

EIR

Executive Intelligence Review

November 16, 1990 • Vol. 17 No. 44

\$10.00

Voters slap Bush in face, but not hard enough
Australia's 'low-input' farm economy in shambles
Self-styled cult expert exposed for sex crimes

**Kissinger destroyed
the nation of Lebanon**



The gift of knowledge

. . . from Ben Franklin Booksellers



CHILDREN'S BOOKS FROM DOVER

- ◆ Topsy and Turvys, by Peter Newell. \$3.00.
- ◆ 1800 Riddles, Enigmas and Conundrums, by Darwin A. Hindman. \$3.50.
- ◆ Pictures and Stories from Forgotten Children's Books, edited by Arnold Arnold. \$7.95.
- ◆ Mother Goose in Hieroglyphics, by Mother Goose. \$2.95.
- ◆ Peter Piper's Practical Principles of Plain & Perfect Pronunciation. \$2.95.
- ◆ Marmaduke Multiply's Merry Method of Making Minor Mathematicians. \$3.50.
- ◆ Cathedral Stained Glass Coloring Book. \$3.95.
- ◆ Maya Dioramas to Cut & Assemble: Full-Color Three-Dimensional Scenes of Chichén Itzá and Tulum, by Matthew Kalmenoff. \$5.95.
- ◆ Plains Indians Diorama to Cut & Assemble: Full-Color Three-Dimensional Scenes of a Teepee Camp and a Buffalo Hunt, by Matthew Kalmenoff. \$4.95.
- ◆ Cut & Assemble the "Mayflower": A Full Color Paper Model of the Reconstruction at Plimoth Plantation, by A.G. Smith. \$5.95.
- ◆ Cut & Assemble 3-D Geometrical Shapes, by A.G. Smith. \$4.95.
- ◆ Cut & Assemble a Toy Theater: The Nutcracker Ballet, A Complete Production in Full Color, by Tom Tierney. \$4.95.
- ◆ The Illuminated Alphabet, by Theodore Menten. \$2.75.
- ◆ East-to-Make Columbus Discovers America Panorama, by A.G. Smith. \$2.95.
- ◆ Easy-to-Make 3D Shapes in Full Color, by A.G. Smith. \$2.95.
- ◆ Cut & Assemble Paper Airplanes That Fly; 8 Models in Full Color, by Arthur Baker. \$2.95.
- ◆ The Magic Moving Picture Book. \$3.50.
- ◆ The Magic Mirror, An Antique Optical Toy. \$3.50.
- ◆ The Incredible Moving Picture Book, by Frank J. Moore. \$3.50.
- ◆ The Magical Moving Alphabet Book, by Frank J. Moore. \$3.95.
- ◆ Antique French Jumping Jacks, 11 Easy-to-Assemble Toys That Move. \$3.95.
- ◆ The Big Book of Mazes & Labyrinths, by Walter Shephard. \$3.95.
- ◆ The Complete Book of Origami, by Robert J. Lang. \$6.95.
- ◆ Easy-to-Make Decorative Paper Snowflakes, by Brenda Lee Reed. \$2.95.
- ◆ Fun With String Figures, by W. W. Rouse Ball. \$2.95.
- ◆ Easy-to-Make Decorative Kites: Step-by-Step Instructions for 9 Models from Around the World, by Alan & Gill Bridgewater. \$2.95.
- ◆ Hand Shadows To Be Thrown Upon the Wall, by Henry Bursill. \$1.95.
- ◆ Design Your Own Coat of Arms: An Introduction to Heraldry, by Rosemary A. Chorzempa. \$2.95.
- ◆ Indian Scout Craft and Lore, by Charles A. Eastman. \$4.50.
- ◆ Marionettes, How to Make and Work Them, by Helen Fling. \$4.95.
- ◆ Mathematical Fun, Games and Puzzles, by Jack Frohlichstein. \$5.95.
- ◆ Entertaining Mathematical Puzzles, by Martin Gardner. \$2.95.
- ◆ Shapes & Colors Sticker Book, designed by Carol Belanger Grafton. \$3.50.
- ◆ 1800 Riddles, Enigmas and Conundrums, by Darwin A. Hindman. \$3.50.
- ◆ Easy Carpentry Projects for Children, by Jerome E. Leavitt. \$3.50.
- ◆ Fun with String, by Joseph Leeming. \$3.95.
- ◆ My First Book of Marches: 25 Favorite Pieces in Easy Piano Arrangements, by Dolly M. Moon. \$2.95.
- ◆ Games and Songs of American Children, collected and composed by William Newell. \$6.50.
- ◆ A First Stamp Album for Beginners, Robert Obojski. \$3.50.
- ◆ The Indian How Book, by Arthur C. Parker. \$5.95.
- ◆ Hand Puppets, How to Make and Use Them, by Laura Ross. \$5.95.
- ◆ Indian Sign Language, by William Tomkins. \$2.95.
- ◆ Science Projects for Young People, by George Barr. \$3.50.
- ◆ Science Research Experiments for Young People, by George Barr. \$3.50.
- ◆ Science Tricks and Magic for Young People, by George Barr. \$3.50.
- ◆ Entertaining Science Experiments with Everyday Objects, by Martin Gardner. \$2.75.
- ◆ Human Anatomy for Children, by Ilse Goldsmith. \$2.75.
- ◆ Safe and Simple Electrical Experiments, by Rudolf Graf. \$4.50.
- ◆ Biology Experiments for Children, by Ethel Hanner. \$2.75.
- ◆ The Story of Electricity, by George deLucenay Leon. \$4.95.
- ◆ Physics Experiments for Children, by Muriel Mandell. \$2.75.
- ◆ Chemistry Experiments for Children, by Virginia L. Mullin. \$2.75.
- ◆ 47 Easy-to-Do Classic Science Experiments, by Eugene Provenzo and Asterie Provenzo. \$3.50.
- ◆ Electricity Experiments for Children, by Gabriel Reuben. \$2.75.
- ◆ Cup and Saucer Chemistry, by Nathan Shalit. \$3.95.
- ◆ Cut and Make a Human Skeleton, by A.G. Smith. \$3.95.
- ◆ Science Experiments & Amusements for Children by Charles Vivian. \$2.95.
- ◆ Whales, Dolphins and Sharks; 48 Full-Color Pressure-Sensitive Designs, by Lisa Bonforte. \$3.50.
- ◆ Dinosaur Stickers and Seals; 48 Full-Color Pressure-Sensitive Designs, by Matthew Kalmenoff. \$3.50.

To order, photocopy this page, circle items desired, and return with payment.

<p>Total Book Price _____</p> <p>Plus Shipping _____</p> <p style="font-size: small; text-align: center;">Add \$1.50 postage for first book, and \$.50 postage for each additional book. UPS: \$3 plus \$1 each additional book</p> <p>Va. Residents add 4 1/2% Tax _____</p> <p>Total Enclosed _____</p>	<p>Name _____</p> <p>Address _____</p> <p>City _____ State _____ Zip _____</p> <p>Home Phone () _____ Business Phone () _____</p> <p>Credit Card # _____ Expiration Date _____</p> <p>Type of Credit Card (circle one) Amex Master Card Visa</p>
--	---

Ben Franklin Booksellers, Dept. E • 27 South King Street • Leesburg, VA 22075 • (703) 777-3661

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: *Nora Hamerman*

Managing Editors: *John Sigerson, Susan Welsh*

Assistant Managing Editor: *Ronald Kokinda*

Editorial Board: *Warren Hamerman, Melvin Klenetsky, Antony Papert, Gerald Rose, Allen Salisbury, Edward Spannaus, Nancy Spannaus, Webster Tarpley, William Wertz, Carol White, Christopher White*

Science and Technology: *Carol White*

Special Services: *Richard Freeman*

Book Editor: *Katherine Notley*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Cynthia Parsons*

INTELLIGENCE DIRECTORS:

Agriculture: *Marcia Merry*

Asia: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg,*

Paul Goldstein

Economics: *Christopher White*

European Economics: *William Engdahl*

Ibero-America: *Robyn Quijano, Dennis Small*

Medicine: *John Grauerholz, M.D.*

Soviet Union and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: *Mark Burdman*

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bangkok: *Pakdee Tanapura, Sophie Tanapura*

Bonn: *George Gregory, Rainer Apel*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Mexico City: *Hugo López Ochoa*

Milan: *Marco Fanini*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Rome: *Stefania Sacchi*

Stockholm: *Michael Ericson*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

EIR/Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, the third week of August, and first week of September by EIR News Service Inc., P.O. Box 17390, Washington, DC 20041-0390 (202) 457-8840

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany Tel: (06121) 8840. Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: EIR, Rosenvaengets Alle 20, 2100 Copenhagen OE, Tel. (01) 42-15-00

In Mexico: EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

Copyright © 1990 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional mailing offices. 3 months—\$125, 6 months—\$225, 1 year—\$396. Single issue—\$10

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

EIR

From the Editor

This week's *Feature* is particularly timely in the light of the U.S. elections on Nov. 6, and President George Bush's escalated moves toward war in the Middle East. The sobering exclusive report published here, based on reports given by Prof. Bassam El Hashem of the Lebanese University in Beirut during his recent U.S. tour, explains why and how the most prosperous nation in the Middle East has been torn apart.

Three forces have conspired to condemn Lebanon: the Syrian regime of Hafez al-Assad, the Israeli government, and the United States government, together with its British controllers. Professor El Hashem identifies in historical terms the motivations of each of these players and the means they have used to achieve their ends.

He shows that the Lebanese war of 1975 was orchestrated for four goals: to eliminate the Palestine Liberation Organization; to eliminate the Lebanese state; to allow Israel to keep the south of Lebanon, for the sake of its water needs; and to give all the rest to Syria and "promote, at this price, a compromise between Syrian and Israel, at the expense of Lebanon and the PLO."

His stunning conclusion: "All that has happened from 1975 to the present was, I would say, indefatigably governed by these goals. *Never did American policy in the Middle East change by an inch.*"

Now, the American electorate is about to pay the price for its stupidity. If Lyndon LaRouche had won, or gotten a large reported vote, in his congressional campaign in Virginia, this would have put a brake on Bush's rush to a war in which possibly many thousands of young Americans will die needlessly.

Our job is to make sure that the truth continues to be brought before the public, so that when people wake up and come to their senses, the writers and readers of this publication will be there to do what is necessary.

We write on the first anniversary of the opening of the Berlin Wall on Nov. 9, 1989: a reminder that when people are committed to freedom and optimism, even the worst tyranny can ultimately be overturned. "There are a limits to a tyrant's power," wrote the poet Friedrich Schiller. We could add—even to the tyranny of stupidity.

Nora Hamerman

EIR Contents

Interviews

45 Elias Freij

The Mayor of Bethlehem believes Mideast war is inevitable because the United States is not interested in peace.

Book Reviews

20 Dissecting Britain's empire 'from Dan to Beersheba'

A Peace to End All Peace: Creating the Modern Middle East, by David Fromkin.

22 A voice of reason in defense of science

Trashing the Planet: How Science Can Help Us Deal with Acid Rain, Depletion of the Ozone, and Nuclear Waste (Among Other Things), by Dr. Dixy Lee Ray, with Lou Guzzo.

23 Another view of the struggle in Selma

Black in Selma: The Uncommon Life of J.L. Chestnut, Jr., by J.L. Chestnut, Jr. and Julia Cass.

25 'New Mind' newspeak: the same old bottles

New World, New Mind, A Brilliantly Original Guide to Changing the Way We Think About the Future, by Robert Ornstein and Paul Ehrlich.

Departments

17 Report from Rio

State oil company in jeopardy.

50 Report from Bonn

Jewish immigration barriers to fall.

51 Panama Report

The railroading of General Noriega.

72 Editorial

An end to communism.

Investigation

54 Bush helps narco-terrorists eliminate military foes

The "Project Democracy" apparatus which controls the Bush administration is deep into the second phase of its drive to eliminate all resistance to a free market for heroin, marijuana, and cocaine, by putting Dope, Inc. directly in power throughout Ibero-America.

56 Panama: test case for dismantling military

57 Argentine, Brazilian armed forces axed

58 Bush administration's drug policy is 'Vietnamizing' the Andes

The other half of the policy of destroying other nations' military institutions: sending in U.S. special forces and CIA mercenaries.

Economics

4 Discussion of recession is fluff: This is a depression

Americans are going to suffer dearly as a result of believing phony debates and fixed statistics. It's time to wake up!

6 Speech by Mexican President Salinas raises doubts about his sanity

8 Peru imposes IMF's depopulation policy

President Fujimori is denouncing the Catholic Church's defense of life as "medieval."

9 IMF runs neo-colonial war on West Africa

10 C.V. Starr returns to Shanghai

Kissinger's newest scam.

11 Australia's 'low-input' agriculture economy is now in shambles

12 U.S. Congress hikes EPA's police-state powers

14 Currency Rates

15 Banking

The FDIC is insolvent.

16 Labor in Focus

The U.S. labor farce.

