

# EIR

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LaRouche demands: Scrap Gramm-Rudman now!  
Independence demands grow in Ukraine  
Bangladesh flood control, a big challenge

**'Black Legend' hides truth  
on history of Americas**





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Special Report, September 1990

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## From the Editor

Lyndon LaRouche could soon be released from prison, now that the ruling of two appeals courts, in the case of the 1987 forced bankruptcies, has shown that the federal government acted fraudulently and illegally against his associates. As we reported in our last issue, the Justice Department's decision not to contest those rulings constitutes new evidence of the total innocence of LaRouche and his associates, convicted and imprisoned in the notorious 1988 Alexandria "railroad."

LaRouche's freedom won't be a minute too soon. With the detonation of the Temple Mount conspiracy—which *EIR* has denounced for nearly a decade—the world has moved closer to the outbreak of war in the Middle East. LaRouche has provided the only outline for an economic basis to peace in the region, where no merely political solution will ever heal the wounds of decades.

After George Bush fell on his prat and was resoundingly defeated on his budget plan, not only have the major media finally decided to ridicule him, but in Virginia, there is increasing media attention to the potential of LaRouche's congressional campaign and his colleague Nancy Spannaus's senatorial campaign, to make a serious challenge in the Nov. 6 national elections.

This week's *Feature* introduces a new historical facet to the millennia-old struggle which Schiller defined as Athens versus Sparta, Solon versus Lycurgus—the republican, city-building tendency against the imperial and enslaving tendency—defined by Lyndon LaRouche in today's context as paganism versus Christianity. Fernando Quijano, in a speech to the conference of LaRouche's philosophical association in September, revealed the motives of lying historiography behind the Black Legend. This was the Anglo-Dutch campaign to slander Spain's evangelization of the Americas, while blocking out the reality of Spain's war against the barbaric Ottoman Empire in the old world, and the hideously savage Aztec Empire in the new. We present it here, together with Ricardo Olvera's article about the roots of Columbus's voyage in the great scientific project of the Council of Florence. Our hope is that the exposure of this false ideology will open the way for a new, human U.S. policy toward our neighbors in the Americas.

*Nora Hamerman*

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**DISCLAIMER:** EIR and its founding editor Lyndon LaRouche subsequently repudiated the lead article of this edition of the magazine, "Black Legend hides the truth about America's discovery" by Fernando Quijano, due to its infestation by the viewpoint of a right-wing synarchist faction of the Catholic Church, to which EIR and LaRouche are politically opposed.

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## Feature



Contrary to paganist propaganda, the purpose of Columbus's voyage was to evangelize the Americas. St. Christopher, who according to legend bore the Christ Child across water, symbolized the missionary effort. Shown: Detail of a polychromed statue from the Cathedral of Cuernavaca, Mexico, on view Oct. 10-Jan. 13 at New York's Metropolitan Museum (see p. 45).

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Rather than celebrate the 500th anniversary of the Christian evangelization of the Americas, the promoters of the "Black Legend" would have us mourn that event, and instead elevate indigenous paganism as a battering-ram against Christianity. Fernando Quijano traces it back to oligarchical hatred of the Hapsburgs' defense of Europe against the Ottoman Empire.

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Attacked by his own Republican Party and the ADL for his Klansman past, he earned the aura of being anti-establishment; but his rhetoric is straight from George Bush's campaign notes.

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## LaRouche demands: Scrap Gramm-Rudman now!

by Chris White

The crisis which erupted in Washington with the failure of the grand budget compromise of 1990 is rapidly running out of control. The emerging loss of confidence in U.S. federal government was addressed by Lyndon LaRouche from the federal prison in Rochester, Minnesota where he is being held a political prisoner.

LaRouche called for immediate action on two fronts: First, the notorious Gramm-Rudman-Hollings automatic budget-cutting mechanisms must be waived or otherwise repealed. Second, a national economic recovery program must be launched. Such a program would feature the promotion of internal infrastructure development, especially in the form of water, transportation, and energy construction projects. It would foster the rebuilding of the nation's tax base through generating productive employment in industry and agriculture. And it would return to the path of scientific and technological progress through a renewed commitment to the exploration and colonization of space.

The program LaRouche outlined on Oct. 10 as part of his campaign for Congress in Virginia's 10th C.D., is broadly similar to that employed by President John F. Kennedy in 1961 to reverse the effects of the Eisenhower recession of 1957-58. What worked for the country and Kennedy in 1961-63 will work again, even though today's circumstances are worse.

LaRouche told the people of his constituency: "We've got to put it back together. We've got to go for new forms of cooperation with our friends in continental Western Europe and Japan, to get the U.S. economy back on the track it was before President Kennedy was assassinated. That's the short of it.

"If the President will do that, if the Congress will cooperate with him in that direction, we can get out of the mess. If the President continues to cling, stubbornly, to his present

policies, the United States is doomed to slide openly into a deep depression, and we don't have any time to waste. A major New York or other bank could go any day, and the whole slide could begin."

### Admitting the problem

So far, neither the President nor the Congress has been prepared to admit what the problem is. And, if one is not willing to admit what the problem is, then it becomes very difficult to solve it. The United States is in a depression, while most of the economists continue to debate whether or not the country is about to go into a recession. Leaving aside the fakery which the Bureau of Labor Statistics and the Department of Commerce employ to compose their statistical series, even on their own terms the economy has been in depression for the last two quarters. Leaving aside the "fudge factors" which inflate employment data and, as a result, earnings data, purchasing data, and estimates of economic activity as a whole, the measure these characters employ, Gross National Product, has been below 1% growth for each of the last three quarters. This is sufficient to trigger the suspension of the Gramm-Rudman tax increase-budget cutting approach to the federal budget on its own—provided someone has the courage to repudiate the lies that everything is under control.

Failing that, there is an uncontrolled crisis emerging in the nation's capital and there is no telling where it will end.

### LaRouche identified breaking point

The breaking point came two quarters ago, in precisely the March-April period in which LaRouche forecast such a break was to be expected.

On Sept. 19, 1989, from his prison cell in Minnesota, LaRouche commented: "We have a breaking situation in



the financial, monetary, and economic realm. We are in the middle of a crisis. Exactly how this crisis will elaborate itself is not determined nor is it quite determinable.”

The precipitating incident for his remarks a year ago was the default of Canadian junk bond king Robert Campeau, and with it the collapse of the junk bond market. The financial breaking point of Sept. 15 to Oct. 15, 1989, had been forecast by LaRouche in the spring of that year. LaRouche questioned how the spiral process of deflation, which he concluded had begun Sept. 15, 1989 with the failure of Campeau, would develop.

LaRouche continued: “The question now is, what is the rate of the acceleration of the spiral, has it moderated, has it slowed down temporarily? Nevertheless, it is inexorably going to continue. It is not going to reverse. It is going to accelerate.”

Discussing whether the crash was on then, in the fall of 1989, or whether it would be postponed to spring 1990, LaRouche said: “The perception of what we mean by crash . . . the difference between the October versus the March alternative, is a general way of describing this—the crash has happened. The downward spiral will continue.

“The difference is, whether the acceleration causes the perception of a totally convulsive collapse, or not. In other words, is it a gradual decline, is it an accelerating decline, or is it a sudden, shock collapse? When the acceleration reaches a certain level, it becomes a shock collapse, as opposed to a process of erosive decay into a deeper and deeper economic depression.”

The breaking point, as LaRouche warned, was reached in the spring of 1990, during the months of March and April, as the imminent threat of a liquidation crisis wiping out the U.S. banks began to be perceived by the powers that be. LaRouche warned in April that the crisis could be delayed, but not much beyond the fall. Events came to pass pretty much as LaRouche forecast, if the present policies were continued.

The methods of crisis management and consensus were employed to delay the day of reckoning. But what was delayed has now erupted full force as the biggest political crisis in years, with the collapse of sections of the banking and insurance sector next to come. The political crisis reflects the breakdown of the policy nexus which has run the country by way of the pragmatists’ method of consensus and practicality—they call it policy, methods, and procedures—since the Watergate-induced reorganization of the Executive Branch and Congress, the origin of the present so-called budget process. This breakdown, the political reflection of the depression crisis, is accelerated by the refusal of the President and his advisers to admit what the problem that has to be addressed is, and by their obsessive insistence that the methods which have now been so conclusively demonstrated to be utterly bankrupt, are the continuing methods of choice for dealing with the crisis.

## **Greenspan looks like an ass**

This is perhaps best exemplified by the case of Alan Greenspan, the chairman of the Federal Reserve Board.

Greenspan is a loyal team player too. He went on the record, endorsing the budget package that was cobbled together at the end of September, as the necessary pre-condition which had to be satisfied if he and his colleagues were to be able to lower interest rates. Now, the Federal Reserve has been drawn into the debacle too. Greenspan, in acting like the good team player he is, has put the Federal Reserve system into a box, and the banks and investment houses are screaming. They have been demanding lower interest rates, to the point of hyper-inflation, in order to roll uncollectible debts over again.

Now, it is said, Greenspan cannot lower interest rates without looking like an ass on the budget. And he can’t reverse on the budget without looking like an ass. Investment houses like First Boston, Merrill Lynch, and Shearson-Lehman are about to be forced to swallow the loans they extended to finance the takeover binge of the last years. Moody’s, the rating agency, has concluded such loans will not be repaid. The insurance companies, with Travelers in the lead, are also on the block. Travelers is being forced to sell off assets to raise funds to cover losses. And the crisis among the commercial banks is fully on.

But the breakdown in Washington is forcing interest rates up, not down, increasing volatility. At the same time the government, through continuing resolutions, has kept itself open by deciding to borrow another \$70 billion between Oct. 11 and 19.

This has not been missed outside the United States.

“It’s a lot more than a cyclical blip. We’re talking about deep, structural problems in the financial sector, with no real indication that American officials understand what has to be done or are prepared to do it,” said Norbert Walter, chief economist of Germany’s Deutsche Bank, in reaction to the defeat of the President’s initial budget package.

Economic historians looking back on this period will agree that since 1979, when Federal Reserve Board chairman Paul Volcker introduced his double-digit interest rates, there has been no recovery in the U.S. economy. The problems created by Volcker were compounded by the energy policies put in place by President Carter and carried out since, which destroyed the potential of nuclear energy and crippled the space program.

The tax revenue base, as measured in real market-basket terms, has been collapsing constantly since 1979. Since 1984-85, the rate of collapse has been accelerating.

The first step in turning the situation around is to get rid of the mythology about recovery, once and for all. Then what is needed is the kind of programs which LaRouche has elaborated over the years. If he had been heeded before, the present mess would not exist.

# LaRouche forecast foresees change in economic philosophy, or destruction

*Economist Lyndon LaRouche, an independent Democratic candidate for Congress from Virginia's 10th C.D., issued a new forecast on Sept. 29. A shift to American System methods, replacing the discredited Marxist and Adam Smith dogmas, can avert the destruction of civilization and build a garden on earth, he said. The following version has been slightly abridged.*

I am frankly ecstatic to participate spiritually in the Oct. 3 reunification of Germany. An additional cause for my happiness is the fact that I was among the few who looked forward to this development as recently as Oct. 12, 1988 when I delivered a statement at the Kempinski-Bristol Hotel in Berlin, Germany, calling people's attention to my expectation that, in the light of the developing Soviet food crisis, there would come the potential for the economic development of Poland and a process leading to the emergence in the foreseeable future of Berlin as again the capital of a united Germany.

I have done fairly well with forecasts over the years, both as an economist and forecasting a few other developments, some happy ones, some less happy.

What do I forecast now?

People ought to recognize, but I am afraid that few do, including many politicians and others, that since society is composed of human beings, we cannot predict events in society, in history, in the manner that a witch doctor or crystal ball-gazer might wish us to believe.

We cannot predict; what we can do is we can forecast.

What is it that we can forecast?

We can forecast *points of decision*. We can forecast the kinds of decisions which will confront various kinds of relevant institutions at approximately, or more or less exactly, certain times in the present, or more or less distant future.

We can also forecast, if we have the skill to do so, what the consequences of each of those choices of decision or non-decision might be. And thus, we can circumscribe a time of decision with the balance between options up for decision, and the consequences, happy or painful, of those decisions.

That is essentially what I did in the case of forecasting the emergence of Berlin as the capital of a reunited Germany

on the happy occasion of Oct. 12, 1988, and that is what I have done in economics, in which field, whenever I have dared to forecast, I have usually been successful—or at least more accurate than my competitors.

## The choice of political philosophy

What faces us now?

The question of *choice* comes foremost in the attempt to forecast.

What we are seeing before us in the unfolding of events on a global scale is the collapse of two great (in the sense of extensive and influential) economic dogmas. On the one side, we have the obvious collapse of Marxism, which probably can never be revived. On the other side, we have the collapse of Adam Smith and similar views—the so-called free-market economy view associated with British Prime Minister Margaret Thatcher. In the rubble which was once Britain, or the rubble which was once the great United States, Adam Smith is dying, as his grandson, Marx, has already died in the East.

We are now faced with great decisions, but what is the most essential choice before us? There are many choices, but one is essential.

The essential choice is a choice of political philosophy. And, the choice will come largely from Western continental Europe—more than any other place—because Western continental Europe at this point (not to deprecate the importance of Japan and the power of the Japanese economy) is the center of the world economy. It is the power center; the center upon whose success all other parts of the world depend, to greater or lesser degree, for their own welfare.

In Western Europe, there are but two significant forces contending for hegemony, in the decision-making of the present and ensuing months.

This has not changed indeed for about 2,600 years since the time of Solon's reforms at Athens, as the great poet and statesman Friedrich Schiller defined that in his essay on the subject of the laws of Solon and Lycurgus. Briefly, the conflict in the history of Christianity over the past 2,000 years—and retrospectively, as Christianity looks back to Solon through Plato and Socrates—has been a conflict between two



great philosophical systems; the only important conflict of such a nature in the entire period. On the one side, we have Christianity, the Christian tradition, which adopts Solon, Plato, and Socrates as its forerunners in the matters of statecraft and art. On the other side, we have the Babylonian model of empire, more familiar to us as the image of pagan Imperial Rome.

Over this entire period since the birth and crucifixion of Christ, the *only* conflict in the emergence of Europe and the extent of European civilization today has been the conflict between the Christian, what we might call republican model identified with Saint Augustine as well as such secular forebears as Solon, Plato, and Socrates; and on the other side, the pagan Roman Imperium: its ethics, its notions of law, and those who have attempted to imitate the Roman model in such pagan forms as Pax Britannica, Napoleonic dreams of world empire, and so forth. That is the underlying issue which confronts us today. That is the essential choice which faces us now and into the future.

### **Pagan Rome or the American System**

Over the past period, the crisis has been building up in several ways. It has been building up by the imposition of looting and usury upon what we have called the developing sector. Neo-colonialism—the looting of this sector, the denial of developing nations of the right to true sovereignty, the right to the choice of scientific and technological progress as the mode of capital-intensive, energy-intensive investment which would enable these nations to provide a decent standard of living for their own people—imposed by the Anglo-Americans, chiefly, upon the developing nations, has been coupled with a vicious, most inhuman usury which has crushed, first, the people of the developing sector, and has turned inward to crush the populations within North America, Britain, and into Western Europe.

This system of neo-colonialism and usury, coupled with a utopian goal of establishing a one-world order, has been the form in which Pax Britannica and other imitations of ancient Imperial pagan Rome, have been perpetuated today. Ideas of malthusianism, ecologism, the worship of the pagan goddess Gaia, and attacks on Christianity by various forms of paganist laicism are all expressions of this reversion to pagan Rome.

A certain forecast can be made in this light. If we adhere to the utopian goal of establishing something like a Pax Britannica as a one-world empire, or the hegemonic feature of what is tantamount to one-world empire, then civilization is doomed—on the continent of Europe, in what has been the Soviet Union, in Eastern Europe, and throughout the developing sector. There is no hope for humanity, or at least not for civilization as we have known it, under those circumstances unless this effort, now centered in the Anglo-American commitment to North-South conflict and to geopolitical conflict, is eliminated, is eradicated. There is not one nation perhaps

on this planet which would still be standing a few decades from now—at least not in any civilized form.

The alternative is to go to what was called the American System, as identified with names such as Benjamin Franklin, Alexander Hamilton, Mathew and Henry Carey, and Friedrich List, and with Gottfried Leibniz before any of them. If we go to that model, if we reject usury, then we have the possibility of rebuilding a world shattered by too much of the Adam Smith model, as well as the Marxist one, and there is hope for humanity in the coming period.

In practice, this issue centers about the relationship between a reunited Germany and Moscow, as well as the other states of Eastern Europe.

If Germany is reunited on the basis of vigorous economic growth of the type possible under an American System model, or shall we say a Friedrich List system model, and if the Soviet Union, or Moscow, and other states of Eastern Europe cooperate with Berlin, and if France and Italy and other European nations also cooperate with Berlin to this common purpose to solve the problems of infrastructure, the problems of high-technology small industry, the development of family types of high-technology farming, and the development of modern manufacturing in Eastern Europe and what has been Soviet territory, then this cooperation provides the basis for solving the problems of the world.

If that enterprise is defeated, then perhaps the advocates of this new utopian form of Pax Britannica, the so-called new world order, will prevail; and with that, the death of civilization and of most nations is assured.

### **How to build a garden**

Therefore, I would put the decision to be made in the following structured form.

At bottom, the decision to be made is a philosophical one. The question is, do we realize that civilization can no longer tolerate the perpetuation of the Babylonian model of usury and empire, either in its pagan Roman imperial imitations or other imitations upon this planet; that we must choose instead as a global model, the Christian Augustinian model, adopting retrospectively Solon and Plato and Socrates as the predecessors of the Christian model? In that case, we have made the correct fundamental decision. However, we will make this decision not merely in a general philosophical way: We will have to make it, also, in a practical way.

First of all, we have to agree on several principles. Do we agree on the sovereignty of nation-states as opposed to over-reach by foreign powers? Do we agree on the right of every human being to participate in scientific and technological progress? Do we agree on their right to participate, through capital-intensive, energy-intensive forms of investment in infrastructure, in agriculture, in high-technology, in small entrepreneurial firms, and in manufacturing and so forth, in that progress?

Do we agree that it is in the interests of all states to help

## Public vents spleen at U.S. Congress

When government institutions were shut down on Columbus Day weekend, after President Bush rejected on Oct. 6 a spending bill that would have kept the federal government running for a week, the general public had the chance to make their views heard in the House and Senate chambers. The veto meant that all the major museums in Washington were shut down on one of the busiest tourist weekends of the year.

Visitors went to one of the few places open, the U.S. Capitol, where the Congress was frenetically working into the wee hours on a compromise. The U.S. Capitol Guide Service estimated that 12,000 people would take their tours.

The normally quiet Gallery of the House of Representatives had the atmosphere of the Super Bowl. People erupted into supportive hoots and applause as representatives attacked the budget and the administration for allowing the museums to be closed. Emotions were so high that Capitol Police could not restore order in the galleries, and one policeman himself was heard blasting the administration in comments to one of the visitors. The House Speaker was forced at times to pound his gavel in order to bring order into the chamber. Rep. Charles Wilson (D-Tex.) commented ironically on the packed galleries, "They're all here because the other zoo is closed."

On Sunday, the House convened five times, as the day turned into night. House Minority Whip Rep. Newt Gingrich (R-Ga.), who had been the most outspoken Re-

publican opponent to the budget summit package, accused the Democrats of blocking progress. House Speaker Tom Foley (D-Wash.) snapped back: "Of all the people in this House, of all the people in this country, who have little claim to cooperation with his President, it is the gentleman from Georgia."

Rep. James Traficant (D-Ohio) was applauded when he stated from the floor, "I am not for raising taxes and I am not going to vote for a budget that raises taxes." Rep. Lawrence Smith (D-Fla.) said that President Bush was "acting like a ruler most of the immigrants fled away from."

Some of the Democratic congressmen were totally incensed over the administration's attempt to shift the sole blame for the budget deadlock on to the Congress. Rep. Ed Jones (D-Ga.) accused the administration of engaging "in as remarkable a piece of revisionist history as we will ever hear, blaming the Congress for the budget impasse, blaming Congress for putting thousands of Americans out of work, as if the White House could walk away from the scene of the crime, whistling in the dark. The American people want solutions," said Jones, "and they want them now."

Rep. Lawrence Smith summed up the general feeling when he commented that "Mr. and Mrs. America out there, even the Republicans in this room, finally said, 'Enough is enough. You have gone too far.'" Smith said that they would not support the President when he wants "to close the deficit on the backs of the elderly and screw the middle class once again, and give your rich friends another break," referring to President Bush's attempt to push a capital gains tax cut. Neither Smith nor any other Capitol Hill legislators have come up with any workable solutions to the economic crisis.—William Jones

one another in perfecting the sovereignty of other states, and in effecting the ability of other states to solve their internal problems through aid of scientific and technological progress? If we so agree, then we have made the right philosophical choice *in practice*. What we shall have to do immediately is to establish a relationship between a Berlin-centered agreement, on behalf of Western continental Europe as a whole, the capitals of the Eastern European states, and Moscow, to agree that we are going to order the relations among these elements of Eurasia in the form consistent with the principle I have just indicated, and that the partners to these kinds of agreements will similarly order their attitude toward, and relations with, the nations of the southern part of this planet.

If we do this, then we have done the right thing and I can forecast the following: The result would be that what some

view as the worst calamity—the collapse of the Anglo-American monetary and financial power—would turn out to be the greatest blessing which humanity has known in more than 100 years. By the thorough and utter discrediting and destruction of the policy-influencing institutions associated with an evil form of monetary and financial power—that is, the Adam Smith variety—we would have cleared the decks for the United States and other nations to reject the evil pagan ideas of Adam Smith and Marx, which have done so much damage to humanity as a whole, and rebuild themselves on the basis of Christian principles.

If that occurs, if that is the result of the great financial crash which is now overdue for the United States and London, then we must welcome those financial catastrophes as a great blessing. Sometimes it is necessary to clear away the rubbish in order to begin building a garden.

# Kiss. Ass. demands debtors' arrears

by Dennis Small

The debtor nations of Ibero-America have received a warning shot across the bow from Kissinger Associates, the consulting company set up by the former secretary of state to serve as lobbyist and spokesman for the U.S. banking establishment. Writing in the Oct. 3 *Christian Science Monitor*, Kiss. Ass. President Alan Stoga sounded the alarm that the debtor nations are \$22 billion in arrears in their interest payments to the banks and other creditors, "of which \$16 billion are accounted for by Brazil and Argentina." These funds must be ponied up, Stoga pronounced, and both the U.S. government and the Ibero-Americans must take the necessary steps to achieve this—fast.

"Many countries seem to believe that such moratoria are costless," he threatened, "but this ignores the corrosive effect which nonpayment has on a nation's international credibility." In other words, if you don't pay, you will be ostracized and blackballed by the international financial community. Drastic "stabilization programs" and "financial discipline" are the order of the day for the Ibero-Americans, the Kissinger stand-in lectured, which in normal English means painful reductions in standard of living, selling off the state's productive assets, and drowning any domestic industry in a flood of cheap foreign imports.

Stoga held up Mexico and Chile as examples for the other nations to follow: "Mexico and Chile have proven that the only way out of the crisis is sustained economic reform." The emphasis here is on the word "sustained." The financial establishment is not so much displeased with the current economic policies of the Argentine and Brazilian governments, as it is concerned that such savage austerity be "sustained" over a period of years, regardless of the political cost, as it has been in Mexico. "Sustained economic reform" has brought Mexico a 50% drop in real wages since the mid-1980s, and a spiraling industrial decline (see *Dateline Mexico*, page 20). Only those on the payroll of the Mexican government are still talking about the "Mexican economic miracle"—or idiot-savant economists like Polyconomics' David Goldman, who hailed Mexico's disastrous policies in a recent article in the *San Diego Union*.

## The IMF turns the screws

The International Monetary Fund has also made it clear that debtors in arrears can expect no relief, no matter how slavishly they are imposing the bankers' austerity policies otherwise. Argentina, for example, is \$6 billion in arrears on its \$30 billion in debt to the commercial banks, and despite President Carlos Menem's unqualified support for the Anglo-American Establishment, both in economic policy and in the Middle East, the IMF recently refused to disburse its scheduled lending to the country. The same thing has reportedly happened with Venezuela—another country whose government has bent over backwards to do the bankers' bidding. Finance Ministry sources in Venezuela recently told the press that the country would not be receiving its scheduled loans from the IMF.

The recent sharp rise in world oil prices has worsened the plight of most debtor nations, but IMF director Michel Camdessus announced in late September that his institution had no plans to establish any kind of fund to help oil-importing debtor nations get through the crisis. Camdessus cynically proposed that Third World oil-exporting nations should "display their solidarity" by contributing their increased revenues to the repayment of the foreign debt of their oil-importing brother nations. The IMF is, of course, simultaneously insisting that any increased revenues obtained by oil-exporting debtor nations—such as Mexico and Venezuela—must absolutely *not* go for domestic development, but only for their own debt repayment.

Stoga was also blunt about the fact that the recent jump in oil prices "will worsen the payments positions of oil importers like Brazil," and that they should expect no relief: "Any recycling of new petrodollars is likely to remain among the industrial countries, rather than flow to developing nations," Stoga pronounced.

## Revise the Brady Plan

The Kissinger crowd is also critical of the Bush administration, because it has failed to control the Third World debt problem. The so-called Brady Plan, named after Treasury Secretary Nicholas Brady, "has run its course," according to Stoga. Moreover, it was a "dangerous" idea from the start, because it "encouraged debtors to stop paying interest to the banks until renegotiated debt agreements are in place"—thus opening the door to the arrears problem the bankers now face.

As on most issues, Bush seems to be long on consoling assurances and short on actual solutions to the debt crisis. In his recent meeting with Brazilian President Fernando Collor de Mello, Bush reportedly told the visiting head of state of the Third World's most deeply indebted nation not to worry excessively about the debt problem. The imminent resolution of the U.S. budget crisis would cause a drop in international interest rates, Bush stated confidently, and this would benefit debtor nations like Brazil. Brazilian sources report that President Collor's entourage didn't know whether to laugh or to cry.

# Recolonialization of Vietnam?

by Linda de Hoyos and Uwe Parpart

Despite the ground-breaking meeting at the United Nations Sept. 29 between U.S. Secretary of State James Baker and Vietnamese Foreign Minister Nguyen Co Thach, the United States continues to deny normal diplomatic relations to Vietnam, is maintaining its trade embargo, and once again stamped its veto on Vietnam's entry into the International Monetary Fund and the World Bank, making it impossible for Vietnam to obtain credit from the international markets.

Washington insists that Vietnam contribute to a political settlement of Cambodia (although how has not been publicly specified) and also settle to the Bush administration's satisfaction the question of the Americans Missing in Action from the Vietnam War. The suspicion is, however, that these conditions are but pretexts. The Bush administration's primary concern is the People's Republic of China. Bush wants to slow things down so as not to overtake the pace of diplomatic goings-on between Hanoi and Beijing. Just as Thach was meeting with Baker, Vietnamese Politburo member and war hero Vo Nguyen Giap was in Beijing meeting with high-level officials in hopes of reviving ties.

## Who benefits

Great Britain is another party that appears to be benefiting from the U.S. embargo. While Japan has obeyed U.S. economic strictures, sharing only 0.03% of total foreign investment in Vietnam, Great Britain is getting in on the ground floor of exploration in Vietnam's rich offshore oil fields. Britain accounted for 30.01% of foreign investment in Vietnam in 1989, followed by France with 21.44%, and the Netherlands with 19.03%. Royal Dutch Shell, Total of France, and British Petroleum are now searching for oil in the southern part of Vietnam's continental shelf. This pattern of investment in Vietnam is drawing loud complaints from the U.S. Chamber of Commerce, which points out the obvious: The U.S. is losing out.

All Vietnamese oil—1.5 million tons in 1989—is exported, since Vietnam has no refinery. In August, Communist Party leader Nguyen Van Linh invited Michio Watanabe and four other members of the Japanese ruling Liberal Democratic Party to Vietnam to explore avenues by which Japan might help build a refinery. Vietnam's own oil consumption is ex-

pected to increase five-fold by the year 2000. But unless the U.S. embargo is lifted, prospects look dim, leaving the former colonialist powers in the region free to haul off the petroleum in classical neo-colonialist style.

## High and dry

Other than the oil investment, Vietnam's economy has been left high and dry. In mid-summer 1990, the Soviet Union informed Hanoi that it should expect a sharp reduction in aid from Moscow for 1991 and must also take steps to redress its trade imbalance. Until 1989, reports the *Far Eastern Economic Review*, Vietnam received 100% of its fuel and cotton and 80% of its fertilizer from the Soviet Union. Now Vietnam obtains only 60-70% of its fuel from the Soviets, and only 50-60% of its fertilizer. Soviet officials cited in the *Review* say that 47% of Vietnam's electricity, 50% of its cement, and 85% of its coal are produced at Soviet-built installations. On top of aid, Vietnam's debt to the U.S.S.R. is \$18.25 billion.

Over the last 18 months, the Vietnamese government has carried out a harsh austerity program designed to rein in inflation from its 700% high in 1988. The result has been a steep decline in industry. In June, State Planning Commission chairman Pham Van Khai reported that industrial output had fallen 5.3% in state-owned enterprises this year and output in private factories had fallen 7.9%.

The industrial deflation has resulted in mass unemployment—the source of the thousands of “boat people.” According to AFP, there are now 6 million unemployed—almost 10% of the population and 20% of the labor force. In addition, the Army has cut its strength by half, releasing 500,000 soldiers onto the job market. Thousands more Vietnamese workers are being repatriated from Eastern Europe, where “reform” economies can no longer afford Vietnamese guest labor. Another 1 million workers enter the job market every year.

The government has no funds for welfare.

The year 1989, when Vietnam underwent the steepest downturn, produced the greatest number of boat people—with 34,000 arriving into Hong Kong alone. Most of these were from the north, particularly the poverty-stricken provinces of Haiphong and Quant Ninh.

The flow has slowed this year. One reason is that the return to private ownership of agriculture—nearly 80% of Vietnam's food production is carried out privately—has resulted in increased productivity and yield. According to a report by the Foreign Commonwealth Office of London, grain production rose by 19 million tons in 1988 to 21 million tons in 1990. In 1989, Vietnam was able to export 1.5 million tons of rice, making it the world's third largest rice exporter.

But unless Vietnam is able to acquire investment for infrastructure and technology development, its food and oil-producing capacities will be wasted, producing wealth only for the nation's returned exploiters.



# Natural gas deregulation has brought United States more chaos, less energy

by Steve Parsons

Before the 1973 oil crisis, the prices at which producers could sell oil and natural gas were regulated by a combination of government agencies on the federal, state, and local levels. This ensured a relatively stable price of fuel for industrial and residential users, as well as for companies involved in refining and delivery. As a result, long-term contracts between producers, refiners, and distributors were the rule. They guaranteed a certain base level of income for all involved. This meant that both long-term and short-term projects could be planned and executed with reasonable certainty of financial success.

Under this system of regulation, the nation's energy supply expanded enormously in the postwar period, thanks to development of new resources through exploration and drilling and construction of pipelines and refineries. Industry of all kinds grew rapidly, secure in the knowledge that cheap, reliable fuel was always available.

But in the autumn of 1973, oil was almost instantaneously transformed into a speculative financial commodity. Overnight, the steady supply of oil was interrupted, on the pretext of the 1973 Arab-Israeli war, forcing distributors increasingly to bid for oil on the speculative "spot" market. This international "free" market, centered in London, was the only place where non-contract oil could be bought—from firms dominated by financial trading companies specializing in speculation.

Until the oil crisis, oil volume in the spot market was less than 1% of the world market. But that changed in 1973. Today, the spot and related futures markets essentially determine the price and purchase of oil and natural gas worldwide. This shift was the turning point toward deregulation in the United States. When oil prices quadrupled by the winter of 1974, U.S. producers raised a hue and cry to deregulate crude oil and natural gas prices, arguing that they could then pour more money into increased exploration and development to meet the increased demand for domestic energy.

## The deregulation disaster

Under the Federal Power Commission's well-head price regulation of natural gas in the 1960s and 1970s, pipeline companies concluded long-term "take-or-pay" contracts with producers—generally with a 20-year duration—agreeing to

take a designated amount of gas each year and guaranteeing to pay producers for 70-90% of the gas specified in the contract, whether the pipelines needed the gas or not.

On the positive side, this locked in both prices and a steady supply, and enabled long-term capital planning throughout the delivery chain from producers to end-users. As we shall see, this is the exact opposite of the state of affairs today.

The main drawback was that the FPC-set rates were generally below \$1.00 per million cubic feet (mcf), which was too low to generate sufficient profit margins for expanded investment to keep pace with growing demand. This led to limitations on gas use, a situation which became severe after 1973.

Faced with rising costs because of the inflation generated by the oil crisis, plus fast-growing demand for much cheaper natural gas, Congress enacted the Natural Gas Policy Act in 1978. This deregulated approximately 20% of the natural gas supply from price controls, with the proportion rising in increments to about 60% by 1987. Producers poured the extra money into more drilling, and by 1982, the new gas started hitting the market. But under the "controlled disintegration" high interest rate policies of Paul Volcker's Federal Reserve, the economy had sunk into a deep recession, causing a relative natural gas glut. Prices tumbled from an average well above \$3.00 per million cubic feet—and remain low today at an average of about \$1.25.

But pipeline companies still had long-term contracts under which they were obligated to pay producers for gas that local distributors, the gas companies, could not sell. The Federal Energy Regulatory Commission (FERC), which had replaced the FPC, then took another step toward deregulation. In 1984, it ruled that, in the interest of "competition" and lower prices for consumers, local gas distributors could break their contracts with the pipelines and refuse to purchase gas they had been obligated to buy from these companies.

From 1984-86, the pipelines' take-or-pay liabilities zoomed. In 1986 alone, they were hit with \$10 billion in unused gas for which they had to pay. The total take-or-pay loss for pipelines mounted to \$44 billion, worth more than the value of all the pipeline companies put together. So far, the pipelines have already paid out \$9 billion. The remainder is still tied up in court litigation.

With FERC's 1984 ruling, local gas distributors became free to buy gas directly from the producers—which, in practical terms, meant from the previously minuscule spot market. In fact, that deregulatory decision essentially created the natural gas “free” spot market. Today, it has developed into an “industry” itself, burgeoning to about 250 companies by 1987, and handling two-thirds to three-quarters of all gas purchases.

The typical contract is now just 30 days long, enormously increasing uncertainty of supply and demand for all involved—from producers, through the pipeline companies, to the local distributors. And, ironically, to institute some semblance of rationality in this sea of chaos, FERC has had to slap all kinds of rules on the market and the various gas company participants, thus fomenting a regulatory nightmare that has been a boon only to the myriad lawyers and accountants that have had to be hired.

### No more long-term contract purchases

FERC's 1984 action also required the pipeline companies to transport all such gas, thus putting the nail in the coffin of long-term contract purchases by pipelines. Today, 80% of pipeline revenue is from transportation alone; in the past pipelines purchased all the gas produced, which it then transported.

Now, FERC has gone even farther to spur “competition,” with a recent ruling permitting large industrial end-users, like utilities, to purchase gas directly on the spot market, rather than from the local gas company distributor. The local gas companies, as well as the pipelines, are required to store that gas for future use, and must themselves absorb all storage and inventory charges (see interview).

Much has been made of the money “saved” by all parties and the lower prices for consumers through such deregulated “free market competition.” But in reality, this deregulation has weakened the entire gas delivery system from many standpoints.

First, an assured supply of gas is in question, because 1) the producer does not know what price he will get for his gas, nor how much will be bought, and thus has no real way of planning production; 2) neither the pipeline companies nor the local distributors have an assured supply of gas at a known price, since neither knows how much of their own purchased gas will be bought by customers; and 3) neither knows the long-term needs of their customers.

Second, and most important, the combination of insecurity and uncertainty of supply, use, and revenues makes it extremely difficult, at best, if not generally impossible, to plan capital construction projects at any level, from producers to industrial consumers. For example, almost all of the major gas pipelines were laid from the 1940s to 1960s. Many more are needed, especially in the Northeast, where consumption has risen dramatically in recent years. But very few are, or will ever be, under construction.

