darteville by Paris police investigating the crash. They were apparently confiscated from an unidentified paparazzi photographer.

Even the French police, who are waging a vicious cover-up of the murder of Princess Diana, have been forced to admit that at least one other car collided with the Mercedes 280-S, just before the princess's car careened off a tunnel wall and crashed head-on into the 13th pillar. Bodyguard Rees-Jones survived the crash, and is now recuperating in seclusion somewhere in England; Dodi al-Fayed and Henri Paul were killed instantly; and Princess Diana survived the initial impact of the crash, but died, under still-mysterious circumstances, ostensibly from internal injuries, several hours later. It took rescue workers one hour to get Princess Diana into an ambulance, and 43 minutes to drive her to a hospital that was just six kilometers from the crash site. Along the route, the ambulance passed two other hospitals. As yet, there have been no complete accounts of what occurred during that nearly two-hour period.

FIGURE 1

The assassination scene



While many details about what happened shortly after midnight on Aug. 31 in the Alma Tunnel remain hidden, and may never be known, certain crucial facts are known, and argue strongly for a serious probe of the laser theory.

First, the French authorities, in full cooperation with their British counterparts, are conducting a brutal cover-up of the murders. In the face of a growing mountain of contradictory evidence, the French are still claiming that driver Henri Paul was drunk and high on prescription drugs, and was speeding at 120 miles an hour, when he lost control of the car and crashed. All of these details have been thoroughly discredited by eyewitnesses, by intimate associates of Paul, by medical experts, and by statements from Daimler Benz safety engineers, who dispute that the reading on the speedometer after the crash is a reliable indication of the actual speed of the car at the point of impact.

On Oct. 15, Rupert Murdoch's *New York Post*, in the most flagrant example of media collusion in the cover-up to date, reported that French police have not only exonerated all of the paparazzi of any responsibility for the crash; based on the testimony of a mysterious "new" eyewitness, who claims he saw Paul driving "like a madman" just before the crash, they are now also downgrading their search for the missing white

Fiat Uno, which collided with the Mercedes just before the crash, and fled the scene at high speed. According to the *Post* and the French publication *Voici*, French police now believe, based on the account of the new mystery witness, that the collision with the Fiat was Paul's fault.

This bogus account conforms to reports received from well-placed U.S. intelligence sources, that the Franco-British cover-up will next seek to thoroughly discredit Trevor Rees-Jones, the lone survivor of the crash, and Ritz Hotel owner Mohamed al-Fayed. Ultimately, these sources have told *EIR*, "the cover-up hangs or falls on the destruction of al-Fayed."

This latest preposterous hoax by the French police merely proves that they are committed to burying the truth about what happened inside the Alma Tunnel.

But the cover-up is not sticking. For the first time since the crash, a major British newspaper has come out with a banner headline story, touting the growing suspicion that Princess Diana was murdered by professional assassins, perhaps from MI5 or another branch of British intelligence, deployed by the House of Windsor.

The Oct. 19 *Independent* ran a story on its cover, headlined "Was Diana Murdered?" by Chris Blackhurst, which

reviewed several of the anomalies of the case, including the mysterious Fiat, which the article called "Princess Diana's grassy knoll (the site of Kennedy's alleged second assassin), an aspect of her death that, until the driver is found, cannot be explained."

The *Independent* noted that, although "every newspaper and news organization" has adopted the Franco-British cover story, pinning responsibility on Paul, "people who read serious newspapers and watch serious television programs still have their doubts. . . . Their suspicions reflect another sentiment, that behind much of what happens at the top of our society lies the hand of dark, mysterious forces. We are fed a constant diet of films and novels suggesting that MI5, MI6, the CIA and other sinister groups, are capable of anything. . . . This is what leads many people to suspect something similar occurred with Diana."

The *Independent* reported that "Diana feared she would be killed. She once, apparently, confided in friends that the security services would dispose of her because she was a 'loose cannon.' . . . 'One day I'm going to go up in a helicopter and it'll just blow up. MI5 will do away with me.' "

The *Independent* story was also the first to appear in a major British daily newspaper that seriously raised the possibility that the British royal family was behind her murder.

### Highly professional 'sure kill'

In our Oct. 10 issue, *EIR* provided a brief outline of the growing use of anti-personnel lasers in irregular warfare, by *21st Century Science & Technology* magazine staff scientist Charles Stevens. Stevens cited a 1993 report by the International Committee of the Red Cross, which warned of the danger of a proliferation of "dazers" and other highly mobile blinding lasers, and identified the British and French intelligence services as two of the agencies that have done the most work on developing and deploying such space-age weaponry. Both countries have balked at any restrictions on the use of such weapons, and have used them in the Balkans, Africa, and in the Persian Gulf.

In this *Feature*, Stevens provides a more in-depth review of how such a blinding laser could have been used in an attack against the Mercedes, seconds before the fatal crash.

In recent weeks, LaRouche has emphasized that the murder of Princess Diana had to have necessarily been the work of a professional team of assassins, committed to either securing a "sure kill," or postponing the attempt for another occasion. Once one begins to review even the fragmentary evidence that has come to light, from the standpoint of an assassination designed by an irregular warfare professional with access to unlimited resources, inside information on the princess's travels, and assurances of cooperation from the relevant French and British authorities to secure a cover-up, a far different picture emerges than the patently phony "drunk driver" story still being peddled by the French police to the shrinking ranks of the gullible.

## A driver could be blinded with a laser

by Charles B. Stevens

The question has been raised in the death of Princess Diana, whether a laser beam originating from a lead car could have blinded or incapacitated the driver of Diana's car. The answer is a definite yes.

For the act to be feasible, the following four conditions must be met: 1) the laser and its power conditioning unit must fit within an automobile; 2) the energy source for the laser must fit within an automobile; 3) the laser must deliver suffi-

### FAA warned of laser danger to pilots

In October 1994, the Federal Aviation Administration (FAA) issued a press release, announcing that the Society of Automotive Engineers, the industrial safety group for mobile transportation on land, sea, air, and space, had formed a research committee to come up with safety standards for the use of outdoor lasers, following two dangerous incidents involving the accidental blinding of airplane pilots.

The first incident noted by the FAA, occurred in late 1993 at the Las Vegas Airport, as a Southwest Airlines commercial flight was taking off. A 12 W argon laser on the roof of the Las Vegas Rio Hotel accidentally was viewed by both the pilot and co-pilot, resulting in the first officer being completely blinded for 5-10 seconds, and suffering reduced vision for the next ten minutes. In a similar incident in June 1994, a flight engineer on a C-130 military cargo plane flying over Biloxi, Mississippi, was exposed to two 15 W beams from a laser at the Palace Casino. The flight engineer was totally blinded for more than one minute, although the contact with the laser occurred at a distance of 3.5 miles and an altitude of 700 feet.

It is also widely suspected that a mid-air crash of two stunt planes at the Ramstein Air Show in Germany in August 1988 was caused by a mobile laser device having incapacitated one or more of the pilots during a tricky multi-plane formation maneuver.