18 Business Briefs

Feature



Philip Ulanowsky

Henry Kissinger: His plan to ally with Syria and Israel to destroy the once-thriving nation of Lebanon is now the policy of the Bush administration.

26 It was Kissinger who destroyed the nation of Lebanon

In a series of lectures given in the United States, Bassam El Hashem, formerly a professor at the Lebanese University in Beirut and currently a spokesman for ousted Prime Minister Gen. Michel Aoun, tells why the Anglo-American-Israeli powers have been so intent on turning this thriving, multi-denominational country into a pile of smoldering rubble.

34 Michel Aoun: a personal profile

37 Demographic basics shape Mideast policy

How national leaders in the Middle East act—and how they are manipulated—is profoundly influenced by differences between Sunni and Shi'ite, Alawite, Druse, and Christian. Professor El Hashem presents a guide through the rich fabric of Middle Eastern culture.

39 Kissinger's record: war and terrorism

International

40 The world is collapsing around Britain's Thatcher

The only original member left from the prime minister's original team is Thatcher herself, and parts of the Establishment now view her as a hindrance to British subversion of Europe from within.

42 Is the People's Army reliable?

Some are talking of a political split in China's military structure.

44 Kahane's revenge may be a new Mideast war

45 'Iraq will *not* fire first; why can't the U.S. try diplomacy?'

Interview with Elias Freij, mayor of Bethlehem.

46 Stability eludes Pakistan after poll

48 Rwanda targeted for World Bank genocide

52 International Intelligence

National

60 Voters slap Bush in face, but not hard enough

By not having the courage and wisdom to cast convention aside and vote Lyndon LaRouche into Congress, Americans have voted instead for war and depression.

61 LaRouche on the vote

62 FBI continues its coverup of Iranian arms-for-hostages deals

The case of arms dealer Cyrus Hashemi proves that the dirty deals began not in 1985 with Oliver North, but in 1979 with Jimmy Carter.

65 Bush's Gulf war has paper-thin backing

66 Did the 'October Surprise' really target Ronald Reagan?

New evidence has emerged, ten years after the Reagan team's payoff to Iran's Ayatollah Khomeini.

68 Self-proclaimed 'cult expert' is exposed for sex crimes

A high-profile slanderer of Lyndon LaRouche turns out to be a sex pervert.

70 National News

Discussion of recession is fluff: This is a depression

by Chris White

With the mid-term election over in the United States, it is certain, that the discussion which has been going on since August over whether or not the U.S. is in a "recession" or is sliding into one, is also going to come to an end.

That discussion will fairly shortly be finished off as the windbagery it was.

The United States is and has been in depression. Now that the elections are over, that reality will rapidly become politically determining, as developments wipe away the patina of public relations which helps to maintain the fragmentation and atomization that have been brainwashing just about everyone into believing that their own predicament is somehow different from that of the country as a whole.

This month the automobile industry will begin its biggest round of plant closings and layoffs since the so-called "Volcker recession" of 1981-82. More than 50,000 auto workers, and therefore, three times that number in auto supply industries, will be shown the door as plants are shut down—they say temporarily—over the next months.

By the end of November, the city of Philadelphia, where some offices can no longer afford note-paper, photocopy paper, or facsimile supplies, will have run out of funding to maintain its current operations.

The Commonwealth of Massachusetts, under its new Governor William Weld, will be in the initial throes of implementing cutbacks in the order of 20-25% in public services.

New York City will not be far behind. And there will be more, as the month will also see the beginning effects of settlement of corporate and other oil accounts, swollen by

the increase in oil prices that occurred after Aug. 2.

And this will be only the beginning.

'Wizards' determine official recession

When the pundits talk about a "recession," they mean something like economic downturn or slowdown. They have the formulas ready to declare the recession to be official. And they have procedures for doing so. This is apparently the responsibility of a private agency called the National Bureau of Economic Research. At the point that some collection of official economic indicators, such as the index of leading economic indicators or the Commerce Department's series on the Gross National Product, show three months, in the first case, or two quarters, in the second, of so-called negative growth, the case is referred to the wizards at the National Bureau. They, bearing "other factors" in mind, are supposed to make the fateful pronouncement.

By the end of November, the index of leading economic indicators, which are supposed to represent where the economy is heading before it gets there, will have registered their third month of decline. So then, presumably, the wizards will be called into action.

It might be more useful to go down to the local Chinese restaurant and read the fortune cookie at the end of the meal. Take the last Gross National Product numbers in the preliminary report on the third quarter, released in the final week of October. They showed a 1.8% increase. The bulk of the increase was accounted for by a \$23 billion surge in personal consumption expenditures. Seventy-five percent of the \$23

billion was made up of “personal consumption service expenditures.” This is households’ spending on maintenance for automobiles, housing, and things of that sort.

So now we are expected to believe that each and every American, spending about \$700 in the months of July, August, and September to fix up their car or house, made the Gross National Product grow by the major part of 1.8%. This is about one-half of one month’s earnings for the Commerce Department’s average non-farm employee, or about one-sixth of total earnings over the three months. During the same three-month period that the Commerce Department was claiming we Americans each spent the cited \$700, the New York-based Conference Board was reporting a 40% drop in their index of so-called consumer confidence. Reports from retailers around the country conform to the Conference Board’s report. People aren’t spending because they don’t have the money to spend.

If the wizards at the National Bureau of Economic Research rely on the government’s data to trigger their sibylline session we might be waiting quite a long time. And anyway, a depression is quite a different animal than the recession which the economics think-tankers like the Chimerines and the Kudlows are debating.

First they’re looking at the process going on inside the heads of whichever department of the U.S. government, and assuming that process has something to do with the real world. The claimed \$700 per capita increase in consumption service expenditure says again it does not.

This is a depression, not a recession

The economy entered a depression during what the Data Resources Institute and Chase Econometrics and Wharton School economists now call the “recession” of 1981 and 1982. At the time they didn’t call it anything of the sort. At the time—that is, from the end of 1979 when Paul Volcker began to implement his high interest rate policy—they insisted that the policies which triggered the depression were the only way to get the economy back to health by defeating inflation.

They and their co-thinkers in the government disguised the depression through increasing the loot extracted from America’s trading partners and allies, in the form of so-called “cheap” imports which replaced destroyed domestic production capacity and employment, to the tune of about 25% of total throughput, and by building the biggest debt- and speculation-based bubble the world has ever seen.

In September and October 1989, this process began to collapse on itself in a self-feeding deflationary spiral, in which speculative assets began to be liquidated to finance debt charges accumulated on the back of the depression-collapsed economy. Since then, the Bush crowd and their friends in the financial community have been desperately trying to manage and control the spiraling collapse. And in so doing they have turned what was already shaping up as a disaster on the scale

of history, into an unparalleled catastrophe.

The debt and speculation bubble was collateralized against speculatively valued real estate. The demands for continued debt payment, to service more than \$12 trillion in debt, and maintain so-called earnings on another \$10 trillion or so of speculative investments, forced shutdowns of capacity, and liquidation, but the liquidated assets cannot be sold at their nominal price. Last year the triggers were the so-called “leveraged buyouts” and the savings and loan institutions. Now they are the banking system as a whole, and the price structure which underlies all \$20 trillion and more of U.S. assets.

And now, with the idiotic discussion of whether there is a recession or not, there goes the demand that Federal Reserve Chairman Alan Greenspan should lower interest rates to protect the banks, should raise interest rates to protect the dollar and keep foreign funds inside the United States. But as things stand, with present policy outlooks, neither the banks nor the dollar are defensible, and if they were, it would only make everything much worse.

What is wealth?

The debt bubble and global looting regime that financed what Bush and his economic team still call the longest sustained period of economic growth in American history, assumed that wealth is created in sales transactions, the free market of “buy cheap and sell dear,” or in speculative real estate valuations which permit banks to lend against the collateral of the real estate, and so on. They ignored the lessons their parents and grandparents had learned during the Depression of the 1930s and which is proven out of human history. It is increases in the productive powers of human labor which uniquely generate increases in wealth. If that weren’t so, the roughly 5 billion of us now on the face of the Earth would still be running around in a baboon-like mode of existence, hunting and gathering for our subsistence, which the anthropologists consider to be the starting point of human existence. But we are not. Unlike the baboons, and lower species, we improved our scientific knowledge, and developed the technology which permitted us to transform our conditions of existence, through increasing the productive powers of human labor.

In the 1940s mobilization for war, and briefly in the early 1960s, methods which flow from that approach were unleashed to organize economic upsurges. Building infrastructure, fostering employment in production of useful goods and services, encouraging through tax policy, like President John Kennedy’s investment tax credit, the promotion of productive enterprise, to create wealth.

And now, the chickens are about to come home to roost, and the next few short months will show that. Maybe at some point in the process, the oracles at the National Bureau of Economic Research will be called on to make their pronouncements. It is, however, already past the point of no return.

Speech by Mexican President Salinas raises doubts about his sanity

by Carlos Cota Meza

Traditionally, the delivery of the “state of the union” message, or *Informe*, by the President of Mexico to the Congress of the Republic, is a report on the political, economic, and social health of the nation. But this time, what Mexicans received on Nov. 1 was a sorry picture of the mental health of Carlos Salinas de Gortari. The Mexican head of state, whom George Bush has described as “that young and talented Harvard-trained economist, my friend,” has reportedly pegged his political future to a successful portrayal of Mexico as the model for the continent, but the glaring omissions and outright lies with which Salinas composed his *Informe* bode ill for his political future.

For Salinas, the nation’s economic woes have simply disappeared. To explain this supposed improvement in Mexico’s economic and living standards, he resorted to a new theory, according to which the strength of the national economy “does not lie merely in the greater generation of wealth, nor even in the improved distribution of that wealth. It demands this, and more: a socially shared conviction and emotion that belonging to the nation means making its destiny one’s own.”

Based on this deep psychoanalytical insight, it should be possible to eliminate wages altogether, as the the individual “I” becomes dissolved into the social “I.” Thus, reports Salinas, “in the past two years, average wages have grown in real terms, *although they have not recovered to the levels preceding the crisis*. Contractual wages, the most common within the population of the formal economy, have been renegotiated in accordance with the situation of the different companies and branches of industry. Minimum wages have had a less favorable evolution” (emphasis added).

That unruly beast of inflation has now been tamed, according to Salinas. He dispatched the inflation issue with one simple sentence, asserting that “inflation remains in the range of 20%, significantly below the levels registered in previous years.” Of course, what Salinas chooses not to mention is that the inflation “range” is currently closer to 30%, signifying a total failure of his policy, which was premised on an officially projected 1990 inflation rate of 15.3%.

Two years of increasing misery

Throughout the two years in which the Solidarity Pact (Salinas’s tripartite agreement to implement economic austerity) has been applied, the living standard of the majority of Mexicans has registered no progress whatever. The accumulated loss in buying power is already at 55%; in the first nine months of 1990 alone, it suffered a real fall of 18%. The minimum wage has been frozen since December 1989, and other wages have been adjusted between 20-25%, well below the inflation rate.

During those same two years, Mexico’s trade balance has been severely skewed. Imports have dramatically increased, and no one knows how to get them under control. In previous years, a trade opening was decreed to counteract the shortages incurred due to the bankruptcy of internal production. The myth promulgated at the time was that imports were freed in order to “regulate internal prices” and “combat domestic oligopolies.” Unrestricted imports are now permanent policy—at least as long as financing remains available for them—and the outcome has been the expulsion from the national market of thousands of capital-strapped Mexican companies, and elimination of the jobs they provided.

The Mexican government is now awaiting the formalization of its Free Trade Pact with the United States, in order to change the name of what is in fact a dangerous deficit in its trade balance to “a flexible trade exchange” with the economy to the north.

Still wallowing in the social “I” of Mexico’s “majesty,” Salinas’s *Informe* says only that “the evolution of the balance of payments, in its entirety, has been favorable.” This, despite the fact that the country disbursed \$1.374 billion to restructure its debt, and has already paid out another \$1.336 billion against foreign bridge loans.

What Salinas did not reveal was that the net result of the foreign debt renegotiation has been a \$3.7 billion reduction in transfers abroad (a savings of some \$925 million a year), a “benefit” immediately annulled by the increase in interest rates paid on the un-renegotiated remainder of the foreign debt. In other words, the country continues to be in a state

of insolvency.

The "favorable" situation which Salinas claims, is due to the increase in export income stemming from the increase in price and volume of oil exports. But even Salinas admits that "the important additional income we are receiving is of a temporary nature, and as such, cannot be allocated to permanent costs. They will be channeled primarily to fiscal and financial consolidation"—Harvard-ese for paying debts and taxes.

The collapse of agriculture . . .

When Salinas's *Informe* finally does enter into the terrain of hard statistics, he lies outright. "This year, more than 25 million tons of the 10 primary crops will be harvested, 14% more than last year. This demonstrates the strong recovery capacity of the sector." Indeed, according to statements from the Department of Agriculture and Hydraulic Resources (SARH) regarding the National Agricultural, Forestry, and Agroindustrial Program (PNAFA), production of 23.916 million tons in basic crops was expected in 1990 from an area of 13.791 billion hectares. But now, instead of this, the SARH is projecting a 13.8% fall in crop volume and a 10% reduction in area under cultivation over 1988.