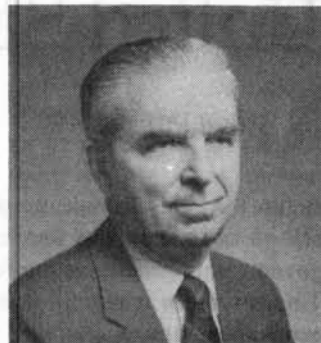
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## Interview: Charles Mankin

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### The ‘zoo’ of deregulation

*The following is the concluding portion of an interview conducted on Sept. 5 with Charles Mankin, Director of the Oklahoma Geological Survey. (For the first part, see EIR, Sept. 21.)*



**EIR:** What have been the effects of deregulation on the natural gas industry over the last ten or so years?

**Mankin:** For natural gas, deregulation has brought on a whole series of unexpected consequences—that is, unexpected to some. The kind of knee-jerk reaction that says deregulation is good because it frees up the process, has brought about some very unexpected and very complicating results.

Historically, producers found natural gas and sold it to a pipeline company, which then transmitted the gas and sold it to local distribution companies (LDCs), the end-users of gas. It was a relatively simple stream of activity, one that could be followed with some ease. Today, with the deregulation of natural gas, this is no longer true.

What you're seeing now is producers who are selling directly to consumers, and the pipeline becomes a common carrier; LDCs are actually investing in exploration and acquiring reserves. Industries in fact are acquiring reserves of gas in certain areas. And so when one tries to get a picture of the gas industry today, it is more like a plate of lasagna.

We're in the process of trying to use the state of Oklahoma as a kind of model for deliverability studies, to find out how much gas you can send through the system to get gas from point A to point B. You can look at the physical connections, you can look at the pipe and wells and draw up a schematic and show how you can physically move gas from point A to point B through all of the constraints.

But that has become frankly the least important part of the issue, because much of the gas that you're seeing has contractual implications. To get gas in a certain field, all of that gas may be under contract, through perhaps a joint venture, in which the reserve is developed solely for their use. And this means that during high gas demand, that gas may not be available not because you can't physically get it out, but because legally and contractually, there are constraints on its being moved.

**EIR:** Can't this lead to spot shortages during peak use?

**Mankin:** Oh, absolutely. In fact, my own view is that we

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***“Tracing the network of middlemen created by deregulation is like trying to trace one end of a noodle through a plate of spaghetti and figure out where it goes.”***

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don't know what gas is available, because we aren't privy to the contracts and agreements governing use of the gas. This is going to be the overriding consideration in really trying to understand how to deal with spot shortages. Spot shortages of necessity will occur during situations of peak demand because you cannot economically build a system that will deliver at peak demand efficiently. Because if you were to attempt this, then you're overdesigned for baseload, and you can't afford it. Electric utilities have dealt with this, but in the natural gas industry, the system is not sufficiently well understood to deal with that kind of problem.

**EIR:** Wouldn't this necessitate building expanded storage facilities so that pipelines and LDCs could have on hand non-contracted gas?

**Mankin:** Yes. You see, historically, the way they used to do it in the upper Midwest and the Northeast, an LDC would contract with a large gas user like a steel plant and sell them some portion of their total load of gas in the form of an interruptible contract, so that during periods of peak demand in that area, the company could shift gas from that industry for brief periods of time to meet residential and commercial needs. And that served, in effect, as their storage. But many of these plants are no longer in operation, we've gone out of the heavy industry in this country, and as a consequence a lot of the big gas users—steel, ceramic, glass—have gone overseas.

There is no question that there is increasing need for alternative local storage. We have had in the last month an incredible increase in requests for information about the availability of abandoned fields that might be used for gas storage. If you don't have some gas locked up contractually, then the alternatives that might be available if you're an LDC or major user, is to try to buy gas at lower prices during slack times and put it in storage, and then move it during periods of higher-cost times.

The disadvantage, of course, is that that throws a new wrinkle into the delivery system that has to be taken into consideration when you're trying to look at an overall deliverability, because that gas is going to occupy space in a pipeline that could be filled with some other gas from some other place. When you start trying to worry about deliverability and how to deal with spot shortages in various parts of the country, it's not just a physical problem, it's increasingly a problem of what gas is legally and contractually available.

**EIR:** Even if a pipeline company has ample gas in its system, it might not be able to move that gas to a sector that needed it, because that gas was not theirs to move.

**Mankin:** Sure. In the past, transmission companies never had to worry about whose gas it was going through the pipeline; it was their gas, bought from the producer and resold. Now, in any one pipeline, you might have 15 or 20 different people's gas you're moving to different places. They don't have the measurement and bookkeeping system organized sufficiently to do that job without great difficulty. You can have gas from 40 different sources coming into transmission lines at different times, different quantities, that are moving to a whole array of consumers out there. Somebody may have gas that is moving through parts of three different transmission lines. So it's a case of not only keeping track of your own lines, but it's also a case of transmitting data to your competitors when you transmit gas from your system to theirs. It's an absolute zoo.

**EIR:** Deregulation has created an incredibly large layer of actually useless accountants, bookkeepers, etc. to try to manage all this, pure waste in terms of anything physically real.

**Mankin:** It's hard to say whether it's actually a layer, it's more like a giant fuzzy ball. If it's a layer, at least you could see some dimensions to it, but you can't even see the complexity of this thing, you can't disaggregate it, it's like trying to trace one end of a noodle through a plate of spaghetti and figure out where it goes. . . . It's tough enough to understand the physical system alone, because with so many constraints when you start talking about quantity of gas—capacity of pipelines, wellhead pressure, compression—there are thousands of those even in a simple system. And then you start asking who owns the gas. You can't assume that gas is available to be moved!

We have situations in Oklahoma where in a single well, there will be three different lines hooked up to that well, because the various owners will be selling their gas in three different directions out of the same well, while moving some of the gas at different rates of volume and maybe holding some, waiting for better prices. You don't know what's going to happen. Even if we were privy to the contractual arrangements, I don't know what we'd do with the information, in terms of knowing what gas is available when because of constantly shifting decisions. You couldn't wade through the process to come up with anything meaningful.

## Poland and Eastern Europe need debt moratoria and a new Marshall Plan

*Jacques Cheminade, the president of the Schiller Institute in France, interviewed Dr. Marek Edelman, first a leader of the Warsaw Ghetto uprising and now a respected member of Solidarnosc, on Aug. 29. Cheminade, along with the founder of the Schiller Institutes, Helga Zepp-LaRouche, and Jonathan Tennenbaum met with Solidarnosc leaders in Gdansk and assisted at the first mass commemorating the murdered soldiers of Katyn Forest that included both active duty and veteran military in uniform on Sept. 17, celebrated by Father Henryk Jankowski.*

*The interviewer takes note of the fact that a majority of the leaders of the Center and the Road agree on one point: Western Europe, and in particular the French, must do much more for Poland. Professor Edelman's position in favor of a new Marshall Plan and a debt moratorium on the debt is entirely in accord with the Schiller Institute's.*

*Cheminade met with Professor Edelman for an hour in the library of the Pirogowa Hospital in Lodz, where he is chief of cardiology and continues to be actively devoted to his patients. The interview appeared in the weekly Nouvelle Solidarité. It has been translated from the French.*

**Q:** Dr. Edelman, you are the last survivor of those who led the Warsaw Ghetto insurrection. What is the contribution of this tradition of struggle that you embody to the Poland of 1990?

**Edelman:** Everything against which I fought during that period, all the horror of Nazism, I've found in another form in my fight against the communist power. I've risen up against the same destruction of man by man. What counts today, the same as during the 1940s and the following years, is to become involved constantly in human freedom and the dignity of life. The only differences are the type, the method and the means of struggle, not the struggle itself. My goals and my ideas have never changed, today they are just as up to date.

**Q:** What is that program that, today, would be able to unify Poles in the road to democracy and mutual development, as yesterday they unified against Nazi and Soviet occupiers?

**Edelman:** Democracy is a difficult thing to practice, most especially when you are coming out of several years of struggle against totalitarianism. We are moving forward practically without examples to follow; we have to innovate, change the whole configuration of the state and of society.

But to change society is the hardest, because 50 years of Nazism and Communism have changed men's psychology. Society has become accustomed to submit to the state, to get everything from the state, sanction, security, or comfort. The end is tragic, but tragic in a "gray" overcast way: The state has become exhausted, it can no longer contribute anything whatever to society, no perspective for development, no moral direction, nothing. When the state itself no longer has what it takes to assure the minimum to live on, to survive, everyone rebels. The very idea of the state itself founders; no military coup d'état would be able to change anything.

Today, we must create a free market which replaces the hold of the state and allows for production to take place. But this is difficult, very difficult, because unemployment is growing, purchasing power is dropping.

The population is being very patient, since it knows what it just escaped from. The division within society is not fundamental. It's talked about a lot, but the problem is not so much this division, as the desire of society to go fast, too fast.

In East Germany, for example, they are going too fast toward a market economy. The danger is that the economic situation is getting worse, that they were going too fast toward a free market without taking the time to build; therefore, a new dictatorship would be able to think about taking power, but without having a recipe.

There is no magic recipe to move from communism to freedom; we have to hold together in order to build, as we did in order to destroy the communist power.



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***“When a nation is reborn, such as today’s Poland, it is normal that its nationalism gets expressed, and even a bit of chauvinism. However, we should not confuse this in any case with anti-Semitism. There is no reason whatever to see anti-Semitism appearing in Poland.”***

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**Q:** The Church has been the bastion of resistance to communism—I’m thinking of Popieluszko, Jankowski, Uminski, Gadowski, Michnikowski. What role do you see for the Catholic Church in the construction of a new Poland?

**Edelman:** It’s a question that requires reflection. . . . The Church has gained a great deal in being at the side of Solidarnosc. There have been remarkable priests in our struggle. However, the hierarchy did not back them, not enough. Today, one part of that hierarchy has become conformist. It wants to exert its influence at the heart of the state. And it does not appreciate our prime minister, who is nevertheless a man of the Church because he acts on his conscience as a Christian before that of any other earthly institution.

**Q:** The Poland of the Old Testament and that of the New used to be segregated before the Second World War; the Holocaust then destroyed the Jewish community. However, even today, the question of relations between Judaism and Christianity is still alive in Poland and, as we saw with the Auschwitz affair, many unfortunately tried to reopen certain wounds. In what light do you, as a symbol of the Warsaw Ghetto resistance, see the contribution of Judaism to the construction of the Poland of tomorrow?

**Edelman:** When a nation is reborn, such as today’s Poland, it is normal that its nationalism gets expressed, and even a bit of chauvinism. However, we should not confuse this in any case with anti-Semitism. There is no reason whatever to see anti-Semitism appearing in Poland. Simply enough, and this is a political problem, if something goes wrong, the tendency is to find someone to blame, and if the real culprit is hard to find, you find a mythical culprit. Poland in this is no different from other countries in Eastern Europe, and, I must say, no different from Germany and from France. It’s a political affair, nothing else. It’s useless to conjure up old demons.

Now, on culture, on Judaism in the reconstruction of Poland—well, it has become integrated into Poland! The contribution of Judaism is a characteristic and integral part of Polish culture. Let’s say it exists at its heart; it would be otherwise very difficult to isolate one element from the national context.

**Q:** How do you feel about the division of the liberators of Poland between the tendency represented by Road [of Prime

Minister Tadeusz Mazowiecki, Bronislaw Geremek, and Adam Michnik] and that represented by the Centrum [which supports Lech Walesa]?

**Edelman:** The Centrum, from what I understand, is a populist movement, centered around one man. Mr. Walesa wants an “acceleration” in the process of reforms, he speaks about forcing out all the leadership of the old regime from all administrative positions. That’s very hard to bring about, there’s a great risk of destabilization. Mr. Mazowiecki wants change by small steps, he wants to avoid ruptures in order to more surely attain a democratic regime. An acceleration would imply violence, perhaps not physical violence but political, and political violence always leads to something bad.

**Q:** What do you think that men of reason and dialogue like yourself were able to bring to a generous, romantic people, if perhaps a bit too often disorganized?

**Edelman:** I have hope that reason will prevail, with or without me, but the situation is not yet clear, no more in Poland than on a worldwide scale. The Gulf crisis would be terrible for us, with the rise in oil prices. With that, we Poles would not be able to handle what happens.

The responsibility belongs to France, Germany, Japan, the United States, and England. We will have to live with the consequences of their failures, or rather the benefits of their wisdom. The world today is all one place.

**Q:** I have been very struck with the high moral demands of Poles in their internal or family life, and their detachment or even cynicism toward public life. How do you think the moral authority of the state may be restored, and internal and public life reconciled?

**Edelman:** What you are correctly saying about our public life is the result of the communist system, which nobody ever truly believed in. But this is not something that vanishes by miracle; unfortunately that is going to continue still. That cannot change in a profound way except if Polish people may benefit from good economic conditions, assuring their development and that of their families.

**Q:** I am personally convinced of the need for a grand plan for development on a European scale—in the midst of which Poland would play a dynamic role—a plan which we have

called the Paris-Berlin-Vienna Triangle. According to this plan, we would rebuild infrastructure and would spark the creation of thousands of high-technology small and medium-size enterprises.

This is the creative conception of economics, in contrast to the financier conception, which is speculative and sterile. But I have the sense that Poland, with its Balcerowicz Plan has become committed to the logic of the financier, which causes injustice. What do you think?

**Edelman:** Yes, you're right. But you have to understand that our economy will not "take off" unless the West makes certain sacrifices. There must be a political and economic commitment of great scope from the Western European countries with respect to us. But if you are aiding someone, you must first start by having a sense of charity. The West therefore, ought to have it, even if this implies certain sacrifices on its part.

For if the West does not accept this idea, does not undertake its responsibilities, this will cost it much more dearly, much later.

We need something for Eastern Europe of the sort that the United States did for Western Europe after 1945: We need a "new Marshall Plan." We need the countries of the West to understand that the countries of the East must also be freed from an illegitimate debt. All this must be coordinated altogether in one plan; one lone country cannot take the initiative. Obviously this goes beyond the case of Poland. I am talking about relations between Western Europe and Eastern Europe.

**Q:** You mean that we cannot have a real plan of development for Poland unless the Western nations, and in particular Western Europe, offer it different opportunities?

**Edelman:** One cannot work up enthusiasm with falling living standards. The split between society and the economy is terrible in our countries in the East. We need to completely change the spirit of the economy and society. This costs much more than to rebuild a house. We need stability, for example, monetary stability, and growth, better working conditions. But this can not be accomplished without the intervention of the countries of Western Europe, without an equitable economic order and mutual development.

We are doing too much talking. There are plenty of pretty words. We need to act. We need you to give us the means to act. If we change things in depth before the year 2000, you ought to be satisfied. Help us; you will help yourselves at the same time, since that's your responsibility as Europeans.

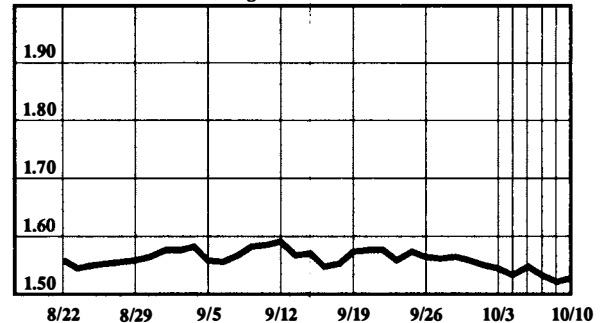
**Q:** What more can we do, immediately, in Western Europe, for you, the Polish people?

**Edelman:** Poland is today a poor country. For example, we need medicines. . . . But the essential thing I want to say is: At least, do not make things worse for us. Concretely, control this affair with Iraq, lest we must pay the consequences.

## Currency Rates

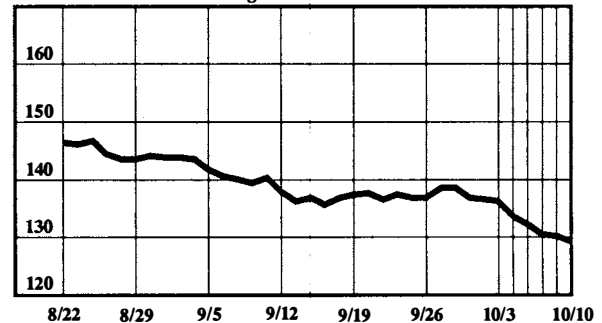
### The dollar in deutschemarks

New York late afternoon fixing



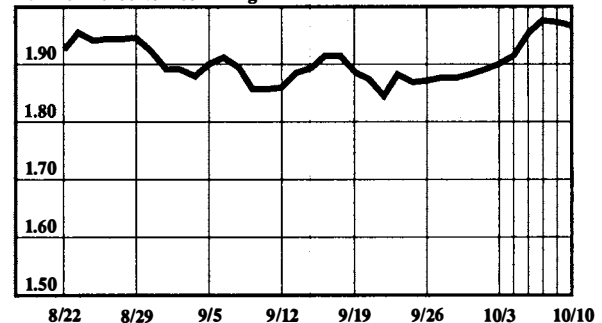
### The dollar in yen

New York late afternoon fixing



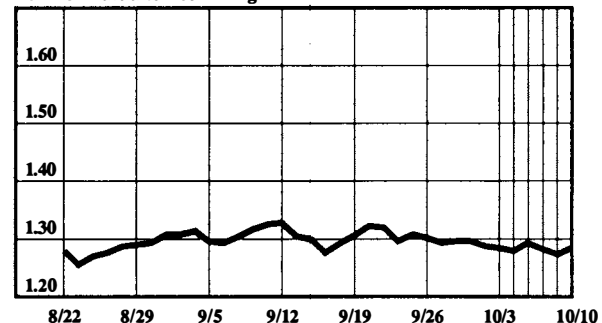
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



## German-Soviet cooperation in space

*Space and aerospace joint projects are moving forward, and broader cooperation is being discussed.*

On Sept. 29, days before German unification, a 20-year economic cooperation agreement was initialed by the Soviet and German governments in Bonn. It named areas of preferential industrial cooperation like machine building, development and mass production of private cars, trucks, and buses, and shipbuilding, medical, and maritime research pilot projects. Little noticed was a paragraph endorsing closer cooperation in space technology and the aerospace sector at large.

On Oct. 8, Heinz Riesenhuber, the German Minister of Research and Technology, announced at the 41st congress of the International Astronautics Federation in Dresden that two German astronauts had been selected for a role in the Soviet *Mir* space program. The two will serve with the *Mir* mission scheduled for eight days in March 1992, conducting biochemical, biophysical, and materials fatigue tests, and geophysical and astrophysical experiments.

The astronauts will learn Russian and receive training to fly and operate a *Soyuz* space vehicle, including homing-in on the *Mir* orbital station. They will be instructed by, among others, Siegmund Jaehn, the former East German Air Force pilot who served with a *Mir* mission in 1978 and was the first German in space.

The German role in the 1992 *Mir* program is the more spectacular side of an array of joint ventures presently being discussed between Moscow and Bonn. It may gain in emphasis because the future of joint projects between the German space agency (DASA) and the American National Aeronautics and Space Administra-

tion (NASA) looks dim.

West German scientists were disappointed when closed out from most aspects of the U.S. Strategic Defense Initiative (SDI) program, and worry over the ongoing debate in Congress on budget cuts in NASA. The fate of the *Space Station Freedom* project, to which a DM850 million budget of the West German *Hermes* space shuttle development has been oriented, is viewed as rather uncertain at this moment.

Against this background, the initial DM38 million German share in the Soviet *Mir* program is signaling future German-Soviet cooperation. The Soviets have declared that they would welcome a larger share of Germany in their space projects. One of the priority areas of cooperation that Moscow has suggested is in the *Buran* space shuttle project, which is falling behind schedule because of grave problems with the *Energiya* booster rocket which has been boldly designed for hydrogen fuels but isn't a safe technology yet.

The Soviets have therefore replaced the *Energiya* part in the entire program, which has the working title *Molniya*, with the AN-225, the world's biggest transport aircraft. An estimated additional DM6 billion would be required to make the *Energiya* a mature technology.

In mid-September, a team of eight senior Soviet aerospace specialists led by Prof. Gleb E. Lozino-Lozinsky, one of the chief designers of the *Buran* shuttle and the MiG jetfighter series, was in West Germany to look for partners in the German aerospace industry.

Lozino-Lozinsky and his delega-

tion emphasized the "signal" character of their visit to Germany in political terms, maintaining that the CoCom blacklist on transfers of high-tech Western products to the East is not affected because a "transfer of about 20 categories of technology from the East to the West" would be involved in projects they were discussing with the Germans.

Special materials, for example, that have been developed for the *Buran* space shuttle can also be used in high-attribution technology sectors like machine tools and medical equipment, he proposed. These programs, German experts explained to *EIR*, can run in the context of future joint projects of "reconverting military into civilian technologies" that are envisaged in the 20-year cooperation agreement.

Immediately after reunification on Oct. 3, another ranking delegation of Soviet experts began contacting German aerospace companies. The delegation was led by Soviet Airflight Minister Apolon Syzhtov, Chief Cosmonaut Yegor Volk, and included senior aerospace construction experts Viktor Zazulov from the Airflight Ministry and Leonid Sverdlov from Moscow University.

Among projects discussed were joint ventures to develop hydrogen-powered aircraft and space vessels. This is opening up the hydrogen-powered German Sanger second-generation space shuttle project—still in the conceptual stage—to Soviet participation.

Immediately, a joint project of the German *Hermes* with the Soviet *Buran* is considered feasible. Experts are now studying turning the Soviet Air Force base at Templin, near Berlin, into a space terminal for German-Soviet space shuttle missions of the the mid-1990s.

## 'Food for Peace' tours farm states

*An East German agricultural leader showed discouraged U.S. farmers how to fight for and win political freedom.*

On Sept. 10-24 seven people speaking as Food for Peace activists from the U.S., Germany, and Australia toured 13 states and held 11 public meetings on the growing danger of world food shortages. The delegation proposed solutions to the farm crisis U.S. farmers battered by depression conditions for over a decade. These included the need to protect the world's family farmers by eliminating the General Agreement on Tariffs and Trade (GATT), and the need to support credit and infrastructure policies as outlined by the American economist and political prisoner Lyndon LaRouche to increase food production.

Of special interest to the audiences of 20-40 farmers in each locale, people still active in the political resistance to the farm foreclosures which have swept the Midwest and eliminated over 500,000 farmers since 1980, was the message of East German farm leader Maik Ehrig. Ehrig, a regional board member of the new German Farmers' Association (VDL), told farmers worn out from battles with government agencies that the people in East Germany too had lost hope. They thought they would have to live forever with the Wall. It was the communist elites' "arrogance of power" and the people's refusal to tolerate further repression which brought people together to open the Wall.

His description of forced collectivization in East Germany under the communists hit home with farmers who have been victimized by federal agencies, the FBI, and state police forces during the mass foreclosures of the 1980s. His account of the political mobilization process leading to the fall of the Wall was fascinating to

U.S. farmers who had been led to believe that it was "international bankers" or Gorbachov who opened the Wall in favor of new, more insidious forms of social control. To hear that it was the result of conscious action by a people determined to free themselves was very inspiring to them.

At two meetings farmers said they had read in a prestigious American farm journal that the reporter couldn't find anyone in East Germany who wanted to return to family farming. Ehrig confirmed that the media lies, by pointing out that his organization, which seeks the return of the family farm, numbers over 40,000 people. Establishment media had no role in building the VDL. He thanked the Schiller Institute for promoting its ideas accurately in print. He said that the media in East Germany today is still controlled by supporters of the old regime. Farmers profusely thanked him for coming and congratulated the East Germans for their courage against the oppressor.

American Food for Peace organizers Suzanne Rose and Gene Schenk told the farmers that "the revolution is coming here." Rose said that the economic breakdown crisis which had prompted East bloc citizens to seek freedom would be soon forcing million of Americans into the streets. There would be new rounds of murderous budget cuts and farm foreclosures leading Americans to reject the "post-industrial" policies of the Wall Street and London financiers which have ruined production over the past 25 years. She outlined the Food for Peace approach of Lyndon LaRouche from his Oct. 12, 1988 press conference in Berlin. LaRouche called for a

"peace through development perspective," especially infrastructure development, on the part of Western nations to channel the ferment he expected over the next year in the communist sector into positive results for mankind.

At every meeting some farmer would say, "There is nothing we can do. The cartels control everything." Farmers even offered suggestions to Ehrig's new organization which showed the severe pessimism which has infected U.S. farm organizers. "You have to get around the cartels," they said. "Don't do business with any bankers." Schenk and Rose criticized the methods employed by U.S. farm organizations which had helped to lower morale. "We have to adopt new methods of organizing so that when the economic crisis hits the population and causes them to protest we can organize them to rebuild the economy," said Rose. She said that the existing farm organizations refused to stand by principles of a political offensive against the cartels which had been begun by Mr. LaRouche during the 1980 presidential campaign. Instead, they made deals with cartel-dominated politicians.

"You can't look for easy answers and solutions which begin and end with the word parity. This crisis means that farmers who today represent 2% of the population here are going to have to link up with other sections of the population facing hunger as the economy disintegrates. We are going to have to have a new civil rights movement based on the inalienable rights of all men to development." Farmers were forced to look at the collapsing infrastructure in the U.S., the abandoned rail lines, the water and power shortages. "You can't farm unless you are concerned with all aspects of the economy," said Rose and Schenk.



## Seidman goes global

*The FDIC is expanding insurance to cover offshore deposits, but the financial well is drying up.*

**F**or months, the Bush administration has been touting the need to reduce the government's deposit insurance exposure. Some officials have gone so far as to blame deposit insurance itself for the savings and loan fiasco, claiming that the government's guarantee created the environment in which risky loans flourished.

William Seidman, the chairman of the Federal Deposit Insurance Corporation (FDIC), in testimony before the Senate Banking Committee on July 31, called for measures "to reduce the potential liability of the government for its safety net particularly as an insurer of deposits. . . . We must consider restricting the amount of deposit insurance liability exposure."

Nevertheless, the FDIC recently announced that it would henceforth guarantee the offshore deposits of all U.S. banks. By doing so, the FDIC agreed to insure the \$300 billion in deposits held by foreign branches of U.S. banks, even though U.S. law does not authorize such coverage and the banks do not pay insurance premiums on those deposits.

Why would the FDIC add \$300 billion to its obligations at a time when it has, as of June 30, only \$11.4 billion in its Bank Insurance Fund—a record low of just 60¢ for every \$100 in insured deposits—in a year the FDIC projects the BIF will lose \$3 billion, especially when its publicly stated goal is to reduce its insurance exposure?

FDIC Director of Supervision Paul Fritts attributed the move to a fear that not doing so could cause "confusion in the international mar-

kets" and have "negative repercussions" on the money center banks.

That's a polite way of saying that the move was made to help bail out the nation's biggest banks, which have substantial portions of their deposits abroad. The nine largest U.S. banks have just over half of their deposits in offshore branches.

A significant portion of the offshore banking system exists solely to handle the enormous volume of funds from the international narcotics business. It is the hundreds of billions of dollars of dope money flowing through the international banking system every year which has kept the Anglo-American banks afloat while their national economies collapse. By extending deposit insurance coverage to these offshore banking havens, the FDIC is protecting the U.S. banks' share of the dope trade.

Ordinarily, such dirty secrets would be kept hidden in the closet, but these are desperate times. The depression is striking the financial system with full force, and the banks are finding it ever harder to raise the massive quantities of cash necessary to even nominally balance their books every day.

The traditional stock and bond offerings no longer work. Bank stock prices are falling through the floor as investors abandon ship, and many banks are forced to pay junk bond-level yields to sell their bonds. Only a fool would buy bank paper these days, and many of the fools have already gone broke.

According to figures from Securities Data Company, banks raised just

under \$2.4 billion from new stock and bond in the first three quarters of this year, the lowest level since 1982, and less than half the level of the same period last year. Nearly \$1 billion of that, the *Wall Street Journal* reported, went into banks involved in mergers, foreign banks, and credit card-related deals. Most of the rest was taken up by a handful of big banks, leaving most of the banks out in the cold.

There's no foreign money to save the banks, since foreign money is fleeing the United States for more secure locations. Hundreds of billions of dollars that in the past would have flowed into the United States are now headed into Germany, where unification is creating tremendous investment opportunities.

Financial problems in Japan, where the Nikkei stock market index has fallen to nearly half of its year-end 1989 value, is keeping a lot of Japanese money at home. Since Japanese banks were allowed to count up to 45% of their unrealized capital gains as equity, the stock market drop has created a capital crunch there. Between the money needed at home and the money flowing into productive economies like Germany's, there's not much left over for Japan to throw down the U.S. financial black hole.

Even Great Britain, whose investments in the United States surpass those of Japan, has had to curtail its spending. Having helped engineer the collapse of the U.S. economy, the Brits are now attempting to distance themselves from its demise.

In the final analysis, there's just not enough capital out there to keep the bankrupt U.S. ship afloat. The S&Ls are gone, the commercial banks are blowing, and the insurance companies are next in line. The entire financial superstructure is disintegrating before our eyes.

## Why is Mexico the bankers' model?

*Salinas's willingness to suck the socks of the bankers has failed to reverse the decline of the Mexican economy.*

While President Carlos Salinas de Gortari is running around trying to convince Mexicans and foreigners alike that Mexico could not be in better shape, within the labor force and even among certain government circles, things are not as rosy as official propaganda would have it. On Sept. 24, the city of Hermosillo, Sonora was "suddenly" paralyzed by a strike called under the auspices of the local branch of the Mexican Labor Confederation (CTM). CTM-affiliated unions at 239 companies all rolled out their red-and-black strike banners, demanding a 39.6% wage hike.

Response to the local strike was immediate, and on a national scale. The labor secretary called the strike movement "nonexistent," and all national business organizations condemned the Hermosillo CTM. National leader of the CTM Fidel Velázquez withdrew his support for the regional confederation, and Hermosillo business associations counter-attacked with a partially effective "business strike."

Francisco Bojórquez Mungaray, Hermosillo's CTM leader, responded that his movement was heeding Velázquez's own call to the regions to seek wage increases. In Hermosillo, said Bojórquez, they took Don Fidel at his word because "we're the only ones with a little bit of pride."

In the midst of this conflict, five governors (of Jalisco, Aguascalientes, Durango, Morelos, and Michoacán) spoke out in favor of the unconditional right to strike, while expressing their hopes that the Hermosillo strike would not go national. They also urged the federal government to im-

plement new economic measures that would enable workers to recover their purchasing power, thereby avoiding social explosions.

These governors, and their colleagues nationwide, know whereof they speak. Politically, the country is already in the throes of electoral fever, with an eye on the 1991 federal elections, while the national economy continues to decline despite official promises. The state machines of the ruling PRI party are predicting a devastating defeat at the polls.

The shrinking of real wages has been disastrous. Between 1980 and 1990, the minimum wage has been more than halved, while the wages of manufacturing workers have fallen by 22%. In 1981, wages represented 37.5% of the Gross National Product; by 1989 their share had fallen by 14.4%, to 23.1% of GNP. Also by 1989, employment in the "formal" sector (regulated by the government) had grown a mere 1.9%, while in the so-called informal sector—better known as "disguised unemployment"—it had grown 13.2%. Officially, unemployment stands at 10.9%.

The Salinas government had promised that by 1990, it would bring the inflation rate to 15.3%, nearly a quarter less than that registered in 1989 (19.3%). By the end of September, however, inflation was still at 19.3%, and with the recent price hikes in the construction, automobile, and airline sectors, as well as those anticipated by December, a minimum annual inflation rate of 30% is expected.

The 100% difference between projected inflation and real inflation

will constitute over the next three months another severe blow to the buying power of wages, which have been frozen since January. The same thing will happen with the 1990 federal budget, calculated on the basis of a 15.3% annualized inflation rate.

Similarly, the government's economic program projected a GNP growth rate in 1990 of 3.5%, but for the first half of the year the annualized growth rate was only 2.1%. The reason for this is that private investment has begun to decline in reflection of growing symptoms of loss of confidence. The same is occurring with foreign investment, which has only reached about 50% of the \$4 billion looked for this year.

In response to the growing pressures from below, Budget and Planning Secretary Ernesto Zedillo Ponce de León and Finance Undersecretary Guillermo Ortiz went before the annual meeting of the International Monetary Fund and World Bank, and declared that the Mexican government "finds itself in a position to raise its spending," given the positive evolution of its economic indicators and, more importantly, the greater flow of dollars from the Persian Gulf crisis.

Finance Secretary Pedro Aspe personally took this message to IMF director Michel Camdessus, from whom he received the response: "It would be foolish to slacken the controls on spending in Mexico." After accepting this public scolding, the line of the Salinas government is now that "we will not fall again into the illusion of an oil windfall," and "we will not weaken the policies of economic restructuring."

Clearly, serving as a "model government" demands a certain shamelessness in sucking the socks of the oligarchs at the IMF and World Bank. The Salinas government appears to have this quality in abundance.

## The battle for nuclear energy

*The 'green' element inside the Collor government is coming face to face with the pro-nuclear Army.*

On Sept. 30, the Brazilian daily *O Globo* published key parts of a confidential report containing the conclusions reached by the working group of the new National Nuclear Energy Program (Pronen) and presented to President Fernando Collor de Mello. If its recommendations are carried out, it would place Brazil on the level of those nations which already control nuclear fission technology, thus conquering a key aspect of its long-pursued technological sovereignty.

Brazil has historically been a developing-sector leader in the nuclear field. According to highly placed sources in Brasilia, it was a sector of the Armed Forces which decided to leak the Pronen report, as a way of giving public voice to the goals it defends, and which clash with the environmentalist orientation of President Collor and members of his cabinet. Thus, everything suggests that a serious clash between these sectors is pending.

"The scientific and technological legitimacy of Brazilian nuclear activities should be backed by social and political legitimacy. Otherwise, resistance to nuclear energy could, in the future, paradoxically restrict our society's access to better living standards for lack of an energy alternative," declares the report concerning the absolute necessity of accelerating the transition from the current "hydroelectric" model of energy generation to a "nuclear thermoelectric" model between the years 2000 and 2010.

The report also recommends that such nucleo-electric requirements be

satisfied "preferentially, by means of nationally produced reactors," and that the construction of all Brazilian nuclear reactors take place outside the bounds of international supervision. The report specifically labels the Nuclear Non-Proliferation Treaty "discriminatory against the development of so-called Third World countries."

To achieve national energy goals, the Pronen report recommends that seven reactors—whether research or commercial—be in operation by the year 2015, including the Angra II and Angra III nuclear plants. This, says the report, would require a total investment of \$7 billion, including substantial funding of scientific research. Such an amount is small in comparison to the \$60 billion the country has paid to the creditor banks in usurious interest rates on its foreign debt over the past eight years, especially in view of the advantages Brazil would derive in terms of its own development.

The Pronen working group proposes the creation of a national coordinating body to take advantage of nuclear energy. Finally, it recommends placing emphasis on uranium enrichment through the centrifuge method, something which the Naval Ministry has been working on with good success, and through laser technology, on which the Air Force's Aerospace Technological Center (OTA) of São José dos Campos has been conducting research.

Upon taking office last April, President Collor called upon a representative and select group of strategists, scientists, and technicians—

both civilian and military—to put together the Pronen working group. Their viewpoint has now been presented for the purpose of reformulating the goals of the Brazilian nuclear program; their efforts were coordinated by a confidant of the President, his Secretary for Strategic Affairs Pedro Paulo Leoni.

However, there are ongoing maneuvers to reduce the Pronen recommendations to a mere consultative document, to be shelved at the first opportunity. In fact, the publication of key sections of the confidential report felt like a bucket of cold water upon circles at the presidential palace. In statements published Oct. 3 in *O Estado de São Paulo*, Leoni himself said that the report was "overblown." "It is not a formal proposal, but an aid to the President of the Republic. President Collor will make the final decision."