TABLE 1

**Eye exposure limits**Continuous in W/cm<sup>2</sup> (exposure time=1 sec)

| Wavelength (microns)      | Light source          | Occupational MPE   | Battlefield MPE (50% probability)         |
|---------------------------|-----------------------|--------------------|---|
| White, 0.4-0.8            | Sun, Xenon flash lamp | 1.0                |   |
| 0.22-0.32 (UV)            | KrF laser             | 0.02               |   |
| 0.488, 0.515 (blue/green) | Argon laser           | 1×10 <sup>-5</sup> | 5×10 <sup>-3</sup>                        |
| 0.633 (red)               | He-Ne laser           | 1×10 <sup>-5</sup> | 5×10 <sup>-3</sup> to 10×10 <sup>-3</sup> |
| 10.6 (LWIR)               | CO <sub>2</sub> laser | 1.0                |   |

| Pulsed systems in J/cm <sup>2</sup> |                       |                      | (exposure time=10 <sup>-8</sup> sec/10 <sup>-3</sup> sec) |  |
|-------------------------------------|-----------------------|----------------------|---|--|
| Wavelength (microns)                | Light source          | Pulse length         | Occupational MPE  | Battlefield MPE (50% probability)          |
| White, 0.4-0.8                      | Sun, Xenon flash lamp | 10 <sup>-3</sup> sec | 1.0   |  |
| 0.488, 0.515 (blue/green)           | Argon laser           | 10 <sup>-3</sup> sec | 0.15×10 <sup>-3</sup>                                     |  |
| 0.633 (red)                         | He-Ne laser           | 10 <sup>-3</sup> sec | 0.5×10 <sup>-3</sup>                                      | 0.8×10 <sup>-3</sup>                       |
| 0.694 (red)                         | Ruby laser            | 10 <sup>-3</sup> sec | 0.1×10 <sup>-6</sup>                                      | 20×10 <sup>-6</sup> to 50×10 <sup>-6</sup> |
|                                     |                       | 10 <sup>-3</sup> sec | 1×10 <sup>-6</sup>  | 1×10 <sup>-3</sup> to 2×10 <sup>-3</sup>   |
| 1.06 (near IR)                      | Nd:YAG laser          | 10 <sup>-8</sup> sec | 300×10 <sup>-6</sup>                                      | 600×10 <sup>-6</sup>                       |
|                                     |                       | 10 <sup>-3</sup> sec | 5×10 <sup>-3</sup>  | 10×10 <sup>-3</sup>                        |
| 10.6 (LWIR)                         | CO <sub>2</sub> laser | 10 <sup>-3</sup> sec | 0.3   |  |

Source: Chemical Rubber Co., *Handbook of Lasers*, 1971.

cient power to blind or incapacitate a person from a range of at least 50 meters; and 4) the laser must be able to be aimed and pointed where needed.

We begin by reviewing the sensitivity of the human eye to light. First, consider the spectrum over which the eye is sensitive. The eye and brain can detect light (i.e., see) over the so-called visible range of wavelengths, between about 0.35 millimeters (violet light) and 0.75 mm (red light). The greatest sensitivity is in the middle of this range (green light), with the sensitivity trailing off to zero at the endpoints. While these are the wavelengths that can be seen, a broader band of radiation is transmitted through the ocular media and absorbed by the retina. This band extends from about 0.35 mm to 1.3 mm (near infrared). In darkened conditions, there exists the "attention reflex," which means that someone can be made to look in the direction of a flash of visible light. A second, stronger pulse can then more effectively incapacitate. The eye magnifies incoming light by about 100,000 times, which means that a low-energy laser, that would have no effect on other body tissue, can easily cause pain and other effects on the retina. In addition, it should be noted that all radiation, from X-rays to radio waves, whether it ever reaches the retina, impinges on the cornea of the eye (the transparent coating over the exterior surface of the eyeball, including over the pupil).

Now, consider the effect on the eye of the intensity of the radiation which strikes it. But, first, let us review what we mean by the intensity of radiation. Sunlight is classified as

"continuous wave" radiation, because its power output, i.e., the Sun, is always "on." The strength of its output, or its intensity, is the power it delivers to a unit of area (watts/cm<sup>2</sup>). By contrast, many lasers and other optical devices generate pulses of radiation. The strength of the output beam from these devices is typically expressed as energy per unit area (joules/cm<sup>2</sup>), or fluence, rather than the power per unit area (watts/cm<sup>2</sup>), or intensity, used for continuous-wave devices. Since energy equals power × time, the power of a pulse of radiation is simply the energy of the pulse divided by the pulse length. Note also, that the power or energy within a beam is simply its intensity or fluence, respectively, multiplied by the area of the illuminated spot it produces.

**Maximum exposure levels**

The "eye safe" exposure limits for pulsed light are somewhat different than the limits for continuous light. **Table 1** lists two different maximum permissible exposure levels and an exposure level that causes observable eye damage 50% of the time (the damage is statistical in nature due to variability in viewing geometries, the tissues involved from one test subject to the next, and so on). When eye tissue (cornea or retina) is damaged, it is the result of a burn—"sunburn" in the case of ultraviolet (UV), and thermal burns in the case of visible and infrared (IR) radiation. The severity of the burn or lesion is dependent on the intensity and duration of the exposure. (The data in Table 1 are taken from the 1971 edition of the *Handbook of Lasers*, and so might be

TABLE 2

**Commercially available Nd:YAG lasers**

Beam diameters are roughly 5 mm (0.2 inch)

Full-angle beam divergences are roughly 5 microradians

|                             | High power | Medium power | Low power |
|-----------------------------|------------|--------------|-----------|
| Energy/pulse, J             | 3.0        | 0.5-1.0      | 0.1       |
| Pulse width, msec           | 1-100      | 0.01-100     | 0.01-100  |
| Pulse rate, Hz              | 10-50      | 10-100       | 5-100     |
| Average laser power, watts  | 150        | 100          | 10        |
| Input voltage, volts AC     | 220        | 220          | 110       |
| Input power, watts          | 7,500      | 1,500        | 500       |
| Power supply size, l"xw"xh" | 42x30x12   | 30x30x12     | 30x12x12  |
| Laser head size, l"xw"xh"   | 48x6x6     | 36x6x4       | 12x6x2    |
| Cooling water required?     | Yes        | No           | No        |
| Approximate cost            | \$100,000  | \$60,000     | \$20,000  |

Source: *Handbook of Lasers*.

somewhat out of date. But, since the data on eye damage (detectable lesions) are most useful for this analysis, and since they are based on experiments with rabbits and primates, it is doubtful the data have significantly changed over the years.)

To get a sense of the magnitudes involved, note that the visible light emitted by the Sun has an intensity (power per unit area) at the Earth's surface of about 0.13 watts/cm<sup>2</sup>. This would be approximately the intensity on the cornea and retina if one looked directly at the Sun. As the table makes clear, a laser pulse of 0.01 microsecond (10<sup>-8</sup> sec) at an intensity of 0.001 joules/cm<sup>2</sup> (or 1,000 × 10<sup>-6</sup> joules/cm<sup>2</sup>, which is about twice as large as the largest comparable value in Table 1; note that the power of the pulse is 105 watts/cm<sup>2</sup>) at virtually any wavelength between ultraviolet and near-infrared, would severely burn the retina (and perhaps the cornea) and cause blindness until the retinal lesion healed.

**One laser that fits the bill**

It is now appropriate in our analysis to pick a laser device that would meet the demands for blinding a driver under conditions similar to those in which Princess Diana was killed. Since we stated at the outset that it would be advantageous to an assailant if the laser beam were invisible to the human eye (making an attack impossible to observe or detect), we are restricted to choosing among ultraviolet and infrared lasers. Of these laser types, an obvious selection is the Nd:YAG laser at 1.06 mm. These are very mature lasers and readily available at relatively high intensities. A summary of the characteristics of these lasers is given in Table 2.

Note the following characteristics of the medium-power Nd:YAG lasers: 1) they can easily fit within the back seat of

a car or a car trunk; 2) they are air-cooled; and 3) they can be powered for a short time with a couple of car batteries (12 volts × 300 amperes = 3,600 watts). So, we have established that a medium-power Nd:YAG laser beam can be produced from within a car. But how can the laser beam be aimed and pointed?

A system of mirrors, such as in a periscope, can be used to route the laser light where needed; for example, from the back seat of a car through the rear window or a hole in the trunk. A movable mirror or lens in this "optical train" can be used to point or scan the laser beam. If the laser beam is directed at a target 50 meters (164 feet) away, the diameter of the beam grows from 5 mm to about 50 m × 5 millirad, or 25 cm (10 inches), which is an area about the size of a man's head.