Agriculture and fishing output in 1989 registered a third straight year of negative growth rates (less than 3.0%), which has seriously aggravated the country's dependency on foreign imports of food.

One is forced to ask, where lies Salinas's claim of a "strong recovery capacity"? Of Mexico's main export products, the 1989 growth rate for cotton was -47.9%, for coffee -61.0%, and for tomatoes -6.1%. Of products for internal consumption, there was a negative growth rate for beans of -30.1%, sorghum -18.5%, and sugar cane -30.5%. Head of cattle went down -4.5%, pork -16.4%, fowl -7.2%, milk production -10.6%, and eggs -3.9%.

Such was the extent of Salinas's "recovery."

. . . and infrastructure

According to Salinas, "The Federal Electricity Commission (CFE) has maintained its expansion program, which has permitted electricity generation to increase more than 6% this year." And yet, according to a report sent by the CFE to the Congress on its 1989-90 accomplishments, "for the fourth consecutive year, the CFE will postpone the start-up of at least three electrical generating plants and a substation, due to the delay in receiving funds to finance the construction of these installations." These delays have cost the country approximately 1,000 megawatts of electricity that would have been brought on-line by these projects. According to various industry engineers and technicians, the CFE's problems do not stem from "excessive increase" in demand, but rather from the electrical system's inability to generate sufficient energy as a direct result of the historic failure to invest in the sector.

Public investment in the electrical sector has not recov-

ered since 1982, and in 1988 represented a mere 41.8% of what was invested in 1981. This disinvestment of nearly 60%, continued to the present, has meant in real terms that 9,024 megawatts of installed capacity—equivalent to 90% of the planned 1989-94 growth of the electrical sector—has yet to be constructed.

Salinas's *Informe* included yet another creative innovation, regarding the health of the Mexican people. In a single paragraph, Salinas asserts: "Regarding health matters, in 1990 construction began on some 490 medical units, four general hospitals, and six rural hospitals. Sixteen regional hospitals will be completed. Regarding food and supplies, more than 1,700 new stores have been set up in the countryside and in urban areas. Three hundred forty-eight public kitchens were opened."

It would be nice if Salinas revealed the whereabouts of these hospital centers. Further, it would be appropriate for someone to let Salinas in on the results of a scientific study on malnutrition in Mexico just released by the Salvador Zubirán National Institute of Nutrition. "The heart of the malnutrition problem," report the scientists of the Salvador Zubirán Institute, "lies in the coexistence of a poor-quality, protein-deficient diet with many infectious diseases throughout early infancy. The child gets sick and inadequate nutrition doesn't help in recovery. With hunger, the child weakens and spends more days sick than the norm."

This is how 50% of children living in rural areas, 12% of children in the urban zones, and 12% of pregnant and nursing mothers currently live in Mexico.

But in Salinas's new vision, the 10 million Mexicans—among them 6.2 million women—who have been driven into the informal economy by hunger and unemployment, simply do not fit. Nor do the students who are forced to abandon their studies, nor the youth who suffer unemployment and drug addiction, nor the victims of AIDS, nor the 1 million peasants forced to abandon their homeland for work abroad.

The 'conversion' of Salinas de Gortari

Salinas's *Informe* was a show orchestrated for the purpose of announcing Salinas de Gortari's latest "conversion." The technocrat who for eight years managed the federal budget with the tyrannical rigidity of an International Monetary Fund official, is no more. In his place stands someone who has seen the light, who now understands the importance of having "a socially shared emotion."

Inviting one and all to visit Mexico's shantytowns—at least one of those favored by his National Solidarity Program—Salinas passionately defended the objects that give substance to his new vision of the world: "the shine in the eyes of a child," "the modest home where the Solidarity Committee meets," or "those aspects of daily life which are common to the majority of Mexicans." But his new-found emotions overflowed while more than 40 million Mexicans remain mired in dire poverty.

Peru imposes IMF's depopulation policy

by Sara Madueño

On Oct. 23, Peruvian President Alberto Fujimori announced that he was implementing, by decree, a drastic population control policy, arguing falsely that "the welfare of the Peruvian population is threatened by the high birth rate." Fujimori characterized resistance to this promotion of genocide—especially that of the Peruvian Catholic Church—as "medieval opinions."

Apparently, Fujimori prefers the "modern opinions" of the International Monetary Fund and the United Nations, which are financing the Peruvian program and which have a policy of killing off Third World populations rather than permitting their industrialization.

Drawing on the typical malthusian argument that there are "limits to growth," Fujimori argued that, if current growth rates continue, Peru's population in the year 2000 will reach 30 million, adding, "It is hard to imagine what Peru's cities of the future will be like, with such a large population, without being able to satisfy the most elementary needs for survival."

The President's goal is to reduce the annual growth rate of the population from today's 2.5% down to 2.0% by 1995, and 1.7% by the year 2000.

Immediately after the President's announcement, Health Minister Carlos Vidal Layseca announced that the new presidential decree would enter into effect immediately (Nov. 1), and would consist of television ads promoting population reduction, and the free distribution of birth control devices at all medical facilities in the country, thanks to the financial aid of the United Nations, the World Health Organization, and other international organizations. The U.N. has already handed over its first grant of \$1.2 million to guarantee the program's success.

Population and development

It is a fallacy to argue that "the development of Peru is threatened and being slowed by the growth of the population," rejoined the Permanent Council of the Peruvian Bishops Conference on Oct. 26. "It is a proven fact that demographic growth is possible if socio-economic policies are promoted which make production grow rapidly, which edu-

cate people toward rational consumption, and which simultaneously ensure the equitable distribution of benefits, starting with the poorest people," the Church communiqué stated.

Msgr. Miguel Irizar, a member of the Permanent Council and the bishop of the city of Callao, explained the matter further in an interview with the weekly magazine *Oiga*: "The country's problem is not demographic growth, but rather of the growth of society's goods and services. . . . The production of these has not grown in the last 25 or 30 years, so the same goods are at the service of a population which is growing. This means that the problem is not the increase of population, both rather the decrease of GNP. . . . There are countries that have less natural wealth and more people than we do, and they have developed."

Monsignor Irizar added: "Peru has a territorial area equivalent to that of Spain, France, and England combined, which jointly have 150 million inhabitants. So the issue is not so much whether or not there will be 30 million Peruvians in the year 2000, but to pose a reasonable exploitation of our natural resources. I do not think that our country is overpopulated or anything like it . . . we are still an insufficiently populated country. . . . In fact, there is a part of our territory which isn't even inhabited," he concluded.

Congressman Rafael Rey, of the Popular Christian Party, argued in a televised debate that Peru could readily sustain a population of as many as 100 million people.

IMF imposes 'the culture of death'

The Peruvian Catholic Church did not stop at merely criticizing President Fujimori's incompetent economics. Spokesmen went on to expose the source of those policies, and to blast the President for their consequences.

In answer to Fujimori's accusation that their ideas were "medieval," Bishop Luis Bambaren, the president of family commission of the Peruvian Bishops Conference, stated: "What I think is really medieval is when hospitals in this country don't have gauze, or thread for sutures, which are necessary for the treatment of patients. . . . In the Middle Ages none of these medical implements existed, and for that reason I think that Peru has regressed. . . . This is a very sensitive subject and cannot be treated lightly; this does constitute a return to the Middle Ages, when the poor are treated as if they were animals."

Monsignor Bambaren explained further: "The statements issued by the President . . . should be seen in the context of the demands that the international financial institutions make on Third World nations, with regard to the population question, as a requirement for granting credits." Bishop Bambaren added that, behind these population reduction policies, "there is a culture of death . . . that opposes the culture of life." He revealed that, in recent years, "Peru has been a laboratory for a series of anti-life institutions that have carried out over 200,000 sterilizations in the poorest sectors of Peruvian society, taking advantage of the ignorance of women."

IMF runs neo-colonial war on West Africa

by Michael Gelber

The world's underdeveloped countries, says the World Bank in its annual report issued in September, transferred record resources in 1989 to the industrialized countries. Net transfers of resources—the amount by which developing countries' debt service payments exceed new flows of funds to them—reached \$42.9 billion—a \$5 billion increase over 1988.

The cases of three countries of West Africa—Sierra Leone, Togo, and the Ivory Coast—show that this net outflow would not be possible without the strong arm of the International Monetary Fund's "structural adjustment" programs and threat of economic siege if they are not carried out. In each case, the Fund's "solution" to the precipitous fall in commodity prices, upon which these countries are 100% dependent, is to squeeze the difference out of the population and the internal economy. Meanwhile, the commodities—and money—continue to flow out of the countries toward the North.

Three cases

Sierra Leone: After a four-year hiatus, the oil crisis and the influx of thousands of refugees from Liberia has brought Sierra Leone, back into the IMF "fold." With a population of 4 million, Sierra Leone is incredibly rich in gold, bauxite, fish, rare minerals, and diamonds. But the population is not enjoying the wealth. "The first years of President Momoh's rule [he came to power in 1985] were disappointing to those who expected a new order in the economy," laments the London *Financial Times*. "An IMF program adopted in 1986 was abandoned after a few months."

Up to now, therefore, the IMF declared Sierra Leone ineligible for further borrowing, while the World Bank and Western governments have cut off nearly all assistance. But in the face of rising oil prices and refugees, Sierra Leone has found it impossible to maintain its sovereignty. The finance minister has made a deal to establish an IMF monitoring program in exchange for rescheduling nearly \$100 million in arrears. The nation's foreign debt is \$500 million. But thanks to basement-level commodities prices, official export earnings for 1989-90 were a mere \$150 million.

There are other routes by which money flows outward. An estimated \$150 million is annually smuggled in diamonds and \$200 million in fish looted by foreign fleets, due to, claims the *Financial Times*, "the absence of effective

economic policies."

Togo, a nation of 3.6 million and a land area smaller than West Virginia, is also under IMF receivership. This nation, whose major source of revenue has been the export of phosphate, is now being subjected to its fourth "structural adjustment" program since 1982 to cope with its \$1 billion foreign debt.

The World Bank likes to tout Togo as a prime example of structural adjustment "recovery." This, however, is a cruel hoax. While the economy has allegedly sustained a 4% per annum growth rate since 1988, it has been at the cost of cuts in federal expenditures, resulting in a 20% decline in school enrollment, a 75% cut in health expenditures back to 1980 levels, 20% unemployment in the "formal" sector, and a continuing near total reliance still on commodity prices (especially phosphate).

The overdependence on the export of raw materials and commodities was even attacked by Togo's President Eyadema, a dictator who has implemented the World Bank's plan. Condemning the high price his nation is forced to pay for manufactured goods, he described this looting as "the exploitation of man by man."

Right now, the World Bank is pushing its "privatization" panacea—the selling off of state industries at low prices to private, usually foreign or foreign-dominated interests. So far, 14 companies have been privatized, with 23 going onto the market.

What industry does exist is being destroyed. The American-owned STS steel company has been profitable thanks to a 40% protective trade barrier. Its American director, according to *Africa Report*, "is at loggerheads with the World Bank which is pressing the government to remove all protective barriers as part of its trade liberalizing program."

Ivory Coast: The IMF has waged a campaign to upset the Ivory Coast government of President Félix Houphouët-Boigny by forcing the government to carry out devastating austerity policies. The Fund succeeded economically, but not politically, as Houphouët-Boigny, who recently hosted Pope John Paul II, handily won in late-October elections.

The Ivory Coast's crisis stems from the price collapse of its two primary cash crops, coffee and cocoa. Between 1985-87, cocoa prices fell by more than 30%. In May 1987, the government started defaulting on commercial debt. Today the Ivory Coast's unserviceable debt is \$15 billion. By late 1989, the cocoa price had fallen 75% from 1985.

In February 1990, the IMF cut off money, demanding radical measures. The *Financial Times* reports: "The government imposed a 'solidarity tax' on public sector workers of 15-40% and 1-11% on private sector workers. The move was met by a wave of protest which forced the government to scrap the measures." The new IMF strategy removes restrictions on capital flight, demands a cut in the deficit from 18% of GDP to 8-10%, and a "privatization and economic reform program."

C.V. Starr returns to Shanghai

by Linda de Hoyos and Michael Billington

Kissinger Associates is already beginning to cash in on the decision by the communist rulers of Beijing to bring about the reincarnation of the international settlements policy in the city of Shanghai. Maurice Greenberg, president of the American International Group of insurance companies, a Kissinger Associates client, was the keynote speaker at an international financial symposium held in Shanghai Oct. 14-17. AIG has completed a \$195 million "Shanghai Center," built with the Portman Companies and Kajima of Japan.

Also attending were former U.S. Defense Secretary Caspar Weinberger, now publisher of *Forbes* magazine, who delivered a speech on "China in the New World Order"; Kissinger Associate William Simon; The Rt. Honorable Lord Prior, chairman of General Electric Company of Great Britain; E. Gerald Corrigan, president of the Federal Reserve Bank of New York; and Liu Hongru from the State Commission for Restructuring the Economy.