Doubtless, that decision will have the stamp of Science and Technology Secretary José Goldemberger, in whom President Collor professes the greatest confidence in this and other matters. Goldemberger is known through the Brazilian scientific community as the number-one enemy of nuclear energy, and Collor's promise to the superpowers in his Sept. 24 U.N. General Assembly address that Brazil would limit its nuclear development is viewed as directly influenced by Goldemberger.

Nonetheless, the Army has been explicit in its desire to continue the nuclear research program it is running. On Sept. 16 the Army's Science and Technology Secretary, Gen. Romero Leperquier, gave an interview to *O Globo* in which he described the advances achieved in work on a reactor which uses natural uranium for fuel. Their goal is to construct an advanced gas-graphite modular high temperature reactor.

# Business Briefs

## Agriculture

### Soviet harvest imperiled, hunger looms

Huge quantities of food grown in the Soviet Union this summer for what should have been the best harvest in decades, are perishing because of infrastructure and fuel deficits, and heavy autumn rains. Widespread hunger is likely to result this winter, while the question of who is to blame has become a burning issue in Moscow's furious political battles over economic policy.

Heavy rains in much of Russia during September made the fields impassable to machinery. Root crops began to perish in the field before manpower was mobilized for hand-harvesting. The Soviet Armed Forces mobilized 23,000 in the Moscow harvest area alone. But as of early October, officials said, the city of Moscow had only 38,000 tons of potatoes harvested, out of a requirement of 555,000 tons—just 7%! By that time in 1989, there were 279,000 tons of potatoes laid up.

In the whole republic of Belorussia, according to its prime minister, a little over half the potato crop could be brought in so far.

Problems started well before the rains. More than with grain crops, labor-intensive vegetable harvesting in the Soviet Union has depended on the deployment of manpower from urban areas to state and collective farms: factory brigades, Communist Youth League-organized student brigades, and other types of mandatory "volunteer" laborers. The political authority of the Communist Party to commandeer such labor has greatly declined, with the past year's political upheavals.

On Aug. 30, *Pravda* wrote that Leningrad (the second largest city) was running 300-400 tons of vegetables short per day, from the local harvest.

## Third World Debt

### Philippines asks for global plan

"It is almost a decade that the debt crisis has been thundering across our planet," Philippines Foreign Minister Raul Manglapus told

the U.N., the *Bangkok Post* reported.

"If the whole world can be summoned to confront Iraq, why can there not be onslaught against the debt problem?" Manglapus asked. "The Third World now owes \$1.3 trillion. Therefore every child in that world is born not only . . . with original sin, but also with original debt."

Manglapus said creditor nations must agree to alternative adjustment programs that would promote growth and suit both planned and free economies. Noting that the Philippines had to divert 40% of its annual budget for debt payments, he said the International Monetary Fund approached debt problems with short-term programs, whereas the "structural and financial horizons of transnational debt can span a generation."

## Science

### Fusion reactors reach record temperatures

Two of the world's largest tokamak fusion reactors have reached record temperatures. The TFTR at the Princeton Plasma Physics Laboratory and the Joint European Torus in England achieved the record results, scientists reported at a week-long fusion meeting in Washington.

Princeton's Tokamak Fusion Test Reactor reached 400 million degrees centigrade and produced 50 kilowatts of power for a fraction of a second.

In a speech titled "Iter Ad Astra," John Clarke, the former head of the U.S. magnetic confinement fusion program, urged the world fusion community to back the ITER, the \$4.9 billion International Tokamak Experimental Reactor now under study by a council of fusion scientists from the United States, Japan, the Soviet Union, and Europe.

The huge ITER, with its shared costs and benefits, "might be the best opportunity we've ever had to achieve the goal of fusion," Clarke said. He spoke at the opening session of the week-long meeting of 700 fusion scientists sponsored by the International Atomic Energy Agency.

"A fusion community divided," Clarke said, "will assure that fusion never develops." Aside from assigning scientists to participate in "studying" the ITER proposal, none of the

nations involved has made firm money commitments to go ahead to build ITER and a site has not been selected.

## Infrastructure

### Environmentalists attack Indian river project

Members of the Japanese Friends of the Earth and Japan Tropical Forest Action Network gathered in Washington in early October with nearly 100 other environmentalist activists from around the world to plan out a campaign against World Bank funding of India's Sardar Sarovar Project, according to coverage by Indian newspapers.

Action by these groups earlier caused the Japanese government to reassess its funding of the project, which is part of the Narmada River Valley development program. Now they have begun mounting pressures on the World Bank to do likewise.

"Most of the people living along the Narmada call the river their mother," asserted Prof. Kazo Gumi, head of the Tropical Forest Action Network. "They cannot sell off their mother." Added Yukio Tanaka, head of Friends of the Earth: "We have decided to take parliamentarians from all over the world, including Japan, to India this December. As taxpayers, we do not want to destroy the living environment of other people."

## Space

### Shuttle launches European spacecraft

On Oct. 6 the Space Shuttle orbiter *Discovery* launched the European spacecraft *Ulysses* on its journey to the Sun. The mission will be the first time a spacecraft is propelled outside the plane of the ecliptic, within which all the planets orbit the Sun. In 1994, the craft will observe the Sun from below its south pole and then travel up past the Sun's equator to its north pole.

In order to gain the velocity required to do this, the spacecraft will first be sent out to



Jupiter where it will obtain a gravity assist from the giant planet which will throw it outside the ecliptic plane.

Scientists hope to study the plasma physics processes which produce the fusion energy of the Sun, the solar wind of high-energy particles which are thrown off from flares, and the interplanetary environment above and below the Sun. The last set of space instruments to observe the Sun, which revealed an active and violent star, were the X-ray telescopes aboard Skylab in 1973.

## **Economic Policy**

### **British Columbia to 'build' out of recession**

The government of British Columbia in Canada plans to "build" its way out of a recession. The initiation of \$20 billion worth of capital projects—such as school, hospital, and public works construction projects—will be sped up, according to provincial finance minister, Mel Couvelier.

Couvelier intends to finance the projects with long-term borrowing. Normally, such projects as these would take a decade to get going, but Couvelier wants to "prime the pump" to avoid a recession.

"We certainly are going to do everything we possibly can do to make sure that the early 1980s are not repeated in the early 1990s," he said.

## **Health**

### **Encephalitis outbreak hits Florida coast**

The coastal areas of Florida have been hit by a major outbreak of St. Louis encephalitis, with 26 cases reported in recent weeks, according to press reports.

The only response from the state's Department of Health and Rehabilitative Services has been to say, "This is a phenomenon of nature. Every 10 to 15 years in Florida, we have these

outbreaks. We knew late in the spring and in early summer that we would have many more cases. It has not been classified as an epidemic and it won't be until we feel preventive measures aren't working," said spokesman Ernie Durfee.

In fact, such outbreaks usually occur when long droughts are followed by sudden wet periods—and Florida is still experiencing a drought.

State officials have advised that residents in the southern two-thirds of the state minimize their evening outdoor activities, wear protective clothing, and use mosquito spray. Had Florida not cut back its spraying programs due to budget cuts and environmental extremism, such outbreaks would rarely occur.

## **Labor**

### **One in 4 N.Y. blacks in jail or on parole**

One in four young black men in New York State are in custody, according to a new study by the Correctional Association of New York and the New York State Coalition for Criminal Justice. On any given day, nearly 45,000 of the state's 193,000 black males between the ages of 20 and 29 are either in state prisons, local jails, or on probation or parole—more than twice as many black males of the same age that are enrolled in colleges and universities in New York.

The study found that 12% of young Hispanic men are also under the control of the "criminal justice system," but only 3% of young white men are. Some 82% of New York State's inmate population are either black or Hispanic.

A national survey done by the National Institute for Drug Abuse found that blacks account for 11% of illegal narcotics users, Hispanics 7%, and whites for over 80%. State Corrections Commissioner Thomas A. Coughlin III told the *New York Times*, "The law enforcement community is really not targeting drug use, per se. What they're targeting is the violence associated with the lifestyle. The Wall Street guys who do cocaine in the board rooms are not out in the street shooting each other for turf."

# *Briefly*

● **THE SIEMENS-KWU** group in Germany will retrofit the two 440-megawatt Soviet nuclear reactors at Mochovce, Czechoslovakia with the most modern safety technology available, to speed up the completion of the complex by 1993. The complex was delayed after the Soviet nuclear accident at Chernobyl.

● **FIAT OF ITALY** and General Electric Company of France have announced a huge cooperative plan under which they will swap shares, merge related units, exchange directors, and form a joint holding company to explore future combined ventures. The deal is one of the largest international agreements of its kind. Cesare Romiti, Fiat managing director, said the companies intended to "construct and maintain strategic links."

● **JAPANESE INVESTORS** are beginning to sell off U.S. real estate, further accelerating the collapse of commercial real estate values, the *Wall Street Journal* reported. The trend is fueled by both the decline of U.S. property values and increasing attractiveness of rising Japanese interest rates. Japanese banks must also meet international capital standards by 1992.

● **U.S. TRADE** Representative Carla Hills is making an inquiry into the \$500 million the European aircraft consortium Airbus, and General Electric, extended to Northwest Airlines in September. Hills has said, according to the Oct. 8 *Washington Times*, that the loan might be an unfair inducement by Airbus to get the airline to buy its planes.

● **AEROFLOT**, the Soviet national airline, is negotiating to buy or lease 13 Lockheed L1011 widebody aircraft from Eastern Airlines. It is estimated that the deal could be worth more than \$150 million to the bankrupt American carrier. The aircraft are between 13-18 years old. Aeroflot will need an okay for the deal from the federal bankruptcy court in New York.

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## Flood control in Bangladesh: a big engineering challenge

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*Three mighty rivers pump vast sheets of silt-laden water into this huge delta, causing floods and destruction. Ramtanu Maitra, the editor of Fusion Asia, presents possible solutions.*

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*Editor's Note: Ramtanu Maitra here gives an overview of the problems of flooding in Bangladesh, and in the watershed of the Ganga (Ganges), Brahmaputra, and the Meghna rivers in general. The approaches on which he reports are delimited by the constraints imposed on the building of great projects, by institutions such as the International Monetary Fund (IMF) and the World Bank. Not only do these institutions themselves withhold credits for such programs, but they also vector the flows of government and private bank finances in an opposing direction.*

*One crucial element in any large water development project is the dredging of canals. Key to accomplishing this economically and speedily, is the use of small atomic bombs, known as peaceful nuclear explosives (PNEs). In 1979, the Fusion Energy Foundation (FEF) drafted a program for such large-scale water development, drawing upon the concepts of Dr. K.L. Rao, a former irrigation and power minister in India, who in 1972 drafted a comprehensive Ganga revitalization and Brahmaputra control plan. His plan looked forward to the production of an additional 1 billion tons of food grains annually, or eight times the level reported in 1986, with 130 million hectares of land under irrigation, three times the 1986 level. He foresaw the production of 40 gigawatts of new hydroelectric capacity, compared to 5 gigawatts presently.*

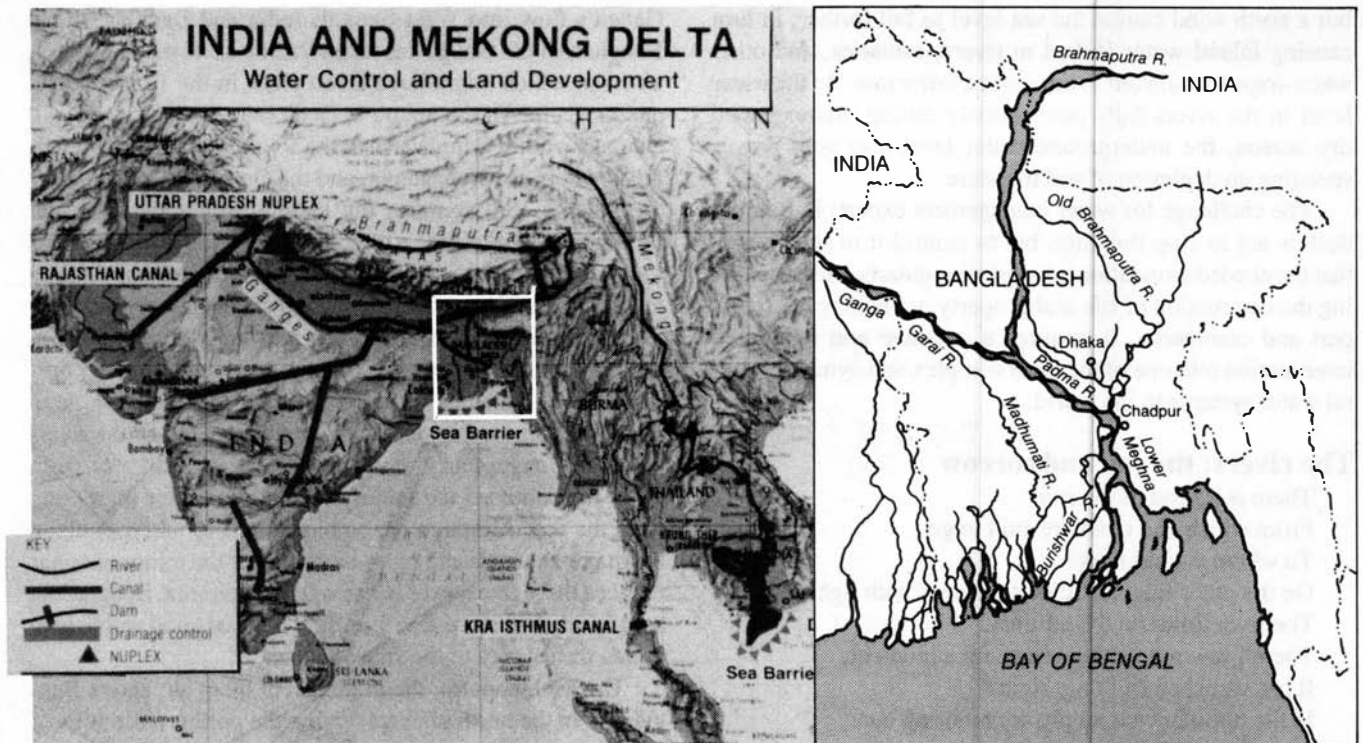
*The plan developed by the FEF would be accomplished in two 15-year stages, and would begin with a canal diverting the Brahmaputra near Dhubri to the Ganga near Patna. This canal would include outlets for irrigation releases to Bangladesh en route. A second diversion canal would be*

*built from the upper Ganga and Yamuna rivers in Haryana (north of Delhi) with groundwater recharge and extraction facilities en route to convey surplus water into the Sutlej Basin for delivery into the Western Desert through an enlarged Rajasthan Canal. Near Bikaner in western Rajasthan, a pump-lift canal facility would convey Himalayan water to the porous sandstone aquifers about 105 kilometers northeast of Jodhpur as a regulating storage facility. That water now runs off either through the Ganga tributaries or those of the Indus River.*

*These canal systems would be augmented by groundwater recharge and extraction systems, using PNEs, required to impound the massive monsoon runoff during the July-October season, especially in the Ganga delta area, where about 65% of all India's water runoff occurs. Use of the PNEs as well as radial wells can double the country's groundwater storage capacity.*

*Finally, a seawater barrier at the mouth of the Ganga for flood control and improved navigability is a priority. A master plan for this was prepared by the International Engineering Company of San Francisco 25 years ago, and in fact, has been partially used as a guide by the Bangladesh government. Nonetheless, IMF conditionalities have prevented the Bangladesh government from proceeding on the required scale.*

*The second stage of the FEF plan involves extending the canal system southward through the subcontinent—the so-called Ganga-Cauvery link canal. This canal would stretch along eastern India from Patna to the Cauvery River in the far south, with an ultimate capacity of 24 billion cubic meters*



per year, ten times greater than the original plan estimated by Mr. Rao. Estimates for the costs of the system were \$80 billion for Phase 1 (in 1986 dollars) and \$100 billion for Phase 2.—Carol White

### Introduction

Located in the watershed of three great rivers of South Asia—the Ganga, the Brahmaputra, and the Meghna—Bangladesh is a large delta. The gently sloping land, from the north in the foothills of the Himalayas to the south where wet flatlands lead to the muddy waters of the Bay of Bengal, serves as a large floodplain through which most of the waters from the Himalayan mountains' watershed pass into the sea. Swollen by intense rainfall and periodic cyclones during the monsoon season, three mighty rivers pump vast sheets of silt-laden water, causing floods and destruction.

Bangladesh, the youngest South Asian nation, which broke away from Pakistan in 1971 to become independent, has a land area of 55,598 square miles where more than 110 million people live. The deltaic plain of Bangladesh, which is inundated with clocklike regularity at the end of August every year, covers about 30,000 square miles, a little more than half of the entire country. This includes 19 million acres of excellent paddy land, most of it no more than 20 meters above sea level.

Living in a riverine country, the people of Bangladesh depend heavily on the waterways for a cheap and convenient mode of transportation. The main arteries of this waterway system—which is nearly 8,500 miles long, with 3,245 miles

navigable all year round—link almost all the inland port cities and important commercial centers within the country. During the flood season, traffic and commerce in the country come to a virtual standstill. During the southwest monsoon period, when heavy rainfall in the higher altitudes upstream and in the plain swells the rivers, the entire deltaic plain of Bangladesh is submerged, causing loss of property, human lives, and foodgrains.

Although the floodwater causes significant damage to the *aus* and *aman* paddy (the early and late monsoon plantings, respectively), the loss is often made up by an exceptionally good *boro* (dry season) rice crop. This is because the inundation during the floods helps the soil preserve moisture, which inspires farmers to plant more area, taking advantage of the better soil and moisture conditions. This phenomenon was observed following both the 1987 and 1988 floods, considered the worst on record.

This highlights Bangladesh's dilemma: the floods are its bane and its boon. Crossed by the second largest river system in the world, and many lesser streams, and receiving rainfall at rates among the world's highest, Bangladesh nevertheless suffers acutely from severe shortages of water. While the floods can, and often do cause enormous amount of material damage, inundation of the country's flat delta plains is absolutely necessary to restore the usable water in the vast groundwater aquifers and to build up adequate moisture in the soil to produce a bumper harvest in the dry season.

During the seven-month-long period of no rains, not only does moisture evaporation take place at a much faster rate,

but a north wind causes the sea level to fall further, in turn causing inland water locked in rivers, estuaries, and other water-traps to drain out to the sea at a faster rate. As the water level in the rivers falls precipitously during this extended dry season, the underground water level also goes down, speeding up depletion of soil moisture.

The challenge for water management experts in Bangladesh is not to stop flooding, but to control it in such a way that the needed inundation takes place regularly without causing the destruction of life and property or choking off transport and commerce. It requires a sensitive and fine-tuned intervention into one of the most complex and dynamic natural water systems in the world.

### **The rivers: the joy and sorrow**

There is no end of the river:  
From which end to where am I to go,  
To whom should I ask!  
On the other side dark cloud thickens with lightning;  
The river flows on the torrents,  
There I saw my golden image for a moment,  
It has vanished from my sight.  
In the turbulent river I ply my tottering boat,  
In the hope that I may meet my  
Beloved in the journey's end.

—*Bangladeshi boatman's song*

There is a belief among many in the West that no one in South Asia really appreciates the abundance of water, a gift of God, that the region has. There is concern that such a valuable treasure is allowed to flow to the sea unhindered and unutilized. Unfortunately, this well-intended concern is more often than not associated with a complete lack of comprehension of the scale and complex dynamics of this natural water system. As a result, the problem of how to manage this huge water system for the safety and benefit of increasing numbers of human beings remains an unanswered question. To answer it means, first of all, grasping the magnitude of the system and its components.

The Ganga, Brahmaputra, and Meghna rivers combine to form a river that is two and one-half times the size of the Mississippi. Although the total area of the South Asian watershed is slightly less than one-half the area of the central basin of the United States, it receives *four times* the Mississippi basin's total annual rainfall, 85% of it in just four months of the year. From the highest mountains in the world and from the earthquake-prone foothill jungles that include sites receiving the highest annual rainfall in the world, the descending waters carry more than 2 billion tons of silt each year. Under such conditions, no work of clearing or channeling can be considered remotely stable or permanent.

The Ganga, which along with its major tributaries brings flood disasters annually to the plains of India, enters Bangladesh near Farakka. There a barrage has been built to divert

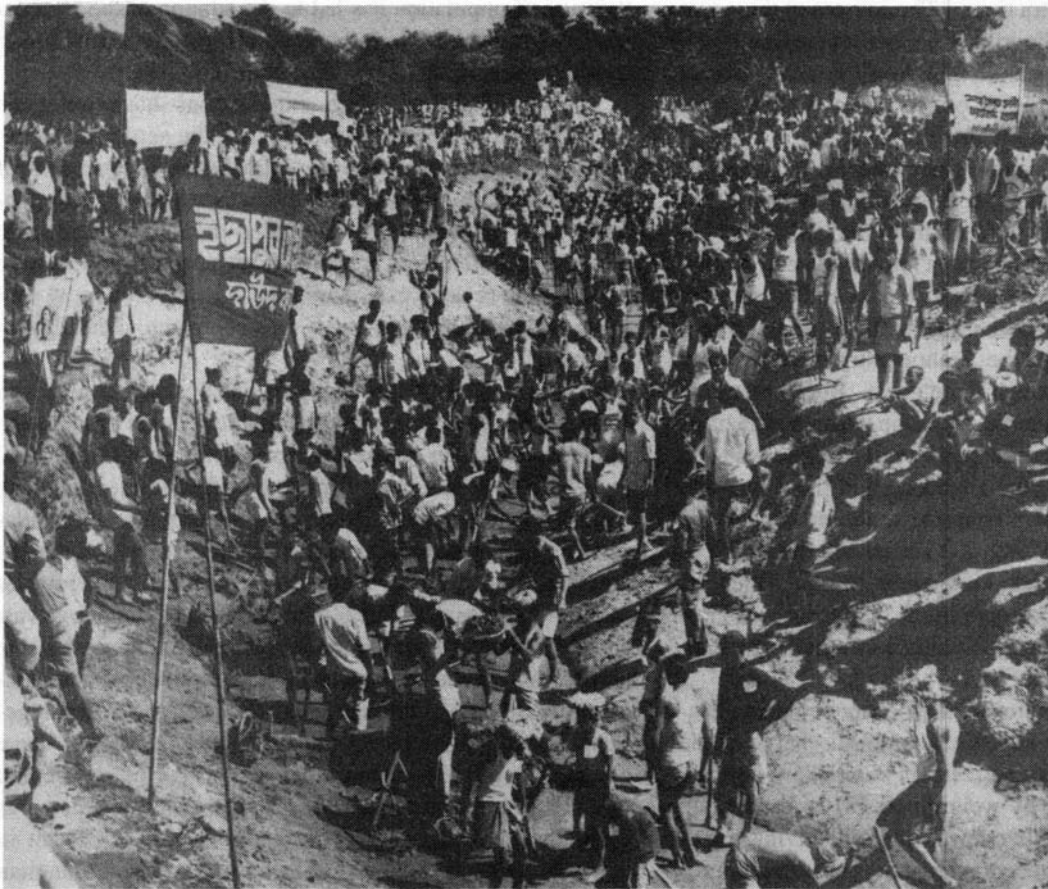
Ganga's flow into West Bengal, India and Bangladesh. In Bangladesh the Ganga has taken Padma as its main channel, an event which might have taken place in the 17th century, and meets the Brahmaputra at Goalondo. Its important spill channels within Bangladesh in the south include the Jolongi, the Bhairab, the Nabaganga, and the Gorai.

Till the 18th century, the Padma discharged its water through the Arial Khan, a river in the down stream which has today become practically dry and carries water only during the monsoon. The gradual movement of the mainstream of the Ganga toward the east, ultimately joining with the Meghna, has helped to dry up the spill channels which now lie dry during the dry season. This has caused the gradual increase in sterility of the land in the southernmost reaches of the rivers which no longer carry any considerable discharge of fresh water to counteract the salinity of the tidal waters ingressing from the sea. Although the embankments of all types along the major channels and cross-damming of the minor ones has reduced the ingression of saline water in this area, Bangladesh has already lost more than 1 million acres of good arable land due to the salinity of the subsoil water.

The Brahmaputra, the mightiest of them all, enters Bangladesh in the north after traversing the northern foothills of the Himalayas for some 1,500 miles. In northern Bangladesh, the Brahmaputra's silt-laden waters overflow their own banks and cause the tributaries to overflow as well. Where it meets the Meghna, the Brahmaputra spills over its banks and feeds a number of spill channels such as the Old Brahmaputra, Dhaleshwari, Lohajung, and others. These spill channels, during peak discharge, also spill over their banks because of their inadequate size and insufficient surface slope.

The diversion of the Brahmaputra to its present course, joining the Padma near Gaolondo, took place toward the end of the 18th century or beginning of the 19th century. The mainstream of the river had passed through the old channel for several centuries. The diversion was caused by the silting up and raising of the river bed due to the slowing down of the flow, which also reduced further the surface slope over the decades. During the last 150 years or so the banks of the Old Brahmaputra—like many other "dry" rivers and spill channels—have become the habitat of many on account of their relatively higher elevation. Villages with permanent structures have come up which could be devastated, should the Old Brahmaputra be revived.

The Meghna, by contrast, is not as great a delta builder as the Ganga and Brahmaputra. But it occupies a very important position in the riverine economy of the country. This river and its tributaries serve a very broad basin comprising the districts of Sylhet, Mymensingh, Tippera, and a part of Dhaka and Noakhali. The land area between the Brahmaputra and the Meghna, known as *doab*, receives copious flood discharges from all sides, which the Meghna is unable to drain off satisfactorily. As a result, the area gets inundated by an early flood. Sometimes there is protracted flooding,



*A canal excavation project in Bangladesh about a decade ago. The annual floods are the country's bane and boon, since Bangladesh also suffers acute water shortages.*

and the area is occasionally subjected to a quick rise in flood level—all of which are deleterious to the rice crop. The Meghna lost a considerable surface slope long ago by the combined discharge of the Brahmaputra and the Ganga, causing a heading up of the Meghna level at Chandpur.

The waters of these three mighty rivers converge at Chandpur and flow south from that point in a combined stream. The ferocity of this stream at its peak discharge level cannot be overestimated. In a recent "normal" shift of a lower combined section of the stream, the river moved its course eastward in a matter of days by half a mile in front of the port city of Chandpur! It cut an altogether new east bank channel about 45 meters deep, joining that land to its sediment load and carrying it out toward the sea. No embankments or river-training works in the world can control these forces head-on.

### **The floods: an annual event**

In the moon the sand stretches to the distant horizon,  
 In the sun the heart burns and tosses with thirst,  
 O Allah, give us clouds and rains and shade.  
 The sky has cracked, the earth is parched,  
 The king of clouds is sleeping,  
 Who will give you rains?

—*From the Bangladeshi Jari folksong*

While the floods in Bangladesh draw international attention, few realize that some 60% of its agricultural land lies fallow for five months during the dry season, a time when severe water shortages prevail. At the same time, nowhere in the world with the exception perhaps of China, is the cropland under greater pressure to produce food. Average population density in Bangladesh, now at about 2,000 per square mile, is the highest for any nation with a significant population size.

This feast-and-famine water syndrome characterizes the monsoon climate. With the change of season in August, almost half of Bangladesh becomes one vast sheet of water, almost a meter deep. Where does the water come from? The Ganga-Brahmaputra watershed enjoys an overall average of 60 inches of rainfall a year, most of it in a short several months' period of time. In general, annual rainfall decreases as one moves west; from 120 inches at the Bangladesh coast, to 20 inches in India's Rajasthan in the extreme west, and 18 inches in Lhasa, Tibet, in the rainshadow of the Himalayas.

Besides, in the cold heights of the Himalayas there are large deposits of water in the form of ice. Permanent ice covers an estimated 30,000 square kilometers in the Himalayas, 17% of the total area of the range. These glaciated heights, along with those of Tibet to the north, give rise to

the Ganga and Brahmaputra rivers. The sources of these two mighty rivers are extraordinarily close, before the Ganga and Brahmaputra begin their parallel eastward courses, one to the south and one to the north of the Himalayas, to meet within a few miles of the sea in the Bengal delta.

Originating in southwestern Tibet where it is known as the Tsang-Po, the Brahmaputra flows eastward for 1,625 kilometers along the northern foothills of the Himalayas before swinging sharply south and west into the state of Arunachal Pradesh in India. Out of its 2,906 kilometer journey beginning at the Kanglung Kang glacier to its final destination in the Bay of Bengal, the Brahmaputra traverses only the last 363 kilometers through Bangladesh. But by that time it has become a monstrous force. Once the Brahmaputra turns the bend and enters India, it is met by huge tributaries such as the Dihang, the Lohit, the Dhansiri, and the Subansiri, among others, coming down from the southern slope of the Himalayas. Of the river's 580,000 square kilometer catchment area, 293,000 square kilometers lies in Tibet, as 195,000 square kilometers lies in India, 45,000 square kilometers in Bhutan and just 47,000 square kilometers in Bangladesh.

The Brahmaputra's explosive flow characteristics virtually defy taming. The high silt content of the discharge (some recent observations at the point it enters Bangladesh indicate that the proportion of silt by weight is 0.13) is responsible for its brisk activity in making new islands and giving rise to new sand banks during the dry season. These temporary formations are then washed away with the first flush of the monsoon. The width of the river is sometimes as much as 12 miles, the average being five miles.

In addition, the Brahmaputra carries a very high discharge during its peak flow. On an average, the peak flow is about 2.6 million cubic feet per second. To get an idea of what this means: The total volume of water consumed daily in the city of Tokyo is equivalent to just four minutes' peak flow of the Brahmaputra!

But it is the fact that the high flood levels of all three rivers coincide in mid-flood season in late August that makes flooding throughout the delta inevitable. Were the Brahmaputra, for instance, flowing at a lower level at that time, the Meghna and its tributaries could be quickly flushed and flooding reduced in the entire land area between Meghna and Brahmaputra.

The growing menace of the floods in the subcontinent is frequently attributed to deforestation in the Himalayas. It has also been alleged that embankment works upstream to prevent spilling of riverwater has added to the flood discharges. It is argued that deforestation of the Himalayas has caused an increase in rapid and direct runoff of precipitation during the monsoon, and siltation and reduced streamflow during the dry season, which in turn are identified as the primary causes of increased flooding on the Brahmaputra and Ganga plains. According to this line of thinking, the growing

pressure of population has led to denudation of the Himalayas, and an expensive, large-scale afforestation program in the mountains is the only way to control floods.

Though plausible, such explanations have not been backed with concrete evidence. In fact, the natural sedimentation of the streams from the Himalayas, independent of deforestation and human settlement, is massive. Over geologic time, such sediment has filled the Gangetic plain to depths of 2,000 meters or more. A broad sediment fan up to 12,000 meters deep extending into the Bay of Bengal well south of Sri Lanka has been created in the same natural process.

There is at least one study, by James M. Coleman in 1969, which shows a remarkable stability in the broad range of the braided river courses (13 to 19 kilometers) from 1830 to 1963. From this, and from some other studies, one can conclude that there is no evidence to support any *direct* relationship between man-caused landscape changes in the Himalayas and changes in the hydrology and sediment transfer in rivers in the plains. The Himalaya-plains system is so vast and dynamic, and is dominated by such immense erosive processes from the geologically young mountains, that natural processes alone are sufficient to account for the large-scale runoff and sedimentation patterns. According to some experts, even micro-scale events such as periodic torrential rainfalls in specific areas or such specialized processes as the outburst of glacial lakes, are often more important in determining flood patterns than the negative effects of human activities.

What is certainly the case is that the increased population density, and accompanying economic activity, in Bangladesh's floodplain over the past century has made it more and more urgent to find a way to control the annual floods.

### **Flood control measures: a conceptual approach**

Over the years, a number of suggestions have surfaced on how to deal with the floods in Bangladesh, some narrow and specific and others grand and structural. But so far, none has been subjected to rigorous physical feasibility studies. The discussions have mostly centered around three basic approaches: 1) reduction of floodwaters through surface or underground storage of water; 2) diversion of floodwaters by building embankments and drainage facilities; and 3) reduction of flood damage by improving warning systems and providing "flood proofing."

The first approach calls for building upstream storage reservoirs to hold back water during the peak flow season and release it during the dry season. One estimate by J.S. Colombi in 1988 shows that between India and Nepal, a maximum storage capacity of 225 billion cubic meters is feasible. But this will take 50-60 years to create and, if the present cost of dam-building is considered a cost indicator, it would cost anywhere from \$500-800 billion in 1988 dollars.



Colombi estimated that such storage facilities would reduce the flood peak in Bangladesh by about 0.4 meters. According to another expert, the reduction in flood height would be much less, more like 0.2 meters.

Neither figure makes a significant dent in the meter-high peak flood. And to the extent that underground storage is involved, there are additional costs, in that these systems have to be maintained by increasing pumping of water during the dry season and allowing groundwater aquifers to fill during the monsoon.

The second approach, to divert floodwaters through building embankments and drainage systems, is widely used the world over, and in fact Bangladesh already possesses a significant length of embankments. There are, in turn, several different conceptual approaches to building embankments. The first is to contain the river on both sides throughout its length. The second is to allow the river to overflow into areas either considered not important, or where inundation is deemed necessary for agriculture. The third approach is to provide embankments only to protect the cities and commercial centers. In the last case, the actual length and height of construction works are much less than for full river embankments, and hence, less expensive.

All of these approaches, however, have distinct limitations. In the case of the full river embankment approach, land on either side of the river does not receive the floodwaters essential for filling up underground aquifers, thus making the land less productive during the dry season. Also, in case the floodwater does spill over the embankment, it cannot be drained out—a situation which creates water stagnation and large-scale material damage.

Floods can also be abated through developing an efficient drainage system. Rivers like the Brahmaputra and the Ganga which carry a large amount of silt that is deposited on riverbeds during the low-flow season can be kept relatively sediment-free through dredging. But this can be an extremely expensive proposition for rivers as silt-laden as the Ganga and Brahmaputra. This approach has been adopted in the United States, on a much smaller scale, where the Mississippi is dredged annually at an expense of some \$10 million. The Mississippi, however, carries much less silt than either the Ganga or the Brahmaputra.

It is estimated that dredging of some major spill channels such as the Gorai and the Arial Khan can reduce the flow of the Padma downstream by another 100,000 m<sup>3</sup> per second. Similar dredging efforts could reduce another 100,000 m<sup>3</sup> per second around the junction of the Brahmaputra and Ganga. These are, however, small numbers in the face of the 5 million m<sup>3</sup> per second flowing in the joined Ganga and Brahmaputra during the high flood season.

Flooding can also be reduced in the lower reaches of the basin through land drainage. Obstacles to this, such as road and railroad embankments, need to be carefully laid out with drainage culverts of appropriate sizes. Wherever possible

natural drainage must be kept intact, and some man-made flood bypasses could be constructed. The southern bank of the Padma, for example, is a naturally low-lying area and could be made into a flood bypass with a small amount of excavation and river-training works.

Reducing flood damages through "flood proofing" entails an improvement of warning systems and creation of elevated refuges near the flood-prone villages that are equipped with food and medical supplies. The purpose is to reduce the loss of human life during flood. The Bangladesh government has already endorsed numerous flood-proofing policies in its "Guiding Principles" on flood management, implemented in November 1988.

Flood-proofing also involves building roads at a level much higher than the flood peak level; protecting such essential utilities as power-generation equipment and water pumps by installing them at a much higher elevation; using flood-resistant materials in buildings up to the highest possible flood level; and, building low dikes around sensitive crops, among other things.

In the end, the answer to Bangladesh's dilemma probably lies in the right combination of all three basic approaches.

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**DISCLAIMER:** EIR and its founding editor Lyndon LaRouche subsequently repudiated this article due to its infestation by the viewpoint of a right-wing synarchist faction of the Catholic Church, to which EIR and LaRouche are politically opposed.