To ensure the laser can be aimed and pointed to illuminate the head of the driver of a high-speed car with high confidence, the laser beam can be widened to two or three times the size of the driver's head. Better still, if the laser beam is formed into a rectangular shape about 50 cm long (the approximate height of a windshield) and 1 cm wide, it can then be scanned across the windshield of the targeted car, making the task of illuminating the car's driver a relatively easy one. To shape the output beam, the beam from the laser device must be widened a factor of 25 to about 13 cm (5 inches) in diameter and then formed into a rectangle and focussed. A series of lenses and mirrors can easily do this. The exit window for the beam must also be large enough to accommodate a 13 cm-wide beam. Since pulses can be generated at 100 hertz, the rectangular laser spot can be moved 1 cm every 0.01 sec, or 100 cm/sec (3.3 ft/sec) without failing to illuminate any part of the target car's windshield. In practice, the scan rate might be slower than this; consequently, the eyes of the targeted driver might receive multiple laser pulses as the beam scans over them. A real-time near-infrared camera can be used to observe the scan and help aim the laser.

Only one feasibility criterion remains to be analyzed in our quest to determine if a laser can be used to incapacitate the driver of an automobile: The intensity of the laser beam at the target must be higher than the level needed to damage the human eye. The beam intensity is found by simply dividing the pulse energy of the laser by the area of its spot. The area of a 50 cm × 1 cm spot is 50 cm<sup>2</sup>, so, the average intensity of a 1 joule laser pulse with this spot size is 0.02 joules/cm<sup>2</sup>. This is over 20 times the intensity needed to burn the human eye using a 0.01 msec pulse.

And, as Table 2 shows, lasers with this pulse width are readily available.

All of the feasibility criteria posed at the outset of this analysis are now met; we therefore conclude that yes, it is feasible to incapacitate the driver of a moving car using a laser in a lead car. The cost to construct such a system is on the order of \$100,000.

# The British media, a 'strategy of tension,' and murder

by Scott Thompson

The British media, which are controlled from the top-down by the decadent House of Windsor, have pioneered the method of discrediting a targeted individual, through the use of character assassination that masks the real political and policy issues at stake. Often, this British media effort to brainwash the population against an individual, by using methods that one British psychological warfare expert, attached to the infamous Tavistock Clinic, identified as seeking "to out-Goebbels Goebbels," is more than just a "yellow journalist" tale. As we show here, British media character assassinations, such as of Princess Diana, President William Clinton, and statesman Lyndon LaRouche, are part of a "strategy of tension" that frequently includes efforts by Her Majesty's Secret Service to assassinate the individual who has been so targeted.

As Kitty Kelley shows in her current bestseller, *The Royals*, which was based on five years of investigation, including interviews with leading opponents of the House of Windsor, members of the House of Windsor themselves are not above instigating character assassination against their enemies. Kelley states that the favorite vehicle for such royal leaks has been the Telegraph PLC, which is owned by Conrad Black's Toronto-based Hollinger Corp. Writes Kelley: "The *Telegraph*, sometimes called the *Torygraph*, is the royal family's favorite newspaper, and its editor, Max Hastings, is a close friend of Prince Andrew," Queen Elizabeth's second son. This is a most important lead, because the Telegraph PLC, including its board members, has been central to the British-orchestrated "strategy of tension" played out against Diana, Clinton, and LaRouche.

Hollinger's international board of directors includes: Baroness Margaret Thatcher of Kesteven, who profited politically from the Hollinger takeover of Telegraph PLC in 1985; Lord Peter Rupert Carrington, the current chairman of the Bilderberg Society (which was founded by Prince Philip's friend and former Nazi SS officer, Prince Bernhard of the Netherlands), and who had been a founding member of the board of Kissinger Associates, Inc.; and the self-avowed British agent, Sir Henry Kissinger, who won his title for a lifetime of service to the British Empire.

The Hollinger Corp. is the reincarnation under Conrad Black of E.P. Taylor's Argus Corp., founded in Canada during World War II as an extension of the operations of British

Security Coordinator Sir William Stephenson and of the Special Operations Executive. It is therefore no surprise that when the Telegraph PLC launches a campaign of character assassination against someone, it may involve much more than slanders.

A key figure who has targeted Diana, Clinton, and LaRouche, is the former editor of the London *Times*, William Rees-Mogg, who was made a baron for life by Queen Elizabeth II. Lord Rees-Mogg seems to be the chief case officer of Her Majesty's Secret Service for the destruction of President Clinton. Not only has he carried out wild character assassination against the President, but he has been caught fomenting a British "strategy of tension" against the United States. Through his U.S.-based newsletter, *Strategic Investment*, Rees-Mogg incited the militias by spreading wild rumors of an imminent crackdown against them by the Clinton administration, on the eve of the Oklahoma City Federal Office Building bombing, and he has promoted would-be Clinton assassins such as Larry Nichols in the London *Times*, even after *EIR* exposed Nichols's videotaped boast that he would shoot President Clinton.

---

## The case of Princess Diana

---

From the moment that the "fairy tale" marriage of Princess Diana to Prince Charles began to crumble, the fight broke out in the media. The first major blow was Andrew Morton's book, *Diana, Her True Story*, which revealed that Prince Charles had engaged in a protracted adulterous relationship with a married woman, Camilla Parker Bowles. As is now known, Princess Diana and Morton worked out a way to give Diana plausible deniability that she was the source of the information on the royal family, by using a mutual friend as a cut-out; Diana would tape answers to Morton's questions. As soon as it appeared, the book was denounced by lackeys at Buckingham Palace, the prime minister, the Archbishop of Canterbury, and so forth. Although Diana escaped initial blame for the book, she was placed under surveillance from that period forward; her central role in the book was soon discovered and reported to the British royal family.

As Kelley notes in *The Royals*, the House of Windsor



*Mourners sign a condolence book for Princess Diana, in Frankfurt, Germany on Sept. 6. The Queen Mother used one of her lackeys to begin the character assassination of Princess Diana. Once the Queen Mother "unleashed her dogs," there was the beginning of a deluge of press denunciations.*

quickly sought revenge. For example, the Queen Mother Queen Elizabeth, used one of her lackeys to begin the character assassination of Princess Diana, through statements reported in the *Sunday Times*. Once the Queen Mother "unleashed her dogs," there was the beginning of a deluge of press denunciations.

A senior British intelligence officer informed *EIR* that some of the more damaging leaks to the press were arranged through Cheltenham GCHQ, which is the British electronic eavesdropping equivalent of the U.S. National Security Agency. GCHQ has a unit whose ostensible purpose is to monitor all phone calls by the royals, to keep them from being ensnared by bad eggs or terrorists. On at least two occasions, purportedly verbatim transcripts of telephone calls between Diana and an alleged lover were leaked to the press.

In 1995, Princess Diana counterattacked in a BBC "Panorama" TV interview, in which she said about her husband, from whom she had separated: "Because I know the character, I would think that [being King] would bring enormous limita-

tions to him, and I don't know whether he could adapt to that." She implied that Prince Charles should be skipped over in the line of succession, and the crown should pass to their son, Prince William.

This broadcast brought Queen Elizabeth II to insist upon a divorce, and, according to Kelley, it was Prince Philip, Duke of Edinburgh, the head of the House of Windsor-affiliated Club of the Isles, who insisted that Princess Diana be thrown out of the family "Firm" by removing her title, Her Royal Highness. Once Princess Diana lost her title, Kelley points out, the paparazzi became hyenas who hounded the Princess until her murder in Paris. Writes Kelley: "The loss showed itself within days. Her once respectful press corps turned snippy. Photographers still showed up in full force to cover her because she remained the most famous woman in the world. But they started acting like hooligans." In fact, paparazzi once drove Princess Diana off the road, and she had to obtain an injunction against one paparazzo who had a criminal record, who kept ramming his motorcycle into her car.