The plan under discussion is to turn Shanghai into a mega-financial center, drawing in resources from four surrounding provinces. Shanghai, according to the designs of the communists and Western bankers, is to become an "opponent of the four Asian dragons"—Hong Kong, Singapore, Korea, and Taiwan. Already, new banking laws passed in Shanghai in September, reduced taxes on banks from about 50% to 15% and grant a one-year tax holiday, according to the *South China Morning Post* Oct. 12. The British Bank, Standard Chartered, one of four foreign banks that never shut down after the 1949 communist takeover of China, has re-registered and is being granted the same terms, including the tax holiday.

While in Beijing in early September meeting with bigwigs on "U.S.-China relations," Kissinger had also had occasion to meet with the mayor of Shanghai (see *EIR*, Nov. 2, 1990), to help pave the way for the return of the *taipans* to Shanghai port city, which was but a mere mudhole until it was built in the 19th century by the *taipans*—British and other foreign interests. The Chinese side of the operation is being run by the Kissinger partner company of China International Trust and Investment, run by Rong Yiren. Deng Xiaoping's handpicked secretary general of the Communist Party, Jiang Zemin, may also figure prominently in the Shanghai project. He was both mayor of Shanghai and one of the initiators of the Special Economic Zone policy.

Where it all began

As for Greenberg, AIG is going back to its "roots." AIG is wholly owned by C.V. Starr, whose 10 directors—all of whose names are secret—owns a \$13 billion international insurance empire. C.V. Starr is named for its founder, Cornelius Vander Starr, a lower-order member of the Vanderbilt family, who came to Shanghai in 1919 to find his fortune. The California native soon hit upon the market the British had missed in China: selling insurance to the Chinese themselves, not just the resident *taipans*. By the time of World War II, Starr had built an insurance net that covered China, and Hong Kong, Saigon, Jakarta, Saigon, and Manila.

In 1942, Starr himself returned to China, as the head of the Office of Strategic Services' (OSS) "Starr group." Starr and company, deployed to China without the permission of the nationalist government, worked at odds with Chiang Kai-shek. Starr is himself credited with making the first American link to Mao Zedong, enabling the United States to sell out Chiang Kai-shek in favor of the communists, in the footsteps of British policy.

Soon after the war, Starr began to link up with various other intelligence-linked U.S. corporations. In the 1950s, C.V. Starr president William S. Youngman was a partner in the private law firm of Thomas G. Corcoran, which organized the CIA's dope-smuggling private airline, Civil Air Transport, known to the world under its later name, Air America. Through Youngman, Starr's board overlapped that of the United Fruit Co., the firm estimated by the U.S. Drug Enforcement Administration to be smuggling 20% of the drugs entering the U.S. from South America.

In 1968, Greenberg inherited C.V. Starr and the Starr empire. Like Starr before him, Greenberg opened up new financial frontiers in China. In 1975, before relations were normalized between the P.R.C. and Washington, AIG became the first Western insurance company readmitted to China. In 1980, after a year of negotiations, Greenberg forged a 50-50 deal with the P.R.C.'s state-run People's Insurance Co. of China, involving Greenberg in everything from building hotels to insuring the safe delivery of equipment.

In 1980, John Train, an investment counselor for AIG and the Wall Street patron of the "Get LaRouche" campaign in the U.S. news media, wrote in *Forbes* that AIG was the perfect vehicle for people to invest in China, without risk. "I see a good way to play what one might better call the 'Pacific card,' by the indirect route rather than the direct one. It's through a company I have often mentioned: American International Group." With an annual growth rate of 20%, AIG, Train pointed out, "has built \$100 million in assets into \$1 billion—all in cash—in the last 10 years." In short, AIG is the perfect vehicle for laundering vast amounts of international dope money—a major concern of the P.R.C., which produces some 3,000 tons of opium per year and whose "China White" top-grade heroin is now flooding the U.S. market.

Australia's 'low input' agriculture economy is now in shambles

A special report was prepared in October by Neville Archibald, Richard Dart, Charles Muirhead, and a team of fellow Australian farmers for presentation in the United States. We are pleased to publish excerpts of it here. Currency amounts are given in Australian dollars, unless otherwise noted.

Advocates of free trade like to call Australia the world model of "low-cost farming," a model society, so to speak. While we would agree that it is a "model society," we certainly are not low-cost producers. Recent years of low farm prices and rising production costs have looted the nation to the point of economic and political crisis.

To give you some idea of Australia's international financial situation, we as a country of 17 million, owed a foreign debt of \$160 billion at the end of the last financial year. This gives us the dubious title of being the highest debtor per capita in the world, with every employed person in the country owing approximately \$22,000. To put it another way, \$9,500 for each person.

Just what has this given us in the way of infrastructure? Our railways are almost completely shut down. Lines everywhere are being torn up and not replaced. This has put more pressure on our road system, which has also had little or no major work done on it in recent times. Our irrigation district in northern Victoria is beginning to suffer the drastic consequences of salinity, and although much talking has been done, no money has been available to find real solutions to the problem. So for all our huge debt, we have no concrete wealth or infrastructure.

Our glorious government, much like yours, persists with its kindergarten economics and keeps spouting the catchphrases, "Get big or get out," and, "Become more efficient." As we all have found out, with interest rates of 20-25% and upwards for the last ten years, you cannot afford to get big, and if you do, how do you pay the interest on this high priced capital? These rates can go as high as 35-40% if the banks think you are high risk. Who isn't high risk at those rates? Any form of rural production is a gamble to begin with, without being retarded by the high cost of capital.

The farm crisis

Australian rural producers are facing the classic crisis—growing production costs and falling commodity prices.

Cropping: The cost of growing crops has gone up by 400% since 1983 while the price has not altered.

Background: The marketing of Australian wheat presently takes place through the Australian Wheat Board. The board is run by the government which buys all of the wheat produced in Australia. The payment by the board to the farmer is done on a part payment basis. An initial percentage payment is made; then, as it is sold, the board pays the remainder in pieces, according to how much it actually received on the world market, less costs, of course. This provides the farmer with a steady income at current world prices. But our Australian Wheat Board is facing strong moves to be deregulated by the cartels.

The precipitous drop in wheat prices over the past months has now created a situation where it is not feasible for many farmers even to harvest this season's crop. As of October, Australian soft wheat (ASW) was \$72 per metric ton, which is U.S. \$1.70 a bushel. Feed wheat was around \$65 a ton. Last year's ASW price was \$110. The current low price is even more drastic, considering that wheat has not yet begun to be harvested in Australia, where the harvest season starts in late November and runs through January. Purchased sorghum and maize prices are projected at \$95-105 next year.

Since our railways are no longer effective for shifting a lot of our grain, we have resorted to the less efficient trucking. Now that we rely on trucks almost entirely, the government has raised the registration for big trucks and road trains by as much as 4,000%, not to mention the huge taxes attached to fuel prices.

Fuel prices are 80.2¢ a liter (U.S. \$2.44 a gallon), up from 59¢ in August.

Pigs: Our pig industry in Australia is facing a huge crisis with the importing of Canadian pork at prices which our producers cannot compete with. The other more serious implication, is the importing of a viral disease that, at present, we are thankful we haven't got, namely, transmissible gastroenteritis, which would not only decimate our pig industries, but has the potential to affect our entire dairy herd also.

Wool/Sheepmeat:

Background: The marketing arm of our Australian wool industry is called the Australian Wool Corporation. This was set up in 1970 by the major wool producers in Australia, so that in bad years the farmers could survive. Farmers have paid in 10% of their wool clip each year since then to ensure that when the floor price of wool fell below a previously determined level, then the Wool Corporation would buy the stock to ensure that producers received a fair price. The

U.S. Congress hikes EPA's police-state powers

The seemingly unrelated problems of environmental enforcement and banking regulation have been brought together in a frightening manner by a group of laws, passed by the 101st Congress, which bring criminal punishments, and even harsher civil penalties, for a vast array of regulatory violations. The measures contained in the Clean Air Act and the White Collar Crime portions of the Omnibus Crime Bill have moved the United States a giant step toward the point where there is no meaningful distinction between civil and criminal law, creating a situation where it requires the legal resources of a multinational cartel to manage or finance any process manufacturing operation in the United States.

The expanded powers granted to the bureaucrats of

the Environmental Protection Agency typify the problem. Amendments to the Clean Air Act have brought violations of that statute into conformity with the criminal penalties recently attached to the Clean Water Act and the Resource Conservation Recovery Act (RCRA) which make "knowing violations" of the act a felony, with maximum prison terms of five years. New provisions will allow the government to imprison for up to 15 years those persons who "knowingly endanger the lives of others" by releasing toxic chemicals, the list of which includes common substances used throughout industry. The vague and pliable notion of negligent endangerment is also made a crime.

The bill gives the EPA new authority to issue administrative penalty orders up to \$200,000, and field citations up to \$5,000 for minor infractions. The presumption of innocence otherwise guaranteed to defendants facing such sanctions, is out the window in this case, and the burden of proof falls entirely on the producer, since sources of emissions (factories, small businesses, and family farms) will be required to certify their compliance, and the EPA

government is supposed to be at arm's length from the corporation, but two government representatives on the corporation's board have been able to call the shots on government borrowings, and influence government policy toward the corporation.

The Minister for Primary Industries and Energy, John Kerin, has used his government-granted power of veto to force the Wool Corporation to lower the floor price of wool from 870¢ down to 700¢ a kilogram, without consulting growers, and against all logic. Even wool buyers did not want a floor price drop, and castigated Kerin for his high-handed actions.

In early 1990, Kerin forced the floor price down, and boosted the support levy up to 20%. This saw producers receive an effective 40% drop in real income. Within six months, he again turned the screw. He raised the levy from 20% up to 40% of their income from the wool clip. Kerin's public statements on the need to lower the floor price have also caused buyers to hold back from buying, pending more price drops. As of mid-October, only about 25% of the wool offered has been sold. There is talk of scrapping the reserve price altogether, which will lead to a free-for-all market, with no holds barred against the wool growers.

When farmers are forced to undergo such a drop in income as that now experienced by the wool producers, they must reduce their stock numbers to attempt to stay solvent. This has effectively ruined the sheepmeat trade, with a glut on the market forcing prices down until producers cannot even cover the cost of transport.

Our government has just decided that it must initiate the shooting of 30-40 million sheep to remove this "oversupply" problem. The rationale is that 40 million sheep will be shot and buried, because if they are allowed to flood the market it will bring down prices all over the world and cause a worldwide collapse. Slaughtering the sheep is totally unjustified and immoral because of the closure of 50% of our slaughterhouses. Our capacity to process mutton has been significantly depleted. This is criminal, when you think of all the starving people in the world.

The slaughter of these sheep is proposed by the government to be paid for by the farmers themselves, by means of an 8% further tax on wool sales. One farmer from Queensland observes, "I don't know how you can compensate yourself!" So far, not many sheep have been shot.

The heavy intervention of cartels in buying, marketing, and pricing of sheepmeat, is easily seen in meat prices and availability for consumers.

- In Australia, mutton in the shops is selling for around 99¢ a kilogram, or U.S. 36¢ a pound.

- In U.S. supermarkets, one of the cheapest cuts (shoulder chops, called lamb for American consumers, but technically mutton) is selling for U.S. \$3.49 per pound. This would cost Australian consumers \$9.60 a kilogram.

- Libya is among the countries unable to obtain sheepmeat from Australia. According to inside information in Australia, the AMLC (Australian Meat and Livestock Corporation) and the National Farmers Federation will not deal with them.

will be authorized to issue administrative subpoenas for compliance data. The EPA will also be authorized to issue compliance orders, with compliance schedules of up to one year. A visit from an EPA inspector can generate a mountain of paperwork, enormous expense, and a jail term if obscure reporting requirements are not met.

In addition to the responsibility of complying with constantly changing EPA regulations, the businessman or farmer risks politically motivated harassment, since the law adds *qui tam* provisions to encourage and reward individual citizens to bring suit against alleged violators. "Money-laundering" statutes will now apply to environmental violations as well, since the Crime Bill contains a provision that would expand the list of "predicate crimes" supporting a conviction of money laundering to include environmental crimes as well as the bank fraud crimes. The bill also provides for criminal forfeiture in cases involving criminal violation of the money laundering laws.

The forfeiture laws are a prime example of the dangers inherent in these schemes, since they not only destroy the presumption of innocence, but allow the government to

freeze assets and destroy a business before an investigation is even completed. The statutes are equally dangerous in their civil guise, and there are now some 100 civil forfeiture statutes in the United States, as well as punitive RICO (racketeering) and Anti-Trust laws which carry enormous destructive powers. Despite the fact that such civil penalties are often more severe than criminal penalties, a defendant is not entitled to due process protection or the proportionality requirement of the Eighth Amendment, which forbids cruel and unusual punishment, since courts generally hold that civil laws may not trigger the constitutional safeguards present in criminal actions.

The nightmare world created by RICO, in which the more lenient civil standard of proof is used to trigger severe criminal penalties, is inexorably spreading into the highly politicized realm of environmental law, while Congress is making punishment, not regulation, the central focus of these statutes. The big winner here is the Justice Department, which has now been made central to the functioning of the entire regulatory apparatus.