## Black Legend hides the truth about America's discovery

by Fernando Quijano

*This speech was delivered on Sept. 2, 1990, at a conference in Arlington, Virginia of the International Caucus of Labor Committees (ICLC), the philosophical association founded by Lyndon LaRouche. In his audiotaped keynote speech to the conference, LaRouche had developed the concept that, from an ecumenical standpoint, the defense of Christian civilization today against the assaults of paganism and oligarchism, is in the vital interests of all mankind—"the Vedantist, the Jew, the Buddhist, and the Muslim." The panel which Mr. Quijano addressed, entitled "The American Ideology," also included presentations by Webster Tarpley on the immorality of radical Calvinism, and by Gerry Rose on the crucial flaws in England's John Milton and the Commonwealth Party.*

In two years, we will be celebrating the Fifth Centennial of the discovery of the Americas, and the first point to be made about the American ideology, is that America does not mean the United States: It means all of the Western Hemisphere.

The celebration in 1992 of the 500th anniversary of the discovery and evangelization of the New World, has become a very controversial subject. Some would say that what we're celebrating is merely the discovery of the New World. Others don't want to celebrate it at all. The National Council of Churches, which includes 32 different non-Catholic churches in the United States, denounced the Fifth Centennial, because they say this is not a time for celebration, but for reflection and repentance. Why? Because they say that the history of the New World is a history of racism, slavery, genocide, and exploitation, of the native peoples of the Caribbean, and of South, Central, and North America.

In this, they join with Fidel Castro, who also has led the effort at the United Nations and elsewhere (and has gotten the support of a large part of the Socialist International, with Felipe González of Spain), to say that 1492 could not be called the "discovery." Castro says, it is 500 years of imperialism and racism which will be celebrated in 1992.

Therefore, what seems to be a very strange alliance—the National Council of Churches, the World Council of Churches, Fidel Castro, and the Socialist



Philip Ulanowsky

Left: The American Museum of Natural History in New York promoted the human-sacrificing Aztec culture against the Spanish Christian heritage in a 1982 exhibition. Right: This mural painting in the Vatican Library in Rome portrays the 1438-39 Council of Florence, where bishops of all races and national creeds joined in backing the Filioque and defending Europe against the Ottoman Empire.



Claudio Rossi

International—promotes the view that the colonization and evangelization of the New World was merely “imperialism.” This is what is referred to, in academic circles in Latin America and Spain, as the Black Legend.

### Paganism versus Christianity

This has immediate geopolitical implications. Here are some of the people who have gotten into the act: the Inter-American Dialogue, the Woodrow Wilson Institute—which implies the Aspen Institute. This is James Baker; this is Dwayne Andreas; this is Sol Linowitz—all the top Eastern Establishment figures. This is an overlap of the Trilateral Commission, the Council on Foreign Relations, and so on.

In their latest magazine, *Wilson Quarterly*, they charge that there have indeed been 500 years of imperialism against the Indians. They support the Peruvian terrorists, Sendero Luminoso (Shining Path). They say it’s regrettable that Sendero has some Pol Pot-like tendencies, but claim the terrorists actually are the representatives of a great tradition of Indian rebellion against the white man. They say that the horrifying thing about the Spanish settlers, and the Christianization of the New World, is that these people actually mixed races. In other words: that miscegenation was the biggest crime. One of the most terrible things that has happened in Peru, according to these people, is that now there are more *mestizos* than pure-blooded Indians. This, they claim, is the proof of imperialism.

This propagation of the Black Legend fits in with a policy by the Eastern Establishment of the United States, to put Shining Path in power in Peru. The bankers have said several

countries are going to disappear: We don’t care, they say; either the reforms we want are implemented, or whole countries will disappear—referring to Peru and Bolivia, explicitly. John Reed of Citibank has said that.

It begins to become clear that what we’re seeing here is paganism versus Christianity. This is precisely what Lyndon LaRouche has identified as the major battle, that we face today: an all-out war against Christianity. This is an ecumenical question, not a religious question. Paganism is precisely what the Eastern Establishment wants to implement.

The Black Legend is the idea that the experience of the New World has been 500 years of imperialism, and that everything horrible that has happened in the world, since 1492, has been the fault of Spain. Indeed, this is what’s reported in a daily barrage in the press in the United States, and many parts of Western Europe.

Just a couple of weeks ago, *U.S. News and World Report* had an article which featured Nicaragua, the Philippines, and Panama, and said that the failures of U.S. policy in this area are not due to U.S. imperialism—which has, as we all know, invaded these three countries any number of times—but rather, the failures are due to something that the Spanish Catholics did, that somehow does not permit the people of these countries to practice democracy.

### The sword and the cross

This is the Black Legend: The sword and the cross, that is, Spain and the evangelization by Spain, ruined all of Latin America, and tried to ruin all of Europe, for many centuries.

When I started college in 1966, this book was just off the

## The Filioque doctrine

The Latin word *Filioque*, meaning “and from the Son,” recited in the West in the part of the Nicene Creed referring to the Holy Spirit, expresses a concept first clearly enunciated by St. Augustine, the great Church Father (354-430).

Augustine is careful to point out that there can be no question of the Father and Son appearing as two separate causes of the Holy Spirit: “It must be admitted that the Father and Son are one God, and one Creator, and one Lord relatively to the creature, so they are beginning relatively to the Holy Spirit” [*De Trinitate*, V, 14].

This all has the very important consequence of making the Holy Spirit—and that is to say divine reason and love—wholly accessible to mankind, to concrete human individuals. Through the action of Christ on the one hand, and of the Holy Spirit on the other, each human being can partake of divine wisdom. . . .

[In the area of epistemology and politics] the central thesis of this concept of the Trinity and of this theory of the procession of the Holy Spirit, which we can refer to as the *Filioque*, asserts nothing less than that every human being is endowed with reason, a spark of divinity that imbues each one of us with powers that are potentially divine. This potential can be expressed through progressive changes in the order of nature or good works. A human individual filled with the Holy Spirit is capable of knowing the order of nature and of acting upon it. Since the Son is a cause, we too, who are made in the image of God, can be efficient causes. In other words, we can assume the role of helpers or assistants to God, in a process of creation which was not completed and ended on the Seventh Day, but which is still ongoing and open-ended.

Augustine’s concept of the Trinity brings man where he belongs, near to God, and able to partake in some degree of the Godhead. Any other concept of the Trinity will not only explode the internal relations of the Three-Person God, but will also increase the distance between God and man, reducing the latter to the status of a degraded beast, and mortifying the divine potential of his reason.

—Adapted from “*St. Augustine and the Trinity*,” by Webster G. Tarpley, in *St. Augustine, Father of European and African Civilization*, Schiller Institute, 1985.

press: *Spain in America*. This was the basic reader for history on Latin America. On the cover is the cross, the sword, and, of course, the poor Indian, being crushed. This is by one of the most famous historians, Charles Gibson. I’ll read the last sentence of his book: “What our government proposes as its policy, is an Alliance for Progress. But what the colonial and modern history of Spain in America so steadfastly informs us, is that Spanish America is less concerned with progress, than we are.”

For Gibson, the banks have had nothing to do with the lack of progress in Latin America. Any number of U.S. military interventions in the Caribbean have had nothing to do with it. It’s somehow the fault of Spain.

The Black Legend says that Spain contributed little to Europe, and then died; that Spain vanished from the face of the Earth, sometime in the sixteenth century, or even the fifteenth century; that Spain has always been dictatorial and authoritarian; that it’s always been controlled massively by corruption. When I say Spain, I also mean the New World, that is, Latin America, Ibero-America; the Black Legend says that since it was colonized by Spain, it too has suffered all the same problems. It says that Spain is run by bigotry—and everybody immediately brings up the Inquisition, this most horrifying thing, which destroyed, with religious persecution, every kind of freedom in Spain and in the New World.

The Black Legend says too, that Spain was responsible for the biggest genocide ever, and that anywhere between (it’s been said) 20 and 40 million Indians were murdered, by the Spanish conquest of the New World.

We’re going to answer these charges, but we first have to situate this historically.

### The Council of Florence confronts the Ottoman Empire

As Lyndon LaRouche has said in *Project A*,<sup>1</sup> one must situate all modern history from the standpoint of the Council of Florence (1438). The Council of Florence was absolutely essential, in hammering out precisely the view that we have adopted as an organization, since last year, of the *Filioque* (see box). This concept of the Trinity is essential, precisely because it puts man in a position to exercise creative reason; it is a fundamental concept, not just as a great idea, but as one with consequences. To hold onto these ideas and fight for these ideas, has consequences. It’s like Lyndon LaRouche’s economic program. This, and his scientific and musical ideas, are all tremendous ideas, and things which one would like to discuss, read about, and study endlessly. But sometimes one forgets, that there are consequences to holding these ideas. The enemy persecutes you, and puts you in jail, for holding these ideas. Lyndon LaRouche is in jail now for his ideas.

That is so because our enemy is an oligarchical enemy, which is out to destroy Christianity.

That being the case, we are not talking merely about

good ideas. The discussion of the *Filioque* at the time of the Council of Florence involved the most advanced ideas, tremendous research in history and so on, but it was a very controversial idea.

At the time it was being discussed, Europe was facing the Turk, the Ottoman Empire, which was threatening to destroy all of what we call Christianity. That is why this Council was put together; that was why the *Filioque* was chosen, as the one thing that would save Western Europe, because it would unite Eastern Christianity, the Byzantines, Constantinople, and Western European Christianity, to do what? To fight the Turk. This was a life-and-death idea. This was no mere theological debate about the Trinity.

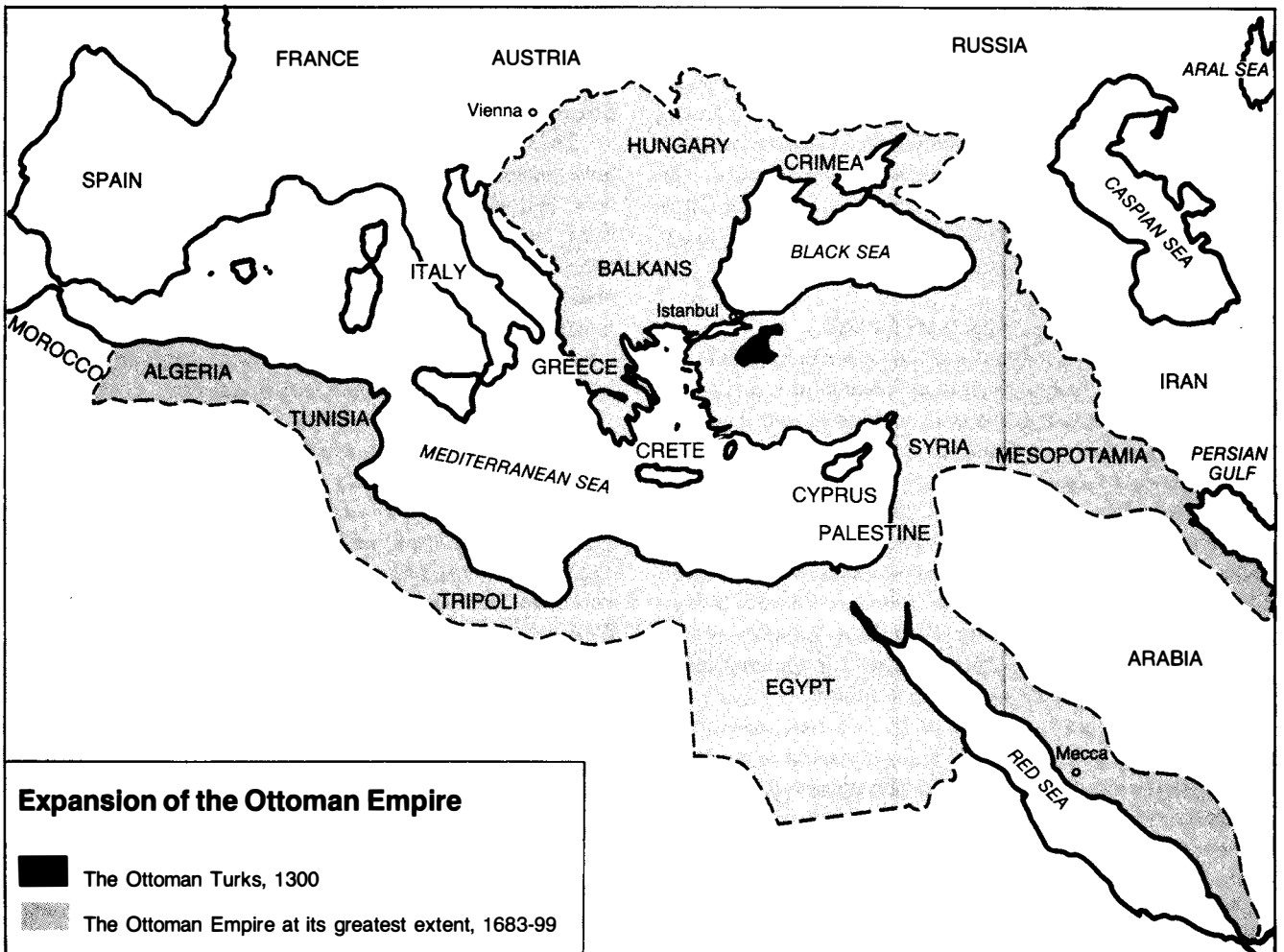
The map below shows the expansion of the Ottoman Empire, starting from 1300 with the territory controlled by the Ottoman Turks. By 1451, they completely controlled the Adriatic, and threatened the major ports of Western Europe.

Now, along with the Ottoman Empire, there were any number of allies of the Ottomans, especially in Northern Africa, who, from 1359 through the 1600s, were continuously raiding, destroying, and controlling the Mediterranean,

taking slaves, and the like. And, of course, there was a large Moorish population in Spain, which controlled a large part of southern Spain, even by 1451. There existed the threat of the unity of the Moors in Northern Africa and in Spain, with the Ottoman Empire, and the possibility that they would then be able to apply a pincers movement on Europe, through the Adriatic, through Vienna, and so on, and begin an attack, from Spain and from the East both, to overrun Western Christian Europe.

From 1451 through 1481, there is a continued, massive expansion of the Ottoman Empire. In 1453, Constantinople falls. As the map shows, the Ottoman Empire came to control large parts of what was then the known world. This includes 1520-66, the period of Suleyman the Magnificent, who is considered the great ally of France and the Reformation. This takes us all the way up to 1683, the year the Ottomans laid siege to Vienna (they had done it before, in the middle of the sixteenth century).

So, the Council of Florence was convened to defeat the Turk, and to save Constantinople from being overrun by the Turk, by the Ottoman Empire.



The first thing that was put together was a crusade; in 1438, at the time of the Council of Florence, the Pope called for a crusade, but it took a long time to organize it—not until 1444 was a crusade put together. It involved Byzantine troops, Hungarian troops—and Venice, being the major sea power at that time in the Adriatic, outside of the Ottoman Empire, was supposed to send in the naval capabilities to take the troops to Constantinople. Not surprisingly, given what we know about Venice, the Venetian ships never showed up, and the troops were left stranded, to be crushed by the Turk at Varna.

This was already a pattern for Venice, the usurious, oligarchical state *par excellence*. Venice was small; it controlled much by controlling the spice trade; the Venetians were usurers, and they had played a balance-of-power game in Italy, in Europe, and with the East. Finally, they were the loyal allies of the Turk. Much of the Ottoman Empire's bureaucracy was controlled by Venetians, through family ties and other means.

As a result of the Venetian treason, eventually Constantinople fell, in 1453. The Ottoman Empire not only threatened Vienna: It attacked Italy, in 1480, near the Kingdom of Naples, with great massacres of Italians. In that first raid alone, they killed 11,000, and massacred every priest and every religious figure they found, beginning with the Archbishop.

What did this earn for Venice? One of the greatest poets of Spain, Francisco de Quevedo, would say about Venice: "Venice is the Pontius Pilate of the Western Christian world," and "Venice is the banner of incomparable iniquity." In short, it was widely known that Venice was using the Ottoman Empire to smash at the Western Christian world, to try to destroy Western Christianity.

### **An empire of usury and barbarism**

Who was the Turk? What was the Ottoman Empire?

It was formally Islam. But, at different points, it actually had many Christian elements in it, and inputs into it. It was an empire based on expansionism. It had no economic basis, no reason for its existence, except expansionism and the taking of loot: Its troops, its bureaucracy, everything depended on continuous expansion. The Venetians gained from this, because they had the monopoly of commerce within the empire. And, at the high point of the Ottoman Empire, Suleyman the Magnificent had over 14 million subjects—compared to Spain, which at that point had a population of 5 million, or to England, which had 2.5 million.

There was a grave cultural problem. There was much great art, much great wealth. There were even some great engineering works carried out in Constantinople, now known as Istanbul. But the empire was based on a barbarian principle which had very little to do with Islam, in a sense, even though it was formally Islamic.

It was lawful that there was a unity between the Venetians, the oligarchy *par excellence*, and the Ottoman Empire.

One historian summed up this cultural problem in one sentence: "An idiot Sultan (head of the Ottoman Empire) could paralyze the whole empire, in the way that a Pope, or a Holy Roman Emperor, could never do for all of Europe." In Western Europe, precisely because of the *Filioque*, you had creative reason. The individual counted for something. In the Ottoman Empire, it was exactly the opposite.

It was usurious in its expansion, and it was usurious internally. Internally, the empire was constantly looting its own subject populations, and constantly stepping up tax farming, which the Venetians had introduced with great sophistication into the Ottoman Empire.

Invariably, the Ottoman Empire rejected progress and the ideas of the West.

In one famous incident, the elite troops of the empire burnt down an astronomical observatory, because they thought that the observatory had brought the plague to the surrounding area. Many different passages exist, including in Leibniz, which explain that the Turkish troops would not take the minimum health requirements into account, when going into an area where plague was found. Europe had learned to deal, by no means fully effectively, but to some degree, with the plague, but the Turks refused to take any of these precautions. They were totally fatalistic, completely fundamentalist in that sense.

Perhaps these qualities are best expressed by the Ottoman Empire's method of succession.

True, in the West, the method of succession of kings, of governments, was very chaotic, surrounded by wars, murders, and all the rest. The Ottoman Empire, on the other hand, was very efficient. What was decided as a law of succession, was that all brothers of the Sultan would be immediately executed. In fact, Suleyman the Magnificent, the greatest of the Ottoman Sultans, not only executed all his brothers, but executed four of his five sons, so that there would never be a challenge to the succession.

Another telling practice was the following: After Constantinople fell, and became Istanbul, great numbers of Western slaves were continually being taken in raiding parties. Numbers of these slaves would be beheaded, and their heads affixed on pikes, to be paraded before the ambassador from whose country the beheaded slaves had been taken. This was a common Ottoman practice, as part of negotiations with the West.

Who were the allies of the Turk?

Yes, there was Venice—but there was also France. Francis I of France, from 1515 to 1547, was the main Western ally of the Turk. Let's take 1536—only 100 years after the Council of Florence, whose purpose, to beat back the Turk, had not been accomplished. In fact, more territory had been lost. The Mediterranean was being lost. Yet in 1536, the French became the commercial agents in the Ottoman Empire. Any Westerner who wanted to trade with the Ottoman Empire, had to go under the French flag, or have French



government support. Otherwise, he would be executed. This arrangement was known as the Capitulations of 1536.

A year later, in 1537, the Turk attacked Italy—preceding which there had been, essentially, a secret treaty between France and the Ottoman Empire jointly to attack Italy. The year 1537 is a very important date. In 1529, the Ottoman Empire had taken Hungary, and had laid siege to Vienna. This is the time that the Reformation takes off.

### **The role of the Reformation**

So, Western Europe is threatened with being overrun, and here are the Venetians and the French, who are allies of the Ottoman Turk. All of a sudden, there erupts a schism in Christianity. Any history book—or the *Encyclopaedia Britannica*—will tell you that Suleyman was able to take Hungary, because of the divisions fostered by the Reformation.

This is not a slander. Martin Luther himself had many different attitudes toward the Turk, at many different periods. But right at the beginning, he was very clear. In his Theses of 1517, Thesis 34 (of the 41 that were condemned by Papal Bull as being heretical), he wrote: “To fight the Turk, is to resist the judgment of God upon man’s sins.”

Here you have Lutheran theology, endorsing the idea of predestination, and here Luther says: Let the barbarians take over, because that’s God’s punishment for the sins of the West!

In 1522, Luther wrote a little poem: “The Turk is my name. May many Christians read the same, since to reform their ways and works, is the best defense against the Turks.” It’s the same idea: Reform, accept my theology—that’s the only way you’re going to fight the Turk. You can’t fight the Turk, he is God’s punishment.

Hence, the Protestant Reformation, Venice, and France, are the allies of the people that want to destroy everything that the Council of Florence meant. That fact is very crucial to an understanding of the “spin” that has been put on history by Anglo-Dutch historians, a spin that goes through the eighteenth, nineteenth, and twentieth centuries, up until the present day.

Today, as a matter of fact, in most of the history we’re taught in school, in the United States or in most parts of North America, one never hears about the Turk. The history that we know of the period about which I’m talking about, is the history of France versus Spain, England versus Spain, Italy, different wars, religious wars—but one never hears about the major problem that existed in that era, namely, the Turk.

It’s as if a history of 1920-90 were written, and the Soviet Union and China were never mentioned in it. There’s a reason for this omission, and I’ll get back to it later.

Luther at many points, of course, did write against the Turk; in fact, Charles V, Holy Roman Emperor, Charles I of Spain, the great Hapsburg, made peace with Luther. Luther

agreed to the peace in 1532, because the threat of the Turk was considered so great to Western Europe. But the significant fact is that Luther was preaching against the Crusades, and against providing the finances for the papacy—finances needed to fight the Turk. So, while he may have been saying that he opposed the Turk, the fact was that at all times he was questioning where the money was going.

I’ll read, for example, a quote from one of the history books on Europe and the Turk: “In the material realm, the length between the Turkish advance and the reform movement was the question of finances. The reluctance of much of Europe”—being influenced by the Reformation—“to contribute funds for the Crusades, once the belief had gained ground that the ultimate destination of the monies collected by papal appeals, was quite a different one.”<sup>2</sup>

So, Luther and the Reformation went right for the throat of what was necessary to militarily defend Western Christianity.

From the Court of the Sultan there was tremendous support for the Protestant Reformation.

First of all, on religious grounds, because the Turks viewed, with great happiness, the fact that the reform opposed what they called the worship of images—that is, from the crucifix to the statues of the saints, paintings—all the great art work of the medieval period and the Renaissance. All the art work that the Catholic Church had! Therefore, for religious reasons, the Turk had great hope. Second, of course, any schism would strengthen the Turks against what they considered their major enemies: the Hapsburgs and the papacy—Germany, Spain, and the papacy.

### **Usury and the allies of the Turk**

The other great factor involving the allies of the Turk, was usury. We’ve already mentioned Venice. A great part of the usury in Venice, at that time, was controlled by Jewish usurious banking families. They financed great amounts of the publications of, the spreading of, the Reformation. Luther’s translation of the Bible was financed and printed in Ferrara by a big Jewish publishing company of *conversos*. These are the people that were expelled from Spain in 1492. The *conversos* in Antwerp had gotten huge amounts of funds together by 1521, to provide for the publication of all Luther’s works, everywhere, and by 1532, Diego Méndez (a *converso*, or expelled Jew from Spain) was the head of the Spice Trust being run from Venice, and controlled all the commercial activities within the Ottoman Empire.

Diego Méndez was a banker who had tremendous power and ran an international network, which included Salonika, Aleppo, and Venice. His older brother’s widow in Venice was a woman named Gracia Méndez. His nephew, João Miques, was the favorite of Charles V’s sister, Mary of Flanders, who at that time governed Flanders. Here was somebody who had been Jewish, had converted to Catholicism, and yet was the favorite of one of the Hapsburgs.

Even after 1492, when the Jews were expelled from Spain, there was no anti-Semitism. It was not a religious question. It was not a racial question. Their expulsion from Spain in 1492 had been a military question—the Jews had allied with the Moors, and for military reasons of state security, the Hapsburgs could no longer have the Jews in Spain.

João Miques later reconverted to Judaism and married the daughter of Gracia Méndez; his name now became João Miques Nasi, and he was the major banker in the court of Suleyman the Magnificent, the Ottoman Sultan. He was the Duke of Naxos with Suleyman the Magnificent and wanted to be the king of Cyprus; and he was known as the banker of the Turk.

This João Miques, or the Duke of Naxos, with the Nasi family, were also major correspondents with the different personalities of the Reformation, and they repeatedly lobbied and asked the different leaders of the Reformation to launch and continue their wars against Spain. In fact, they were in correspondence with William of Orange, and, until 1579, when the Duke of Naxos died, he was one of the key people helping fund the Reformation.

One could go on and on. In Antwerp, there were other Jewish families who converted first to become Lutherans, then converted to Calvinism, who were the key people around the court of William of Orange. The Pérez family, for example, was very close to William of Orange. These were the court Jews of Venice, and a key network in Britain (beginning in 1578, when the British began to become major allies of the Ottoman Empire) which carried out espionage, sabotage, coordination of every major military effort by Britain against Spain, and the papacy.

## The defense of Christianity

To sum up, we see the Ottoman Empire, run by the Venetians, aided and abetted by a whole number of powers in the West—first the French, then the Venetians, the Dutch, and later, England. You see that they were intent on crushing Western Christianity for the purpose of defending and expanding usury and oligarchism.

Read Gottfried Leibniz on this subject. Leibniz is very clear in backing the Hapsburgs, and aiming violent polemics against the French, for their position in refusing to defend against the Turk, in betraying Christianity to the Turk. For example, in 1683, just as the Turks laid siege to Vienna again, Leibniz wrote an essay called “Most Christian War God.” That essay was very clear, and some of the most violent polemics that Leibniz ever used against anyone, he used to defend the Hapsburgs, and to attack those who were aiding and abetting the enemy of Western Christianity, the Turk.

Leibniz also pointed out, in his polemics against predestination and justification by faith alone, that this fatalism came from the East. He called it “Mohammedan fatalism.”

Leibniz discussed the observation by some that the Turk-

ish troops were so valiant in their battles, that they were willing to die, and they cared not for their lives, and fought to the death, because they had faith. Leibniz said, well, I don't think that's true. The reason they do that, he suggested, is because they've been smoking hashish. That was an important insight, because the Venetians and the Spice Trust trafficked liquor into the East, and among the spices that came back was also hashish—dope.

Looking once more at the Black Legend, what do we have? We have the fact that Spain, despite its many problems (including tendencies by the Holy Roman Emperors Charles V and Philip II almost to try to supplant Rome, and unite the military, political, and religious in one) defended the West. The defense of Christianity was carried out by Spain and Rome.

One of the greatest battles in that defense—and the beginning of the end of the Ottoman Empire—took place in 1571, at the point that the Venetians, the Spanish, and the papacy united, and took on the whole, huge Ottoman Empire fleet at Lepanto, Greece, and defeated it. Cervantes, the great Spanish writer, fought in that battle, and called it the greatest moment that history, that Christianity, would ever have, past, present and future. This was his claim to fame, that he had fought at Lepanto. All the Western world rejoiced when it found out the news of October 7, 1571 (actually it must have been later, since they didn't have CNN in those days), of the great victory the West had won.

Not surprisingly, as soon as the Western fleet had won, headed by Juan of Austria, Philip II's half-brother, Venice pulled out of the fleet. Yet here was the great moment to continue the battle: The great threat to the whole world, the Ottoman Navy, was crushed, destroyed, demolished. At this moment, if the Western navies had been resupplied, they could have gone on and cleaned up all the Ottoman Empire outposts, both in Northern Africa and in Greece, Constantinople. There was no problem at all involved in continuing, in order to finish off, once and for all, this oligarchical, barbarian power that was being thrown against Western Christianity.

But Venice pulled out, and said, no, we're allies of the Turk, we're allies of the Ottoman Empire.

It somehow reminds one, not accidentally, of the present alliance between the British and the Soviets. Britain has played this role systematically and consistently, in which—yes, they fought wars against the Soviets, yes, they're very anti-communist, yes—but, they also count on the Soviet Union. They built it up, they created it, and they want to use it to crush the West. We have the latest example of this, in the context of German unity, with the fact that Prime Minister Thatcher now has been quoted in the press: We want to use the Soviet Union against Germany.

The basis for this British policy is Venetian policy.

We come back to Spain. All the lies, all the sorts of things that are ascribed to Spain, were, obviously, circulated for a



Museo Franz Mayer, Mexico City; Photo Gerardo Sutter/Laura Almeida

*St. James the Moor-Slayer, an 18th-century wooden statue made in Mexico. St. James was the patron of the struggle against the Ottoman Turks and their allies in the Old World, and became the symbol of defeating paganism in the new.*

reason. The reason was, precisely, that Venice, the Turk, France, and, later, England and the Low Countries, necessarily had to attack Spain as being the most evil thing in the world, because these other countries were involved in a war against Christianity.

## Spain in the New World

The Black Legend, of Spanish genocide against the Indians, bases itself on the report of a Spanish Dominican friar by the name of Bartolomé de las Casas, who, in the early 1500s, wrote to the king, denouncing the horrifying treatment to which the Spanish Conquistadores had subjected the Indian populations. But, as has been proven historically, Bartolomé de las Casas exaggerated tremendously. He was a very neurotic man, and wrote many things which were complete lies. We do not doubt his sincerity: He was trying to get action by King Charles V, to protect the Indians more, and that's the way his message was taken by the Crown—first by the Regent, and then by Charles V—namely, that he wanted to protect the Indians.

But then, his studies, or his letters, were published throughout the world in the mid-1500s, around 1550, by the British, by the Dutch, and by the Venetians; printed over and

over again. This was war propaganda, to the effect that the Spanish were barbarians.

Among the first tracts identifying the horrors of Spain, was by one Girolamo Benzoni published in 1565—in Venice.

But all this went against what actually happened in the Conquest, and in the colonization of the Americas. The Spanish from the beginning—beginning with Isabella the Catholic, in 1494—forced Columbus to take slaves back to the New World and free them. Columbus had brought Indian slaves to Spain as presents, essentially, to the Crown. Isabella forced him to take them back, and give them back their freedom. A whole group of theologians and academics was summoned by Ferdinand, Isabella's husband, and they came to the conclusion—naturally—that the Indians were human beings, that they had their freedom, and that they could not be deprived of their freedom.

Ferdinand commissioned a tract to be written by one of the most famous of these academics, Palacio Rubios, who explicitly stated that the Indians were free by reason of natural law, and not only that, but that their property must be protected; that this had to be the case, even though it was obviously also true that, because of natural law, their sovereignty was canceled—that is, as independent states, if you will, given the savage condition in which the Spanish found them, and given that that meant that they could not, for the moment, govern themselves.

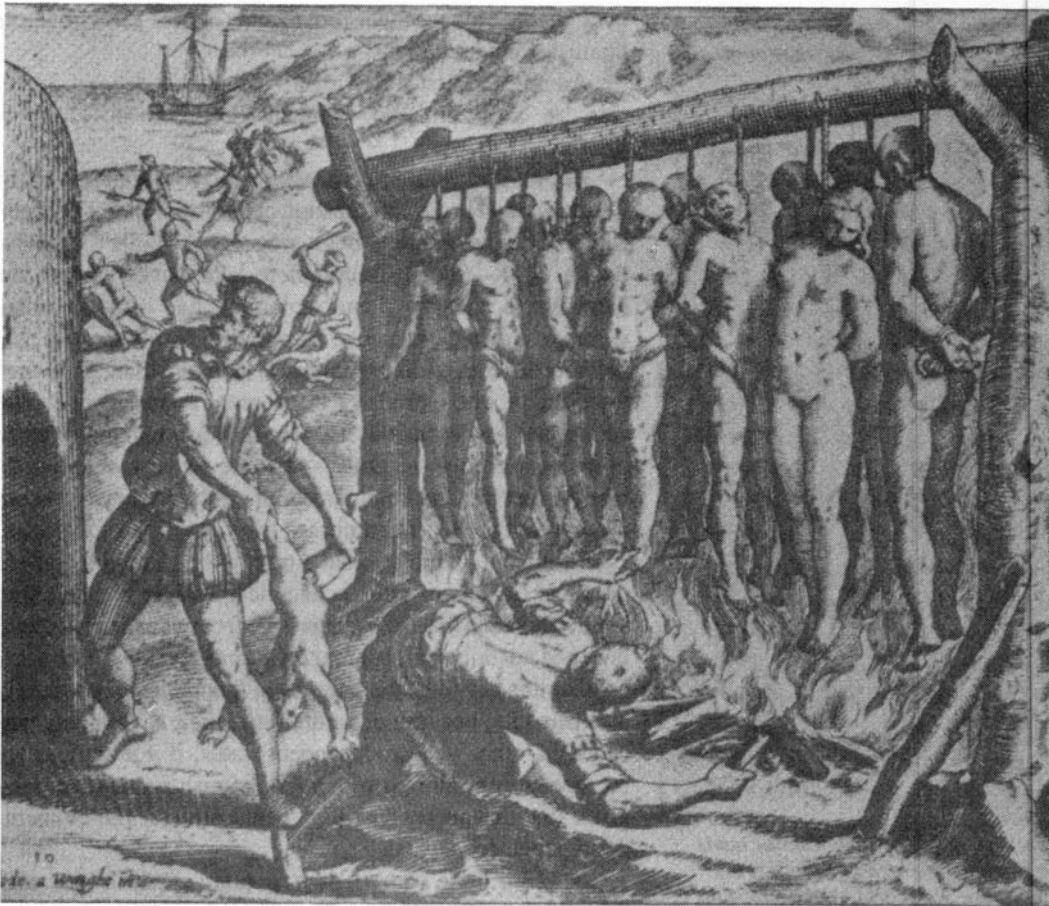
In 1532, there was a Congregation called, to deal with this question. It is true that some of the theologians in Spain, notably one by the name of Sepúlveda, held that you could enslave the Indians because of their backwardness, but this was roundly defeated.

So, from the position of Spain and the Crown, it was always the case that slavery of the Indians was denounced. Las Casas was not the only person who denounced it, and in fact he was not the most influential, or the most coherent. There were many other theologians, including the famous Vittoria, who stood up for the rights of the Indians.

What about this famous genocide, of 20 million, 40 million, some even say hundreds of millions?

Las Casas said that in Cuba, there were 200,000 Indians when the Spanish arrived. Others say that there were as many 1 million Indians; that Hispaniola, today the Dominican Republic and Haiti, had 1 million. Sir Walter Raleigh, the famous British pirate, said that 300,000 were killed in La Española by the Spanish. Antonio de Ulloa, a very famous Spanish traitor who was actually a British subject, wrote that there were 120 million Indians in the New World when the Spanish arrived.

These are all fantastic exaggerations, and even people like Alexander von Humboldt, who did not have access to a lot of records (I am talking about the beginning of the 1800s, when Humboldt made his expedition to the New World), said the reports were a great exaggeration, of how many



*Black Legend hate propaganda: An engraving from De Bry's 1598 edition of the Las Casas Brief Relation, showing purported Spanish torture and killing of Indians. The artist not only showed complete ignorance of the American Indian, but like Las Casas himself, failed to perceive or delineate the differences among Indians themselves. As historian Philip W. Powell puts it, to them, "the American Indian was a faceless abstraction created . . . for propaganda and profit."*

Indians there had been, and how many had died. In fact, the people who have done the best population studies (based on archeological work, and archeological work that's based on relative population density; that is, what would it have taken to maintain what number of people under the present conditions of agriculture, and so on) have shown that all of these statistics were absolutely insane.

For example, there's a U.S. academic by the name of Bailey W. Diffie, who points out that at maximum, there were 1 million to 2 million Indians in all of Mexico; that Mexico City, which was an island in the middle of a lake, was three and a half square miles. Tenochtitlan, that is, Mexico City, which actually existed when Cortés arrived there, was just three and a half square miles. If you take modern-day London, and you say 12,000 people per square mile live in London, as a rule of thumb, then at most, even if the Mexican Indians were as advanced as possible, they had a maximum of 30-50,000 people in Mexico City.

But Diffie asks: How are these people maintained, and fed, given the fact that the Aztecs, because of religious reasons, did not believe in the wheel—they had wheels on toys, but they refused to use wheels for work purposes, and they had no beasts of burden? Feeding 30-50,000 people on an island, in the middle of a lake, was a mighty feat indeed.