Apparently, the physical surveillance of Princess Diana that had started after the publication of *Diana, Her True Story*, had continued. Several sources insist that the press, including the paparazzi, were informed of Diana's itinerary by Her Majesty's Secret Service, so that they would hound her. At the same time, the House of Windsor made sure that no member of the Royal Protection Unit would become loyal to Diana. In fact, Kelley reports that Princess Diana believed that MI-5 had staged the "accidental" vehicular homicide of one bodyguard, Barry Mannakee, whom the Palace had fired because she had confided in him, after Prince Charles flew into a rage over their closeness.

This character assassination and security stripping created the perfect conditions in which to stage the high-level assassination against her on the night of Aug. 30-31 in a Paris tunnel.

Some highlights from the press coverage that followed the "War of the Roses" that erupted after Princess Diana's Nov. 19, 1995 broadcast include:

**Nov. 20, 1995:** Lord Rees-Mogg wrote in the *London Times*, "Like other historic co-inheritors of the Stuart PR gene, the Princess is brilliant at the kingcraft of public image building. . . . The unfortunate Prince of Wales seems only to have the Windsor gene to guide him. . . . If one takes the long view, and tries to see the Princess of Wales as her role may appear in a hundred years' time, she will then be seen as the great royal star of the late twentieth century, the most famous member of the royal family since Queen Victoria." However, Rees-Mogg is not of the "Diana party." He stated that Stuart brilliance "almost always ends in personal tragedy," like that of Mary Queen of Scots, who was executed, and that the House of Hanover (now Windsors) have a long future ahead of them.

**Nov. 24, 1995:** The *Daily Telegraph* reported that Nicholas Soames, a Tory member of Parliament, second ranking defense minister, grandson of Winston Churchill, and former

equerry and confidant of Prince Charles, had been demanding that Prime Minister John Major use his influence on the Queen to secure a divorce for Charles and Diana. On the Monday night immediately after Diana's interview, Soames, in a radio interview, said:

"I do know great sadness and unhappiness when I see it. But when people claim that they have enemies at every turn and are spied on at every corner, I know of no other word than paranoia. I'm not questioning the Princess of Wales's state of mind at the moment. I'm merely saying to you in some of the things she said last night it did exhibit a degree of paranoia."

Here, Soames was acting as a stalking horse for his friend, Prince Charles, who had repeatedly denounced his wife as "mad." It was to protect herself from the threat that the House of Windsor would have her declared insane, so they could seize her children, that motivated Princess Diana to collaborate on *Diana, Her True Story*.

John Keegan, former defense correspondent for the *Daily Telegraph* and military historian, went one step further than Soames. In a commentary in the *Telegraph*, under a cartoon of Charles looking up, suddenly inspired, at a portrait of Henry VIII (who executed two of his six wives), Keegan wrote: "The important thing is that [Princess Diana] should set limits to her ambitions. She has said she will not 'go quietly.' She must, however, not go too far. . . . The people know how much change in the system they desire. If the Princess exceeds their wishes, it is she who will become the casualty, not the monarchy."

---

## The case of President Clinton

---

The *Sunday Telegraph's* Washington bureau chief at the start of the Clinton administration was Ambrose Evans-Pritchard, who admitted to this author that he had had a long-standing relationship with Her Majesty's Secret Service dating back to his coverage of then-Vice President George Bush's and Oliver North's cocaine-running Contra war in Central America. Evans-Pritchard has claimed that he was carrying out an "archeological" expedition in the United States. In this, he was following in his father's footsteps. His father, Sir Edward Evan Evans-Pritchard, had worked with the Colonial Office and later Her Majesty's Secret Service, using his role as an archeologist, among other things, to help sow the seeds for the present uprising against the Sudanese government and to found the state of Libya.

A comparison of Ambrose Evans-Pritchard's Clinton-bashing stories in the *Sunday Telegraph* with those appearing in the Moonies' *Washington Times*, R. Emmet Tyrrell's *American Spectator*, Bill Buckley's *National Review*, Richard Mellon Scaife's *Pittsburgh Tribune Review*, and on the Rush Limbaugh, Jerry Falwell, and Pat Robertson television broadcasts, reveals that the British have been dictating much of the U.S. "news" on the Clinton administration, and particu-

larly the "Whitewater" attack and other manufactured scandals. What is important about the role of the *Sunday Telegraph* in this "media food chain," so-described by one White House report entitled "Communication Stream of Conspiracy Commerce," that was based upon *EIR's* intelligence, is that the Hollinger Corp.'s Telegraph PLC, together with Rees-Mogg, purveyed these stories into the media mainstream.

The wild fabrications aimed at discrediting President Clinton also had the result of creating a "strategy of tension" in the United States, resulting in the fact that more assassination attempts were launched against President Clinton than any previous U.S. President. While most of these were by "nut cases" incited by the British-orchestrated media frenzy, they created a plausible cover beneath which a high-level assassination could be mounted by the Club of the Isles, in a manner similar to the way Princess Diana was targeted. The threats on the President included:

**February 1993:** Larry Peoples of Biloxi, Mississippi makes a threat in a letter to President Clinton after listening to the British-influenced, populist television host Rush Limbaugh. Peoples is arrested by the FBI in December 1993, after he had already bought a pistol and a two-way ticket to Washington.

**March 19, 1993:** A feature article in the *Sunday Telegraph* echoed earlier concerns over the breakup of the "special relationship" between the British Empire and the United States, that had been expressed by Ambrose Evans-Pritchard, with a headline that screamed, "The United States Is No Friend of Britain." The article charges that President Clinton is trying to break up the United Kingdom, while seeking to forge a new "special relationship" with Germany.

**July 1993:** Matthew Bennett is arrested in Woodstock, New York for threatening the President.

**July 25, 1993:** Evans-Pritchard writes "Death in Clinton Clique: In Italy and America, Scandal and Peer Pressure Surround Suicides at the Top," in the *Sunday Times*. This is his first article intimating that President Clinton had an aide, Vincent Foster, killed—a groundless charge picked up by billionaire Richard Mellon Scaife and Jerry Falwell.

**Oct. 15, 1993:** James Lee Buchanan, 41, a Kansas City, Missouri mental patient, is charged after telling police he intended to kill the President.

**November 1993:** Ralph Dulaney Mason, a self-described member of the Branch Davidians, threatens the President.

**Nov. 7, 1993:** In the *Sunday Telegraph*, Evans-Pritchard "predicts" that an array of scandals will erupt around President Clinton.

**Nov. 7, 1993:** In the *Sunday Telegraph*, Evans-Pritchard writes "Clinton's Korea Missile Crisis Risks All-Out War."

**Dec. 13, 1993:** David Craig Davis, 33, of Great Falls, Montana, is arrested for threatening to kill President Clinton.

**Dec. 19, 1993:** Evans-Pritchard pens "Special Report on Ireland: Clinton Brushed Aside Pentagon's Warning."



Bill and Hillary Clinton celebrate the President's 48th birthday with reporters at the White House. The British-instigated wild fabrications aimed at discrediting President Clinton are part of a "strategy of tension," resulting in more assassination attempts being launched against Clinton than any previous U.S. President.

**February 1994:** Rollen Frederick Stewart, of Orange County, California, threatens the President. Stewart (a.k.a. "Rainbow Man," "Rockin Rollen") had a criminal record that included four felony counts for placing explosive devices in various public places; he had been sentenced to three concurrent life sentences in an altercation in which he took a hotel maid hostage in 1992. This product of the 1960s rock-drug-sex counterculture was a heavy user of illicit narcotics.