—Leo F. Scanlon

As of the end of October, a farmer might get only \$10 for a prime, young sheep—with wool, unshorn, when a year and a half ago he might expect to get \$38-45 a head. Sale sheep are only averaging \$2.50 (A\$) per head. Most sheep are simply unsalable right now. You can get a sheep pen for 10¢! This will cause many bankruptcies.

The myth of Australia being a low-cost producing nation is entirely false! The economic problems have compounded through the years, to the extent that many rural producers are now mining their land rather than nurturing it, as they would prefer to do. The debt level of the majority of rural producers has hit an all-time high, with the average Australian farm owing \$250,000.

Besides low commodity prices, Australian farmers are burdened with the highest income tax rate in the world, high interest rates, a 20% sales tax on almost all parts and supplies, and a 25% tax on the gross value of wool produced, with the prospect of a 50% tax next year.

Farmers are working extremely long hours and still often require a second income just to support their families. According to statistics, we have approximately 150,000 primary producers who grow more than \$20,000 worth of rural commodities per year. Various forecasts show that the number of rural enterprises and landholders could well diminish by 70% in the next decade, joining the already high number dispossessed.

The effect that this has on the morale of people is shocking. Since 1975 the rural male youth suicide rates have soared by 570%. In the rural shires of New South Wales, male youth

suicides increased from 3.5 per 100,000 people in the 1960s to more than 20 per 100,000 in the late 1980s.

The destruction of food and food potential

Worse than the destruction of food, is the destruction of the capability to produce food. Australia has been subjected to repeated episodes of government-sponsored, or -encouraged, programs to destroy food output potential in the name of the argument that "reducing supply" would increase prices for farmers.

- Cattle kill-off. In 1974 there was a program to induce cattle producers to kill off stock. Many cattle had to be shot because of the effects of the drought; however, there were no government programs to ameliorate the kill-off, for example, "slaughter and store."

- Tree-pull. A "tree-pull" government program has been in effect off and on for 15 years, to reduce fruit output. The government pays so much per tree, depending on the variety and location. The rationalization was based on the mythical "supply and demand" notion that reduced output would lead to higher farm prices. Millions of trees have been lost, and thousands of orchards of peaches, pears, apples, cherries, and other fruits have been obliterated.

There are dozens of other examples of the destructive role of the cartel companies in terms of fruit and vegetable output in Australia.

- Potatoes. Just this 1990 crop season, the potato price was slashed by 60% for the producers in the Atherton Tablelands district in north Queensland. There is a small potato

industry in this region, involving a few little towns, and amounting to about \$20 million annually. This year, there will be only about \$8 million in the potato industry for the locale. The international cartel food-broker imported potato chips for processing from Canada.

- Processing peas. In the 1990 season, most were left unharvested in the paddock. The food-brokers brought in peas from New Zealand.

- Apple pulp. A significant amount of the 1989 harvest received incredibly low pulp prices, or no market at all, because of the cheap pulp imported from South America.

- Cherries. In one instance in the mid-1980s, the cherry crop in Victoria suffered, in effect, the annulment of a pre-contract with Cadbury's (the British confectioner monopoly) and others, due to a switch by Cadbury's to overseas imports.

Decline in farm output potential

Australian agriculture has been run into the ground so severely, that it has reached the point of diminishing returns.

- Decline in grain capability. Overall output (of wheat and coarse grains combined) has taken a nosedive, down nearly 40% from the high level of 1984. In the early 1980s, peaks of 25-31.5 million metric tons of grain were produced in different crop years. But there has been a steady decline over the past six years.

The area under grain cultivation has declined nearly 30% since 1984. It has fallen from about 18.7 million hectares down to fewer than 14 million hectares. Very little of this decline has been picked up by an increase in cultivation of non-grain crops. There has been an overall decline in land under cultivation from 22 million hectares in 1983-84, down to around 18 million hectares in the 1989-90 season.

The average yields of wheat and coarse grains have stagnated, or even fallen. Average wheat yields are 1.5 million tons per hectare, in contrast to 1.78 million tons in Canada, 1.87 in Argentina, 2.45 in the United States, and 4.79 in the European Community.

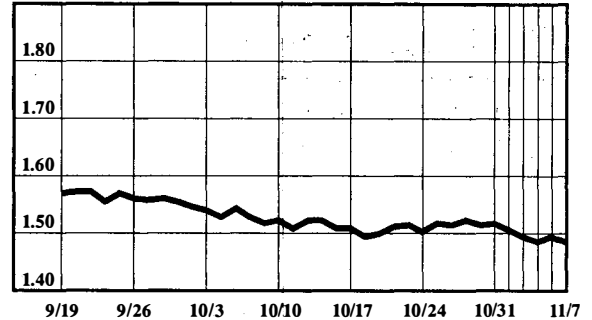
- Decline in livestock. The national beef herd fell 25% from 1976 to 1989-90, from 33.4 million head, down to 24.6 million. The national dairy herd has fallen more than 40% since 1970, going from 2.83 million, down to 1.68 million. Milk output has fallen from 7.5 million liters, down to 6.38 million liters—a 15% drop. On a per capita basis, the decline is a shocking 37%, from 60 liters per person per year in 1970, to 38 liters today.

- Deterioration in soils. Through the inability of Australian farmers to have the income and the technologies to build and replenish soils, the fertility of agricultural lands has been steadily decreasing over the past century of use. To begin with, Australian soils are poor in a wide variety of nutrients, and require intervention. Many regions are in the danger of being lost to any productive use in the near future, unless massive fertilization is undertaken, with the correct balances of major, intermediate, and trace minerals.

Currency Rates

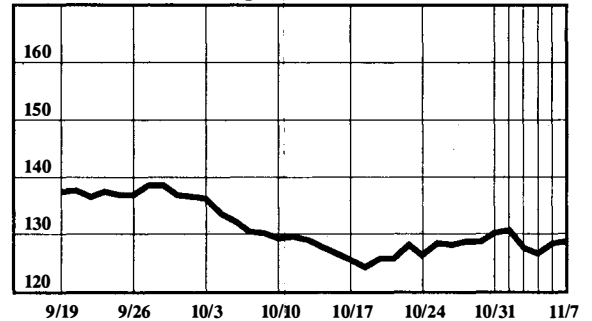
The dollar in deutschemarks

New York late afternoon fixing



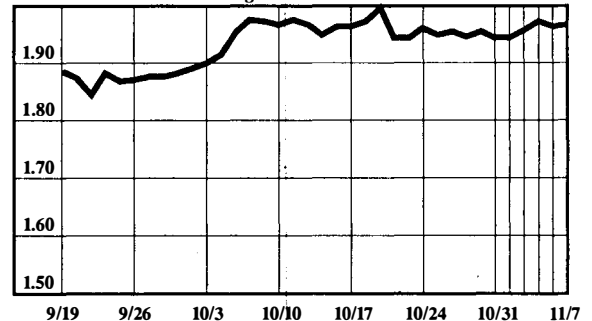
The dollar in yen

New York late afternoon fixing



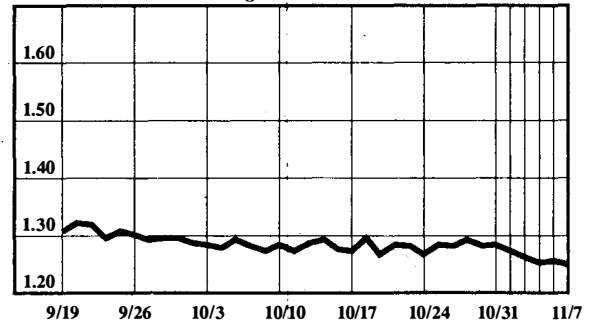
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The FDIC is insolvent

The insurance fund backing up depositors' funds in the bankrupt U.S. banks, is itself bankrupt.

Since the Great Depression of the 1930s, one of the tenets of the nation's banking system has been that bank deposits were absolutely safe, that even were your bank to fail, the Federal Deposit Insurance Corp. would pay back the depositors. For the average citizen, bank deposits were considered so safe that "money in the bank" became a synonym for security.

However, the FDIC was designed to handle isolated failures in an otherwise healthy banking system. When the problem is systemic, as in today's depression-fueled banking crisis, the deposit insurance fund becomes quickly overwhelmed.

That is precisely what has happened. The FDIC's commercial bank deposit insurance fund, now called the Bank Insurance Fund, stood at \$18.3 billion at the end of 1987. Since then, it has lost money every year. In 1988, the FDIC lost \$4.2 billion, ending the year at \$14.1 billion, or 83¢ in insurance money for every \$100 in deposits. In 1989, the FDIC lost \$852 million, ending the year at \$13.2 billion, or 70¢ for every \$100 of deposits. This year, the FDIC expects to lose \$3 billion, falling to \$10 billion, or less than 60¢ for every \$100 in deposits, the lowest fund-to-deposits ratio in the FDIC's 56-year history.

Furthermore, the yearly losses are net, not gross. Since the fund will receive \$3 billion in premiums from banks and earn an additional \$1 billion in interest on its cash reserves this year, to show a net loss of \$3 billion the FDIC would actually have to lose \$7 billion—over half the \$13.2 billion in the fund at the end of 1989.

The magnitude of the FDIC's losses is staggering. From 1980 to 1987, the insurance fund averaged \$1.17 for every \$100 in deposits. Thus, by the end of the year, according to the FDIC's own projections, the fund will have collapsed to less than half of its 1980-87 coverage level.

"The insurance fund is under considerable stress, and it is at the lowest point at any time in modern history," FDIC chairman L. William Seidman admitted back in July, when the FDIC was projecting only \$2 billion in losses.

The FDIC is not the only agency sounding the alarm. The Government Accounting Office, in a September study on the Bank Insurance Fund, warned that the "fund is too thinly capitalized to deal with the potential for bank failures in the event of a recession." The GAO analyzed the 200 banks on the FDIC's problem list with assets over \$100 million, and all of the nation's 100 largest banks. Of this group, the GAO found "35 institutions in such severe financial condition that without some form of recapitalization, they are likely to fail or require regulatory assistance within the next year." The GAO estimated that the failure of these 35 banks, which have assets totaling \$45.1 billion, would cost the FDIC between \$4.4 and \$6.3 billion. However, the GAO admitted, "our cost estimates could be significantly understated," since they are based upon the FDIC's historical loss rates, "which do not reflect the major changes in the composition and quality of the industry's loan portfolio."

The GAO study also found "a significant number" of additional banks which it termed "less troubled" than the 35, "but also at risk to fail within the next few years. . . . If many of these troubled banks were to fail, the fund could be significantly impaired. A recession could exacerbate this problem and result in even more bank failures, which could deplete the fund."

"We could lose this fund, just like we lost the [savings and loan] fund," Comptroller General Charles Bowsher, head of the GAO, told the Senate Banking Committee Sept. 11. "We have a lot of situations out there that could wipe the fund out." Bowsher reiterated that "a recession could exacerbate this problem, causing failure of other large banks beyond those we have identified, exhausting the fund, and resulting in a taxpayer bailout."

Faced with the prospect of a taxpayer bailout of the banking system, Congress voted to allow the FDIC to raise deposit insurance premiums as high as necessary to maintain its solvency. Previously, the law had prohibited the FDIC from charging banks more than 32.5¢ per \$100 in deposits and barred increases of more than 7.5¢ per \$100 in deposits in any single year. Shortly after the bill was passed, the FDIC announced that premiums would be raised from 12¢ per \$100 in deposits in 1990, to 19.5¢ per \$100 in 1991, a 37% increase.

But even that will not be enough. Roger Watson, the FDIC's director of research, told the *Wall Street Journal* in early November that the FDIC was considering increasing the deposit insurance premiums for one year to as high as 50¢ for every \$100 in deposits. Watson said it was "a very real possibility" that the FDIC would take that action if losses to the fund are "much higher than anticipated."

The U.S. labor farce

Unemployment is growing, especially in the auto sector, and government statistics can't hide the depression forever.

If anyone doubts that the policy of the U.S. government is to lie, they should take a quick look at the official statistics on the U.S. labor force. They're a farce.

According to the Labor Department's Bureau of Labor Statistics (BLS), the U.S. economy shrunk by 187,000 jobs in October, but unemployment increased by only 4,000. The reason: The BLS shrank the labor force by 183,000 people.

Perhaps the seeming inability of the U.S. government to even come close to telling the truth has to do with the commonly accepted definition of what constitutes a depression: something significantly over 10% of the labor force unemployed. According to the BLS, there are now 7.073 million Americans out of work, meaning that the U.S. government's official figure of unemployment in the United States now stands at 5.7% of the civilian work force.

In fact, according to a soon-to-be-released analysis by *EIR*, there are actually about 22.5 million Americans out of work, yielding a depression-level unemployment rate of approximately 17%. Real economic activity is focused on producing and improving those items necessary for supporting and reproducing human life at ever higher standards of living. Thus, the most important sectors of the labor force are the manufacturing, construction, and agricultural operatives who produce the houses, clothes, cars, and food we all need, and the research scientists, engineers, and technology experts who seek to improve those things we need, and the efficiency of the

means by which they are produced.