For Peru, the same thing can be said. Shining Path apologists today say that there were 20 million Indians in Peru when the Spanish arrived—when, again, by using relative population density, for example, Diffie points out that there could have been, at most, only 1.5-2 million Indians. Our friend Luis Vásquez, of the ICLC, who has done a lot of research into this area, points out that at most there could have been 2-3 million Indians at that time.

So, the great myth of tens of millions being murdered by the Spanish, is not true.

Yes, a huge part of this population did die as soon as the Conquest began. But they died of epidemics.

As opposed to Asia and Africa, which had had, throughout hundreds of years, different types of contact with Western Europe, and therefore, a certain type of immunity built in, the New World was completely cut off from all contact with Europe, for thousands of years, one could argue. Therefore, when the Spanish came, whole Indian villages disappeared, whole areas disappeared—in places where the Spanish were not even present. The Spanish could not even have murdered those Indians, because the Spanish were not even there. The Indians just disappeared, because the epidemics spread so fast—very simple epidemics, from colds to all sorts of illnesses, for which the American Indian had absolutely no

immunity.

Here, then, we have the real truth of the Spanish Conquest. Yes, there was slavery. In fact, there was black slavery. But even people like De Las Casas (who is the great hero, by the way, of the Theology of Liberationists), supported black slavery, more so than others. More so than Vittoria and the other theologians and important people in the court of Charles V and Philip II.

Yes, there was slave labor in some of the mines. Yes, there was slave labor in some of the *encomiendas*; but this was the exception, really, not the rule.

The colonization by Spain of the Americas was evangelization. Anybody who wants to really look at this, will have to look at it as a question of who are the great propagandists against Spain, or who are the great promoters of the Black Legend?

### **The promoters of the Black Legend**

The Enlightenment was almost entirely responsible for the Black Legend: that's how the Enlightenment made its living. That's how they got paid. This is Voltaire, Montesquieu, Rousseau, and Raynal. These are the people who created the Black Legend, and they lied.

Voltaire, for example, compared Philip II to Tiberius, and says Tiberius compared favorably. If anybody thinks, well, that still doesn't save Philip II, so maybe Voltaire exaggerated, I would just remind people, that if Voltaire were alive today, he would say Lyndon H. LaRouche was worse than both Philip II and Tiberius.

What does the Black Legend cover up for?

The Black Legend is simultaneous and synonymous with the Reformation, with all the worst radical aspects of the Reformation.

It covers up for slave traders: The Dutch became the major slave traders in the sixteenth century. While they were publishing De Las Casas, while they were ranting and raving against Spain, they had become the premier slave-trading power of the world.

It covers up for usury, as Webster Tarpley discussed in his speech, in terms of Antwerp, and later Amsterdam. This was the major center for usury.

It covers up for Adam Smith.

It covers up for one of the great hoaxes in the world, the continuous stealing of church property. This is a major subject, an issue which actually began with the Ottoman Empire, where at one point, the Venetians advised the Sultan to seize all church property—not just Christian churches, but Islamic religious properties and so on, as a way to continue to pay the Venetians.

The seizure of church property was a great practice which developed then. The French Revolution, of course, immediately seized all the property of the church, and backed up a tremendous loan that they carried, with the seized church property.

In the nineteenth century, in Latin America, all the great liberal revolutions, all based on Voltaire, Montesquieu, and Rousseau, carried out a policy of seizing all of the church properties, in order to do what? *In order to pay debt to the British.*

For example, Mexico. Mexico was not a debtor country in 1810. Mexico was a creditor nation. It loaned money to Spain. It was a rich country. Once independence took place, the British *forced* a loan on Mexico, and from that day on (they never gave them the money—this was modern-day finances), continuously pushed, through agents and directly, for all church property to be seized, in order to pay the British debt. This is *debt for equity*; this is what's going on in Latin America today. Today, it's no longer church property, since that was seized last time. Today, it's all the state sector, and all national wealth. Debt for equity. What Kissinger came up with at Vail, Colorado, was not an original idea: It was based on a long tradition of usury.

### **What was the Inquisition really?**

Then there is the question of democracy. It's always raised concerning bigotry, religious persecution. Yes, there is no question that in Spain, there was religious persecution: not of other religions, but of any Catholic who was a heretic. The Inquisition did persecute them, that's true. But who were the people who were screaming for "religious liberty"? Calvin, the French, the Dutch, and the British. For example, take Calvin. In the very brief time that he ruled dictatorially over Geneva, which was a very small city, he burnt more people at the stake per capita of population, than Spain had ever done, in hundreds of years of the Inquisition.

Also bear in mind that the Inquisition was an overall European institution, not a purely Spanish institution. Why not talk about the genocide that the English Reformation carried out against the Irish? Why not talk about the horrendous genocide on both sides—on the side of the Protestants, and on the side of the Catholics—that occurred in France during the eighteenth century?

You cannot talk about religious liberty if you're not going to discuss the situation in the rest of Europe at that time. Democracy? That too is always talked about. In this discussion, it's very important to understand that Bush invaded Panama for the sake of *democracy*. That was one of the reasons that the invasion of Panama was carried out. You may think that what I'm saying is somewhat unbelievable, but remember that if somehow we were to lose, 200-300 years from now it would have gone down in history that Noriega was a dictator, a drug-trafficker, a murderer, the worst bloodthirsty dictator in the history of the twentieth century. That's the way it will go down. The fact that all the "cocaine" that was supposedly found in Noriega's headquarters turned out to be tamales, won't be recorded, except in some obscure footnotes which someone like us will dig out from some library.



## The Black Legend in the United States

What has this meant to U.S. history, this Black Legend?

As Webster Tarpley said in his speech, the notion of Manifest Destiny comes directly from that of predestination. If you are part of an elect few—or, as Jefferson said, “We are the chosen people, like Israel,” we have a covenant—then, therefore, what you do is right. Expansionism based itself on that supposedly theological-religious principle: that the elect few, the predestined elect few, had the right to expand massively. This notion colors all of U.S. history, this Manifest Destiny, and with it, violent racism against the Hispanics.

I’ll read to you from a fellow by the name of Walter Prescott Webb, the most famous Texas historian, writing a book on the Texas Rangers: “Without disparagement, it may be said that there is a cruel streak in the Mexican nature, or so the history of Texas would lead one to believe. This cruelty may be a heritage from the Spanish of the Inquisition [the Black Legend, right?—FQ]. It may, and doubtless should, be attributed partly to the Indian blood. The Mexican warrior was, on the whole, inferior to the Comanche, and wholly unequal to the Texan. The whine of the leaden slugs stirred in him an irresistible impulse to travel with, rather than against, the music. He won more victories over the Texans by parley, than by force of arms. For making promises and for breaking them, he had no peer.”

This attitude continued in the Texas war, in the war during which the United States annexed half of Mexico, or acquired one-third of the United States, and continued with the Spanish-American War. It continues to this day.

When Bush gets up there, and justifies the invasion of Panama, because he’s promoting democracy, this is the continuation of the Black Legend.

I want to point out that this 1992 celebration of the Fifth Centennial is fundamental, and the onslaught by the pagans who are trying to destroy Christianity today, has just begun. You’re going to hear this, day in and day out. You’re going to be bombarded on TV, with how great the Aztecs were, how great the Incas were, and how brutal the Spanish, and the Inquisition were.

## Gnostics, kooks, and Cathars

This is the battle to destroy Christianity. The Inquisition was first established in the thirteenth century, as a European-wide institution with the purpose of fighting the satanic movement called Catharism. Today, the crucial fact is that the Queen of England, the head of the Anglican Church—and precisely the head of the World Council of Churches, if you will—is essentially a Cathar, a gnostic. This is the same World Council of Churches which is denouncing any celebrations of 1992. Her husband, her consort, Prince Philip, is going around the world defending animal rights. I’ll read to you some quotes which prove conclusively, that this is a gnostic Cathar position.

The Cathars developed out of the Manichean heresy, a



Pinacoteca Virreinal S. Diego, Mexico City; Photo Gerardo Suter/Laura Almeida

gnostic heresy, and arrived in Western Europe from Bulgaria, through the Bogomils. The Bogomils were also known as “buggers,” and this became synonymous with homosexuality, because this is what they promoted. That is why homosexuality was so prevalent in the British Court, and in the Venetian Court—because they were gnostics, they were Cathars, members of secret satanic cults.

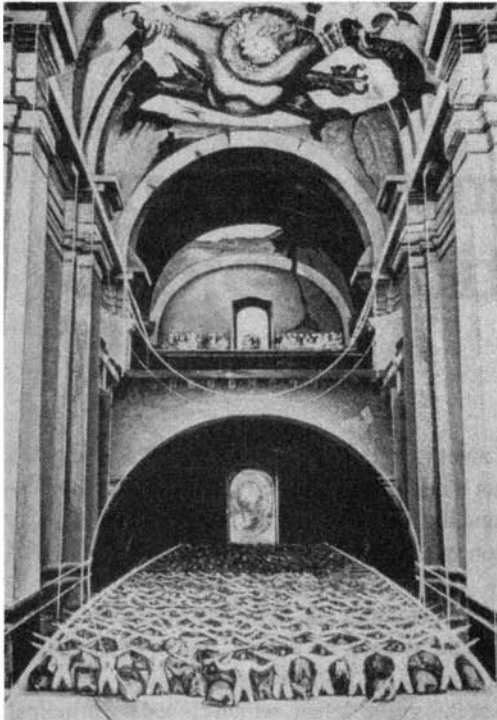
“They called themselves the Cathari, or the pure, [Puritans]. They were a secret society with an inner circle of initiates known as the Perfected. To join their True Church, as they called it, one must promise to (1) to renounce the Catholic Faith (for they held that the Mass was idolatry, the Eucharist a fraud and an abomination, since bread and wine were creations of the evil spirit. . . .”

The Church of Rome, they said, is the Whore of Babylon, and the Pope the Anti-Christ.

The initiated promised, “among other things, never to touch a woman [buggers—FQ]. Never to kill an animal, never to eat meat, eggs, milk, or any other food that came from animals [to which souls of human beings might have transmigrated—besides, animals were the result of sexual intercourse],” which was evil. There was no greater sin, than sexual procreation, because you were advancing evil.

“Indeed, the aversion to women seemed to be the chief and common characteristics of these sects. . . . The Cathari called marriage prostitution, and held that carnal intercourse between the sexes was the original sin of Adam and Eve, and the greatest of all sins, since it begot children. Even





Museo de Arte Moderno, Mexico City; Photo Salvador Lutteroth/Jesus Sanchez Uribe

**Satan—pro and con:** “Mexico: Splendors of Thirty Centuries,” a major exhibition now on view at the New York Metropolitan Museum of Art, which will travel in 1991 to San Antonio and Los Angeles, has been heralded as part of the celebrations for the Fifth Centennial of Columbus’s voyage. It is divided into three basic sections: a survey of Precolumbian cultures; 19th- and 20th-century art, after Mexico achieved independence from Spain in 1820; and in between, Viceregal Art, displaying some of the finest works of the period of evangelization.

Shown here, far left, is a painting of ca. 1605-15 by Mexican-born artist Luis Juárez, showing the “Archangel Michael Conquering Satan.” Reflecting (but not copying) a composition by the Italian Renaissance artist Raphael, Juárez’s picture is a skilled synthesis of the Spanish pictorial heritage, showing good vanquishing evil.

Taking the opposite view (near left), is “The Devil in the Church,” by the Marxist painter David Alfaro Siqueiros (1947), one of the three leading 20th-century Mexican muralists who rebelled against the European tradition and sought models in Precolumbian cults. The aim to destroy the good is explicit. The setting parodies one of Mexico’s finest architectural monuments, the chapel of Hospicio Cabañas in Guadalajara, an institution for the education of poor children in geometry and industrial skills, begun in 1805-10 for Bishop Juan Cruz Ruiz de Cabañas y Crespo. Siqueiros paints Satan in the dome—where traditionally heaven is shown—over a throng of praying peasants.

perversion, therefore, was preferable in their eyes to marriage. Their fanatical logic translated the dogma that life was evil into the most shocking kind of action, a veritable ritual of suicide and murder. They would ask a sick man, or any other candidate for death, whether he wished to be a ‘martyr,’ or a confessor. If a martyr, he was smothered with a pillow. If a confessor, he was starved to death. Even babies were thus barbarously murdered.”

So we see that euthanasia is a Cathar practice. Abortion is a Cathar practice!

“Such was the result of a doctrine which regarded a pregnant woman as possessed by a devil and, if she died in childbirth, certain to go to Hell. The *endura*, in fact cost more lives than the Inquisition ever did.”<sup>3</sup>

Here you have such things committed by the enemies of the Inquisition. They and their defenders are the ones who have written volumes and volumes against the Inquisition and Spain. But even some of the violent attackers of the Inquisition and of the Catholic Church, like Lea, have pointed out, “Had Catharism become dominant, or even if it had been allowed to exist on equal terms, its influence could not have failed to prove disastrous. . . . It was not only a revolt against the Church, but a renunciation of man’s dominance over nature.”<sup>4</sup>

In fact, that’s what we have today: ecologists, animal rights, Prince Philip—this is all Catharism. Let’s talk about the group People for the Ethical Treatment of Animals (PETA). Their guru has stated: Do not eat anything that has

sexual urges, or that practices sexual intercourse. That’s the tell-tale sign: This is Catharism. This is “religious”; it has nothing to do with hippies or not eating meat. It is a satanic cult practice. The lawyer for PETA is Philip Hirschkopf. Hirschkopf was the lawyer against Lyndon LaRouche in the NBC case. Hirschkopf was the lawyer against LaRouche in a case in which they tried to steal, and did steal, land from LaRouche’s associates, the Sweetwater Farm case. And Hirschkopf was the lawyer for a fellow in Leesburg, Virginia who said that LaRouche and his friends went around killing animals. The newspaper columnist Mike Royko in Chicago and this fellow in Leesburg and several other people have accused us of systematically killing animals. All this is Catharism, and it goes all the way up to the Queen of England.

Lyndon LaRouche is in jail because he attacked the Queen of England and Catharism, gnosticism. This is the enemy that we have to defeat. All the wonderful ideas that we are discussing here—the European industrial Triangle, the creation of a new Renaissance, LaRouche’s ideas on music and science—cannot be carried out unless we actually defeat this enemy, once and for all.

#### Notes

1. Lyndon LaRouche, *Project A*, 1990 unpublished manuscript.
2. Dorothy M. Vaughan, *Europe and the Turk, 1350-1700*, New York: AMS Press, 1954.
3. William Thomas Walsh, *Characters of the Inquisition*, Rockford, Ill., 1987.
4. *Ibid.*

# The discovery of the Americas and the Renaissance scientific project

by Ricardo Olvera

*Translated by Rick Sanders from Benengeli, Volume 2, No. 1, 1987. The version here is slightly abridged, and footnotes are omitted.*

The discovery of America in 1492 was not a “happy accident,” a mere stroke of luck of an audacious and ambitious sailor, nor was it a “looting operation,” as claimed by the partisans of Aztec barbarism. On the contrary, it was *the* great scientific and military project of the Golden Renaissance, around which was generated a technological and industrial revolution which rescued mankind from ecological holocaust.

In the face of the devastation and the profound religious and political division into which Europe was plunged after the Black Death of the fourteenth century, a product of the politics of International Monetary Fund-style looting, and in the face of the growing threat of the barbaric invasions from the East, the “Apollo Project” of the Renaissance permitted the breaking of the “limits to growth,” the straitjacket that the Mediterranean had become for commerce and industrial development, and to open to civilization a virtually unlimited field of action.

At the Council of Florence, held in 1439 with the participation of the highest political and religious representatives of Christianity from Orient and Occident, the basic strategic question discussed was the urgency of establishing a military alliance of all the Christian nations to hold back the Turks, who were a constant threat to Constantinople (Byzantium). The basis of the alliance is established when the Orthodox delegation, headed by the Patriarch and the Emperor of Constantinople accepts the dogma of the *Filioque*, from which the Orthodox Church had become renegade in 1054, when it separated itself from the Holy See of Rome.

What this dogma means, in essence, is that divine love (the Holy Spirit) comes from not only the Father, but also the Son. The human individual, to the extent that he perfects his creative qualities in the imitation of Christ—God and true man—to take upon himself the task of continuing creation, himself responsible for creation, has the Holy Spirit imparted

to him and becomes its agent. Upon this concept was founded the Augustinian world order, realized by the Golden Renaissance in Italy and the rest of Western Europe, beginning with the reunification of Christianity, achieved at the Council of Florence.

Yet in 1453 Constantinople fell into the hands of the Turks, thanks to the treason of Venice, which allied herself with the Turks to crush the Renaissance.

In the face of this grave defeat, which closed the principal port of European commerce toward the Orient, and left half of Christendom in a dark age, the humanists who had organized the Council—among them Nicolaus of Cusa, Aeneas Silvius Piccolomini, and the scientist who would later become the mastermind of the discovery of the Americas, Paolo dal Pozzo Toscanelli—launched two great counter-operations:

- 1) The organization of a great Crusade of Christian countries to reconquer Constantinople; and
- 2) The most brilliant military flanking move in history: reaching the east by going west, by the rear, crossing the feared “Ocean Sea.”

In both enterprises, the guiding role was taken by Spain.

## **Mediterranean, a ‘Turkish Sea’**

With the fall of Constantinople, the military and commercial situation for the yet-incipient new order of the Renaissance becomes unsustainable. Venice, the main enemy of Florence and the Renaissance, thanks to her *de facto* alliance with the Turks, imposes her monopoly upon the vital trade with the East. The Turks, spurred by Khomeini-like fanatical Islam, and well supplied by Venetian arms traffickers, begin to expand further toward the West. Already by 1480, they dominate much of Eastern Europe and reach the German ports and Italy herself. On the other flank, there were the Muslim Arabs, the Turks’ natural allies, who had already long dominated all of North Africa, and a part of the Iberian Peninsula (Granada), including the strategic Straits of Gibraltar. The Mediterranean, axis of the commercial and economic life of the civilized world, was a virtual Turkish sea.

After 1453, when the humanists got news of the catastrophe of Constantinople, they began to try to organize a crusade to liberate that city. Aeneas Silvius Piccolomini, the future Pope Pius II, writes to Pope Nicholas V in the following terms:

“What more can I say about the terrible news which I just received about Constantinople? In writing my hand trembles, my soul is horrified; indignation does not permit me to keep silent, the pain does not let me speak. Poor Christendom. I am ashamed to be alive. . . . We have permitted the illustrious city of Constantinople to fall, taken by the effeminate Turks. . . . They put to the edge of the sword the entire population; they subjected the priests to all kinds of tortures; they did not respect anyone, neither sex or age: It is said that there were 40,000 persons assassinated . . . and that the Paleologue Emperor was beheaded. . . . This is a second death for Homer, a second death for Plato: Now where will we be able to find the works of genius of the Greek poets and philosophers?”

He concluded with an emergency appeal:

“It is your duty to mobilize yourselves, to write to the kings, to send legates and to warn them, exhorting the princes and the communities to come themselves or to send their representatives to an agreed-upon place. Now that the wound is still fresh, that they should hasten to come to the aid of the Christian community and, in name of the faith, that they should make peace and establish truces among the allies, in order that, uniting our forces, we might mobilize ourselves against the enemies of the cross of the Savior.”

Piccolomini, who became Pope Pius II in 1458, names as Vicar-General the person who had been the key organizer of the Council of Florence, Cardinal Nicolaus of Cusa. Yet despite the great advances achieved by the Renaissance in the West, Pius II and Nicolaus of Cusa both die in 1464 before the military counteroffensive could begin. It only got under way in 1474 with the Catholic monarchs, Ferdinand and Isabella in Spain, who reconquered Granada in 1492, and later recovered North Africa, freeing the western gate of the Mediterranean.

Christopher Columbus was there in the royal encampment before the “most fortified city of the world” (Granada), awaiting the decision of the king and queen on his projected expedition. The day the last bastion of the Moors in Spain fell, on January 2, 1492, the great resolution was made: The “Ocean Sea” would be crossed, to carry evangelization to the ends of the Earth. It was not enough to gain key positions in the known world; it was necessary to radically redefine and widen the battlefield—to shift the economic and political center of gravity of the Mediterranean and the Atlantic to outside the Muslim-Venetian domain.

### Why Spain?

This strategic objective gave rise to what is now known as the Iberian or Atlantic period, which began with the cele-

brated nautical school founded by Prince Henry the Navigator of Portugal. In 1454, Henry obtained from Pope Nicholas V a bull which banned any Christian from interfering with Portuguese navigation along the coast of Africa “as far as India.”

It was in this school that the navigators’ elite was educated—including Christopher Columbus. Lisbon became a maritime cosmopolitan city, where one could find the most advanced instruments of navigation and astronomical observation, the best nautical charts, and a shipbuilding industry which in 1490 introduced the modern caravel, fit for transatlantic exploration. The other Iberian kingdom that looked toward the Atlantic was Castille, which came into fierce competition with Portugal for the dominion of the coasts of North Africa from the first decades of the century.

Even though Portugal was the first to develop the technical means for setting up the great transatlantic enterprise, they did not achieve the political will to realize it. When Toscanelli first, and then Columbus, proposed it to them, Portugal preferred to take the less risky and “more income-producing” path to India, sailing along the coast of Africa “*por la orillita*.” As for Spain, her decision to cross the Atlantic was based on the same missionary zeal, which earlier had uplifted her to become the leader of the crusade against the Turks.

### The Toscanelli issue

One of the most controversial matters relating to the discovery of the Americas relates to the Italian Renaissance. In the scientific seminars held during the Council of Florence, Paolo dal Pozzo Toscanelli presented his idea of the project. Based upon the scientific information brought by cosmographers, geographers, and experts in the science of navigation there gathered together, the general lines were traced of what would, 53 years later, become the “greatest event after Creation,” according to one Spanish writer.

The direct connection between the Italian Renaissance and the Spanish exploit is established by the correspondence between Paolo dal Pozzo Toscanelli and Christopher Columbus. In Toscanelli’s letter to Columbus in 1480, and in the ones he wrote six years before to Fernando Martines, agent of the Portuguese King Alfonso V, the Florentine scholar urges the Iberian powers—Portugal and Spain—to realize the transatlantic project discussed in Florence, and he lays out for them the map and the scientific information required for its success.

According to Fernando Columbus, Christopher’s son, in his *Life of the Admiral*, the basis upon which his father founded his project was:

“A Master Paolo, physician of Master Domenico, a Florentine contemporary to the same Admiral, was the cause in great measure of his undertaking this voyage with greater spirit. The fact that the cited Paolo was a friend of Fernando Martines, canon of Lisbon, and that the two were writing

letters to each other about the sea voyages made to the country of Guinea during the time of King Alfonso of Portugal and about what could be done in the westward direction came to the ears of the Admiral who was most curious about these things, and he hastened to write, by way of one Lorenzo Girardi, a Florentine who was in Lisbon, to the said Master Paolo, about this, and sent to him an armillary sphere, uncovering to him his intent. Master Paolo sent him a reply in Latin, which translated into the vernacular says thus."

Later Fernando Columbus transcribes the first letter from Toscanelli to Christopher Columbus:

"To Christopher Columbus, Paolo, physician, greetings.

"I see the magnificent and grand desire of thine for seeing how to get to [the regions] where the spices are born, and in reply to thy letter I send thee a copy of another letter which some time ago I wrote to a friend and familiar of the most serene King of Portugal, before the Castillian war, in reply to another letter which by commission of his Highness was written to me about the said matter, and I send thee another such map of sailing, like the one I wrote to him, by the which thou wilt be satisfied in thy questions. Which copy is the following."

Subsequently, Toscanelli adds at the foot of the letter to Columbus, the letter which he had earlier sent to Fernando Martines, the canon who operated as a secret intermediary between the republican networks of Florence, and those republicans which were trying to convince the king of Portugal to put the navigating capacity of that country in service to the great project.

The letter was directed at awakening the commercial interest of the powerful, painting with vivid colors the fantastic riches of the far East (or near West); and had attached to it the *carta de marear* or "navigational map," which Columbus never let out of his sight for even a moment, during his first voyage.

Did Toscanelli really believe that following his navigational plan, the coasts that would rise on the horizon would be those of the Orient, and not those of a new continent? One fact makes us suspect the contrary: The distance at which Columbus encountered America, and likewise the principal geographic and nautical characteristics of the route, were precisely those of Toscanelli's navigational map. Instead of fantastic palaces covered in gold and the refined civilization of the Orient, he encountered an almost savage continent, in which everything was still to be done. The prevailing mentality of the courts of Europe at the time would have made it very difficult to find support for a project involving so much nature and so little art.

Be that as it may, Toscanelli and the strategists of the Renaissance succeeded in their plan to mobilize the maritime-commercial powers to an enterprise which the "experts" of the age deemed "not income-producing" (just as today the cost accountants consider as "not income-producing" the project to colonize the Moon and Mars), and, despite such

experts, there was opened up for humanity the most stunning era of development in human memory.

### Are Toscanelli's letters genuine?

At the congress of Americanists held in Paris in 1900, Henry Vignaud, then first secretary of the American embassy in France, denied for the first time the authenticity of the correspondence between Toscanelli, Martines, and Columbus, in a document which was immediately widely diffused by the press of the day. In the ensuing two years, the prevailing historiographic authorities published 35 reviews and 96 articles in various journals about Mr. Vignaud's book, *Toscanelli and Columbus*—the great majority supporting his thesis.

In essence, Vignaud says that the discovery of the Americas was not the result of any scientific project, but of chance. That Christopher Columbus never had any intention of reaching Asia, nor much the less the New World, but only one of the islands to the west of the Canaries, whose existence and location were revealed to him by an unknown pilot, who had been washed ashore on these islands by a storm. If by chance Columbus had had any scientific theory, he would not in any way have gotten this from Toscanelli nor from any of the cosmographers of the Renaissance but from Ptolemy, Aristotle, and other "authorities" of medieval geography and cosmography.

Vignaud bases this on his "demonstration" that the letters of Toscanelli to Christopher Columbus, and above all from Toscanelli to Fernando Martines, are apocryphal.

His main arguments are:

1) Nowhere among the documents of Toscanelli nor in the State Archives of Portugal, can any trace be found of the letter to Fernando Martines, even though, Vignaud says, an exhaustive search "with Benedictine patience" was mounted by the prestigious historian Manuel Gonzales de la Rosa and a Benedictine monk.

2) Among Toscanelli's Italian contemporaries there is neither any reference to the cited letter, nor to any other thing which might suggest the interest of the Florentine scientist in the transatlantic enterprise. This demonstrates, according to Vignaud, that Toscanelli never interested himself in the project.

3) In 1474, the year in which Toscanelli allegedly wrote to Martines proposing to reach the Orient by way of the Atlantic, in Portugal there was no interest in reaching such latitudes by that or by any other way, since the Portuguese had no interest in trade or spices, in gold, in precious stones, or any other article from the East. And that in any case, if Alfonso V, king of Portugal, might have had some interest in the project, "he would not have asked information from a man such as Toscanelli, who had never left Florence [sic], when his own Portuguese, which at the time were the best sailors in the world, and the only ones familiar with the Atlantic, could assess this better than anyone."

4) And finally, Vignaud argues, the original of the famous map was never able to be found anywhere.

As one can see, the arguments of Vignaud are reduced to mere suppositions, suspicions, and negative deductions (starting from what one could *not* find), without anything resembling what he himself so much demands: documents and positive proofs.

### Archive ransacked

In fact, the archive of Paolo dal Pozzo Toscanelli is one of the most ransacked by the enemies of the Renaissance, and it is known, by references in works and documents of the period, that most of his work was simply eliminated. Further, the fact that neither Toscanelli nor Columbus nor the people close to them left much written documentation about their project, and that the plans and methods of the government of Portugal or others to reach the Indies were not then a matter of public discussion as Mr. Vignaud would wish, is explained by a very simple reason: state secrets. At issue, as we said, was a fundamental strategic matter.

On the other side, according to Clement Markham, one of the historians who refuted Vignaud:

“Few documents of this period are so well certified [as this letter]. Las Casas . . . not only furnishes us with a Spanish translation, but informs us that one part of the original, it seems, the navigational map adjoined, was in fact in his possession at the moment of writing. In the *Life of the Admiral*, by Fernando Columbus, is included an Italian translation. And one copy of the original version in Latin was found in the Columbus Library in Seville, in 1860, in the frontispiece of a book by Pius II which had belonged to Christopher Columbus, written in the Admiral’s own hand.”

In his reply to Markham, Vignaud insists that the whole matter of the map/letter of Toscanelli is a fraud, perpetrated by Bartolomeo Columbus, Christopher’s brother, with the complicity of Fernando Columbus and Father Bartolomé de las Casas, with the purpose of giving the Admiral’s enterprise a scientific content it never had, and eliminating the embarrassing story of the unknown sailor. And since it is difficult for Mr. Vignaud to demonstrate the nonexistence of Christopher Columbus, he seizes upon demonstrating that Fernando Martines never existed, and that *it was a mere invention* of the cited counterfeiter, who with this fraud pretended to explain the inexplicable: the tie between Columbus and Toscanelli, impossible, according to Vignaud, given that neither Columbus was ever in Florence, nor did Toscanelli leave Italy in his entire life.

### Did Fernando Martines Exist?

The work of Cardinal Nicolaus of Cusa entitled *Tetralogus de Non Aliud*, which deals with the method for reaching the truth, unfolds in a Socratic dialogue form between “Nicolaus” and three interlocutors, of whom the main one is *Ferdinando Martin Portugaliensi natione*, canon of Lisbon, whose

full name is Fernando Martines de Roritz (from the town of Roritz in Portugal). The other two are Oanes Andrea Vigerius, or Gian Andrea, from Vigevano in northern Italy; and Petrus Balbus Pisanus, or Pietro Balbi, born in Pisa, a former schoolmate of Cusa and Toscanelli in Padua. This same Fernando (Martines) of Roritz, relative and private counselor to Alfonso V, together with Toscanelli, will sign, on Aug. 6, 1464, the last will and testament of Cusa, as a witness and as his personal doctor, and a few days later will attend his funeral.

A relative of Fernando Martines also enjoyed the confidence of Cardinal Cusa: Antonio Martines, the bishop of Oporto, born in Chavez, a town near Roritz. It is this Antonio Martines who had accompanied the cardinal’s delegation to Constantinople in 1437, sent by Pope Eugene IV to convince the Emperor and the Patriarch of Constantinople of the need to be present at the council of reunification. These are the modest credentials of the “nonexistent” Fernando Martines, who as a man in the confidence of Cusa and Toscanelli in Portugal, participated in selecting and preparing Christopher Columbus for carrying out the great expedition.

Toscanelli also played a role of interlocutor in one of Nicolaus of Cusa’s dialogues, on the squaring of the circle, entitled *De Arithmetis Complementis*. Born in 1397, one of the most outstanding participants in the Council of Florence, Paolo dal Pozzo Toscanelli died at 88, in 1482, a decade before the realization of his great project. He was Cusa’s fellow student in Padua, and Cusa dedicated to him, besides the cited book, another one entitled *De Geometricis Transmutationibus*.

Moreover, Leon Battista Alberti, who deems Toscanelli the greatest mathematician in Italy, dedicates his collection of moral writings entitled *Intercoenalli* to him. Paolo the physician heads the commission that decided on the projects presented for the construction of the east end of S. Maria del Fiore, the cathedral of Florence, where the final sessions of the great Council in 1439 were held, the celebrated cupola of which was built by a mathematics student of Toscanelli’s, Filippo Brunelleschi. The cupola was not only beautiful but also functioned as the most advanced astronomical instrument of its kind in the world at that time.

One of the indications of the educative labor which the leaders of the Renaissance undertook among the “best mariners of the world” to gain them to their cause, is the fact that Columbus’s most treasured book, which he carried with him in his voyages of discovery, was the *Historia rerum ubique gestarum* of Pope Pius II, in whose frontispiece Columbus himself had copied in his own hand Toscanelli’s map.

Pope Pius II died on Aug. 14, 1464, three days after Cardinal Cusa, and the chances of an immediate Crusade were sharply reduced; the scientist Toscanelli returned to Florence “to continue his studies, turning his face not to the East, but to the West, thinking about a new route for commerce and for civilization.”

## Temple Mount massacre aimed to spark Mideast war

by Joseph Brewda

The massacre by Israeli police of at least 19 Palestinian demonstrators in Jerusalem on Oct. 8, has dramatically increased the probability of an Anglo-American war against Iraq, as was its intent. The Palestinians, mostly youths, were protesting an attempt by a Jewish fundamentalist cult, the Temple Mount Faithful, to lay a foundation-stone for a new "Temple of Solomon" on the grounds of the Al Aqsa Mosque, one of Islam's most holy sites. Israeli authorities claim that the police fired on the Palestinian youths because they were throwing stones.

This ugly incident was prearranged at the highest levels of several of the world's intelligence services, where such a scenario has been in preparation for many years. *EIR* exposed it first in an April 26, 1983 cover story entitled "Temple Mount fundamentalists launching new Middle East holy war." We wrote:

"An investigation by *EIR* into an ongoing secret-intelligence operation of a foreign power to plunge the Middle East into religious and racial warfare has concluded that a major threat to U.S. national security now exists. . . . The foreign power is Her Majesty's government of the United Kingdom and British Commonwealth, with admittedly interested collaborators in the Soviet Union. The methods being employed are among the methods refined since the high days of the Empire, using extremist assets among the nominal adherents of Judaism and Islam, and, in the United States, the so-called Christian fundamentalists. . . .

"Israeli zealots and their American pseudo-Christian counterparts are intent upon organizing a religious war in the Middle East, by terrorist means. The Freemasonic game-masters behind the fanatics are intent upon organizing a Mideast 'population war,' by religious means. London's goal is not the victory of any combatant, but the mutual destruction

and depopulation of all sides, with related economic-demographic consequences globally. If certain Moscow policy factions view this as an opportunity to further global 'Great Russian' hegemony, certain British monarchists view this as an opportunity for restoring the Empire and establishing what is best described as a malthusian world-federalist order."

### The provocation

This scenario is being promoted today by the Israeli government itself, with backing from London and Washington.

The Palestinian youths congregated at the mosque after the Temple Mount cult distributed a leaflet announcing that they would lay their temple foundation-stone that day. Members of the cult have previously been arrested for attempting to blow up the Al Aqsa Mosque and the nearby Dome of the Rock.

To further inflame the situation, Israeli authorities forcibly closed down both mosques that afternoon. This is the first time the holy sites have been closed to worshippers since approximately the year 1200, during the Crusades. Police arrested Jerusalem's second highest-ranking Islamic leader, Deputy Mufti Mohammed Jamal, for incitement to riot. The next day, police fired tear gas at believers attempting to enter the mosques to pray. Among the injured were Jerusalem's Mufti, the 80-year-old Saad Din Alami, who was hospitalized after being overcome by the fumes.

In a related provocation on the morning of Oct. 8, Israeli Prime Minister Yitzhak Shamir announced that his government would be constructing housing units for 50,000 Israeli Jews adjacent to an Arab neighborhood in occupied East Jerusalem, and close to the mosque. During World War II, Shamir was the head of operations of the Stern Gang, the Zionist assassination group which made the reconstruction



of Solomon's Temple one of its central demands.

This is not the first time that the complex of fundamentalist cults, of which the Temple Mount Faithful is one, has been recently involved in religious violence in Jerusalem. Last spring, the Ateret Cohanim yeshiva, a day school affiliated with the cult, illegally occupied a Greek Orthodox hospice adjacent to the Greek Orthodox-administered Church of the Holy Sepulcher. This led to clashes with Greek Orthodox clergy, and the Orthodox patriarch was tear-gassed by police.

Shortly following the Holy Sepulcher incident, then-Minister of Housing David Levy, who is now foreign minister, admitted that the fundamentalist sects are funded by the Israeli government. As *EIR* has shown, the cults were formed by Israeli and British intelligence officials (see accompanying article).