**Feb. 23, 1994:** Ronald Gene Barbour, 45, is arrested at a psychiatric hospital in Orlando, Florida for threatening to kill President Clinton. He is accused of stalking the President's jogging route. He is armed at the time of his threat against President Clinton.

**March 13, 1994:** Evans-Pritchard, in an article titled "Little Rock's Mean Machine," touts the case of Larry Nichols. Claiming that Nichols is under surveillance by the Arkansas State Police, Evans-Pritchard quotes him saying, "It's getting real dangerous right now, and I don't want to end up as another one of those mysterious suicides." Nichols worked with the Contras in the 1980s, and Evans-Pritchard writes that later he worked as "a sort of secret personal assistant to Governor Clinton, alleging that he transferred state funds into special accounts for entertaining mistresses." Nichols tells Evans-Pritchard that he was appointed to the Arkansas Development Finance Authority as a reward. Nichols claims that the ADFA became the basis for a kickback scheme bigger than Whitewater. Nichols says that he was fired because, by 1988, he had become disenchanted and decided to blow the whistle, but the real reason was that he "misused the resources of his office" while in touch with former Contra controllers

including Gen. Richard Secord and the Calero brothers. Nichols said that Clinton destroyed his livelihood and reputation, and that he turned to the so-called underground resistance network in Arkansas, which, Evans-Pritchard says, "operates like the urban resistance movements of Guatemala City, San Salvador, and northern Nicaragua during the 1980s," i.e., like terrorists. Nichols will later be promoted by both Evans-Pritchard and Rees-Mogg after he is videotaped brandishing a pistol and threatening to shoot President Clinton.

**March 27, 1994:** The *Sunday Telegraph* reports on its correspondent's role in attacks on Clinton. Evans-Pritchard states that he appears on at least one talk show a day: "It is an eye-opener. The callers talk about the President in a tone of undisguised contempt, and they want to know answers to everything. . . . Clearly, there is a very effective grapevine out there beyond the capital, a *samizdat* network of tens of millions of people."

**March 27, 1994:** "Clinton Accused of 'Grotesque' Sex Harassment" is the headline of an Evans-Pritchard report on Paula Corbin Jones's plan to file a lawsuit accusing President Clinton of sexually harassing her while he was Arkansas governor. Evans-Pritchard had admitted in an earlier column that he had participated in a legal strategy discussion with Jones's lawyers, and that he had spoken with her personally at least a dozen times before her suit against Clinton was filed.

**April 3, 1994:** Under the headline "Despots Line Up to Test Clinton Mettle," Evans-Pritchard writes: "The White House has become a mausoleum. Staffers slink into work each day with morbid premonitions, expecting their subpoenas at any moment. Most of the inner circle have been entangled in

the coverup, and have had to hire expensive lawyers. The right-hand man of the President, George Stephanopoulos, suddenly faces the possibility of criminal indictment for obstruction of justice. And as for the Clintons themselves, what can they be thinking now that their high-minded act has been exposed as a venal sham?"

**April 3, 1994:** Michael Mower, 36, of Dayton, Ohio, kills his mother and himself at a motel where he was staying after wounding two law-enforcement agents investigating his threats against the President.

**May 11, 1994:** Larry Nichols, who has been championed by both Evans-Pritchard and Rees-Mogg as a valuable hostile witness against President Clinton in "Whitewatergate," speaks at a rally in Boulder, Colorado sponsored by a populist group called the Boulder Patriots. Nichols is videotaped brandishing a pistol at the podium, and stating that he plans to have a shootout with President Clinton on the steps of the U.S. Supreme Court.

**June 19, 1994:** Under the headline "Hawks Hammer at White House Door. Pyongyang Is Forcing Clinton to Face the Acid Test of His Nuclear Policy," Evans-Pritchard harps on White House problems with foreign policy: "There is a cacophony on policy toward North Korea in the establishment at a time when President Clinton needs clear guidance."

**June 22, 1994:** Matthew Thomas sends a death threat to President Clinton via the President's confidential e-mail address at the White House.

**July 2, 1994:** Ralph Dulaney, 44, of Lake City, Michigan, is sentenced to five years in prison for threatening President Clinton verbally and by mail.

**July 17, 1994:** "Clinton 'Took Cocaine While in Office.'" Exclusive interviews in the London *Sunday Times* allege that Clinton took cocaine until the mid-1980s. The drug use could have begun when he was a law professor, Arkansas Attorney General, or governor of Arkansas, the paper claims.

**July 19, 1994:** The Secret Service charges Paul Walling, 46, a suburban Philadelphia man who opposes gun control, with threatening President Clinton and Attorney General Janet Reno. "I have seen Clinton in the crosshairs on my scope," Walling said.

**July 31, 1994:** "Doubts Linger Over Death of Clinton Aide." Evans-Pritchard reports that radio talk shows—"America's equivalent of the British tabloids"—have challenged the official verdict of the death of White House aide Vincent Foster.

**Aug. 1, 1994:** Rees-Mogg writes in the London *Times* that Clinton will never be able to shake off the "mud, money, and blood" from his days as Arkansas governor. In the article, entitled "Big Trouble Begins in Little Rock," Rees-Mogg writes that Washington is filled with gossip about a "mysterious inner secret which the White House is desperate to conceal." This "secret" is Arkansas itself, an American state which he likens to Italy's Palermo, the center of the Mafia.

**Aug. 30, 1994:** Glenn Robert Armstrong, 26, of Ux-

bridge, Massachusetts, is arraigned on charges of threatening to kill President Clinton, who is vacationing on Martha's Vineyard.

**Sept. 11, 1994:** "Clinton Plays His Green Card." Evans-Pritchard reports that Clinton's views in sympathy with the Irish nationalist cause were formed when he was a Rhodes Scholar at England's Oxford University in the late-1960s, and have remained unchanged. Clinton has made contact with "some of the wilder men from the fringes of the Irish-American lobby."

**Sept. 12, 1994:** Frank Corder, piloting a single-prop Cessna aircraft, breaches White House protective measures and crashes onto the White House lawn, killing himself and spreading debris.

**Sept. 25, 1994:** The *Sunday Telegraph* headline is "Carter's Haiti Hijack. Operation Restore Democracy Has Not Gone Quite to Plan. The Consequences—Political and Military—Could Spell Disaster for Bill Clinton."

**Oct. 9, 1994:** Evans-Pritchard covers more cooked-up administration scandals under the headline, "Bill Clinton and the Chicken Man." Secretary of Agriculture Mike Espy has had his career "destroyed by the curse of Bill Clinton's home state," he writes. Espy, under investigation by a special prosecutor for accepting gifts from Arkansas poultry king Donald Tyson, had announced his resignation the week before.

**Oct. 29, 1994:** Vietnam veteran Francisco Duran sprays the White House with machine-gun fire, and is arrested by police.

**Oct. 31, 1994:** Rees-Mogg recklessly opines in the London *Times* that the gun attack on the White House by Duran is a "Tremor of Doom in the Disunited States."

**Nov. 20, 1994:** "It's America First. A Festering Disagreement Over the Balkans Has Reached the Point of an Irreparable Rift between America and Britain." Evans-Pritchard begins: "The whispering campaign against Britain is coming out into the open in Washington. Anonymous U.S. officials are now accusing the British of planting stories about a U.S. covert operation in Bosnia."

**Dec. 4, 1994:** "Patriot Games Turn Deadly." Evans-Pritchard gives glowing coverage to the militia movement in America that poses a direct security threat to the President, describing them as "the shock troops and enforcement arm of the 1994 American Revolution. If the Republicans betray their promises and fail to restore 'constitutional' government, these people could take matters into their own hands."