By such a yardstick, even the heavily massaged statistics of the U.S. government reflect a rapidly worsening depression. The goods-producing sector—which ought to account for at least half of the labor force, as it did immediately after World War II, but which now accounts for only 20.02%—lost 120,000 jobs in September, and has lost 387,000 jobs, or 1.5%, in just one year. The manufacturing sector lost 60,000 jobs in October, for a loss of 175,000 manufacturing jobs since August, and 580,000 since the number peaked in January 1980. Construction employment dropped by 80,000 in October, and unemployment in the sector hit 13.2%. Since June, 165,000 construction jobs have disappeared.

The situation is about to worsen, dramatically. On Oct. 31, General Motors announced that it will idle 16 of its 29 auto and truck plants for up to four weeks beginning in November. That will idle 43,500 hourly workers, and fully three times that number can be expected to be laid off from suppliers of GM. Already, before GM's announcement, there were 1,127,000 Americans temporarily idled in September, 39.5% more than the 808,000 average in the first six months of 1989, and 22.8% more than the 918,000 in June. Workers losing their jobs and applying for unemployment benefits rose by 50,000 in just two weeks in October, to 454,000 per week. Last May, claims were running at about 350,000 per week.

Moreover, the number of workers

who have not been laid off, but have had their hours curtailed, jumped 8.2% in September to 2.65 million, from the average of 2.45 million for the first eight months of the year.

This new round of layoffs in the auto industry is crucial, because the phase change in the devolution of the economy that forced the word "recession" into open circulation in the tightly controlled U.S. media, can be traced to the near total shutdown of the auto industry in the first two weeks of this year, when GM, Ford, and Chrysler idled 45 assembly plants, laying off 120,000 workers, and collapsing U.S. auto and truck production for January 1990 to 581,424 units, only 55.9% of the 1,040,864 units produced in January 1989. In the first week of January, GM produced only 1,284 cars—just enough to keep the assembly line machinery lubricated—97% fewer than the 50,343 cars GM produced in the same week of 1989.

By the summer, the collapse of tax revenues had forced the federal budget deficit out of control, and the rest of the economy had become so shaky that more and more economists began to wring their hands over the "possibility" of a "recession."

Now, another wave of layoffs and unemployment is about to sweep through the U.S. auto industry, further debilitating the economy. Whether Bush and his Anglo-American backers will abandon their policies of post-industrialism, environmentalism, and usury that caused the mess in the first place, is open to doubt. A crisis, after all, is simply the refusal to modify behavior that has been shown to be increasingly harmful. The only safe bet is that if Bush doesn't heed economist Lyndon LaRouche's advice by the end of this year, the "D" word will be as openly bandied about by spring of next year, as the "R" word is now.

State oil company in jeopardy

The Anglo-Americans want to privatize Petrobrás, a symbol of Brazil's sovereign economic development.

Brazil's state-owned oil company, Petrobrás, celebrated its 37th anniversary on Nov. 1 under the cloud of threats from foreign interests and their local allies who want to privatize the giant concern as a big step toward reducing the country to colonial status.

The threats came, not unexpectedly, from the British and the friends of Henry Kissinger:

British Undersecretary of State for Energy Affairs Collin Moynihan, in an interview published in the Oct. 31 issue of *Istoe-Senhor*, stated that "Brazil must understand that one valuable solution should be to bring in international companies for [oil] exploration and production. It can continue with the monopoly, but with joint ventures. The monopoly itself doesn't have to end, but there should be other foreign investment experiences."

Alan Stoga, the president of Kissinger Associates, Inc. in New York City, made a similar "recommendation," in an article published in Mexico City's *El Financiero* on Oct. 31. He suggested that the most productive way to guarantee increased oil exploration and production is to "open Latin America's energy sectors to foreign investment." Since this is often politically unacceptable, Stoga said, "innovative ways can be found to combine foreign capital and technology with local property and control."

The fight over privatization has led to the resignation of Petrobrás President Octavio Motta Veiga, and has unleashed the gravest crisis faced thus far by Brazil's President Fernan-

do Collor de Mello. Motta Veiga charged Secretary General of the Presidency Marcos Coimbra with involvement in a shady deal proposed to BR Distribuidora, Petrobrás's most profitable subsidiary.

Upon taking over as Petrobrás's president on Oct. 23, Eduardo Teixeira gave the green light for privatization. The state oil monopoly, he said, has done its job, but now, "the world is changing." He confirmed that the government thinks that the 1993 plebiscite on the system of government should include reform of other parts of the Constitution, such as the oil monopoly and the law on minerals exploitation. Both of these were consecrated in the 1988 Constitution, after a fierce fight between nationalists and free trade advocates.

The government's plans to privatize Petrobrás are moving forward. The Oct. 25 *O Globo* reported that the Finance Ministry has presented a document to representatives of the Seven Sisters oil companies which operate in Brazil, asking what they would charge for petroleum derivatives for the internal market, if the state monopoly were to cease to exist.

While Anglo-American interests lost out in the 1988 fight over the Constitution, now the government is trying to reverse that defeat. In an interview published Aug. 6 in *Estado de São Paulo*, Finance Minister Zelia Cardoso de Mello stated, "I would like to see Brazil modernize, in the sense of ending the oil monopoly. I favor privatizing everything."

With the Mideast crisis, the gov-

ernment has faced up to the hard fact of the country's vulnerability, because it imports 50% of the oil it consumes. Brazil's attempt to achieve oil independence has been delayed, thanks to the International Monetary Fund program which has reduced Petrobrás's ability to make large investments in oil exploration. Nonetheless, Zelia Cardoso launched a campaign against the company, forcing the ouster of its president.

The nationalist group around former Brazilian President Gen. Ernesto Geisel has mobilized in response to this threat. Geisel is also a former president of Petrobrás. The Nov. 1 celebration of the company's anniversary focused on reviving the 1953 campaign, carried out under the slogan "The oil is ours," which culminated in the law which governs Petrobrás's functioning. Attending the event were the nationalist elite, including former Energy Minister Aureliano Chaves.

An article published in the Nov. 1 *Jornal do Brasil* reflects the spirit behind the defense of Petrobrás. Pointing out that U.S. and British interests are the enemies of the state oil company, author Heraclio Salles noted that Petrobrás "is Brazil's most significant economic and technological conquest, one of the most important instruments of our internal and foreign security."

There will be other similar expressions, and hopefully they will come in time to save what President Getulio Vargas left as his legacy to the nation in 1955, in his political testament: "Through the creation of Petrobrás, I wanted to create the national freedom to realize the potential of our wealth; just as this started to work, the wave of agitation became gigantic . . . they don't want the people to be free. They don't want the people to be independent."

Business Briefs

Bankers

Barron's admits that a 'depression' is here

"It is no longer necessary to avoid mentioning the 'D word' at the dinner table, unless you happen to be dining with the Bushes," according to an article in *Barron's Financial Weekly* published the first week in November. "The decompression of the economy that has begun, a massive wringing out of debt and a punitive purge of the lenders, smacks more of the financial panics that periodically roiled the nation in the last century and early in this, than the recessions we've grown accustomed to."

The article gives an accurate description—highly unusual in the U.S. financial press—of the difference between a depression and a recession: "Using the word recession to describe what is unfolding is misleading. . . . We are in for something entirely different—a secular debt unwinding. . . . A depression isn't just a very severe version of a recession; it's an entirely different process. . . . A depression is a self-feeding contraction brought about by incomes falling faster than costs, primarily due to high debt service burdens, which, in turn, leads to a crisis among financial intermediaries and extreme discrimination in lending. In a depression, unlike in a recession, the economy does not respond to central bank ease."

Science

New successes reported in cold fusion

New successes in cold fusion experiments were announced at a three-day meeting at Brigham Young University in Utah at the end of October, including the spectacular news that a University of Hawaii team had produced a significant amount of helium-4, a by-product of the deuterium nuclear fusion reaction, in palladium rods. The Hawaii experiment measured 4×10^9 atoms of helium-4 after 100 hours, significantly above any background

levels.

As a European scientist who is a visiting scholar at the University of Utah's National Cold Fusion Institute commented after the meeting, "The scientific outlook for cold fusion has never been brighter."

Not a word of the experimental successes reported at this meeting made it into the press, however. Instead, the U.S. media blared variations of the Oct. 25 and 26 headlines of the *New York Times*: "Cold fusion scientist missing as key review nears" and "Utah to start search for cold fusion scientist."

Times reporter William Broad insinuated that scientists Martin Fleischmann and Stanley Pons had skipped town to avoid facing the reviewers because they could not "defend" their research. Pons's house was for sale, Broad reported, and his phone disconnected.

Both scientists have been at the University of Utah in Salt Lake City since June, waiting for the review to be scheduled. Just after Pons took his family on vacation to Europe, and after Fleischmann returned to his home in England for medical treatment, the October review date was set and the university could not reach either Pons or Fleischmann to tell them.

The two scientists have said that they will be present at the new review date, Nov. 7.

Health

AIDS spreads in Spain among heterosexuals

Some 900 new AIDS cases are now appearing every quarter in Spain, as opposed to 400 in the same period in 1988, Spanish Health Minister García Vargas told the Senate Health Commission in early November. AIDS, he said, is no longer only a threat; it has become a palpable and grave problem.

There are now 6,210 known cases of AIDS in Spain, and, according to the minister, the main increase is among heterosexuals. Such is the concern at the economic damage AIDS will wreak over the next decade, he said, that his ministry is now working on impact studies with the World Health Organization's European office.

Spain has only one hospital bed per 1,000 inhabitants, whereas the other countries of the European Community have three per 1,000. Spain must be brought up to the European average, he said.

Infrastructure

English Channel tunnel breaks through

Europe's largest construction project has made it to "breakthrough." Late on the night of Oct. 31, French and British construction teams culminated one of the most impressive engineering feats in history, when the last 100 meters of chalk was penetrated beneath the English Channel, linking Britain with the European continent for the first time.

The Euro Tunnel project, which began three years ago and is due to be completed in 1993, links Britain by rail with Coquelles in northern France.

The engineering feat was all the more impressive, as the "free market" Thatcher government has steadfastly refused to aid the effort. The tunnel is the world's longest undersea tunnel, and is second in length only to Japan's Seikan Tunnel.

Some 13,000 workers and huge 500-ton specially built boring machines have been employed under the Channel. The total cost has been estimated at £10 billion, or approximately \$18 billion.

Manufacturing

British industry hits the skids

British manufacturing industry is undergoing the worst decline in 10 years, according to the latest member survey of the Confederation of British Industry. The CBI expects further layoffs of 30,000 by year's end, and says British industrial production is dropping at the fastest rate since the 1981 depression.

The accounting firm Touche Ross is predicting that this year will see an all-time record level of corporate failures. Citing poor management, over-priced takeovers, a failure to learn from the past, and the overall decline of the economy, Touche Ross insolvency specialist Christopher Morris estimates the number of companies going into receivership in the first nine months of this year at 2,630, a "dramatic" rise over the 1,001 during the same period last year.

"No company in the U.K. can now be said to be safe from trouble or indeed collapse," Morris warned, predicting a new wave of failures.

According to the London *Financial Times*, "The sharpest retreat by international banks from corporate lending since the mid-1970s has heightened concerns in the banking community about the risks of a worldwide credit squeeze." They add that "bankers see a 'sea change' in international bank sentiment . . . an abrupt end to a decade of plentiful credit for companies in the U.K. and elsewhere. . . . Banks have also become nervous about existing loans. This has contributed to the rapid collapse of highly indebted companies."

International Trade

Japan called on to promote Asian economies

The honorary chairman of South Korea's Hyundai business group urged Japan to play a positive role in the economic development of Northeast Asia, including the Soviet Union, China, North Korea, and South Korea, in a statement Oct. 30. Japan's cooperation is indispensable for economic progress in the region, and that progress will pave the way for the reunification of North and South Korea, Chong Chu-yong said in a lecture in Tokyo.

Chong noted that Germany is in the vanguard of the movement for economic change in Europe. Japan, with its great economic power, should play an active role, similar to that of Germany, in enhancing the economy of Northeast Asia, he said.

Meanwhile, it was announced that C. Itoh

and Co., a bit Japanese trading house, has sold 15,000 tons of crude oil from the Soviet Union's Sakhalin Island to a South Korean oil company, Yukong, Ltd., in the first such deal between the two countries. The arrangement will provide the Soviet Union with desperately needed foreign exchange and South Korea with crude. South Korea's supply of crude oil has been shrinking due to the Gulf crisis. The company said it will promote such trade between the Soviet Union and South Korea, which restored diplomatic ties in September.

'Free Trade'

Japanese accuse U.S. of strangling steel

The United States has proposed trade rules for steel products that would threaten developing countries' efforts to protect and nurture their steel industries, Japan's Kyodo news service quotes Japanese government sources. The proposal includes the scrapping of tariffs on steel products and a ban on import quotas, as well as a ban on government credit for exports of steel plants on more favorable terms than by private financial institutions.