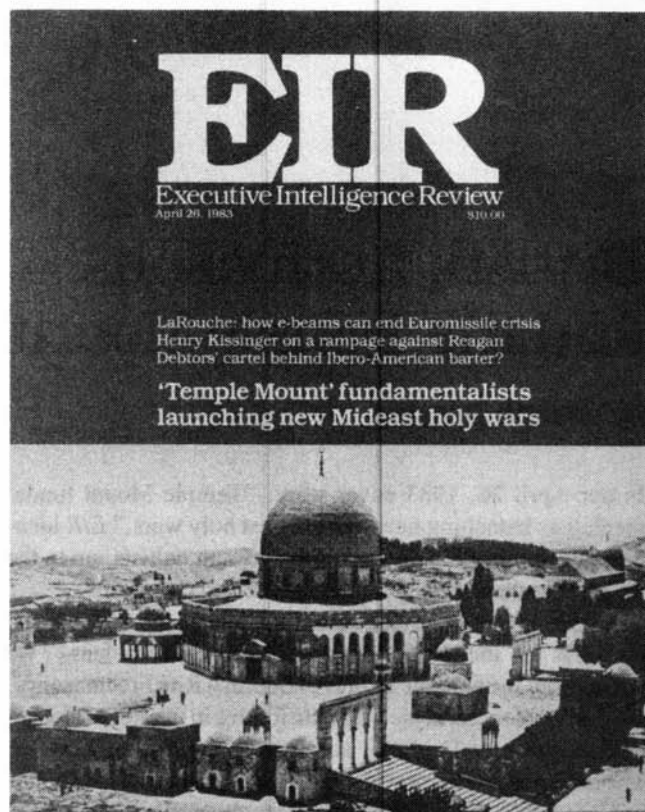
That the Israeli provocations are intended to lead to war was indicated by Stanley Goldfoot, the director of the Temple Mount Foundation, three days before the massacre. The foundation is the central control arm for the Temple Mount cults. Goldfoot, an old Stern Gang intimate of Shamir, told a U.S. journalist that the fight to build the Temple and the fight against Iraqi President Saddam Hussein are the same thing. He claimed that the "big danger" is that the U.S. will not go to war against Iraq. "The major issue is Jerusalem and the Temple Mount," Goldfoot said. "The question of *jihād* [holy war] has been the same for hundreds of years. Either we squash them or they squash us. It's a fight to the finish. We must ruthlessly crush Islam. We must make Israel invincible."

### British manipulation

Israel's well-organized provocations are the latest indication that the Anglo-Americans are attempting to prevent any solution to the Gulf crisis. It would appear that the Bush administration's "war party," led by former Secretary of State Henry Kissinger, has succeeded in convincing the President that he has no choice but to move toward a war.

The administration decision, well-placed sources report, was largely consolidated by President Bush's meeting with British Prime Minister Margaret Thatcher on Sept. 31 at the United Nations. It was Thatcher who had earlier convinced Bush, after some initial wavering, to send troops to the Gulf following the Iraqi invasion of Kuwait on Aug. 2. Reportedly, Thatcher insisted that Bush had no choice but to order a massive air strike against Iraq.

Immediately following the Thatcher meeting, Kissinger, a self-professed British agent of influence, worked closely with the Israeli government to create the conditions that would ensure that the United States would go to war. An influential player in the game is the *Jerusalem Post*, owned by the Hollinger Corporation of Canada, on whose board Kissinger sits along with former British Foreign Minister Peter Lord Carrington. Kissinger and Carrington have been involved in the project to rebuild the Temple since at least 1982.



*EIR's 1983 exposé of the Temple Mount cult identified precisely the networks that are controlling the current explosion of violence in Jerusalem.*

Central to this British manipulation of the Bush administration, some sources report, were several actions taken by Israel just prior to the massacre which were intended to give the impression that Israel would launch a war against Iraq or Jordan in the near term, whatever the Bush regime would ultimately choose to do.

These Israeli actions included the transfer of large amounts of military equipment from stockpiles to battle-ready sites; the high-profile distribution of gas masks to Israel's Jewish population; and several interviews given to the Israeli press by senior, although unidentified Israeli figures, reporting that the Israeli government feared that the U.S. would not strike Iraq, and that Bush's indecision left Israel vulnerable to Iraqi attack.

If Israel were to move preemptively against Iraq, the Bush administration's current efforts to put together a new regional military alliance modeled on the defunct CENTO, would fall into ruins. As it is, the populations of Egypt, Saudi Arabia, Syria, and Turkey are increasingly opposed to their governments' servile collaboration with both the Anglo-American forces now occupying Saudi Arabia, and the Israelis. Egypt and Saudi Arabia, in particular, may have to rapidly distance themselves from the U.S. administration, despite Bush's cosmetic rebuke of the Israelis for the massacre.

# British, freemasons, and the Temple Mount

by Joseph Brewda

In our April 26, 1983 cover story, "Temple Mount fundamentalists launching new Middle East holy wars," *EIR* identified the controllers of the Temple Mount cultists, up to the highest reaches of British intelligence and freemasonry.

"The operation is not being conducted through official channels of the British parliamentary government," we wrote, "but through the lodges of Scottish Rite Freemasonry, the principal secret society of elite figures in the Royal Household, Church of England, and Secret Intelligence Service. The monarchist Freemasonic lodges, in particular the Quatuor Coronati lodge, have arranged an alliance between U.S.-based 'Armageddon' fundamentalists and fanatical Zionist sects in Israel. A next-phase role is being readied for British assets among 'Islamic fundamentalists.'

"The basis for the alliance of professed Christians and Jews is a shared, anti-Judaical form of pre-Christian belief structure, converging on the pagan Hermeticist castration dogmas of Scottish Rite Freemasonry itself. This has been applied to produce an agreed-upon pagan interpretation of Old Testament prophecy. One result is a shared venture to rebuild the Temple of Solomon on the site, the Temple Mount, which it is presumed to have occupied during the 9th century B.C., in Jerusalem. . . .

"In fostering the Temple Mount operation, the Freemasonic monarchists of the United Kingdom are engaged in a geopolitical power play of major proportions, under the cover that religious fanaticism provides. . . . Like certain Soviet strategic planners, British monarchists desire neither sovereign nation-states in the Middle East, nor a United States of America with the power, independence, and sovereignty to do its will in world affairs. From their standpoint, the Temple Mount operation might eliminate both."

## The Quatuor Coronati lodge

The Temple Mount agents-provocateurs are not ultimately controlled by Israeli intelligence, although two active duty Israeli intelligence officers, Mattiyahu Dan and Rabbi Shlomo Aviner, lead the sects. They are run by the Quatuor Coronati freemasonic lodge of London, formally headed by

the Duke of Kent. The lodge, formed in the 1880s, has always been one of the main patrons of the Zionist movement. It was formed as a result of an 1862 trip by Edward, then Prince of Wales, to the Holy Land, where the policy of seizing Palestine as a means of protecting the route to British India was adopted. Zionism has functioned as a cynical cover for that imperialist objective.

In 1967, the Quatuor Coronati lodge dispatched Dr. Asher Kauffman to Jerusalem to oversee its project of rebuilding the Temple. The project had become timely due to Israel's seizure that year of East Jerusalem, where the Temple Mount is located. At around the same time, *Biblical Archeological Review*, an American-based mouthpiece of the lodge, began a series of articles popularizing the project, particularly among American Protestant fundamentalists. The review was edited for a time by Barbara Ledeen, the wife of the U.S. State Department's terrorism expert Michael Ledeen, who later became notorious as a main intermediary between the Reagan-Bush White House and the Israeli government in the Iran-Contra deals.

## The masonic secret agenda

The use of religious warfare as a variant of the imperial technique of "divide and conquer" is not the only reason for the British patronage of the strange project. There are compelling British cult reasons as well.

For historical reasons, all Christian holy sites in Jerusalem have always been under the control of the Greek Orthodox Church, Orthodoxy generally, or the Roman Catholic Church. The Protestant denominations, including the Anglican Church, were formed several hundred years too late to control any of the holy sites. The Anglican Church, whose head is the British monarch, has become heavily influenced by the masonic beliefs of many leading British families.

There has been a decades-long secret understanding between the Zionists and the Anglican Church, that Orthodox and Catholic control of Jerusalem's holy sites would eventually come to an end. This is among the cult reasons why the British supported the creation of Israel in the first place. It is also a major reason why Great Britain supported Israel's 1967 seizure of East Jerusalem, the location of many of the city's most important religious sites.

Last spring, the Temple Mount fanatics took over a Greek-administered site adjacent to the Church of the Holy Sepulcher, signaling that a major new assault on Jerusalem's Christians had begun. The Jewish fundamentalists' patrons have also been quietly buying up vast tracts of land in the Christian Quarter of the city. They are committed to making Jerusalem Muslim-free.

According to one scenario, the Israeli government, which supports these projects, will now use the developing religious violence as a pretext to put every holy site in the city, whatever the denomination, under the control of its Ministry of Religious Affairs.

# The U.S. must come to its senses and withdraw from the Persian Gulf

*The Patriarch of Babylonia of the Chaldeans, Blessed Right Reverend Raphael Bidawid of Iraq, arrived in Rome for the Synod of the Roman Catholic Church, after a sojourn in Bari, where he took part in the ecumenical meeting. Our correspondent Fiorella Operio met with him on Oct. 6. The interview has been translated from the Italian original.*

**Bidawid:** In the course of a recent encounter with a delegation of members of Congress opposed to the U.S. operation in the Gulf, I gave them an open letter to Bush, which they delivered. In this letter I request the withdrawal of the U.S. troops from Saudi Arabia, because, first of all, this constitutes a desecration of the Islamic territory which we Christians respect, because we have lived for years in good relations with the Muslims, and we do not want to re-create a split in this coexistence.

Many people in the Islamic world consider the U.S. soldiers as new Crusaders; people there do not distinguish between a Christian and an American.

The defense of Kuwait by the United States seems to us to be a pretext. If the United States were so zealous to defend peace and the rights of nations, they should free Palestine and Lebanon, problems which have been pending for years and which no one has wanted to resolve despite all the U.N. resolutions, which neither Israel nor Syria has ever respected. So why do we have this world crisis today? Because so many soldiers and so many weapons are on our territory. Clearly the U.S. is not in the least interested in Kuwait's independence, but in oil, that's what they care about! Otherwise, if there is a desire to deal with the Kuwait problem, one must at the same time, for reasons of justice, deal with all the region's other problems.

You have to be crazy to decide to fire the first shot in the Gulf. Everybody knows that it will not be an easy war, but difficult for everyone, and I cannot believe that the Americans are ready to sacrifice their sons for an uncertain cause. And besides, the blockade of food and medicine is inhuman.

The situation is dangerous. Saddam has declared "holy war," and throughout the Islamic world, support for this cause is growing. Iran supports Iraq, and has stated it will not permit Iraq to be attacked.

America ought to think it over a thousand times before shooting: Has Mr. Bush lost his senses? No, I don't think he will do it. Does he just want a show of force? It is too risky.

**Q:** What is your view of the Soviet position?

**Bidawid:** The Soviets today need the United States, for grain, credits, and so forth. They toe the U.S. line, but I don't think the Russians will make war on Iraq. Look, so far they have not sent their troops. I think that Russia won't do anything. Anyway, the last one to be able to talk of human rights is Russia. What has Gorbachov done against the Baltic countries, Lithuania? Threats and embargo. Who has said anything for Lithuania? Where was Mr. Bush? Who protested the embargo against Vilnius?

**Q:** In fact, only LaRouche and the Schiller Institute!

**Bidawid:** Justice is indivisible. Either there is justice for all or it does not exist. All peoples have equal rights. I do not justify the occupation of Kuwait by Iraq, but this is a question which must be settled peaceably. Saddam Hussein was almost teased, instigated into that step. I suspect that the Americans planned this crisis with the aim of entering the Gulf. It was a trap.

For months documents were circulating on the preparation of a coup against Saddam Hussein, while some Arab countries teased him by dangling an easy victory in Kuwait: There is, in fact, a dispute between Kuwait and Iraq, and Saddam was aware that they were plotting against him. When the Iraqi troops went into Kuwait, they found billions in Iraqi currency, which had been gathered in Kuwait for an operation of devaluating the currency.

This was a well-planned trap, well studied, which pushed Saddam into a preventive strike. The United States was worried about unified Europe. And today, with the oil in their hands, they can choke European economic development.

I don't believe Iraq will actually start the "holy war," that's a political instrument. The Iraqis don't want war; no matter how much you love your own country, you can't accept such a war, because it would be cruel for everybody. The Americans should recover their senses, and consider that their sons were not born to be killed by artillery, but want

to live in peace and quiet. No people wants war, which is destructive for everybody. I appeal to the people of the United States, that they should make their voice heard, we don't want a war! Everbody go home! There is no threat to Europe, if there were a threat we would have been the first to denounce it.

**Q:** Do you think there can be tolerance between Christianity and Islam?

**Bidawid:** Sure, we have lived for so many centuries in mutual tolerance. Today there exists in Islam this intolerant and fanatic tendency. But Lebanon, for example, is the model country of religious coexistence. Today Lebanon is being destroyed by a foreigners' war, it's not a civil war. They want to "Islamize" Lebanon.

It is said that a Muslim cannot be ruled by an Infidel, i.e. a Christian President. But this peaceful coexistence, even at the executive level, has gone on for centuries and centuries in Lebanon. That's the motive. Not that in Iraq we have not had problems: nations evolve, people travel more and they get to know other countries, and they realize the world has changed. Above all, this world needs peace and development!

## Argentina's Menem scored as 'traitor'

by Cynthia R. Rush

During a Washington press conference on Oct. 1, Argentine President Carlos Menem was visibly annoyed when *EIR* correspondent Carlos Wesley asked him whether Argentine military officers weren't angry at having to be deployed to the Persian Gulf as allies of the same Anglo-American forces responsible for the 1982 Malvinas War against Argentina. Menem has deployed two Navy ships to the Gulf to join the international blockade against Iraq, explaining that Argentina has now joined George Bush's "new world order."

Accusing Wesley, a Panamanian, of asking an "ill-intentioned question," Menem defensively responded, "I want to tell you that right now, officers in the Republic of Argentina are lining up, begging to be sent to the Persian Gulf." In response to another question by Wesley about whether Argentina was receiving financial assistance from the Kuwaiti government in exchange for participating in the U.N. blockade of Iraq, President Menem indignantly replied, "Argentina is not a mercenary nation." In early September, Kuwait's energy minister toured Ibero-America, offering investments to any government that would join the blockade against Iraq.

However, upon arriving in Buenos Aires from a trip to New York and Washington on Oct. 3, President Menem had a different tale to tell. In an interview with a Buenos Aires radio station, he bragged that "it is very possible that Kuwaiti investments will shortly be arriving in our country, because that nation is very interested in our agricultural sector, and their armed forces may be re-equipping themselves and will buy some of our weapons."

And what of the military officers standing in line begging to be sent to the Gulf? The Oct. 5 issue of the weekly *El Informador Público* reports on a study prepared by the private Foundation for the Study of a Growing Argentina (FEPAC), indicating that 80% of the Army and Air Force's non-commissioned officers are opposed to any Argentine intervention in the Persian Gulf. In the Navy, 60% are opposed. In the officer corps, the percentages are 60% for the Army, 70% for the Air Force, and 50% for the Navy.

### Object of ridicule

Menem has tailored his domestic economic policy and foreign policy entirely to the strategic interests of the Bush

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administration and the international banking community in hopes that this would net Argentina a new international image of respectability, as well as some concrete financial assistance. In an interview in the Sept. 21 *El Cronista*, Defense Minister Humberto Romero admitted that Argentina had completely abandoned its traditional foreign policy position of non-alignment, lamenting, "What can we do in this kind of international situation in which there are no longer two blocs, but only one. . . ? Could we possibly follow a third way? One can be opposed [to a policy], but we shouldn't be absurd."

About the only thing that Menem's obedience to the Anglo-American establishment has earned him, however, is a large degree of ridicule, particularly from the rest of Ibero-America. The same issue of *El Informador Público* reports that upon reaching the Brazilian port of Recife, the two Argentine ships steaming toward the Gulf could not refuel because dock workers refused to load ships that were part of a "belligerent South American force." The ships, the *Almirante Brown* and the *Spiro*, finally were able to refuel thanks only to the intervention of the U.S. embassy in Brazil, which arranged for them to purchase fuel at three times the international price.

Brazil's Navy Minister, Adm. Mario Cesar Flores, had no kind words for the Argentine naval force. In comments made to the daily *Folha de São Paulo*, Flores remarked that the Argentine deployment was "merely symbolic" because in military terms, "the Argentine forces aren't much good for anything. . . . In a situation of combat, they become confused."

Things didn't go much better for Menem when he visited Venezuela in late September. Fearing the Argentine President's reputation for causing bad luck to those around him—known in Argentina as *mufa*—many Venezuelan deputies refused to show up at the official reception welcoming him. Teodoro Petkoff, of the leftist MAS party, snidely remarked, "I think that we are going to have to bring in some practitioners of witchcraft to cleanse the nation of the bad influences which this gentleman may leave behind."

On a more serious note, the Sept. 28 issue of the Caracas daily *El Meridiano* called Menem a "traitor to the Latin American cause . . . and to the Third World" for sending ships to the Gulf. Former Venezuelan President Rafael Caldera, who met with Menem on Sept. 28, expressed to him "the concern which many Latin Americans feel over the fact that Argentina is getting involved in the Mideast conflict, from which Latin America should remain absent." Caldera, who maintains strong ties to the Vatican, also criticized the neo-liberal economic policy which Menem has imposed in Argentina.

### **Financial disaster**

Menem's sacrificing of domestic living standards and production to make foreign debt payments has not helped

Argentina get new loans. The International Monetary Fund (IMF) has just informed the government that it will not grant a \$240 million tranche of its standby agreement, because Argentina hasn't "done enough" to comply with IMF goals on inflation and the fiscal deficit. The IMF decision could mean that other lending agencies such as the World Bank and the Inter-American Development Bank will also renege on promised funds.

The Bush administration has made clear that it has no intention of rewarding Argentina's Menem with funds for his decision to join the blockade against Iraq. The lack of incoming credits, combined with the collapse of domestic production and the sharp decline in tax revenues and wages, makes the continued implementation of the IMF-backed "Erman V" economic austerity program highly questionable. Trade union strike activity to protest the program is growing rapidly. Major economic upheaval is expected in the country before year's end.

The plans to privatize state sector companies, the cornerstone of the government's economic program, are also running into trouble. Manufacturers Hanover, the bank for Bell Atlantic, failed to come up with \$2.3 billion in Argentina's foreign debt paper by Oct. 4 and had to pull out of the deal privatizing the state telephone company ENTEL. Although the Italian consortium STET has now stepped in, they have asked for at least 30 days to review the contract, delaying the deal and causing Menem political embarrassment. The government's political opposition is charging that the ENTEL privatization is a total sellout to creditors.

### **'Armored democracy'**

About the only option Menem has available is to impose the "armored democracy" recipe proposed by former Reagan administration official Elliott Abrams—a "democracy" in which IMF policy can be enforced by the military. Given the opposition among the ranks to IMF policy and to Menem's efforts to dismantle the Armed Forces, this is not a reliable option. However, sources in Buenos Aires have told *EIR* that the widely publicized but false Oct. 3 report that nationalist Army leader Col. Mohamed Alí Seineldín had gone "underground" was intended to heighten the climate of unrest, and perhaps provide a pretext for the government to declare a state of siege, arguing that the Malvinas War hero was planning a rebellion or even a coup.

Colonel Seineldín, who opposes the Argentine deployment to the Gulf, is widely admired by military and civilian nationalists for his uncompromising stand in defense of national sovereignty. Precisely for that reason, the Anglo-American establishment considers him to be a major obstacle to their plan of subordinating Argentina completely to their strategic interests. It is not surprising, therefore, that *Informador Público* reports that the colonel has been warned of possible attempts on his life.

# Can Moscow hold Ukraine? Independence demands grow

by Luba George and Konstantin George

On Oct. 1, a "hot autumn" began in Ukraine as hundreds of thousands took to the streets of the capital of Kiev and other Ukrainian cities to demand that the July 16 sovereignty declaration by Ukraine's parliament be implemented. Several million others, 500,000 in Kiev alone, answered a general strike call by the Ukrainian national movement, Rukh. The massive day of action was timed with the opening of the Ukraine parliament's autumn session, and marked the start of a series of mass pro-sovereignty and pro-independence protests that Ukraine will witness in increasing intensity this autumn.

No other national crisis is causing Moscow so much anxiety as what is occurring in Ukraine. The Russian Empire can lose the Baltic, lose Transcaucasia, lose Muslim Central Asia, and still remain intact as a global superpower. The same cannot be said should Ukraine, with 52 million people and over one-quarter of all Soviet industrial and agricultural output, achieve independence.

Holding on to Ukraine, however loose the form of attachment, has become perhaps the most acute internal problem on the Kremlin's crisis-packed agenda. For in Ukraine, an anti-Bolshevik "Peaceful Revolution," very much akin to the process witnessed last year in Central and Eastern Europe, has reached, in the space of less than two years, the critical pre-independence threshold phase.

The historic inauguration of the pre-independence period occurred on July 16 when the Ukrainian Supreme Soviet, or parliament, adopted a stunning declaration of sovereignty by a nearly unanimous vote of 355-4. It proclaimed the republic's goal of achieving total independence in the preamble: "Ukraine is striving to become in the future an independent national state."

The declaration of sovereignty, while short of an outright declaration of independence, went far beyond the declaration of sovereignty adopted June 12 by the Russian Federation parliament. Ukraine's declaration echoed the Russian one, in part, in announcing that "the laws of Ukraine in future have precedence over Union laws," that "all resources, industry, and agriculture are the property of the Ukrainian republic," and that Ukraine will conduct its own foreign, foreign economic, and domestic economic policies.

The Ukrainian parliament proclaimed the "supremacy, independence, and individuality of the republic's power on its territory, and its independence and equality in external relations." It declared the "right to have its own armed forces, interior security troops and state security [i.e., a Ukrainian state security to replace the hated Soviet KGB] bodies," and stipulated that "Ukrainian citizens cannot be conscripted to serve outside the republic without the permission of the Ukrainian parliament." These passages were a call for the withdrawal of Soviet KGB and Interior Ministry forces from Ukrainian soil, and the limitation of Ukrainians serving in the Soviet Army to a strictly voluntary basis.

The Ukrainian parliament, like its counterparts in the three Baltic republics, avoided frontal confrontation with Moscow on the highly sensitive question of existing Soviet military forces based on the republic's territory. It left untouched, for wise tactical political reasons, the question of the Soviet Army, Navy, and Air Force units based on Ukrainian territory.

The statements on economic policy were also landmarks. The parliament resolved that Ukraine would create its own national bank, not merely to issue a Ukrainian national currency, but as a credit-extending institution to promote Ukrainian economic development. In principle, this measure is akin to the dirigist economic policies of America's first Treasury Secretary, Alexander Hamilton, in his creation of the National Bank of the United States which became, in the first decades of that nation, the credit-extending motor for productive investment which transformed America into a world industrial and agricultural giant. Ukraine will also create its own foreign economic bank to co-finance trade deals with Germany and Western Europe, and to secure foreign investment and capital goods imports.

## The 'Great Retreat' reaches Ukraine

The July 16 declaration of sovereignty reflected two profound inputs: The new maturity of the Peaceful Revolution for national independence, and a strategic shift in Soviet policy towards Ukraine, forced upon Moscow by the uncontrollable spread of the anti-Bolshevik revolutionary process in the republic.



These inputs were evident in the striking fact that the vote for Ukrainian national sovereignty was all but unanimous. The parliaments of the Baltic republics which have voted for independence contain a ratio of two-thirds or more non-Communist Party, pro-independence deputies, whereas in Ukraine the exact opposite ratio exists. The more than 200 deputies from the detested Communist Party voted *en bloc* on July 16 along with Rukh and its allies to grant Ukraine a status of sovereignty which, at least on paper, falls just short of total independence. Why?

That vote was unmistakable proof that the Moscow strategy of the "Great Retreat" witnessed earlier in Eastern Europe, of bending to and adapting to revolutionary change rather than risking losing a head-on confrontation against such change and thus precipitating an even greater acceleration of the dissolutionary processes ripping through the empire, had been extended to the Slavic core of the Russian Empire.

Moscow had no choice but to change course in Ukraine. Had Ukraine's Communist deputies not reversed their traditional stance of implacable opposition to sovereignty, they would have ensured the electrifying growth of a mass, uncontrollable, Ukrainian movement demanding immediate independence. A political explosion with unpredictable consequences would have been generated. Gorbachov would have found his worst nightmare, which he had postulated in his speech in Donetsk on Feb. 25, 1989, come true: "You can only imagine what would happen if there were disorders in Ukraine. . . . Fifty-one million people live here. The whole fabric of the Soviet Union would be amiss, and perestroika would fail."

### **An unforgettable year**

The first turning point in Ukraine's revolutionary process occurred in the immediate aftermath of the coming to power of Solidarnosc in Poland, Ukraine's great neighbor to the west, in late August 1989. The defeat of Bolshevism in Poland was the spark for two singular events in September 1989—the founding of Rukh, the Ukrainian national movement, and the creation in the aftermath of the July 1989 coal miners' strikes, which had been spearheaded by the Ukrainian coal miners of the Donetsk region, of the first independent proto-trade unions.

From then on, the Peaceful Revolution in Ukraine accelerated with dazzling speed, with Moscow continually and hastily changing its policies to adapt to the Ukrainian revolution.

Rukh was under no illusion that independence was immediately attainable, either by Moscow miraculously granting it or through sufficient support from the entire population. The strategy for ensuring ultimate victory in the independence struggle was clearly expounded at the Rukh founding congress in a speech by Anatoli Lukyanenko, a Rukh leader and uncompromising fighter for Ukrainian independence. He stressed Ukraine's independence as "the goal," adding that

the forces to ensure this goal "must first be organized and built up." He emphasized that independence could only be reached through carefully planned and coordinated joint strategy and actions with Poland, the Baltic republics, Belorussia, and the Transcaucasus: "We cannot go too far, too fast, on any one front, in any one republic. . . . We must avoid rash actions, provocations, and being misled by inter-ethnic conflicts, because that would lead to crushing defeats."

For the autumn of 1989, Rukh did not campaign for independence as such, but concentrated on building up its organization, already very strong in western Ukraine, in all parts of Ukraine. The campaign issues were demolition of the power of the Communist Party, the full and immediate legalization of both outlawed Ukrainian churches, and the end of Russification. To cut short any Moscow attempts at sabotaging Rukh's growth by exploiting inter-ethnic rivalries, Rukh from the outset vehemently adopted a strong profile as a multi-national Ukrainian movement, to create a free Ukraine for all nationalities living on the territory of Ukraine. This stance by Rukh was decisive in contributing to the success of the Ukrainian national rebirth, as Ukraine is indeed a multi-national state, with Ukrainians comprising slightly less than two-thirds of the population. It is a tribute to this highly principled, anti-chauvinist stand of Rukh that Moscow has been unable to foment any "national" backlash against the Ukrainian Peaceful Revolution.

One example of how Rukh has countered KGB divide-and-conquer schemes has been its relentless campaign against anti-Semitism, showing how organized anti-Semitism has been an operation fomented, supported, and steered by the Soviet state and KGB. At Rukh's founding congress, a powerful resolution against anti-Semitism was passed unanimously and then circulated throughout Ukraine.

Rukh's initial caution is understandable if the reader remembers that back in September 1989, except for Poland, where Solidarnosc had just come to power, Ukraine was isolated everywhere along its borders. Stalinist regimes still ruled in East Germany, Czechoslovakia, and Romania, and the process of democratic revolution had not yet surfaced in Ukraine's huge Russian neighbor.

Rukh's strategy was never based on mere local considerations. Its first mass campaign, launched right after its founding Congress, to legalize the Ukrainian Catholic Church, was timed to coincide with the upcoming Synod of the Ukrainian Catholic Bishops in Rome, and the knowledge that Gorbachov was scheduled to meet Pope John Paul II before the end of the year.

Rukh, meanwhile, concentrated all its energies on building a mass movement that would force the authorities to register Rukh as a legal political movement so that it could field candidates for the March parliamentary elections. During the last three months of 1989, this meticulous organizing work went on day and night. To build and strike only from a

position of strength, was the Rukh maxim. That position of strength was reached by mid-January and Rukh delivered a devastating blow to Ukraine's Communist authorities.

On Jan. 21, 1990, Rukh made its demonstration of strength with a human chain of more than 1 million Ukrainians, stretching 500 kilometers from the western Ukrainian city of Lvov (Lviv) to the Ukrainian capital of Kiev. Mass rallies were held in Lvov, Kiev, and 30 other Ukrainian cities and towns with heavy worker representation, especially from the miners. With this human chain demonstration, Moscow could no longer ignore, let alone crush Rukh. Moscow had no choice but to legalize Rukh, as it had earlier granted full legal status to the Baltic popular fronts. On Feb. 9, Rukh was officially registered as a legal political movement and ran candidates in the March 11 parliamentary elections.

The late registry ensured Rukh the ability to enter the new Ukrainian parliament with a significant bloc of deputies, but also ensured that Rukh would not have the time to extend its campaign to all regions and thus actually acquire a parliamentary majority.

On March 11, the Ukrainian parliamentary elections were held. Rukh and Rukh-supported candidates, organized into the electoral alliance "Democratic Bloc," won in this first round 110 of 440 seats contested. In many of the big cities Rukh won overwhelming majorities, smashing the opposing candidates of the Communist Party apparatus. In Kiev, Rukh won in 16 of 22 election districts; Rukh swept all election districts in the western Ukrainian cities of Lvov, Ternopil, and Ivano-Frankivsk (the city councils of these three cities and dozens of other towns in western Ukraine have come under solid Rukh control), and scored impressive victories in ethnically mixed Ukrainian and Russian eastern industrial centers such as Donetsk and Sumy.

### **Rukh's platform**

The Rukh candidates won on a platform which delineated the following basic principles, designed to create the political preconditions for achieving Ukrainian independence:

- "Genuine" political and economic sovereignty for Ukraine.
- A multi-party system, and the abolition of Article 6 of the U.S.S.R. Constitution which had certified the leading role of the Communist Party of the Soviet Union.
- The creation of an economic system in Ukraine based on a variety of forms of ownership, with equal rights for all forms of enterprise.
- A cultural renaissance and freedom for the Ukrainian language and culture and the cultures of all other national groups living in the republic, including Russians, who comprise some 23% of the republic's population, and Jews.
- Freedom of religion, including the immediate legalization of the Ukrainian Catholic Church and the Ukrainian Autocephalous Orthodox Church.
- The preparation of a new constitution for the Ukrainian

republic that would guarantee human sovereign and political rights based on internationally accepted human rights laws.

The simultaneity of the March 11 elections and Lithuania's declaration of independence ignited the next major leap in the Ukrainian Peaceful Revolution. Ukraine was to become in the weeks of March and April the center internationally of mass rallies and marches in support of Lithuania. These marches and rallies proved to be a crucial psychological turning point for the majority of Ukrainians. Previous mass rallies had either been against something Moscow or its stooges in Kiev were doing, or for demands and measures that fell short of independence. Now, Ukrainians were marching for the independence; or total exit from the Soviet Union, of a Soviet republic. Support for Lithuanian independence meant, as every Ukrainian knew, support for their own republic's independence.

The largest series of mass rallies to aid Lithuania were held April 1 in defiance of a ban by Soviet authorities. The demonstrations, called by Rukh and held in at least nine major Ukrainian cities, involved over 300,000 people and were thus the largest non-Baltic mass rallies in support of Lithuania ever held anywhere in the world. In the capital of Kiev, 30-50,000 demonstrated in a sea of blue and yellow Ukrainian national flags; in the western Ukraine metropolis of Lvov, over 100,000 took part, while in the western Ukrainian cities of Ivano-Frankivsk and Ternopil, the figure was 50,000 each.

Rukh's program, circulating throughout the Ukraine, already was calling for a post-independence economic confederation between Lithuania, Belorussia, Ukraine, Czechoslovakia, and Poland.

These demonstrations, which established Ukraine as the main center of support inside the Soviet Union for beleaguered Lithuania, were themselves one of many barometers of how rapidly the internal crisis in the Soviet Union has grown since this year began. They also showed how extensive the coordination has been between the national freedom movements of the Baltic republics and Ukraine.

The open question remains whether Ukraine can now use its new position of greatly enhanced freedom gained by the Peaceful Revolution, as a springboard to total independence.

The leaders of Rukh are under no illusion that independence will be reached overnight. The problem lies not only with Moscow, since Moscow would never voluntarily surrender Ukraine. The Anglo-American sellout of Lithuania, the commitment of President Bush and British Prime Minister Margaret Thatcher to appease Moscow at the expense of the Captive Nations, has been duly noted. Ukrainians know that they can count on no help from the West. On this basis, strategies are being worked out to best coordinate the struggle of the newly independent nations of Eastern Europe and the Captive Nations inside the U.S.S.R. to win what all Ukrainians see as a long, bitter struggle before true independence is achieved.

# Pakistan's caretaker President in China; numerous questions remain

by Ramtanu Maitra

Pakistan President Ghulam Ishaq Khan characterized his Sept. 20-23 state visit to China as "most rewarding and constructive." But although several agreements were signed, and Islamabad is crowing loudly over it, the visit, which took place amid the din of the Asian Games in Beijing, may have fallen short of the Pakistani President's expectations. There are reasons also to believe that the real purpose of the visit had little to do with public agendas and official press statements. Given the long Sino-Pakistani relationship, President Ishaq Khan's visit would ordinarily have caused no surprise. But President Ishaq Khan, as the far-seeing Mandarins in Beijing are well aware, heads a caretaker government that will in all likelihood cease to exist after the Oct. 24 general election in.

The agreements signed and the bonhomie offered by China's top leaders to Pakistan's President are certainly a feather in Pakistan's cap. Addressing newsmen at the State Guest House in Beijing, Ishaq Khan said that cooperation for increased interaction between China's Xinjiang province and its neighbors in Pakistan's northern regions was discussed. Tourist cooperation along the strategic Karakoram Highway, exploitation of the Lakhra coal mines and proposals for transfer of technology were included, he said.

Negotiations were also held on the nuclear power plant offered to Pakistan by Premier Li Peng during his 1989 visit, and on China's agreement to carry out a large-scale copper mining project in the Pakistani province of Baluchistan, including an \$84 million credit to kick off the project. Baluchistan is a strategically located province bordering Afghanistan that has long been considered vulnerable to the Soviet Union's reputed desire for access to a warm water port. The province has also become a major drug-trafficking route, acting as a gateway to the West for huge amounts of hashish and refined heroin from Afghanistan and Pakistan.

## Striking a pose in Gulf policy

On the political side, much has been made of the "total accord" between Beijing and Islamabad in condemnation of the Iraqi invasion and annexation of Kuwait. According to an editorial in *The Muslim*, the Islamabad-based English daily

owned by pro-establishment politician Agha Hassan Pooya, China has adopted "the singularly correct attitude of preparing itself for the havoc which the Middle East tinderbox may cause to the regional balance." China has backed the U.S. Desert Shield deployment from the outset, if so far without troops.

But the Pakistani President's strident anti-Iraq outbursts in Beijing may backfire. Pakistan's increasing alignment with the United States on the Gulf crisis has already generated heated argument within the country, where a strong and vocal lobby believes that Iran's support for Iraq justifies, and even requires a more sophisticated stance on Pakistan's part. Though China was not shy about climbing on board the Anglo-American Gulf bandwagon, it can just as easily get off or adjust position. For Pakistan there is no such maneuvering room, and Ishaq Khan's blustering in Beijing will only further serve to tar the country as a lackey of the Anglo-American combine, and even of their policy-puppet Israel.