**Dec. 5, 1994:** Rees-Mogg, in an article in the London *Times*, promotes would-be Clinton assassin Larry Nichols, after *EIR* had exposed a videotape of Nichols waving a pistol and threatening President Clinton during a May 11, 1994 rally in Boulder, Colorado (see *EIR*, Dec. 2, 1994). On March 13, 1994 in the *Sunday Telegraph*, Evans-Pritchard had built up Nichols as a hostile witness in Whitewatergate against President Clinton. Rees-Mogg continues in that vein, calling Nichols a "definitely unfriendly witness." "Can Clinton survive?"

his lordship asks. He concludes: "As the momentum builds, it seems unlikely that Clinton can be renominated, let alone reelected; he is not even certain to reach the end of his term of office unindicted."

**March 22, 1995:** Rees-Mogg's *Strategic Investment* features a flagrant piece entitled, "Waco 2," which seeks to foment an uprising of militias in the United States against a purported "declaration of martial law" by "Field Marshal [U.S. Attorney General] Janet Reno." This fabricated incitement of the armed militias occurs shortly before the April 19, 1995 bombing of the Oklahoma City Federal Building on the second anniversary of the disastrous raid on the Waco Branch Davidian compound.

**April 9, 1995:** Evans-Pritchard charges in the *Sunday Telegraph* that the Clinton White House had falsified both the time and place of Deputy White House Counsel Vincent Foster's death

**May 17, 1995:** Rees-Mogg's *Strategic Investment* carries an article by Jack Wheeler, which claims that the Oklahoma City bombing was President Clinton's "Reichstag Fire"; however, unlike an earlier article in the *Sunday Telegraph* by Evans-Pritchard, Rees-Mogg hesitates to blame the U.S. government for the bombing.

**June 2, 1995:** The *Daily Telegraph* carries an article by Political Editor George Jones, proclaiming that "Allies Suspect U.S. Hawks of Increasing Risk of War." The article states that "concern is growing in European capitals that pro-Muslim factions in Washington, including CIA elements, are promoting the Muslim cause in Bosnia even at the risk of all-out war . . . to force the Bosnian Serbs to give up territory they have seized."

**Oct. 25, 1995:** Rees-Mogg's *Strategic Investment* convenes a press conference in Washington, D.C., at which an Oxford University "manuscript expert," Reginald Alton, declares that the handwritten suicide note found in the briefcase of the late Clinton family friend Vincent Foster, was a forgery. Alton admits that he has had no access to the original note, which was ripped up into pieces, and yet he proclaims that in his "expert opinion," the note was a fake, and, therefore, Foster's July 20, 1993 death was actually a murder plot. Shortly after this press conference, Rees-Mogg writes an editorial commentary in Rupert Murdoch's *New York Post* condemning the American media for their failure to report on Alton's conclusions.

**Feb. 16, 1996:** Evans-Pritchard writes a front-page article in the *Sunday Telegraph*, that seeks to undermine an emerging strategic partnership between President Clinton and Chinese President Jiang Zemin: "China finally replaced the old Soviet Union as the number-one enemy last week in the eyes of the U.S. political establishment. If one could date the beginning of the new Cold War, it would be Thursday, February 13, 1996, the day that the *Washington Post* reported that U.S. counter-intelligence had caught the Chinese embassy plotting to subvert the U.S. political system."

---

## The case of Lyndon LaRouche

---

Physical economist, statesman, and now a declared candidate for the Democratic Party Presidential nomination, Lyndon H. LaRouche, Jr., has long been hated by the British royal family-affiliated Club of the Isles, whose chief enforcer is Prince Philip, the premier peer of the British Empire next only to Queen Elizabeth II. While LaRouche was at first viewed by the Club of the Isles and an affiliated network of Anglophile traitors in the United States as a "potential danger," he has subsequently become an object of hatred even more intense than that against Princess Diana.

By 1972, according to FBI documents obtained under the Freedom of Information Act, the Federal Bureau of Investigation was working with the Communist Party USA against the National Caucus of Labor Committees (NCLC), the organization founded by LaRouche, in provoking violence against LaRouche's collaborators. In 1973, according to a Nov. 23, 1973 FBI memo, the Bureau hatched a plot, working with the Communist Party, to "eliminate" LaRouche and his influence, by killing him. In fact, evidence was uncovered showing that an abortive assassination attempt against LaRouche took place during the course of an NCLC conference at the end of 1973. A crucial feature of this plot involved the drugging of a leader of the NCLC with a powerful psychedelic by two members of British MI-5, while the victim was on a flight from Heathrow Airport to the conference in New York, in order to help foment "chaos and confusion."

Once LaRouche publicly revealed crucial elements of the assassination plot, Paul Montgomery attempted to cover up this exposé, in a Jan. 20, 1974 front-page slander in the Anglophile *New York Times*. The article was headlined, "How a Radical Left Group Formed as an Alternative to Violence and Narcotics Degenerated into Savagery." Montgomery targeted members of an Independent Commission of Inquiry that had been formed by LaRouche to investigate the unholy alliance of U.S., British, and Soviet bloc intelligence services working to kill him and destroy the NCLC. Montgomery tried to ridicule such collaboration, although years later, the former Director of Central Intelligence, the late Bill Colby, confirmed to LaRouche that such an alliance had run the operation against him.

The next serious assassination plot against LaRouche was in 1977, when U.S. and allied intelligence services discovered that LaRouche was on the same Baader-Meinhof assassination list as two German leaders with whom LaRouche had been discussing his plans for an International Development Bank, including a Southern Africa Development Fund. After meeting with LaRouche, German industry association head Hanns-Martin Schleyer was also warned of a threat against himself. On July 30, 1977, Jürgen Ponto, head of Germany's Dresdner Bank, was murdered by the Baader-Meinhof Red Army Fraction (RAF), a group, counterintelligence sources



*Lyndon LaRouche and Ronald Reagan chat during a candidates night in New Hampshire during the 1980 Presidential campaign. Key to the 1983-88 British-led effort to eliminate LaRouche, was LaRouche's major policy initiatives first introduced as a "plank" of LaRouche's campaign for the Democratic Party's 1980 Presidential nomination, a LaRouche policy later renamed by President Reagan as the "Strategic Defense Initiative" (SDI).*

report, that was a joint asset of Her Majesty's Secret Service and the East German Stasi. On Oct. 19, 1977, Schleyer was assassinated, also allegedly by the Baader-Meinhof.

In December 1978, the editors of *EIR* published the first edition of the book *Dope, Inc.: Britain's Opium War Against the United States*, with an introduction by Lyndon LaRouche. This book was a breakthrough in how such Club of the Isles-affiliated British banks, including Barclays, the Hongkong and Shanghai Bank, and Jardine Matheson, which date back to Queen Victoria's "Opium War" against China, are not only responsible for the production of Golden Triangle heroin, but are the world's largest offshore profiteers in drug-money-laundering profits. The book created a major uproar among the Club of the Isles.

However, as the late Canon Edward West of the Episcopalian Cathedral of St. John the Divine in New York, which is a syncretic cult center where the Anglophile U.S. elite are invested into the chivalric Order of the Hospital of St. John of Jerusalem, said to an investigator: "We are going to let the Jews take care of LaRouche." Dutifully, the gangster-ridden Anti-Defamation League of B'nai B'rith, whose major funders have included associates of the National Crime Syndicate's chief money-launderer, Meyer Lansky, published a "Fact-Finding" report that branded LaRouche an anti-Semitic danger. In July-August 1978, another assassination plot was mounted against LaRouche, that, investigation suggests, involved former Detroit "Purple Gang" member, Max Fisher.