The U.S. proposal was made at an unofficial meeting between representatives of the United States and Japan within the framework of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), the sources said.

Washington also called for a prohibition on government subsidies to the steel industry except for assisting basic research, the sources said. The measures are apparently aimed at complete liberalization of the steel trade, which could jeopardize developing countries' plans to develop their own steel industries with economic assistance from industrial countries, Kyodo comments.

A Japanese official is quoted, "We should not deny the developing countries striving to nurture their own steel industries the very path that Japan once went through." Japanese negotiators were baffled by the proposal, the sources said, made during the last stage of the Uruguay Round, which is scheduled to conclude in December.

Briefly

● **JOHN REED**, the chairman of Citibank, told the *Harvard Business Review* in an interview published the first week of November, "Now I'm damned embarrassed, because the critics were right and we were wrong. We were warned about real estate two years ago, and we were warned again a year ago, and we pooh-poohed it." You said it, John.

● **THE INSURANCE** industry bailed out a record 44 U.S. insurance companies last year, more than double the 1988 figure, at a cost of \$2.5 billion, compared to \$500 million for the 10 prior years, the *New York Times* reported Nov. 3. In addition to their junk bond and real estate problems, the insurance companies are battling grass-roots movements in many states to roll back insurance premiums.

● **GERMANY'S** Confederation of Industry has opened an office in Warsaw to promote investment in Poland by German firms. To date, contracts between German and Polish firms have totaled \$2 billion, awaiting a Polish government decision on revised property ownership and investment laws.

● **THE SOVIET UNION** has appealed to Japan for emergency shipments of consumer goods. "At a meeting with the foreign ministry in October, we mentioned how severely we are suffering economically, especially shortages of consumer goods such as food and medical supplies," a Soviet diplomat in Tokyo told reporters there. Japan has not yet responded, said the diplomat.

● **THE U.S. APPEALS** Court for the District of Columbia has ruled that the Nuclear Regulatory Commission may not give permission for a nuclear plant to operate before it is built. As the law now stands, a company must apply for a license to construct a nuclear plant, and then, once the plant is built, apply for another license to operate it.

Dissecting Britain's empire 'from Dan to Beersheba'

by Patricia Noble-Schenk

A Peace to End All Peace: Creating the Modern Middle East, 1914-1922

by David Fromkin

Henry Holt & Co., New York, 1989

635 pages, hardbound, \$39.95

Once the cynical Anglomania of author David Fromkin is taken into account—along with certain lies of history that go into his analysis—*A Peace to End All Peace* is a valuable tool in learning about the creation of the modern Middle East. Fromkin's is the first book to cover the period 1914-22, in which the international oligarchy, led by the British Arab Bureau, carved out the Middle East as we know it today, while the people living in these areas, being treated as the equivalent of cattle, had absolutely no say about what happened to them.

Fromkin tells us that, at the "peace negotiations" after World War I, President Woodrow Wilson of the United States, Prime Minister Lloyd George of Britain, and Prime Minister Georges Clemenceau of France, were described by an observer, "These three all-powerful, all-ignorant men, sitting there and carving up continents, with only a child to lead them." An Italian observer wrote, "A common sight at the Peace Conference in Paris was one or other of the world's statesmen, standing before a map and muttering to himself: 'Where is that damn'd. . . ?' while he sought with extended forefinger for some town or river that he had never heard of before." Lloyd George, who kept demanding that Britain should rule Palestine from (in the Biblical phrase) Dan to Beersheba, did not know where Dan was. When he finally figured it out a year later, he asked for a British boundary further north than had been agreed upon. In the end, Lloyd

George added nearly a million square miles to the British Empire.

Iraq and what we now call Jordan, for example, were British inventions, lines drawn on an empty map by British politicians after World War I, while the boundaries of Saudi Arabia, Kuwait, and Iraq were established by a British civil servant in 1922, and the frontiers between Muslims and Christians were drawn by France in Syria-Lebanon and by Russia on the borders of Armenia and Soviet Azerbaijan.

Although what Fromkin says is very interesting, his omissions, especially given his credentials as a member of the Council on Foreign Relations, are equally interesting:

1) He wholly omits the key concept needed to understand history of any period—that history is a struggle between two factions: one, the republican; the other, the oligarchical.

2) While covering the British and Russian roles in the Middle East, he largely omits the Soviet-British collaboration, the Anglo-Soviet Trust, emphasizing the "Great Game" aspect of British-Soviet relations around control of India.

The scope of this book is quite large, with much interesting information; however, history should not be simply of academic interest, so I will focus on a particular aspect extremely relevant today.

Studying the inter-war period, one gets a frightening sense of hindsight, for it is *exactly* the same alliance of forces, manipulated by the British, as that which comes into play today. Take the example of the "nations" of Saudi Arabia and Israel: Their roots come from the worst cultist historical perversions of the Jewish and Muslim religions, and the "nations" were synthetically created by the British decades ago, in order to unleash the horror we see unfolding before our eyes today. Then, as today, the Palestinian people are paying a dear price.

Equally important is the fact that the focus of attack in the manufactured crises in both 1914-22 and today is a strong

Germany.

Just as today Germany is inspiring and leading the world with the peaceful revolution of the past year, Germany at the turn of the century was the leading cultural force in the world, centered around rapid industrial growth, and had replaced Britain as the world's leading industrial and financial power. Partly due to the insanity of British "free trade" policies, and partly due to the implementation in Germany of the development policies of the great economist Friedrich List, Britain's power in the world was vitally threatened. Prior to the war, the British set up France and Russia as Germany's enemies, and used the decay of the Ottoman Empire as a way to set off World War I, to stop Germany's economic power. The very same policies by Margaret Thatcher today, have just led to the resignation of her longest-standing cabinet minister, Geoffrey Howe. With any luck, the Iron Lady herself will be a thing of the past.

Fromkin shows how Israel was established by Britain for its own reasons, contrary to the fairy tale that a great religious revival was a basis for creation of a "Jewish homeland." Although Fromkin himself does not attribute the "British Israelite" cult tradition as being a major motivation for the form in which Britain established Israel, he does discuss the mystical cult in *A Peace to End All Peace*. Perhaps because it's more acceptable in polite company, Fromkin does attribute significance to Britain's desire for a continuous land route between the African and Asian sectors of the British Empire, of which Palestine was the crossroads. In what became Lebanon, France was the protector of the Maronite (Roman Catholic) community, and there and elsewhere Russia was the protector of the Orthodox confession. With no Protestant community in the region, the British developed the Zionist movement to serve their purposes, at the same time confident that they had the non-Palestinian, Bedouin Arabs (Hashemites and Saudis) firmly in their control.

The British Israelite cult

Lloyd George wanted to encourage the development of a Jewish homeland in Palestine. He was a Protestant fundamentalist, who identified with the centuries-old tendencies in British Nonconformist and Evangelical thought to push restoring the Jews to Zion. He was of the British Israelite grouping.

In the mid-1600s, two English Puritans residing in Holland, the Cartwrights, petitioned Britain, "That this nation of England, with the inhabitants of the Netherlands, shall be the first and the readiest to transport Izrael's sons and daughters in their ships to the Land promised by their forefathers, Abraham, Isaac, and Jacob for an everlasting Inheritance." They believed, like many of today's fundamentalists, that the reestablishment of Israel would bring about the Second Coming. Palmerston pushed for a Jewish Palestine in the Ottoman Empire in the 1830s and 1840s, when the rebelling Viceroy of Egypt, Mehemet Ali, backed by France, marched

on Syria and threatened the "territorial integrity of the empire." Palmerston's policy "became connected with a mystical idea, never altogether lost in the 19th century, that Britain was to be the chosen instrument of God to bring back the Jews to the Holy Land," according to Sir Charles Wilson, a leading authority on Palmerston's diplomacy.

With the beginning of war in 1914, we have such as H.G. Wells joining the chorus, "What is to prevent the Jews having Palestine and restoring a real Judea?" At the time, according to intelligence reports, only 1% of the Jewish people were interested in creating a Jewish state. In fact, official British Jewish community leaders opposed the project bitterly: They considered it a danger to Jews who lived in Germany, Austria-Hungary, and the Ottoman Empire. But, as for British motives, Lloyd George was quite explicit, "The Jews might be able to render us more assistance than the Arabs" in the Palestine campaign. Jan Smuts, who was offered the command to invade Palestine in 1917, was also quite clear on the matter: "The Old Testament . . . has been the very marrow of Dutch culture here in South Africa." He believed, "the day will come when the words of the prophets will become true, and Israel will return to its own land."

Palestine, the weak point in the Empire

A second, key motivation to create a Zionist state was to link the African and Asian parts of the British Empire, which meant total control of Palestine. "The Cabinet, from the beginning, had thought of annexing Mesopotamia. As for Arabia, arrangements had been made with the local rulers who had asserted their independence: They were subsidized and could be relied upon to remain pro-British. That left Palestine as the only point of vulnerability. As the bridge between Africa and Asia, it blocked the land road from Egypt to India and, by its proximity, it threatened the Suez Canal and hence the sea road as well," Fromkin wrote. Given the capture of German East Africa, Britain had a continuous stretch of territories between, on the one side, Cape Town, an Atlantic Ocean port at the southern tip of Africa, and on the other, Suez, which bridged the Mediterranean and the Red Sea at the continent's northeastern tip. With the addition of Palestine and Mesopotamia, the Cape Town to Suez stretch could be linked up with the stretch of territory that ran through British-controlled Persia and the Indian empire to Burma, Malaya, and the two Dominions in the Pacific—Australia and New Zealand. Palestine was the key, missing link, Lloyd George explained: "For the British Empire, the fight with Turkey had a special importance of its own. . . . The Turkish Empire lay right across the track by land or water to our great possessions in the East—India, Burma, Malaya, Borneo, Hong Kong, and the Dominions of Australia and New Zealand."

One of the great ironies of the situation, from the standpoint of history as revised by the Anglo-Americans, was that the British feared that Germany would use its good relations with the Jewish people, who were allowed to flourish in

Germany, while the pogroms were occurring throughout the Jewish areas in Poland and Russia, to set up an "alternative Zionism," based on such development projects as the Baghdad-Berlin railroad. As Lord Amery said, "German control of Palestine" was one of "the greatest of all dangers which can confront the British Empire in the future." Jews were generally pro-German, therefore "Zionism" was a British-Russian plot, run through just a few Zionist puppets, such as Chaim Weizmann, the first President of Israel. The Russians supplied the cannon-fodder in the form of the Jewish bodies fleeing from the murderous pogroms. If Germany were to link the common interests of Muslims, Jews, and Christians in the Middle East around an economic development program, it would have put an end to British hegemony in this area, and eventually to their domination in the world.

Of note, given British control over Saudi Arabia and Israel, is the view Zionists had of the Bedouin Arabs, as opposed to the more urbanized Palestinians. Of Faisal, the first Arab ruler for the British, Chaim Weizmann said, "He is the first real Arab nationalist I have met. He is a leader! He is quite intelligent and a very honest man, handsome as a picture! He is not interested in Palestine, but on the other hand he wants Damascus and the whole of northern Syria. . . . He is contemptuous of the Palestinian Arabs whom he doesn't even regard as Arabs!" David Ormsby-Gore, Lord Harlech, told a Zionist meeting, "the true Arab movement really existed outside Palestine. The movement led by Prince Faisal was not unlike the Zionist movement. It contained real Arabs who were real men. The Arabs in trans-Jordania were fine people. West of the Jordan, the people were not Arabs but only Arabic speaking. Zionists should recognize in the Arab movement, originally centered in the Hejaz (Saudi Arabia), but now moving north, a fellow movement with high ideals." Hence the historic roots of the Saudi-Israeli alliance as British Arab Bureau puppets in a war they will fight on Britain's behalf.

A voice of reason in defense of science

by Patrick Ruckert

Trashing the Planet: How Science Can Help Us Deal with Acid Rain, Depletion of the Ozone, and Nuclear Waste (Among Other Things)

by Dr. Dixy Lee Ray, with Lou Guzzo
Regnery Gateway, Washington, 1990
206 pages, hardbound, \$18.95

Writing about what the world was like at the time of her youth, the still mentally very youthful Dr. Dixy Lee Ray says: "It was a time of optimism and progress. It was a time of improvement in our standard of living that made our society and our nation the envy of the world. It was a time when the use of knowledge was expected, when the myriad applications of science through technology made living on this planet easier and better, and gave us more time to enjoy it by increasing our life span beyond three quarters of a century."



Dr. Dixy Lee Ray

U.S. Atomic Energy Commission

She then contrasts this to our present era: "Such progress continues, but it seems that hardly anyone enjoys it any more. Too many people have exchanged confidence for despair, too many have come to fear technology and to hate and reject anything nuclear or chemical-related. Despite all the evidence of our physical well-being beyond the dreams of all previous generations, we seem to have become a nation of easily frightened people—the healthiest hypochondriacs in the world!"