Things may be still more complicated, if a recent report that Pakistani military officers sympathetic to Iraq's President Saddam Hussein approached Beijing for arms and ammunition for Baghdad, is true. According to the Hong Kong-based *Far East Economic Review*, Chinese officials, including those from the arms-exporting firm Norinco, confirmed that such discussions did take place, but it is not known whether any sales were made. In the event, Pakistani channels or pro-Iraqi channels in Turkey, it is speculated, would be used to circumvent the U.N. embargo.

## Chinese term Kashmir issue 'internal'

President Ishaq Khan must have been disappointed in failing to elicit any India-baiting from China on the Kashmir issue. Prior to his departure it was anticipated that the President would be able to revive the issue with China. Pakistan has been quietly sulking since Chinese Premier Li Peng described the Kashmir issue as an "internal" matter, implying that what was happening in the Indian part of Kashmir was purely an Indian affair. Ishaq Khan reiterated Pakistan's position that Indian authorities are ruthlessly suppressing, even committing genocide against, the "indigenous uprising" in

the Kashmir Valley, but Ishaq Khan got no seconds from China.

This failure may well have something to do with what is probably another unofficial agenda item in Beijing, namely the rise of Muslim fundamentalism in China's Xinjiang province bordering Pakistan. President Ishaq Khan protested a bit too much, when he insisted to inquisitive journalists in Beijing that the only reason he could not visit the Xinjiang Autonomous Region—in spite of the announced plans for “cooperation” there—was because of the exigencies of the Oct. 24 general election in Pakistan. “Pakistan and China are great friends, and Pakistan could not possibly be involved in any design aimed at destabilizing China,” he added in response to persistent questions from the press.

In fact, the Islamic uprising that rocked China's Muslim majority Xinjiang province last May was widely reported to have been armed by the Afghan Mujahideen from Afghanistan and Pakistan. Following these reports, in August, Chinese security arrested two Pakistani nationals in Xinjiang on charges of incitement. The Chinese were furious, according to the *Far East Economic Review's* report of the matter, because the pair turned out to be employees of the Inter-Services Intelligence, Pakistan's premier spying organization with which China has close contact. Reportedly Beijing was not satisfied with Islamabad's explanation that the two were “former” agents.

### **A gnat on the dragon, for now**

It is not clear which faction within the Pakistani military is fishing in Xinjiang waters. And, however startling, at this point its impact on Sino-Pakistani relations cannot be more serious than a gnat's bite to a dragon. Sino-Pakistani ties go back about two decades, and the relationship has been consistently reciprocal. While in 1972 Pakistan helped to thaw the ice between Beijing and Washington, and later opened the door to the Persian Gulf for Chinese arms sales, China has been helpful in return. China's contribution to the establishment of an indigenous arms industry in Pakistan is noteworthy.

The Heavy Rebuild Factory at Margola was built with Chinese assistance to overhaul and rebuild T-59 tanks and their engines; China helped establish the Pakistan Aeronautical Complex at Kamra, which rebuilds F-6 fighter planes and stocks 500 items of spares; China also helped set up the Light Aircraft Manufacturing Factory and develop the K-8 trainer jet. To these few examples must be added a steady stream of military hardware sold to the Pakistani military since 1966. If hardware sales from China fell a bit short of supplies from the United States, China's financial assistance to keep the Afghan Mujahideen intact made up the difference.

In return, of course, Islamabad judiciously ignored the June 4, 1989 Tiananmen Square massacre and later brought Mr. Li Peng back into polite society in the international arena with the first invitation for a state visit after the bloodbath.

## **Beijing revives Mao's 'asinine lunacy'**

by Mary M. Burdman

The People's Republic of China, the most repressive regime on the face of the Earth, is again in the throes of Maoist fundamentalism. All the horrors of the Cultural Revolution and earlier Maoist debacles are in force: mass arrests and public executions, brutally stupid economic policies, and the hounding of intellectuals. The most basic truth about Communist China, as U.S. congressional candidate Lyndon LaRouche stated on Sept. 26, is that “Communist China *does not work*.” Under the present regime, China is doomed to holocaust because of the combined insanity and idiocy of her rulers—from Mao Zedong, Chou En-lai, and Deng Xiaoping down to Prime Minister Li Peng and Jiang Zemin today.

China is “still undergoing a very bloody revolution, which has been continuing since the days of the massive slaughter of the cream of China's young intellectuals, the students in Tiananmen Square, in June 1989,” LaRouche said. It is against this irrepressible, *genuine* revolution that the Maoists have unleashed their terror.

### **Inhumanity as a system**

In a remarkable Oct. 11 article in the *New York Review of Books* China observer Simon Leys described the work of the just-deceased Laszlo Ladany, a Jesuit priest and scholar who dedicated his life to *not* being deceived by the Maoists. It was Father Ladany, who was driven from the mainland in 1949, who consistently exposed the nightmare of Chinese communism. The chief method of controlling the population is through brainwashing, using techniques Mao used to consolidate control of the Party after the Long March. The communists sparked one upheaval after another as “political campaigns,” reducing the economy and peoples' lives to chaos. Intellectuals were ostracized: “Mao explicitly denounced the concept of a universal humanity; whereas the Soviet tyrant [Stalin] merely *practiced* inhumanity, Mao gave it a theoretical foundation, expounding the notion—without parallel in other communist countries of the world—that the proletariat alone is fully endowed with human nature. To deny the humanity of other people is the very essence of terrorism: Millions of Chinese were soon to measure the actual implications of this philosophy,” Leys wrote.

But “if the Maoist horrors are well known, what has not been sufficiently underlined is their asinine lunacy,” Leys continued. Such lunacy was Mao's Great Leap Forward in

the late 1950s, which wrecked Chinese agriculture and killed at least 50 million people in the resulting famine. Leys described a telling incident: One day, Mao was swimming with another communist leader, Bo Yibo, and asked Bo what steel and iron production would be next year. Bo answered that he was turning in the water; Mao thought he said "double." At the next Party meeting, Bo heard Mao announce that national iron and steel production would double next year. Everything that happened during the Great Leap bears out this story.

It is the fools in the West who are determined to take over the "great China market," who believe the latest "Great Leap" propaganda. Li Peng announced in his National Day speech on Sept. 30: "In the next 10 years we will . . . guarantee the accomplishment of the second-stage strategic goal for China's economic development—that is, to *double* the gross national product and enable the people to become comfortably off by the end of this century. In order to attain that goal, we will roughly keep our economic growth rate at about 6% in the next 10 years." But China's industrial "growth" rate was *negative* in the first months of this year, and only amounted to 2.2% for the first half of 1990, official government spokesman Yuan Mu admitted Sept. 16. One-third of the huge, subsidized state-owned industries are making losses, and subsidizing the industries to keep them operating costs one-third of the national budget. China is also facing the bleakest job outlook since the communist takeover in 1949, the official *Economic Information* newspaper reported Sept. 14. "The unemployment situation is extremely serious. It has already surpassed the peak level of 1980," the paper said. Chinese economists say there are about 20-30 million jobless in the cities and 120 million in the countryside.

Li Peng announced in August, in a speech covered on the front page of every leading Chinese paper Oct. 9, that the draconian austerity he imposed three years ago will continue for the initial period of the eighth Five Year Plan, which begins next year. These policies brought on the current total economic "gridlock" in China.

Li and Yuan Mu's remedy for this disaster is Maoist isolation. "The international situation we are facing in the 1990s is probably more difficult than the one we faced in the 1980s. . . . We should probably think more in the coming 10 years about how better to base China's economy on self-reliance while persisting in opening up to the outside world," Yuan Mu said.

"As Chairman Mao said, we should rely mainly on our own efforts while seeking external assistance as auxiliary. We should seek external assistance, but China should have its own independent and relatively integral economic system," he stated.

### **Mass execution rallies**

Since June 4, 1989, the killings have not stopped in China. Official press reports state that about 1,000 people

have been executed in the last year, 700 since the beginning of 1990, but Hong Kong's *Cheng Ming* reported Oct. 1 that actually over 12,000 people have been condemned to death, in just 15 provinces and cities. In Beijing, 1,508 people were rounded up on Sept. 22, on suspicion of "sabotaging" the Asian Games, which were about to begin. The "suspects" included 21 servicemen, 250 college students, and over 50 reporters.

According to incomplete reports, which did not even include Tibet and Xinjiang, two of the most restive provinces in China, over 287,000 "criminals" have been arrested in the "anti-crime" campaign from mid-July to mid-September. In Liaoning, authorities had held more than 120 public trials and sentenced 1,806 people to death. Of these, 1,751 were executed, *Cheng Ming* reported. One of the main crimes carrying the death penalty is "hooliganism," a charge leveled at many of the Tiananmen Square demonstrators and open to any interpretation.

The victims are condemned at "mass sentencing and execution rallies," like the barbaric circuses of the Roman Empire. Arrested "criminals" are given perfunctory trials before big public rallies, and at the end, those condemned to death are marched off and shot in the back of the head. "Criminals" are paraded through the streets of towns or cities wearing placards of their names and crimes; if they are condemned to die, their names are crossed out with red paint. Their families are forced to pay the price of the bullet used to shoot them. More than 40 offenses carry the death penalty. It is the routine punishment for murder, rape, and drug trafficking, but people are also put to death for theft. A Chinese legal journal described "sentencing guidelines" that recommend the death penalty for all cases of theft of more than 30,000 renminbi (about \$7,500).

### **Struggle sessions in the PLA**

The People's Liberation Army, whose most experienced troops for weeks refused to crush the attempted revolution in May and June last year, is also being subjected to Maoist Cultural Revolution methods to keep it under the control of those who ordered the massacre: President Yang Shangkun and his brother, Yang Baibing, now secretary-general of the Central Military Commission. Yang is now "consolidating our army's leading bodies under the new situation," an article in *Jiefangjun Bao* of Beijing reported Sept. 11. "Marxism-Leninism-Mao Zedong Thought is the most scientific world outlook and methodology of our time, and the guiding ideology and theoretical foundation for the building of our party and army. . . .

"Effective measures should be taken to actively make criticism and self-criticism. To achieve it, it is necessary to assiduously study and master a series of Comrade Mao Zedong's expositions on criticism." "Criticism and self-criticism" are the basic methods of Maoist public brain-washing.

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## Book Review

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# Mao's legacy of genocide in China

by Mary M. Burdman

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### **Slaughter of the Innocents: Coercive Birth Control in China**

by John S. Aird

The AEI Press, Washington, D.C., 1990

196 pages, hardbound, \$16.95

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Reading this well-documented book reminds one that the great failure of all but a few in assessing Communist China is always to underestimate the insanity and stupidity of its rulers. Dr. Aird has done two very useful things to write this book: One, he based his conclusions on hundreds of internal Chinese articles, statements, and exhortations never before translated and certainly not meant for distribution outside China; and two, he documents that the international family planning advocates, such as the U.N. Fund for Population Activities, resort to outright lies in their denial that birth control is coercive in China, in order to advance their cause. Indeed, Dr. Aird states in his preface, it was Western neo-malthusians that provided the impetus for China's forced birth control programs.

Dr. Aird challenges, though tentatively, the malthusian overpopulation dogma. "It is time," he writes in his conclusion, "for a careful review of the issue of human rights in family planning and a reconsideration of the 'population crisis' ideology which is undoubtedly part of the explanation for the tolerance that family planning advocates and other humanitarians have shown toward China's use of coercion in family planning." It has been well established by economic scientist Lyndon LaRouche that the human race is nowhere near its maximum population potential on the Earth. There are many economists and demographers—some briefly referenced in this book—who are as disgusted with the massively funded and supported "population crisis" ideologues as are other scientists with the "global warming" or "ozone hole" hoaxsters. It is time for these scientists to come forward. Dr. Aird's book is excellent motivation.

I refer to a recent essay by Simon Leys, one of the few truthful observers of the Communist Chinese, in the Oct. 11 *New York Review of Books*, for an assessment of the brutality

of those who run China. It is best to remember that it was the Beijing regime which created and continues to support the genocidal Khmer Rouge and Pol Pot. The same methods Pol Pot applied in Cambodia are applied in China. Science, education, and all rationality are the enemies of the regime—as the Tiananmen Square massacre so clearly demonstrated. Chinese communism—or Maoism, for it bears little resemblance to even Russian communism—is based on brainwashing through public denunciations and terror. The methods Mao Zedong applied from his first power base in Yan'an up through the Cultural Revolution, are applied by his successors—most emphatically the "reformer" Deng Xiaoping—in coercive population control in China.

### **Family planning terror**

Thus you have the population control policy so well documented by Dr. Aird, based on forced IUD insertions, abortions, sterilizations, and even infanticide of "unauthorized" babies by hospital staff, all in order to limit births to one per couple. Couples are forced to undergo abortions of unauthorized pregnancies and sterilizations, exorbitant fines, tremendous social and financial pressure at their workplaces, loss of food rations, cutoffs of water and electricity to their homes, and brute force, all measures authorized by communist "law." In some cases, the death penalty, widely used in China in public executions, is given to recalcitrant parents. State Family Planning Commission (SFPC) head Wang Wei stated the purpose of these measures: "The emphasis in family planning work is not only on meeting a certain population plan quota, but also on relieving the masses of the influence of old ideology. . . . Changing their views on having children is a long process in the construction of socialist spiritual civilization."

The result of the SFPC's work, Dr. Aird documents, is demographic disaster. The determination of Chinese parents to have a son has led to a revival of female infanticide on such a scale that in many areas male births outnumber female by 10-20% above normal.

All this is possible because, Simon Leys wrote, because Mao, alone of all communist leaders explicitly denounced the concept of a "universal humanity" by asserting that the proletariat alone is fully endowed with human nature. Under such an ideology, any scale of murder is possible.

Dr. Aird traces the history of population control by the communist regime, debunking all the claims of "reform" under Deng Xiaoping who presided over the most recent "crackdown" beginning in 1987-88, which equals in brutality the 1983 campaign when there were over 14 million abortions and 21 million sterilizations. With China's family planners claiming that from an "ecological" standpoint, China's optimum population, now 1.2 billion, is 700 million to 1 billion, murder on a scale as yet unimagined will be happening unless China's true revolutionaries soon succeed in ridding their nation of Maoist insanity.



# Japan in overture toward North Korea

by Lydia Cherry

Tokyo sent its first high-level delegation to communist North Korea at the end of September, in an attempt to create a new bridge between the two parts of the divided peninsula. The move is part of an effort by Japan to take greater responsibility for solving Asian conflicts.

Such increased involvement in foreign affairs had been signaled by Prime Minister Toshiki Kaifu, in a Tokyo symposium on June 25. He said that while in the past it had been "politically impossible" for Japan to play a prominent role in international issues, because the world order was based on the balance of power between the United States and the Soviet Union, now the shift in international relations opens the way for Japan to step forward. "From now on Japan will go out into the world, and if there is a request from another party, we should not hesitate in meeting it," he said.

The Korean peninsula is unquestionably such a place, and as communist dictators fell from power across Eastern Europe, South Korea and Japan began discussing what to do with North Korea, knowing that "tensions on the Korean peninsula could worsen if Pyongyang is isolated," as Japanese Foreign Minister Nakayama said on Sept. 26.

The 13-member Japanese parliamentary delegation was headed by Shin Kanemaru, former deputy prime minister and a leader in the ruling Liberal Democratic Party. Accompanying the legislators were officials from the Foreign, International Trade and Industry, Transport, and Telecommunications ministries. An immediate goal of the talks, from the Japanese side, was to seek the release of two Japanese seamen detained for alleged espionage since 1983. Prime Minister Kaifu also sent a letter apologizing for the "intolerable plight and difficulties" the Korean people suffered because of Japan's colonial rule, promising reparations for this (a similar message was communicated to Seoul in the spring).

Though Kanemaru was initially seeking only to set up "liaison offices" in Tokyo and Pyongyang, he dropped this plan, he said, when North Korean leader Kim Il-Sung, whom he met with three times, proposed to move immediately to negotiate full diplomatic relations. The talks concluded with agreement on 1) permission for North Korea to use Japanese satellite communications to expand its links with the rest of the world, and 2) the opening of a regular, direct air route between Tokyo and Pyongyang.

Prime Minister Kaifu on Sept. 27 welcomed the North Korean proposal to start negotiations on full diplomatic ties as "a very welcome development." He described the visit as a historic milestone.

## A controversial concession

The joint declaration signed by the North Korean and Japanese political parties included Japanese agreement to Pyongyang's claim that Japan also owes compensation for the "losses" during the 45 years that Korea has been divided, since the war. This concession initially caused quite an uproar in South Korea, as no comparable concession was ever made to Seoul.

The Japanese government has since acted to disassociate itself from the controversial concession, however. Foreign Minister Nakayama on Oct. 4 made clear that Japan's 1910-45 colonial rule of the Korean peninsula and North Korean postwar "losses," for which Pyongyang is also seeking compensation, are separate issues. The joint declaration signed by the political parties does not necessarily bind the government, the foreign minister said.

Debate over what Japan should do now is rife in Tokyo. "It would be unsettling for South Korea to see Japanese assistance flood North Korea," Yataka Kawashima, deputy director general of the foreign ministry's Asian Affairs Bureau, was quoted by the Kyodo news agency. "If the situation on the Korean peninsula becomes destabilized once again, Japan's security will directly suffer the greatest impact."

## Mixed reactions

Though Seoul responded to the visit with some nervousness, on Sept. 28 a foreign ministry statement came out cautiously in favor of the North Korean proposal to Japan to begin negotiations on normalizing relations. "We view the abrupt change in North Korea's policy as basically conforming to the spirit of our July 7, 1989 declaration aimed at resolving distrust and confrontation between the South and the North." Moscow was more unreservedly positive. Soviet Foreign Minister Eduard Shevardnadze called the visit "a clearly positive sign."

Most sour notes came from the U.S. press. In Oct. 2 coverage, the *New York Times* claims that Tokyo is reeling from "the unusual disarray in [Kaifu's] government" created by the Kanemaru trip, "raising new questions about how much he is in control of his team. The criticism comes on top of widespread negative comments about the time it is taking Mr. Kaifu to assemble an aid package for the international efforts against Iraq."

North Korean news outlets refer to the visit in positive terms, but seem convinced that Washington will sabotage the growing ties. "The United States, displeased with this, has openly revealed its intention to obstruct the normalization of the D.P.R.K.-Japan relations," said the state-controlled news service.

## Dialogue with terrorists on agenda

*Peru's narco-terrorists hope to emulate their Colombian colleagues in blackmailing the country into "dialogue."*

Last month's orchestrated "kidnaping" of Peruvian Congressman Gerardo López by the narco-terrorist Tupac Amaru Revolutionary Movement (MRTA), has placed the issue of negotiating with subversives high on the country's political agenda, through the same *modus operandi* employed in Colombia to admit narcoterrorists in that country into the political arena.

López, a former militant of the Marxist-Leninist Socialist Revolutionary Party (PSR-ML) which was once a part of the MRTA, is today the head of ruling party Cambio 90's congressional bloc. López's suspected cooperation in the staged abduction took place Sept. 23, likely at the behest of one of his former MRTA comrades. Despite the widespread public belief that the kidnaping was a hoax, López's "liberation" was nonetheless carried out on Sept. 30 amid great media fanfare, thanks to a prior arrangement with Channel 5 television, owned by another former MRTA kidnap "victim," Genaro Delgado Parker.

On the night of his release, López told the nation—courtesy of Channel 5—that he was ready to "serve as a liaison between the MRTA and the government . . . since the MRTA is ready to lay down its weapons." The next day, the daily *Expreso*, owned by Manuel Ulloa, revealed the crux of López's chat with MRTA chieftain Victor Polay Campos, who reportedly stated that "the MRTA wants a process like that which occurred in Colombia with M-19 leader Carlos Pizarro." Deputy López has since undertaken to campaign, together

with Peru's second Vice President Carlos García García—former president of the Peruvian Evangelical Church—in favor of "a national consensus for dialogue with the rebels."

Peruvian President Alberto Fujimori has so far responded to the López proposal with a strong "no." "How can one dialogue with an insurgent group which, through violence, assassination, and confrontation with our forces of order, are trying to shatter democratic stability and a state of law?" the President said Oct. 4. "Definitely, under these conditions, there cannot and should not be any kind of dialogue. Pacification cannot mean dialogue for dialogue's sake." Fujimori added, alluding to both López and García, that "a democratic government has no need of hanging rope bridges in order to dialogue." On Oct. 6, Peru's Defense Minister Gen. Jorge Torres Aciego stated his firm opposition to any dialogue with the terrorists.

The MRTA immediately moved to implement Phase 2 of its strategy. In the pages of *Cambio* magazine (no connection to Cambio-90), the MRTA denounced the Fujimori government for its "imposition of shock economics against the people," and declared that its dialogue would be solely with "the people." The MRTA presented what it called its "Plan of National Emergency," striking for its absolute silence on the question of the drug trade. "To this dialogue," insists MRTA, "we call all national patriotic sectors. The Catholic and Evangelical churches, the popular organizations, the United Left, APRA youth and rank and file, the patriotic sectors of

the Armed Forces and police, the small and medium-sized businessmen." In fact, everyone but Fujimori's government.

The MRTA's strategy is transparent enough; namely, to polarize the nation around the dialogue issue, and use that artificial polarization to absorb the widespread and growing resistance inside Peru to shock economic policies dictated by the International Monetary Fund. Although the Fujimori government and Armed Forces have taken a clear stance in rejecting negotiations with narco-terrorism, the issue of dialogue has nonetheless made it onto the national agenda, and many prominent figures are now playing the MRTA's game.

Immediately following the López "kidnaping," the president of the Peruvian Bishops' Conference, Ricardo Durand Florez, rushed to offer himself as an intermediary in dialogue between the MRTA and the government. "For a while now we have been coming out in favor of dialogue of the subversive movements with the government," he said. Similarly, the dean of the Colegio de la Inmaculada, Jesuit Father Felipe MacGregor, enthusiastically urged that "we should all desire as soon as possible to sit down not only with the MRTA but with any other rebel group. . . . Something similar occurred in Colombia," he pointed out.

Among industrialist layers, similar opinions could be heard. Raymundo Duarte, former president of the National Society of Industries, expressed his support for dialogue, saying, "If they ask us businessmen to participate, I believe that 90% of us are prepared to do so." The leftist secretary general of the National Workers Confederation of Peru (CGTP), Valentín Pacho, received deputy López with open arms, and applauded the idea of dialogue.

## Drug charges filed against Endara

*Almost daily, new evidence surfaces of the drug ties of the government that Bush put in to replace Noriega.*

**A** criminal complaint charging that the U.S.-installed President of Panama, Guillermo "Porky" Endara, and other members of his government are engaged in drug-related activities was sworn out in September by Panamanian attorney Rodrigo Miranda. Appointed Special Prosecutor by Endara, Miranda was fired earlier this year, when he proved a bit too independent.

According to Panama's daily *El Siglo* of Sept. 19, the complaint charges that Endara has long been involved in drug money laundering. Also named are Panama's top law enforcement official, Attorney General Rogelio Cruz; Chief Justice of the Supreme Court Carlos Lucas López; Jaime Arias Calderón, brother of Endara's first vice president, Ricardo Arias Calderón (who is also the minister of justice), and Endara's law partner, Hernán Delgado.

The drug ties of most of those same officials had previously been identified by *EIR*. In a Jan. 19 article, we reported that Attorney General Cruz, Chief Justice Lucas López, and other officials of the current regime were on the board of First Interameric Bank.

That bank was shut down by Gen. Manuel Noriega in 1985, when it was discovered that its main activity was drug money laundering for its principal owner, Colombia's Cali cocaine cartel kingpin, Gilberto Rodríguez Orejuela. Another shareholder was Jorge Luís Ochoa, of the supposedly rival Medellín cocaine cartel, who was arrested in Spain in November 1984 in the company of Rodríguez Orejuela.

Endara was on the board of First Interamericas, according to the charges filed by Miranda. But Endara's ties to drug banking did not end when First Interamericas was shut down by Noriega.

Endara is currently on the board of directors of Panama's Banco Interamericano, also known as Interbanco. In a complaint sworn out earlier this year in Panama City, U.S. Drug Enforcement Administration (DEA) agents charged Endara's Interbanco with laundering millions of dollars last year for Colombian drug kingpin Gilberto Rodríguez Gacha. Interbanco even set up special branches to handle the extra millions from Rodríguez Gacha, who died last December in a shoot-out with Colombian authorities.

A shipment of Israeli weapons was found at one of the ranches of the dead drug kingpin. Those weapons were purchased as part of an anti-Noriega operation headed by Col. Eduardo Herrera, who was installed as Noriega's replacement after the U.S. invasion of Dec. 20, 1989. Herrera's anti-Noriega operation was sanctioned by the U.S. government. Former Assistant Secretary of State for Inter-American Affairs Elliott Abrams provided \$1 million in non-authorized funds for Herrera's operations.

President Bush claims to have been "outside the loop" in the drugs-for-weapons Iran-Contra affair. But there is no way he can absolve himself from the responsibility of installing a drug government in Panama.

The international media have begun to focus attention on Panama's growing drug problem. "Noriega

gone, but drug smuggling continues," reported an Oct. 8 UPI wire. It pointed out that the U.S. State Department says that drug trafficking and money laundering continue, and that authorities are ill-equipped and disorganized. Bush's invasion stripped police of even the basics: During a recent raid, the drug smugglers got away because the police didn't even have flashlights. On Oct. 5, the French news agency AFP reported on Endara's links with the drug money-laundering Interbanco.

In its complaint, the DEA added that it is investigating another bank, Banco Cafetero, and the manager of Interbanco, Ernesto Vega.

According to *El Siglo*, the founder of Endara's Interbanco, Colombian banker Guillermo Ronderos, at one time also owned First Interamericas Bank, and it was he who sold the bank to Endara's former employer, Rodríguez Orejuela. After the latest scandal involving Interbanco broke this year, Ronderos sought a buyer. His first choice was Spanish businessman César Fernández Espina, whose family owns several companies in Panama—mostly financed through Interbanco.

The Fernández Espinas are tied to yet another top drug trafficker, Juan Ramón Matta Ballesteros, recently convicted by a U.S. federal court in Los Angeles for his role in the 1985 murder of DEA agent Enrique Camarena. During Matta's trial, it came out that in a 1987 report, the DEA had charged that he had arranged with U.S. officials to engage in arms and drug smuggling to aid the Nicaraguan Contras. Congressional investigators also discovered that over \$100,000 had been paid from Oliver North's secret Contra funds, into Matta's arms-for-drugs smuggling front-company, SETCO, after Matta was declared a fugitive by the DEA.

# International Intelligence

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## ***Soviets leery of U.S. military moves in Gulf***

Chief of the Soviet General Staff, Gen. Mikhail A. Moiseyev, in an interview with the *New York Times* published on Oct. 3, said that the economic sanctions against Iraq were working and that no force should be used in the Persian Gulf without the approval of the United Nations. "We cannot view the resolution of any crisis like this by means of using arms," he said.

General Moiseyev, during a tour of the United States, traveled to New York with his American counterpart, Gen. Colin L. Powell, after meeting with President Bush on Oct. 1. The *New York Times* pointed out that there were "sharp differences" between Moiseyev and Powell.

Moiseyev described Saddam Hussein as "finding himself in economic and political isolation" such that he "can't survive very long that way." "You can't keep an army together just by using fear and intimidation against your own troops. . . . There are rumors beginning to abound about people who are going to make attempts against Saddam Hussein's life, forcing Hussein to begin to look for ways out of this crisis," Moiseyev said.

The Soviet general pushed for activation of the United Nations Military Staff Committee. General Powell said the United States would consider the suggestion.

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## ***Civil war looms in Yugoslavia***

"It is only a matter of time before civil war breaks out in Yugoslavia," was the unanimous view of a group of British experts just returned from a tour of Albania and Yugoslavia, according to one British source who attended a meeting in London on the Balkans during the first week in October.

The scenario discussed at that London meeting is the following: The Croatian authorities try to contain political unrest among Serbians living in Croatia. This re-

calls, in the Serbian popular mind, the anti-Serbian repressions by Croats of the 1941-43 period. The Serbs go to the rescue of their brethren in Croatia. This begins a "low-level but bloody military conflict." At this point, the Albanians send their army into the Albanian-populated Yugoslav region of Kosovo, "in support of Croatia," in anticipation that the Croats will then support Albanian claims in Kosovo against the Serbs. Thus commences a two-front campaign against the Serbs. "All the experts just back from that region believe there is no other way out," the source commented.

Another source, an adviser to the Inter-Action Council, an international policy group, commented that there has been much discussion about "isolating" the international effects of a civil war in Yugoslavia. "There will be civil wars in various places in Yugoslavia," he said, "but nobody's worried any more, because the country has no longer the strategic significance it once had. The situation would have been different 10 years ago, then it would have been very very dangerous."

The source reported that the cynical position taken by senior military spokesmen at a conference at Ditchley Park in England earlier this year, was, "The way to deal with the Yugoslavs, is to isolate them as the Lebanese have been isolated, and then let them enjoy killing each other. As long as they don't affect anybody else, we wish them full enjoyment if that's what they want to do."

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## ***Vietnamese in Iraq face 'desperate' situation***

The ambassador to the United Nations of Vietnam, in a statement on Sept. 21 addressed to the U.N. Security Council, called urgent attention to the plight of his country's citizens in Iraq, many of whom are facing imminent starvation.

"There are 17,000 Vietnamese working in Iraq under agreements and contracts previously signed between the two governments," he said. "They are now facing a desperate situation of acute food shortage. Over 50% of them are sick or facing hunger.

An imminent state of starvation may occur to them within a matter of days. Furthermore, as of 1 October 1990, the supply of food to them by Iraq is ended. . . . For the immediate time, 500 tons of food are urgently needed. I would also like to ask assistance in providing the means of transportation to bring those people back home."

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## ***The playboy of the Mideastern world***

According to well-informed Arab sources, Kuwait's ousted Emir Jaber el-Sabah, whom President Bush hails as a bastion of freedom and democracy, has married at least 275 women. According to these sources, who cite coverage in the Arabic-language press, Emir Jaber is notorious for his habit of marrying a new bride every Thursday. These wives were allegedly always virgins and most often between 16 and 18 years of age, and were ordered up by the Emir according to specifications of eye color, hair color, skin color, somatic type, nationality, and other considerations.

After a wild weekend with the sybaritic Emir, the bride would generally be divorced on Monday. The Emir would then rest on Tuesday and Wednesday before starting a new fling on Thursday. Only those wives who became pregnant could hope to be given any sort of permanent allowance or child support. The Emir is further reported to have numerous offspring that he has not acknowledged, including some 30 daughters whom he abandoned in Kuwait when he fled before the advancing Iraqi troops.

At a meeting of the Arab League in Cairo in August, the Emir is reported to have fainted when Iraqi representative confronted him with photocopies of 95 marriage certificates which Iraq intends to make public.

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## ***Top 'Lockerbie' lawyer dies in auto accident***

The top British lawyer for the American families of victims of the December 1988

## Briefly

plane crash over Lockerbie, Scotland, was killed in a car accident on Oct. 2, only hours after results of the inquiry into the terrorist bombing had begun to be heard. Glasgow lawyer Michael Hughes was killed when a truck lost control and smashed into his vehicle.

Hughes was a feisty Scottish lawyer who believed in fighting for a just cause. Through his efforts, American lawyers representing the families of victims of the Pan Am crash were for the first time ever allowed to perform their duties in a Scottish court. Hughes was the central lawyer in the team of lawyers representing the families, and his death will undoubtedly harm the case.

No evidence has so far surfaced to indicate that the car crash was anything but an accident; but the timing of Hughes's death is truly breathtaking. The U.S. and British governments are desperately anxious to hush up the Lockerbie affair, in order to appease their terrorist friend in Damascus, Syrian President Hafez al-Assad, whose thugs were responsible for the murder of 270 persons in the Lockerbie crash. U.S. Secretary of State James Baker III was in Damascus in September, and the Anglo-Americans regard Syria as a key ally in their imperialist adventure in the Gulf, particularly if Assad can arrange a terrorist "Gulf of Tonkin" incident that could be blamed on Saddam Hussein and used as the pretext for launching the invasion of Iraq.

### ***Bush, Thatcher turn blind eye to terrorism***

Friendship with Syrian President Hafez al-Assad is a top priority for British Prime Minister Margaret Thatcher, who is teaming up with President Bush to ensure that the story of Syria's role in the 1988 Lockerbie bombing is suppressed, wrote the British magazine *Private Eye* in the first week of October.

"One casualty of the Gulf crisis appears to be Mrs. Thatcher's policy of No Dealing With Terrorists—particularly Syria," according to the article.

"Military advisers have warned her that success in the Gulf depends very much on

the friendship—or at worst the neutrality—of the Syrian government under its Saddam-style dictator, President Assad.

"It is not long since Britain and the United States cut off diplomatic relations with the country because of its connections with terrorism; but all is now forgotten and once more sweetness and light.

"Thatcher and Bush have already agreed that they will not pursue any further the terrorists who bombed the plane over Lockerbie, since they are known to be close to the Syrian government."

The magazine says this policy of appeasing terrorists also extends to the Iranian-run Lebanese Hezbollah group.

### ***Africa plunges deeper into tribal warfare***

The crisis in South Africa took a turn for the worse during the first week in October, as Zulu Chief Minister Mangosuthu Buthelezi refused to attend a meeting with representatives of the African National Congress. The invitation would have brought the ANC's Nelson Mandela together with Buthelezi, who heads the rival black group Inkatha. Buthelezi had requested a one-on-one meeting with Mandela, but the ANC rejected that.

Elsewhere in Africa, the five-nation West African force sent to impose peace in Liberia attacked one of two local forces and forced them to retreat toward the eastern suburbs of Monrovia. The fighting began after Charles Taylor's rebel forces attacked the rival rebel forces of Prince Johnson. The five-nation force was backed by soldiers of Liberian leader Samuel Doe and by Prince Johnson.

Finally, a coup attempt against the government of Rwanda, in central Africa, was suppressed by the forces of President Habyarimana, assisted by elements of the French Foreign Legion, the French Army, and Belgian military forces. The rebel forces allegedly were composed of members of the once-dominant Tutsi tribe, and were led by Fred Rwigyema, a refugee who is a general in the Ugandan Army.

● **POPE JOHN PAUL II** will tour Ibero-America in 1992, visiting Argentina, Peru, Venezuela, Cuba, Dominican Republic, and Mexico, to commemorate the 500th anniversary of the evangelization of the continent. He hopes to follow the same route as the first Spanish missionaries who began the conversion of the indigenous peoples. His stop in Santo Domingo, Dominican Republic, is specifically to commemorate the 500th anniversary of the landing of Columbus.

● **SOVIET GEORGIA** and Ukraine should be accepted into the European Community, said Jim Fairlie, a leader of the Scottish National Party, in a motion put to the party's congress the first week in October. "A developing Europe cannot be restricted to the Baltic states—the aspirations of Soviet republics such as the Ukraine and Georgia have to be taken into account."

● **ITALIAN** Foreign Minister Gianni de Michelis called on Oct. 5 for Israel to initiate discussions with the Palestinians. He warned that there would be uprisings in Tunisia and Algeria, should there be no solution to the Palestinian problem. De Michelis also invited Israel to play an active role in the new Mediterranean security and cooperation discussions that are being promoted by Italy and Spain.

● **THE JORDANIAN** daily *Al Dastour* carried a statement by Lyndon LaRouche, "The Middle East: A Strategic Turning Point," in its Oct. 1 issue. One prominent Jordanian told *EIR*: "You know the Arab readers of your publications in Canada and the U.S.—Canada especially—are very active. They have been sending clippings from your publications to newspapers throughout the region for a long time, demanding that there be coverage of LaRouche."

## Budget mess makes depression official

by Kathleen Klenetsky

Late in the evening of Oct. 4, the U.S. House of Representatives committed a historic act. Responding to overwhelming constituency pressure, it rejected, by a bipartisan vote of 254-179, the austerity budget that had been carved out by the White House and the congressional leadership after nearly half a year of bickering, false starts, and broken promises.

The House vote was significant for two principal reasons: First, it dealt a stunning political defeat to George Bush, possibly the worst domestic setback suffered by a President since the final days of Richard Nixon, and one from which he will almost certainly never recover.