With the 1980 election of President Ronald Reagan, whose major opponent, Sir George Bush, had been defeated with the assistance of LaRouche, LaRouche's influence over

U.S. policy and the world political situation increased dramatically. Eventually, this led to a snowballing of character assassination slanders by the British press and their Anglophile affiliates.

Even President Clinton has yet to be subjected to the scope and intensity which London and its agents inside the U.S.A., such as Kissinger, focussed against LaRouche during the 1983-88 interval. Two developments of 1982 appeared to have set this escalated operation into motion. One was LaRouche's intervention against Britain's Lord Peter Carington's operations into South America that year. More significant, was British interests' discovery of the fact that LaRouche was conducting back-channel discussions with Moscow on behalf of the Reagan administration.

Key to this 1983-88 effort to eliminate LaRouche, was LaRouche's major policy initiatives first introduced as a "plank" of LaRouche's campaign for the Democratic Party's 1980 Presidential nomination, a LaRouche policy later renamed by President Reagan as the "Strategic Defense Initiative" (SDI). When LaRouche began a year-long series of exploratory discussions with the Soviet government, on behalf of the Reagan administration, of the possibility that both powers might agree to LaRouche's policy of strategic ballistic missile defense, this feature of LaRouche's back-channel discussions with the Soviet government became the leading impetus of the 1983-88 defamation-campaign against him.

The 1983-88 campaign was set into motion as a result of July-August 1982 initiatives intended to eliminate LaRouche by an already long-standing LaRouche foe, former U.S. National Security Adviser and Secretary of State Henry A. Kis-

singer. Yet, in January 1983, even before President Reagan adopted LaRouche's ballistic missile defense policy, under the name of "Strategic Defense Initiative," in the concluding segment of a March 23, 1983 television broadcast, Kissinger's and Bush's cronies inside the U.S. secret-intelligence establishment had issued the official orders which set the six-year-long secret-government operation against LaRouche into operation. However, this crew was taken by surprise by the President's March 23, 1983 announcement. This drove LaRouche's political adversaries into a state of frenzy.

Already, in February 1983, LaRouche had been told by his Soviet channel, that he should inform the U.S. government that, while Moscow agreed with LaRouche's strategic analysis and with the scientific feasibility of the program, his proposal would be rejected by the Andropov government. It was stated that Moscow believed that the United States would be better able to take advantage of the economic benefits of such a "crash program." In reply, on that occasion, LaRouche had encouraged the Soviet representative to inform his government, that should President Reagan make such an offer, and should Moscow then still reject such an offer, the Soviet economy would plunge into a self-induced collapse within about five years. It was LaRouche's fear that such a combination of factors would create a desperate strategic situation in which the risk of a "global showdown" would emerge, as it did emerge about 1988-89.

At the time that Henry Kissinger launched his documented initiative for a secret-government operation to eliminate LaRouche, Kissinger had just recently made a public declaration, at London's Chatham House, bragging that he had been secretly an agent of the British Foreign Office, behind the backs of Presidents Nixon and Ford, while he, Kissinger, had been serving in his "incarnation" as national security adviser and secretary of state. Shortly after that May 10, 1982 public confession, Kissinger became an international board member of the Hollinger Corp. It was in that context, that Kissinger, with the sponsorship of former British Foreign Secretary Lord Peter Carrington, formed the British-backed private spying organization, Kissinger Associates, Inc. In this setting, in July 1982, Kissinger met FBI Director William Webster at the Bohemian Grove retreat in California, and asked Webster to take care of LaRouche. In a followup "Dear Bill" letter, Sir Henry whined that LaRouche was harassing him and suggested that LaRouche may be funded by hostile foreign intelligence sources.

This was reiterated in a letter to Director Webster on Nov. 25, 1982 by Kissinger's attorney and business partner, William D. Rogers. Rogers wrote Webster, accusing LaRouche of ties to foreign hostile intelligence agencies, and of engaging in a terroristic campaign against Kissinger.

Later, in a Jan. 12, 1983 letter from FBI Director Webster to his number-two man, Oliver "Buck" Revell, Webster stated that at a meeting of the President's Foreign Intelligence Advisory Board (PFIAB), David Abshire and Edward Bennett

Williams said: "In view of the large amounts obviously being expended worldwide, the question was raised whether the U.S. Labor Party might be funded by hostile intelligence agencies." Investigation showed that this was a rump PFIAB meeting of Sir Henry's friends; however, FBI Director Webster dutifully began a frame-up of LaRouche on the basis of legal sales activity. Notably, Edward Bennett Williams identified his interest in the affair as the interest of his personal client, the *Washington Post's* Katharine Graham.

In April 1983, a series of "salon" meetings were held at the New York City offices of Anglophile investment counsellor John Train, that are known to have included Mira Lansky Boland of the Anti-Defamation League of B'nai B'rith, NBC-TV producer Patricia Lynch, and National Security Council consultant Roy Godson, among others. Train's salon was part of a White House project ultimately overseen by Vice President Sir George Bush, through Sir George's assistant Walter Raymond, who had appointed Godson and PFIAB Vice Chairman Leo Cherne to head up the private sector side of "Public Diplomacy." There followed a series of slanders that LaRouche organizers were stealing money. This same "Train salon" group collaborated with the Stasi-originated international disinformation campaign that somehow Lyndon H. LaRouche, Jr. was responsible for the Feb. 28, 1986 assassination of Swedish Prime Minister Olof Palme.

The British press played a different tune in the character assassination of LaRouche. Following a "Global Showdown" seminar in November 1985, that was widely attended by a faction of the British Establishment, *Private Eye* and *Searchlight* magazines began attacks on LaRouche as a rabid right-winger. *Searchlight* continued these attacks, which were potentially dangerous, because the ostensibly "anti-fascist" magazine was in reality a joint stock operation of Her Majesty's Secret Service and the Stasi used for targetting selected individuals.

Also, throughout 1984-86, such major British press outlets as the Telegraph PLC, the *Observer*, *Express*, and other papers ran attacks on LaRouche seeking to portray him as a rabid right-winger, because he had called for public health measures to contain the AIDS epidemic, including quarantine.

This character assassination operation against LaRouche, which was either directly or indirectly orchestrated largely by the British, resulted in an Oct. 6-7, 1986 raid by over 400 Federal, state, and local law enforcement agents against the Leesurg, Virginia farmhouse where LaRouche was then living, and the offices of publications associated with him. Backed up by an armored personnel carrier, this was clearly the most blatant assassination attempt against LaRouche to date. In order to stop the plot, LaRouche sent a telegram to President Reagan, and the immediate assassination attempt was called off.

With the publication on Oct. 28, 1994 by *EIR* of the first of a series of reports on the House of Windsor, entitled "The

Coming Fall of the House of Windsor," with an introduction by LaRouche, the British once again came out swinging. A sample of these articles include:

**July 30, 1995:** The *Express* ran an article by Tom Utley that began: "Prince Philip is the mastermind of a dastardly plan to destroy the U.S.A. His cover is the sinister World Wildlife Fund, which he founded as an international intelligence organization to consolidate the wealth and power of the royal family. The 'charity,' now known as the World Wide Fund for Nature, is an assassination bureau, dedicated to breaking up the U.S. by stirring up gang warfare against the government. . . . No, this is not the plot of a spoof disaster movie. These are the serious views of a group of American conspiracy theorists, set out in *New Federalist* magazine [sic]." Utley quoted Rees-Mogg, who denounced LaRouche's theories as "madness."

**July 30, 1995:** Rupert Murdoch's *Sunday Times* carried a piece by its Washington bureau chief, James Adams, in his weekly "Inside Washington" column, entitled "Queen Blamed for American Unrest." The article began: "For anti-government forces, Waco has proved a conspiracy theorist's dream. Every day there has been more evidence of Big Brother running amok." Adams continued: "Such perverse sentiments have been exacerbated by a series of articles suggesting a new suspect in the Oklahoma bombing last April in which 168 people were killed. According to the latest edition of the *New Federalist* . . . the bombing was not carried out by the right-wing militias as everyone suspected; it was part of a conspiracy involving Buckingham Palace. According to the journal put out by Lyndon LaRouche—in jail for tax fraud [sic]—the Queen and the Duke of Edinburgh are behind a European effort to destabilize the Clinton Presidency and it is they who have created the climate of distrust and division in America."

**Aug. 20, 1995:** In his U.S.-based newsletter, *Strategic Investment*, Rees-Mogg devoted his entire monthly column to an attack on LaRouche, in a piece entitled "The Queen, the Dalai Lama, and Me." The article began: "Last month I added a footnote to state that I am not the head of the British Secret Service, and I do not have a master plan to take over Mexico in the name of the Queen of England. However, I am an object of Mr. Lyndon LaRouche's conspiracy theories. LaRouche is a convicted felon who has circulated his theories in the *New Federalist* and on the radio. He certainly puts me in some grand company. . . .

"This, of course, is crazy stuff. I do not think that Prince Philip, Greenpeace, the Dalai Lama, Royal Dutch Shell, the Queen of England, Alvin Toffler, Newt Gingrich, I myself or John Redwood are likely to sue for slander. . . . [But,] the fact that I am placed in such grand company suggests that the analyses we share with you in *Strategic Investment* have an impact. . . .

"How Lyndon LaRouche came across my name I do not know. I had not heard of him or his group for some years. I suspect that this is a diversionary activity meant to discredit *Strategic Investment* for drawing attention to Clinton's Ar-

kansas drug dealers and worse. LaRouche seems to draw support from conspiracy theories of the American left, and seems to be trying to ingratiate himself with Clinton."

**1996:** In the book *The President We Deserve*, the London *Guardian's* U.S. bureau chief, Martin Walker, identified LaRouche as the only defender of President Clinton from a barrage of anti-Clinton press slanders. Walker wrote: "There was a curious British fascination with Whitewater led by Ambrose Evans-Pritchard of the *Sunday Telegraph*. His reports into the shooting of Luther Parks, the Switzerland travels of Vince Foster, and the Mena cocaine connection have helped others stitch the entire conspiracy theory together. Lord Rees-Mogg, a former editor of the *Times* of London, declared Watergate to be small beer by comparison to 'the narco-millionaires of Arkansas [who] bought political protection by bribery and financing political campaigns, including Clinton's. They killed dangerous witnesses, including schoolboys and probably Vince Foster; his body was moved; his suicide was faked.' "

Walker continued: "Lyndon LaRouche, former Trotskyite and occasional Presidential candidate, who claimed that Henry Kissinger was a Soviet agent and that the Queen ran the global narco-trafficking business, counterargued that Rees-Mogg and Evans-Pritchard were part of a British intelligence plot to destabilize the Clinton administration."

**Nov. 2, 1996:** Nicholas Doughty of Reuters conducted an interview with LaRouche, and entitled it, "Maverick U.S. Politician Warns of Western Collapse." The wire service report began:

"The man who defined the word maverick in U.S. politics is still going strong as the Presidential election draws closer, warning that the end of Western civilization is at hand.

"Lyndon LaRouche, perhaps the best-known conspiracy theorist in the United States, is not running for President this time. . . . The 74-year-old Democrat is backing U.S. President Bill Clinton, although without much enthusiasm, as 'the only option available.'

"LaRouche is more concerned about what he says is the impending collapse of the financial system and a nefarious, long-running plot to undermine nation states, closely linked to Britain's royal family. . . .

"It all sounds unlikely but, in a country where bizarre views about UFOs or government cover-ups often seem to touch a cord, LaRouche has won tens of thousands of votes in the past. . . .

" 'Now we're coming into the time of reality and that's where I dwell,' he said. 'I've seen that coming for a long time. . . . The whole of blasted civilization is being consumed.' . . .

" 'The word is out all over the world, the financial system is gone. . . . Either we're going to end the mess or we're going on to a new dark age,' he said.

"The remedy? Shut down the entire banking system and scrap global trade deals. Beyond that, it gets a bit complicated."

## Editorial

### *Israel must get rid of Netanyahu, now*

Ongoing preparations by Israeli Prime Minister Benjamin Netanyahu to launch a few Mideast war, which would become a nuclear war, show why President Bill Clinton must force the Israeli establishment to oust Netanyahu from power, now.

Israelis and the U.S. Zionist lobby may scream about President Clinton violating Israeli national sovereignty. Let them. Since Israel was created by the British monarchy in 1948, it has never been really sovereign, but a British pawn used to keep the region in constant turmoil, and hence, under continuing British control.

But, while Britain runs Israel, the U.S. foots the bill. This is one lavish expenditure that must stop. Clinton must cut all U.S. aid to Israel, unless the Israeli establishment moves at once to oust that madman from office, while there is still time.

In order to pave the way for his planned war, Netanyahu has already been carrying out a series of political maneuvers intended to consolidate the Israeli intelligence and security establishment under his control, while removing those who would oppose it.

Whether or not Israel goes to nuclear war, is not a decision made solely by the prime minister, but also requires the agreement of the defense minister, chief of staff, and the President. The current holders of those offices, President Ezer Weizman, Chief of Staff Gen. Amnon Lipkin-Shahak, and Defense Minister Yitzhak Mordechai, would never approve such a move. Hence, Netanyahu is seeking their removal.

President Weizman's term of office ends in December, and he must be reelected by the Knesset (parliament). General Lipkin-Shahak's term of as chief of staff ends next summer, and someone else must replace him. Netanyahu is maneuvering to put yes-men in both of these posts, who would agree to a nuclear war. He is also attempting to force Defense Minister Mordechai to resign.

On top of all this, Netanyahu is trying to fix the blame for the Hamas assassination fiasco on Mossad chief, Gen. Danny Yatom, who was appointed by the previous government of Shimon Peres, in order to oust him, and install another Netanyahu toady.

There are various means Netanyahu can use, to push through such a war.

One, is a series of terrorist incidents targetting Jewish civilians, carried out by "Islamic" and "Arab" terrorists under Netanyahu's control, leading to reprisals and war.

That Netanyahu's crowd often uses Islamic terrorists, to provide pretexts for crack-downs, and other means of sabotaging the Oslo Peace Accords, is well known, including by the Clinton administration. The Oct. 13 arrest of ten members of a Jewish arms ring, selling over 100 pounds of dynamite to Palestinian extremists intent on blowing the main shopping arcade in Tel Aviv "sky high," shows the agent-provocateur method. The leader of the arms ring comes from the Jewish settlement of Kiryat Arba, the same extremist settlement patronized by Ariel Sharon, which provided the gunman used to kill Prime Minister Yitzhak Rabin on Nov. 4, 1995, after which the British were able to install Netanyahu in power.

According to one war scenario, Netanyahu would unleash a series of such "Islamic" terrorist incidents, followed by Israeli military strikes against Palestinian cities on the West Bank, meant to provoke the mass flight of refugees to Jordan, the subsequent destabilization and overthrow of the Jordanian state, and ultimately a limited war with Syria.

There are other scenarios: These include, striking a major blow against Hezbollah in southern Lebanon, leading to conflict with Syria; knocking out missile and related military sites in Syria directly; and Israeli aerial bombardment of nuclear reactor sites and mid-range missile bases in Iran.

All of these measures have been under discussion by Netanyahu and his circle in the recent period, and are being passed off as merely limited engagements. But all carry the possibility—and intent—to spill over into new general regional war, which this time, would be nuclear, allowing the British to eliminate the possibility for peace in the region, for a long long time to come. Therefore, Clinton must force the Israelis to get rid of Netanyahu, now.