Second, and more importantly, the House action signified that it is no longer possible for Washington to cover up the fact that the United States is in the grip of a serious economic depression, which is worsening by the minute.

### Depression is here

Although Congress and the White House managed to avert the total chaos of a full-fledged government shutdown by cobbling together a vague and tenuous deal Oct. 9 that would allow the government to continue to function for another 10 days, neither the budget mess nor the underlying economic crisis is anywhere near being solved. Indeed, the latest accord ran aground almost immediately. After publicly announcing Oct. 9 that he might agree to an income tax hike for wealthy Americans as part of a new budget agreement, Bush was forced to back down when the Republican congressional leadership flatly rejected the proposal—leaving the budget gridlock still in place.

No matter what budget deal Congress and the White House may finally cook up over the next days and weeks, reality can no longer be denied: The Reagan-Bush “recovery” has been proven to be a fraud, and George Bush is presiding

over the biggest economic and financial collapse in U.S. history.

What is now becoming clear to all is that the economic collapse in the country is so severe that it is no longer possible, politically or economically, to resort to band-aid measures of some budget cuts here and some tax hikes there. Nor, as Bush found out to his great dismay, will Americans passively accept harsher and harsher austerity measures. Unless there is a fundamental change in policy, the U.S. will undergo the worst economic disaster in its history—and George Bush’s name will go down in infamy.

“The ball game is over,” commented congressional candidate Lyndon LaRouche in an Oct. 6 statement. “No longer can anyone pretend that Bush is going to get us safely through the economic and financial storms of the coming weeks and months. The fact is, we are already in a deep economic depression. The only thing that counts is an economic recovery program like that which was effected, most recently, under President John F. Kennedy. We have to go back to those kinds of policies. Otherwise, there are no answers to the economic problems which face us today.”

### No to austerity

The budget which the House rejected was an abomination. Its more egregious provisions included ones that would have slashed Medicare spending by \$60 billion, causing suffering among the nation’s elderly, and paring farm price supports by \$13 billion, guaranteeing further collapse of the food-producing sector.

At a time when unemployment and oil prices are soaring, the budget would have required laid-off workers to wait two additional weeks before receiving unemployment checks, and would have slapped an additional 12¢ per gallon tax on



gasoline. It also contained a host of cynical tax breaks for wealthier sectors of society.

The administration pulled out all the stops to ram this monstrosity through Congress, from the usual blackmail and arm-twisting techniques, to the deployment of three former Republican Presidents to drum up support.

But the effort failed, because members of Congress were more afraid of getting lynched by the voters than of getting blackballed by the White House.

The White House and Congress were deluged with calls and telegrams from people opposing the budget package. Beyond the tens of thousands of negative phone calls from constituents, it is known that several congressmen got calls from their own parents, pleading, "We depend on Social Security. You can't do this to us! You must vote no!" A CBS News poll showed that 76% surveyed opposed any decrease in Medicare benefits—the program that took the biggest hit in the ill-fated budget package.

The grass-roots mobilization against the budget deal reflects a shift of great importance in America's attitude. Despite the unhappiness and disaffection that had heretofore been evident in the electorate over Washington's mishandling of the economy, the average person had been content to simply sit back and grumble.

But the mood in the country has undergone a sea change. Passive discontent has turned into active anger—anger at being lied to that there has been a recovery, anger at the incompetence of their elected leadership. The House—all of whose members are up for reelection Nov. 6—was responding to this anger when it voted down the Bush budget.

This shift in Americans' attitude suggests that the new budget compromise which the House and Senate arrived at, could also end up in the dumpster. Although it moderates the original budget fiasco—it cuts Medicare by "only" \$42 billion, for instance—it still represents the same losing approach to the economy's troubles: namely, more spending cuts, higher taxes.

This recipe doesn't work under the best of circumstances and is a disaster in times of economic contraction. With the tax base shrinking as a result of corporate bankruptcies, job loss, and disappearing profits, there will be fewer and fewer businesses and individuals to shoulder an expanding tax burden.

The same holds true for budget cuts. If the government starts paring expenditures, that will hurt the rest of the economy. As more public and private enterprises lose government funds, they will have to contract their operations, laying off more people, which in turn will cause increased demand for unemployment funds, food stamps, Medicaid, and the like, while shrinking the tax base further.

### **Bush's Waterloo?**

Bush is now in deep political trouble. The temper tantrum he threw in response to the House vote, choosing to shut

down the entire U.S. government rather than compromise with Congress, underscores his inability to govern effectively, especially in a time of national and international crises.

The President's defeat is "sobering evidence of the political incompetence" of Bush, and presages a "grievous and possibly decisive weakening" of his political future, the London *Guardian* wrote Oct. 9.

Polls taken in the wake of the budget fiasco show that Bush's popularity has taken a sudden nosedive. A poll conducted by the Times Mirror Corp., which owns the *Los Angeles Times*, showed that only 55% surveyed think Bush is doing a good job as President, down more than 20 points since early August.

Bush's own party is starting to desert him. Only 71 of 176 House Republicans backed Bush on the budget vote, despite his nationally televised appeal to the American people. Republican candidates up for election in November are trying to put as much distance between themselves and Bush as possible. "This is a President who has troops on foreign soil, and he is unable to command his own party. He's the commander-in-part, not the commander-in-chief," scoffed Rep. Tom Downey (D-N.Y.).

Republican pundits are having no difficulty reading the handwriting on the wall. "Bush has reason to fear '92," ran the headline over a commentary in the Oct. 10 *New York Times* by GOP political operative Kevin Phillips. Phillips, who had previously warned that Bush might indulge in an "October surprise"—i.e., a Mideast war, to cover up his domestic problems—wrote, "Even war may not bail him out."

The same day, the *Washington Times* ran two columns on the budget mess. In one, entitled "Rout of the GOP, With Big Casualties," Pat Buchanan commented, "Whatever the outcome of the budget debacle, the rout of the Republicans is well-nigh complete." In the second, "Bush in Hooverville?—Ignoring Economic History," Warren Brookes wrote: "President Hoover . . . lost touch with economic and political reality. He left his country and his party in ruins by Republican 'root canal economics' of higher taxes and spending cuts in a deepening depression. Many, if not most Republicans on Capitol Hill are scared to death President Bush is leading them back to Hooverville."

The question now is whether Bush will respond to all this by turning up the heat in the Mideast in hopes that a war will not only rally Americans behind him, but allow him to invoke emergency powers over all aspects of the economy. In an interview with BBC Oct. 5, *Washington Post* columnist Hobart Rowan called the House rejection of the original budget deal an "outstanding setback for Bush," and said he "wouldn't be surprised" if Bush "tried to get the country solidified behind him by trying something dramatic in the Gulf."

The alternative is for Americans to force their elected representatives to revive the pro-growth, pro-technology policies last seen in the Kennedy years.

# University strikes need broader focus

A growing number of strikes by students and faculty members at colleges and universities around the United States reveals outrage against budget cuts and the deteriorating quality of education. The ferment is intersecting with the rapidly growing opposition to the Anglo-American Persian Gulf adventure. But recent developments in several of the strike situations show that, unless the broader issues of American domestic and foreign policy are taken on effectively, and clear national policy alternatives are presented, the strikers cannot succeed.

## University of the District of Columbia

On Oct. 5, the students at the UDC who had occupied a campus administration building for over a week, voted to end their strike. It had been catalyzed by the students' frustration with the Board of Trustees' inability to provide basic educational services, while agreeing to pay \$1.6 million to feature the work of feminist sculptor Judy Chicago, titled "Dinner Party." This "work of art" consists of a dinner table with 39 elegant place settings, at each one of which is a replica of the female genitalia.

The strike ended with an administration agreement to withdraw the pornographic monstrosity, but without the demanded resignation of the members of the Board of Trustees responsible for having "diverted UDC's internal funds for individual board members' elitist art hobbies and pretensions," as the students had earlier charged.

Rev. James Bevel, a civil rights leader who spearheaded a parents' and community strike support committee, reports that "the students were manipulated into losing their focus." But those who "were not playing at fame, who were serious about education, grew tremendously," he said. "Their experience will be invaluable in the anti-war movement unfolding before us. I commend those students who dare challenge the nation for its policy of miseducation."

## Temple University

An appeals court on Oct. 8 upheld an injunction against the Temple University strike in Philadelphia, Pennsylvania, and ordered striking faculty members back to work, ending a 29-day walkout. The ruling upheld a precedent-setting decision by the lower court, which for the first time held that a strike at the college level could be terminated under terms of

a state law that permits courts to end by public employees when they constitute a "clear and present danger" to the public welfare.

The issues of the strike involved wages and health care payments. Union representatives said they would appeal the injunction to a higher court.

## Los Angeles City College

On Oct. 8, a "week of action" began at this predominantly black and Hispanic community college, where 322 classes have been cut under austerity pressures. Students formed a group called "SOS" (Save Our School) to organize the protest. The head of the organizing committee of SOS emphasized at a student rally that the issue was not simply the personal hardships and setbacks suffered by students because of the class cuts, but that education is being destroyed, especially on the community college level, and what does this mean for the future, for those who come after us?

Amelia Boynton Robinson of Tuskegee, Alabama, 1990 recipient of the Martin Luther King Freedom Medal and an activist with the Schiller Institute, sent a message to the striking students, endorsing their mobilization:

"The strike at Los Angeles City College, like similar strikes now breaking out around the country in response to budget cuts and austerity measures, is an important demonstration of resistance. Our nation is now facing a crucial period of testing: Will we submit to the austerity conditions demanded by Wall Street's bankers and their representatives in Washington, to stave off their inevitable bankruptcy, or will we stand up, as the people of Eastern Europe and China have done, and as the people of South Africa are trying to do, and say, 'There is a limit to a tyrant's power'?"

"The right to a quality education is fundamental in a free nation. Without guaranteeing that right, no nation can expect to remain free for long, for only an informed and educated electorate will fight for democratic institutions. That truth was known to the slave masters in this nation little more than a century ago, who made it a crime to teach a black person to read.

"Many of the young men and women being sent to the front lines in Saudi Arabia today, to fight for the rights of the oil multinationals, joined our nation's armed forces because they had no other way to get an education. Your battle for quality education must embrace those 200,000 Americans—most of them very much like you—whose lives this nation seems willing to sacrifice for the so-called American lifestyle. They, too, as well as their brothers and sisters in the developing nations of the Middle East, deserve the right to a quality education and a decent living standard.

"This is what I fought for with Martin Luther King in Selma, Alabama. This is what we are fighting for today with Lyndon LaRouche and the Schiller Institute all over the world. I send you warm greetings and support in your fight today at Los Angeles City College."

# The real lesson from the Duke vote

by Harley Schlanger

The nation's political elites and pundits are still in shock over the results from the primary election for the U.S. Senate in Louisiana on Oct. 6. When the votes were tallied, Democratic incumbent Sen. J. Bennett Johnston was reelected with 53% of the vote, narrowly defeating his chief opponent, "former" Nazi and Ku Klux Klan leader David Duke, who is presently a Republican state representative.

What caused the shock is that Duke received more than 600,000 votes, 44% of those cast, despite wide recognition of his past open avowal of Nazism and his appeal for votes on the basis of Nazi-like policies and racism. Duke carried 20 of the state's 64 parishes, including all but one in northeast Louisiana.

Duke received his votes in spite of active opposition from his own party. The Republican Party's National Committee (RNC), from the White House on down, denounced him and campaigned against him. They deployed reinforcements to promote the campaign of State Sen. Ben Bagert, even sending Lt. Col. Oliver North on a campaign junket for him. When Bagert's campaign failed to register even 10% in the polls, he dropped out, throwing his support to Johnston.

The news media, led by the *Washington Post* and NBC national news, gave the race extensive coverage. Yet, their fascination with Duke (they focused on his "charisma" and his "sincerity") allowed him to dominate the race and define the issues, even as they attacked him and bemoaned his apparent popularity.

The Anti-Defamation League (ADL), which regularly encourages neo-Nazis in order better to wield its anti-Semitism slanders against the ADL's actual political enemies, used the situation to do what it does best, raising funds by warning of the danger posed by Duke, while still managing to hide behind their tax-exempt status.

Given Duke's well-known past as a leader of openly racist, anti-Semitic organizations, and the opposition of such august institutions as the RNC, the Establishment press, and the ADL, the question naturally arises: How did Duke come so close to forcing a runoff against a well-financed, three-term incumbent?

## Voter rebellion brewing

Duke's support comes almost entirely from white voters who feel most threatened by Louisiana's near-decade-long economic collapse. He appeals to their frustration over growing unemployment, collapsing living standards, deteriorating government services in spite of higher taxes, and the decline of safe, drug-free communities and schools.

This frustration and fear is evolving into a growing rage against incumbents. It is not limited to Louisiana but is spreading nationwide, with targets ranging from the White House and Congress, to state and local officials.

The continuing budget debacle in Washington has served to confirm what many "outside the Beltway" have concluded: The political elites are out of touch with the urgent needs of the nation and do only what is necessary to get reelected, holding the electorate in contempt. As depression conditions deepen and despair increases, demagogues such as Duke will find fertile ground for their simplistic, xenophobic diatribes.

## Not so different from George Bush

But there is another side to this, which has been missed by most of the nation's political cognoscenti: Duke's basic appeal on issues is not very different from that of George Bush. Remember Bush's 1988 campaign, in which he rode the not-so-subtle racist Willie Horton ads into the White House? One can find in the Duke campaign a great deal of George Bush's political agenda—from the Willie Horton-style appeals, to attacks on "government waste," to obsessive use of patriotic symbols like the American flag, to Theodore Roosevelt-style "environmentalism."

In fact, Bagert, with full support from the White House, tried to win over Duke's supporters to his ill-fated campaign by mimicking Duke's attack on welfare and affirmative action, arguing merely that he is more "credible" because he has no Nazi past.

There is some evidence that the similarities on many issues between Duke and the "Bush agenda" are not coincidental, and that Duke has backing from the "spookier" side of George Bush's intelligence community. There are ongoing investigations into connections between Duke and one of the Bush administration's primary covert operations, Project Democracy, as well as into the obviously symbiotic, mutually advantageous relationship between Duke and the Anti-Defamation League.

As in the case of the rise of Adolf Hitler and his National Socialist Workers' Party, there is considerable evidence of such behind-the-scenes backing. In a recently released biography of Duke (*David Duke: Evolution of a Klansman*), author Michael Zatarain indicates that there is more to Duke's support than meets the eye. Duke told him, "I didn't just happen along. I've had long relations with many people who I'm certain would rather not have their names linked with mine."

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## Book Reviews

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# Some ugly truths about the ADL of B'nai B'rith are revealed

by Jeffrey Steinberg

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### **The New Crowd; the Changing of the Jewish Guard on Wall Street**

by Judith Ramsey Ehrlich and Barry J. Rehfeld  
Little Brown and Co., Boston, 1989  
444 pages, hardbound, \$19.95

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### **By Way of Deception; the Making and Unmaking of a Mossad Officer**

by Victor Ostrovsky and Claire Hoy  
St. Martin's Press, New York, 1990  
371 pages, hardbound, \$22.95

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Two recently released books offer some valuable information and insights about the activities of the Anti-Defamation League of B'nai B'rith, a hub of corruption and political subversion for decades.

*The New Crowd* by Judy Ramsey Ehrlich and Barry J. Rehfeld, provides an in-depth profile of some of the major Jewish players on Wall Street today. *By Way of Deception* by Victor Ostrovsky and Claire Hoy purports to be the saga of corruption and dirty dealing by the Mossad, Israel's vaunted secret intelligence agency.

The books are both worthwhile reading, provided that the reader takes into account certain inherent flaws in the authors' approaches to the subject matter.

To begin with, certain outstanding facts should be underscored. First, the nominally Jewish component of the Anglo-American financial establishment is not an entity unto itself, a matter wholly ignored by the authors of *The New Crowd*. As in earlier historic periods, a *Hofjuden* apparatus has attached itself to the leading oligarchical structures of the day—in this current case, to the London- and New York-centered Anglo-American oligarchy typified by the Scottish Rite Freemasonic crowd ultimately responsible for the current crisis in the Persian Gulf that threatens to trigger a new Thirty Years

War. Any talk of Jewish Wall Street interests that does not begin with this reality will inevitably convey a skewed impression.

Second, on a broader level, Israel today is itself a satrap of the same Anglo-American interests, and all the institutions of the presently configured Israeli state—including the Mossad—are controlled or manipulated from outside of Israel by forces that have historically manipulated the Zionist movement and the Jewish state for its own interests. Thus, ex-Mossad operative Victor Ostrovsky, the principal author of *By Way of Deception*, is at best commenting from inside a fishbowl—whether his story represents a piece of Mossad-engineered fiction or a true dissident's view of the Israeli secret service. That latter question is not fundamental to the book's usefulness, since, even if the author himself intended to deceive, he had to provide a large enough bodyguard of truth to make credible the lies. So long as the reader bears in mind that the Mossad is an operational arm of this Anglo-American cabal, he or she can garner some valuable insights into the dirty world of Mossad.

*The New Crowd*, written by a duo of freelance writers, explores the almost cartel control the new generation of Jewish Wall Streeters exert over America's corporate and financial world. It is a staggering picture, updating the now-classic *Our Crowd* study of the original generation of German-Jewish immigrants who carved out a powerful place in American finance beginning in the late 19th century, earning themselves a prominent role within the White Anglo-Saxon Protestant Establishment, and eventually, according to the authors, becoming so much a part of WASP America that they ceased to exist as an independent force shaping events on Wall Street or in Washington.

The authors draw a sharp line of distinction between the earlier, highly cultured *Our Crowd* and the "shtetl" Jews who comprise the *New Crowd*. Through a detailed look at some of the power-hungry street-scrappers like Felix Rohatyn, Sandy Weill, and Saul Steinberg, who carved their niche in American finance between the 1960s and 1980s, authors Ehrlich and Rehfeld provide a wealth of information, much of it in the form of highly personal tales of intrigue, back-stabbing,

and power-plays set against a backdrop of staggering riches and the constant, nearly obsessive fear of imminent disaster. One particularly telling episode reveals that Lazard Frères powerhouse Felix Rohatyn got his initial “break” at the firm from Sam Bronfman, the Prohibition Era bootlegger and killer, whose son Edgar is today a cornerstone of New Crowd finance and political clout and who typifies the kind of rascals who run the ADL. “Mr. Sam” it seems, was one of the powerful influences on Lazard founder André Meyer, a little-known fact with enormous implications.

Without coming right out and saying it in so many words, the authors suggest that the New Crowd has become far more integral to Israel’s well-being and influence in America than the earlier Our Crowd had been, especially during its waning years when many of the legendary families—Lehman, Loeb—“went Episcopal.”

Many of the most prominent New Crowd names—Saul Steinberg, Michael Milken, Ivan Boesky, Rohatyn, Bronfman—have been identified by this magazine as major players in a multibillion-dollar Anglo-Israeli war chest effort, using insider trading, leveraged buyouts, and other dubious or outright criminal techniques to amass enough liquid assets to finance a Mideast War. What authors Ehrlich and Rehfeld catalogue is the concentration of financial power in a handful of investment houses and law firms that makes such a cash grab not only seem feasible, but an almost daily occurrence.

### The heart of the ‘sayanim’?

While the *New Crowd* authors provide a highly documented, objective, and, at times laudatory account of the generation shift among the Jews of Wall Street, former Mossad officer Victor Ostrovsky, the co-author and subject of *By Way of Deception*, provides a damning indictment of the methods employed by the Israeli intelligence service—methods as often as not directed against the United States. A few of Ostrovsky’s specific charges briefly grabbed the headlines in the American press, such as his claim that Israel knew in advance and withheld the information that there was a planned Arab bomb attack on the U.S. Marine barracks in Beirut. The 1983 attack caused hundreds of deaths and forced the United States into an ignoble pullout from the Eastern Mediterranean.

However, one feature of the book clearly stands out as fundamental to the whole issue under investigation here: Ostrovsky’s detailed description of the Mossad’s *sayanim* system. *Sayanim* literally means “volunteer Jewish helpers,” and refers to a veritable army of secret agents recruited by Mossad from among the Jewish communities of every country in the world. (By Ostrovsky’s account, Mossad has between 50,000 and 60,000 such “helpers” working on its behalf today.) These volunteer helpers constitute an agent-of-influence and logistics capability second to none, enabling Mossad to both pluck secrets from and covertly shape the

policies of friends and foes alike. It has, if Ostrovsky is correct, allowed Mossad to run a “false flag” intelligence apparatus that carries out Israel’s national mission inside the secret services of many nations (bearing in mind the already stated fact that Israel’s national mission has been manipulated by Anglo-American and other interests to be anything but the true interest of the citizens of the state of Israel). Apparently, the United States has been a prime target of the Mossad’s “false flag” intelligence war. According to Ostrovsky, Mossad maintains between 25 and 30 case officers in the United States alone, operating principally out of New York City and Washington, D.C. (two cities Mossad seniors refer to as their “sandboxes”), directing the activities of the *sayanim*.

By Ostrovsky’s account, Mossad case officers prioritize the recruiting of *sayanim* from the international business community and from the intelligence world. The preference is for American and Canadian businessmen managing companies that have major operational bases in Western Europe.

According to one American intelligence specialist familiar with his background, Ostrovsky—a Canadian-Israeli citizen—was himself used as a courier in some of the large money-laundering operations that were involved in amassing the Israeli war chest. (Ostrovsky was recruited as a Mossad agent-in-training, not as one of the *sayanim*. He worked for the Israeli service for four years in the mid-1980s spanning the period of Pollard and the slush fund program.)

Reading the two books, this reviewer was struck by the extent to which both pairs of authors provided critical information bearing on the role of the Anti-Defamation League as a force for subversion inside the United States. In both the Pollard affair and the earlier Saul Joftus affair, in which the ADL and its parent organization B’nai B’rith were caught fronting for Mossad spying and recruiting efforts, the League’s ties to the Israeli secret service were partially exposed. *The New Crowd* and *By Way of Deception* help to fill out the picture and provide the reader with an insight into the internal workings of an extremely small group of powerful and corrupted individuals, who have not only betrayed their country’s interests, but have also betrayed the very moral foundations of Mosaic Judaism and the interests of Israel as a sovereign state.

On the eve of its scheduled release, the Israeli government attempted to block the appearance of the Ostrovsky book in Canada and in the United States. It is still not clear to this reviewer whether the eleventh-hour effort was an elaborate public relations ploy intended to draw attention to a book that might have otherwise gone largely unnoticed, or whether the Israelis were genuinely out to block its release. In either case, it is noteworthy how the Mossad went about the effort, and who were the assets called upon. The most prominent New Crowd law firm, Skadden Arps, was called upon to handle the case, and the New York judge who signed an initial temporary restraining order against the book’s release had a long record of playing ball with the ADL.

# National News

## Bush hypes 'country western culture'

President Bush wrote an article for *Country America* magazine, excerpted in the Oct. 7 *Washington Post*, which airs his notion of culture.

"I enjoy country music so much that the carpenters built a stereo right into the desk in my study at the White House," Bush wrote.

"We all come home at night and switch on the television news—and many times what we get isn't good news. So Anne Murray's song *A little good news* really hits home to me when she sings, 'I'll come home this evening/I'll bet the news'll be the same/ Somebody takes a hostage, somebody steals a plane/How I wanna hear the anchorman talk about a country fair/How we cleaned up the air/How everybody learned to care.'

"... When I hear those upbeat songs performed by great American singers, it brings to mind the words of Moe Bandy's *Americana* 'I'll keep holding to the dream/ You're still what livin' means to me.' "

## Mozart's C Minor manuscripts found

The original manuscripts for Wolfgang Amadeus Mozart's *Sonata in C Minor* and *Fantasy in C Minor* were discovered in a safe at the Eastern Baptist Theological Seminary in Lower Merion, Pennsylvania.

The 14-page manuscript "includes some music left out of published versions," according to the Oct. 3 *Philadelphia Inquirer*. "The manuscript of the sonata includes variations—embellishments on the main theme—that have never been known until now."

Mozart's original score also differs from published versions in ways that emphasize the registral qualities of the human singing voice.

The manuscripts, which have been listed as lost since 1937 in the Köchel Listing, are tentatively valued at \$1.4 million. The

manuscript has been moved to London, will be returned to the seminary campus for exhibition on Oct. 15-16, will be displayed in New York for three days, and will be auctioned by Sotheby's in London on Nov. 21.

## Bush withdraws Vreeland nomination

The nomination of career CIA agent and Bush intimate Frederick Vreeland to be ambassador to Burma, was withdrawn Oct. 4 in another defeat for the Bush administration.

The Burma government, in an unusual move, indicated that it would not accept Vreeland's nomination after he testified that he favored economic sanctions against that state for purported involvement in the drug trade.

Sen. Alfonse D'Amato (R-N.Y.) denounced Vreeland for covering up Soviet involvement in the 1981 assassination attempt on the Pope. D'Amato accused Vreeland of seeking to discredit claims by Mehmet Ali Agca that the Soviet Union sponsored the attempt on the Pope's life. In a letter to the Senate Foreign Relations Committee, D'Amato asserted that Vreeland sought to "poison the well" by telling journalists that Ali Agca was a madman whose account of the assassination could not be trusted.

Some Foreign Relations Committee members were already upset by the fact that Vreeland—a personal friend of Bush—covered up the fact that he was a CIA agent for over 30 years (up through 1985), claiming instead that he was a Foreign Service officer.

## Gallo investigated for misconduct

A two-part decision by the panel created to investigate charges that Robert Gallo committed fraud in his AIDS research, has ignited a furor at the U.S. National Institutes of Health. The panel has concluded that there was evidence of wrongdoing on the part of Gallo, and ordered the opening of a

full-scale investigation into the conduct of the laboratories under his direction.

Gallo has been accused of fabricating his claim to independent discovery of the human immunodeficiency virus (HIV) by either stealing outright the work French biologists, or by accidentally contaminating his research with materials emanating from the French labs which first isolated the virus.

## Supreme Court upholds ecological fascism

The U.S. Supreme Court let stand a three-year prison sentence and \$200,000 fine against a Hungarian refugee in Pennsylvania on Oct. 1, in one of the most significant legal actions sanctioning the slide into ecological fascism.

The court, without comment, rejected John Poszgai's appeal and his argument that the punishment was too severe to fit his crime of failure to obtain the necessary permits to put topsoil on wetland property.

Poszgai purchased a 14-acre parcel of land next to his shop in 1987. The land had become the unofficial neighborhood dump, with abandoned cars, tires, batteries, refrigerators, scrap metal, and other junk. Poszgai paid to have all the garbage and scrap removed, cleaned the entire property, and then filled 5 of the 14 acres with topsoil.

Pennsylvania's environmental office took Poszgai to court under the Clean Water Act.

## Texas enviromaniac indicts builders

Assistant U.S. Attorney for Texas Richard Stewart has announced the indictment of four contractors who filled in marshes and swamps in order to construct homes.

Stewart told a Dallas press conference that "the public is sick and tired of seeing people getting away with violating environmental laws. Corporations are going to pay massive fines and individuals are going to jail for a year to two years."

Since 1984, the amount of environmen-



tal fines extorted by the government and the environmental racketeers has grown from \$200,000 to \$11 million. Prison terms have grown from a total of two years sentenced in 1984 to over 37 years imposed in 1989.

Stewart admitted that the wetlands violations are "relatively small-scale activities" by developers and property owners who are in a position least able to fight such charges.

## Asset forfeiture corruption exposed

The Florida sheriff's department which pioneered the "creative" use of the asset forfeiture provisions of the Thornburgh-Bush war on drugs, has been exposed as a nest of thieves and bounty-hunters by a federal investigation now under way.

The Broward County Sheriff's Department, led by publicity hound Nick Navarro, was the subject of the Fox television show "Cops" which glorified the illegal and gестапо-like tactics which permeate the department.

The federal investigation surfaced Sept. 24 when Nelson Scott, Jr., a drug dealer serving time in state prison, struck an unusual plea agreement in return for cooperating with federal agents. The Feds are investigating claims by Scott and others that sheriff's deputies accepted bribes from suspects, extorted money on their rounds, ripped off drug dealers, and sold drugs through street-level contacts. Scott told prosecutors that several deputies were involved in drug dealing, and that he was given a key to a sheriff's district office near Pompano Beach and sat in on deputies' meetings.

The Broward department reportedly manufactures crack cocaine which is then sold by undercover officers to motorists who are then arrested, charged, and have their autos seized and sold under the pre-trial seizure laws. The scheme works because it is more expensive to bring a legal challenge than it is to simply buy the car back.

Through such mercenary devices, the sheriff's office has become a net "profit center" in the county, subsidizing other cash-

strapped government operations. This is what the Bush administration calls a war on "money laundering."

## Bush covered up on CIA dirty ops

A new book, *Kiss the Boys Goodbye*, by Monika Jensen-Stevenson, formerly producer of the CBS News program "60 Minutes," and her husband William Stevenson, was released on Sept. 13 and throws additional light on the role of CIA dirty operations in Indochina and George Bush's role in covering up evidence of prisoners of war (POWs) still alive in Vietnam.

Justin Wintle, a specialist on Indochina, reviewing the book for the London *Financial Times*, writes: "On one occasion, then Vice President Bush . . . is seen to spend two hours on the phone . . . to convince Congressman [Bill] Hendon [R-N.C.] that in 1981 Hanoi was trying to auction the remains of 57 American soldiers, not 57 live prisoners. On another, Bush calls off Ross Perot, the presidential investigator. . . . Along the way, a member of the National Security Council, Richard Childress, warns Jensen-Stevenson *sotto voce* that, by continuing her researches, 'You could jeopardize the lives of prisoners still there.' "

Wintle writes that "the gist of [the authors'] argument is that the U.S. conducted clandestine operations against Vietnam well after 1973. . . . There is an unbroken line of covert U.S. involvement in Indochina up until the present, when Washington has been seen to support the genocidal Khmer Rouge. . . . The Stevensons claim that elements of the CIA have been involved in the drug trade of the Golden Triangle. Laos contains the richest poppy fields in the world, and these (they say) were nursed by the CIA from the late 1960s. When Congress wouldn't finance its dirty wars, the CIA simply looked for alternative funding. Inevitably, as these operations continued, more Americans fell into 'enemy' hands. Any move to get these new prisoners out of captivity incurred the risk of their telling the media what they had been engaged in."

## Briefly

● **JOSEPH SOBRAN**, a conservative columnist, said that the U.S. is being run by a "political oligopoly" which the electorate should break up by voting "against every incumbent" in Congress, in the Oct. 4 *Washington Times*. "There would be more genuine debate in Congress if it had a sprinkling of libertarians, socialists, vegetarians, LaRoucheites, monarchists—anything to dilute the polluted mainstream."

● **THE DEMOCRATIC** Party Central Committee of San Joaquin County, California, passed a resolution Oct. 3 offered by a LaRouche Democrat calling for the "withdrawal of all military forces from Saudi Arabia immediately. We assert the need for a diplomatic solution and economic development for the Middle East."

● **21ST CENTURY** *Science & Technology* magazine's review of *Apollo: The Race to the Moon*, a book on the history of the Apollo program, is quoted on the first page of the paperback edition that the book "makes you chuckle and brings tears to your eyes."

● **A U.S. ARMY** Intelligence unit that specializes in Soviet studies is preparing a warning that there might be a coup against Mikhail Gorbachov in October or November, according to a unit spokesman. The warning will be distributed to government officials and think tanks doing Soviet analysis.

● **GEORGE BUSH** refused \$100 million in military aid from Taiwan to fund his deployment into the Persian Gulf in order to avoid "irritating" Communist China, the Sept. 29 *World Journal* reported.

● **TOM HAYDEN** was asked at a Los Angeles meeting if Proposition 128 wasn't a scheme to cut living standards and set up an eco-fascist police state "potentially with you as the eco-führer." "At least it won't be LaRouche," Hayden screamed.

## Editorial

# Virginia must elect LaRouche

LaRouche's election to the U.S. Congress from Virginia's 10th C.D. from his prison cell in Minnesota is a long shot—for a betting man, the odds are against it. But then, increasingly, the odds are also against averting a cataclysmic next world war or a global economic collapse. The travesty now substituting for government in Washington, D.C. is such that more and more Americans are seeking solutions to the crisis which in other periods might have seemed to them extraordinary.

Middle- and upper-income Americans are enraged at the impasse in government, at the collapse of what they had assumed to be their buy-now, pay-later immutable way of life. Working people are becoming poor, and the poor in the United States are suffering conditions comparable only to the poverty found in what is ironically named the developing sector.

LaRouche has run for office before—four times for President of the United States—in the 1976 elections, then again in 1980, in 1984, and 1988. He was defeated; but more to the point, it was the American people who were defeated. They got the bad government which they voted for; and now they are suffering the consequences.

LaRouche recently commented on why he ran for office despite the odds against his winning: "The reason I ran for the presidency in 1975-76," he said, "was that we were proposing a change in policy, a fundamental change in policy, by the government of the United States. And I've always considered rightly contemptible the idea that if you had a good suggestion, why don't you take it to Washington, and then Washington may take it up, and everything will be fine. Nonsense!

"In order to implement anything, you have to have somebody in power who's capable of implementing it; and nobody who was capable was in power. There was no one philosophically or otherwise competent to implement the programs which I proposed, and that's why I ran for President."

The measures which LaRouche then proposed encompassed a worldwide development effort, which if implemented would have meant a realized capability

to use controlled fusion energy, global infrastructure projects such as a second Panama Canal, and on the financial side, a reorganization of the postwar monetary system.

As LaRouche has said, time and again, the U.S. economy has been in a depression since the 1979 Volcker measures. The U.S. tax revenue base as measured in real market basket terms, has been collapsing constantly over this period. Since 1984-85, the rate of collapse has been accelerating.

Now, LaRouche, in running for the Congress, is taking the course followed by President John Quincy Adams who, after being voted out of office in 1828, became a member of the House of Representatives, from which post he was able to play a major role in shaping the development of policy within what was to become the Republican Party of Abraham Lincoln.

The reason the United States' economy is suffering the worst depression of this century is that the American people were too stupid to elect LaRouche when he ran for office before; the reason the world is being held hostage to the insanity of the Thatcher-Bush Gulf adventure is that Lyndon LaRouche was not elected to office.

That he is allowed to remain a political prisoner—George Bush's hostage—testifies that the United States no longer operates according to principles of law domestically; and therefore, it is not surprising that its foreign policy also arrogantly violates international law. If LaRouche is not released from prison, if he is not elected to office or put in a similar position of affecting public policy, then the very policy decisions which underlie his imprisonment and prevented him from functioning will ensure the worst possible result—for the United States, and for the rest of the world.

There is an enormous responsibility now resting on the citizens of the 10th Congressional District of Virginia, who can elect LaRouche to office this Nov. 6, force the issue that his prison sentence is a vicious miscarriage of justice, and elect a man who is competent to get us out of this depression.

# LaROUCHE

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YOU MAY HATE HIM

**BUT**

YOU'D BETTER

KNOW WHAT

HE HAS TO SAY



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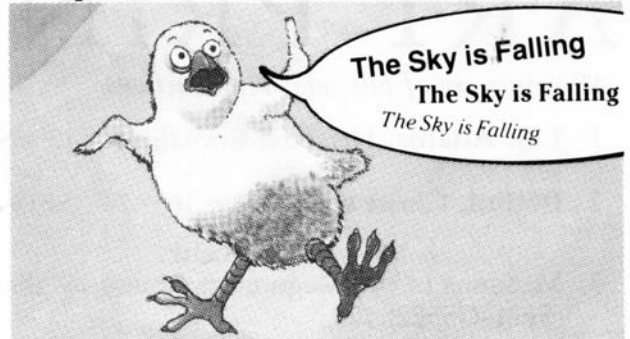
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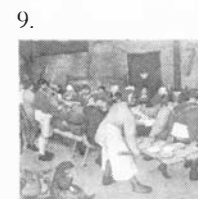
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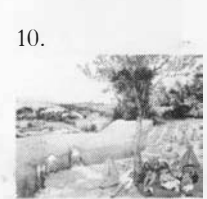
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