So begins a thoroughly delightful book, chock full of facts, arguments, polemics, and humor. We must hope that it will be published in a paperback edition soon, and that millions of copies will flood the nation.

For, if there is any capacity for reason and rigorous thought still remaining in the nation, then Dr. Ray's book is an important contribution to destroying the arguments and the credibility of the cult known as environmentalism.

Dr. Ray is the former governor of the state of Washington, chairman of the Atomic Energy Commission, assistant secretary of state in the U.S. Bureau of Oceans, longtime member of the Zoology Department of the University of Washington, and director of Seattle's Pacific Science Center. *Trashing the Planet* is a handbook for the defense of human progress against those forces who wish to establish an "environmentalist world order," which seeks to reduce individual man to the level of beasts and reduce human population by the billions.

Optimists make the best scientists

Dr. Ray is a scientist in the best sense of that word: not a technician who may master procedures and facts, but a human being who is committed to bettering the human condition. To realize that goal she has dedicated her life to enhancing those qualities in her fellow citizens that distinguish them

from beasts: reason and creative problem-solving.

She clearly recognizes the central fact of our eco-system, that without man, much of our planet would regress to deserts. Dr. Ray puts it this way: "This old earth has been through a lot, including drastic climate changes, without any help from humans. . . . Our responsibility is to be good stewards of the environment and to remember that a well-tended garden is better than a neglected woodlot." Dr. Ray's central argument is that science and technology have made our lives better—we live longer and we are healthier. The hysteria, she argues, about the so-called dangers of industry, chemicals, modern agriculture, and nuclear power, has no foundation in fact, and much of it is deliberately fostered by conscious lying.

She takes all the leading environmental issues of the day, examines them one by one, and, in non-technical language, provides the reader with a thorough, yet compact scientific discussion of each.

Presented in a very readable fashion are the issues of "acid rain," Alar, asbestos, PCBs, dioxins, global warming, DDT, the "greenhouse effect," nuclear energy, radon, radiation, and solar and wind power.

EIR has published innumerable exposés on the frauds and hoaxes perpetrated by the environmentalist mafia. Our argument has consistently been that the financier oligarchy, especially centered in Venice and London, created the mass-based environmentalist movement to serve as a battering ram against reason and progress, to usher in a "New Age," a new version of the pagan empire of Imperial Rome. These "stormtroopers for nature" have, over the two decades since John F. Kennedy's murder, been directly responsible for the deaths of millions of human beings.

Greens aiming at population reduction

While Dr. Ray does not pin these crimes on the banker elites and the oligarchical controllers of the environmentalist movement like Great Britain's Prince Philip of Edinburgh, she does make the crucial point that the purpose of much of the environmentalist policy is to reduce the human population, and she provides the evidence to prove it.

Her review of the banning of DDT in 1972 by the Environmental Protection Agency (EPA) is a case in point. Before the development of this mosquito-killing agent, about 200 million people each year were stricken with malaria, and about 2 million died each year. Before the suspension of the use of DDT, malaria was well on the way to extinction. By 1978, malaria was back with a vengeance. Today there are more than 800 million cases and 8.2 million deaths per year.

Dr. Ray demonstrates that the allegations against DDT have never been substantiated, and that in fact, the 1971 hearings by the EPA recommended, "There is a present need for the continued use of DDT for the essential uses defined in this case."

Nevertheless, EPA administrator William Ruckelshaus

banned all uses of DDT. Years later, Ray reports, Ruckelshaus admitted that the decision was political, not scientific. Ruckelshaus, like the present EPA head William Reilly, is a raving environmentalist and a top operative of the oligarchy.

Dr. Ray places much of the blame for the hysteria-mongering that created the basis for the ban on DDT, and that around Alar on apples two years ago, on the media. They do it deliberately, she says, and quotes Ben Bradlee, editor of the *Washington Post*: "To hell with the news! I'm no longer interested in news. I'm interested in causes. We don't print the truth. We don't pretend to print the truth. We print what people tell us. It's up to the public to decide what's true."

Dr. Ray has never had much respect for the press. She lives on a small farm, and while she was governor from 1977 to 1980, one of her sows gave birth to a litter of piglets. She named each of them after a member of the capital press corps, and, six months later, held a press conference to announce that they all had been butchered and barbecued.

Do the human race a favor. Buy a copy of this book for the environmentalist in your family this Christmas.

Another view of the struggle in Selma

by Marianna Wertz

Black In Selma: The Uncommon Life of J.L. Chestnut, Jr.

by J.L. Chestnut, Jr. and Julia Cass
Farrar, Straus and Giroux, New York, 1990
430 pages, hardbound, \$22.95

J.L. Chestnut, Jr., Selma, Alabama's first black lawyer, has had a very interesting life and this book is a carefully researched, well written, and beautifully published account of it. I read the book with a special interest, as I am currently editing a book on a related subject—the revised edition of *Bridge Across Jordan* by Amelia Boynton Robinson, which the Schiller Institute plans to publish later this year.

Mr. Chestnut and Ms. Cass, a *Philadelphia Inquirer* reporter who volunteered out of her interest in the subject to help this autobiography see the light of day, give a lively rendition of Mr. Chestnut's six decades of life in Selma, Alabama, the heart of what is known as the Black Belt of the South. "Black Belt" refers not to the color of the skin of its inhabitants, but of the rich soil. It was home to the most productive cotton plantations, and, in part because of this, the most tenacious enslavement of African-Americans in the South.

Black in Selma takes the reader from 1930, when J.L. Chestnut, Jr. was born in the depressed black section of Selma, through his battle for civil rights in Selma today. Chestnut's relationships with Dr. Martin Luther King, Jr., Amelia Boynton, and others, in the struggle for voting rights in Selma in 1964 and '65, are fully and engrossingly documented, as is his role in Selma's continuing battle for black equality today.

Chestnut's penetrating sense of irony and humor reminds one often of Dick Gregory. It's the biting, often self-deprecating wit that accompanies an oppressed people, who see through the all-too-transparent masks used by their oppressors to keep them "in their place." Jewish readers will be reminded of the writings of Sholom Aleichem.

Perhaps the most self-descriptive statement Chestnut makes is his account of why St. Paul is his favorite Apostle. "Paul was not lukewarm. That's what I like about him. When he was a devil, he was one of the leading devils. When he went over to the other side, he went all the way over. Black folk can take a lesson from Paul. . . . If you take a lesson from Paul, you understand that being lukewarm is the equivalent of being nothing." Chestnut is describing himself.

The devil in J.L. Chestnut is unfortunately a bit too apparent throughout the book. Having edited Mrs. Boynton Robinson's account of many of the same incidents, I was, frankly, shocked by his frequent use of profanity. I had to remind myself that he is from one generation later, and that his generation rejected the more "ephemeral" aspects of Christian upbringing. His self-professed proclivity in youth to drinking and gambling also contrast sharply to Mrs. Boynton Robinson's sober view of life and unfortunately resulted in a relative loss of the "larger picture." For this view, I would refer readers to the upcoming revised second edition of *Bridge Across Jordan*.

Encounter with King's nonviolence

On the other hand, perhaps just because of a somewhat dissolute and cynical past, Chestnut's encounter with Martin Luther King's method of nonviolence was all the more poignant. His account of this is the highlight of the book, and takes on something of the quality of St. Augustine's *Confessions*. It came when Chestnut witnessed the showdown in 1965 between Dallas County Sheriff Jim Clark, the notorious southern racist, and the diminutive Southern Christian Leadership Conference leader John Lewis, now a Georgia congressman. In the confrontation, Lewis stood his ground, employing King's method of active nonviolent resistance, and Clark eventually blinked.

Chestnut says of his reaction: "I was stunned. 'I'll be damned. I'll be damned! The establishment has blinked!' In that moment I saw that the white South was not invincible. What I had thought was power in numbers and weapons I began to see as a kind of weakness. If ever I was born again, I was born again right there on the courthouse steps. It was



of J.L. Chestnut and Julia Cass (Photo Courtesy of Bettman Archive)

A tear-gassed youth cradles Amelia Boynton, who was beaten unconscious by Alabama state troopers, as the civil rights demonstrators attempted to cross Selma's Edmund Pettus Bridge on "Bloody Sunday," March 7, 1965.

a kind of conversion. It changed my whole outlook. I understood for the first time some of the things King had been saying."

Today, with the establishment "blinking" in a most massive way, this book makes valuable reading for a citizenry bent on making the kind of fundamental change to which J.L. Chestnut, Jr. has dedicated his life. He closes his autobiography, intending to prepare his readers to make miracles today, with a quote from his favorite sermon, "The Probability of Miracles":

"In India, a baby bull elephant is tied by the leg to a tree. He tries to free himself, can't, and eventually gives up. A grown elephant is a massive creature, strong enough to uproot a tree, yet he can be restrained by a little rope tied to a sapling. It is the elephant's mind, not the rope, that enslaves him. We need to unshackle our minds and rise above the limits others impose on us and the limitations we impose on ourselves."

In an interview I did with J.L. Chestnut in February of this year, while he was involved in the strike against Selma's racist school board majority, he commented on the jailing of Lyndon LaRouche, Jr., "Boy they were into that. I saw the

U.S. Attorney, he was so livid, I thought he was prosecuting black people!" I told him that Mr. LaRouche was jailed because he fought for economic justice throughout the world. Mr. Chestnut responded: "If you will recall, at the time of the assassination of Dr. Martin Luther King, he was shifting the emphasis of the black struggle from civil rights to the economic front. And his death, of course, interfered with that. In fact, the march he was engaged in at the time, you know, was on behalf of sanitation workers and trying to improve their economic lot.

"I saw that movement spread around the world. I'm always watching the television and finding somebody in some country thousands and thousands of miles away and they're singing 'We Shall Overcome.' I can very well see ramifications from our current struggle here having international ramifications and implications."

Now Germany is reunified and the United States is "in the barrel." *Black in Selma* should have a positive effect on the fight for a peaceful revolution in this nation.

'New Mind' newspeak: the same old bottles

by Nancy Spannaus

New World, New Mind, A Brilliantly Original Guide to Changing the Way We Think About the Future

by Robert Ornstein and Paul Ehrlich
Simon and Schuster, New York, 1990
285 pages, paperbound, \$9.95

Mrs. Spannaus is the president of the U.S. branch of the Club of Life, an international anti-Malthusian organization founded in 1981 by Helga Zepp-LaRouche.

This is a frightening and dangerous book, geared to brainwashing educators into brainwashing children to become environmental cultists.

Author Paul Ehrlich has long held credentials as an advocate of zero population growth, having been one of the first to kick off the movement in the late 1960s. Unlike some of the first zero-growthers, he is not honest enough to admit that his dire predictions of overpopulation have not come true. Rather, he is sticking to the lie that overpopulation is the problem causing poverty and misery in this world, and that we have to find a way to convince people to adopt his anti-

growth, austerity program.

His tactic is to promote what he calls the "new mind." And if that sounds like Orwell, you aren't far off.

The "new mind" or "new thinking" is, in Ehrlich's view, a way of getting people to realize that their perceptions of immediate problems are not what they appear to be, and that they must rather put their immediate perceptions into a global perspective. The trouble is, that the global perspective is the environmentalist assertion that we have to reduce population and our mastery of the world through agriculture and industry.

Ehrlich and Ornstein carry out an analysis which is the cognitive equivalent of Desmond Morris's *The Naked Ape*. The mind, they say, is biologically programmed to react to immediate problems, and not to register dangers such as overpopulation. In addition, mankind has created what they call an "artificial" environment of civilization, which mankind now takes for granted, instead of looking at it as a short-term, transient phenomenon.

In addition to being wrong about the environmental reality, however, Ehrlich and Ornstein are devastatingly wrong about the mind itself. As if the real creative geniuses of human history did not have a long-term view of the consequences of their actions! Real human thinking has always risen above the stimulus-response kind of reaction for which Ehrlich and Ornstein fault mankind. But the authors can't understand that, because to them, man is just a more polluting kind of animal.

If someone tells you they are going to take a course on the "new mind" in any kind of school, tell them to avoid it. It would be dangerous to their mental health.

Now Available!

J.S. BACH

The Six Suites for Solo 'Cello
Eliane Mignan, 'Cellist
Ibykus Series
Set of Two Compact Discs

\$38.00 Add \$1.50 postage and handling for first set of 2 CD's, \$1.50 each additional set.

**Make check or money order payable to:
Ben Franklin Booksellers, 27 South King Street, Leesburg,
Virginia 22075. Telephone (703) 777-3661. MasterCard and
Visa accepted.**

It was Kissinger who destroyed the nation of Lebanon

by Bassam El Hashem

Bassam El Hashem is a professor at the Social Science Institute at the Lebanese University in Beirut. He has been living in France since July 1989, and has written a book on the Lebanese crisis, which will be published in early 1991 by the French National Center for Scientific Research (CNRS). He has been serving as an unofficial spokesman for the Lebanese patriotic movement of Gen. Michel Aoun in France and elsewhere in Europe. The following is an edited and somewhat condensed transcript of a speech given by Mr. El Hashem to the Schiller Institute in Leesburg, Virginia on Oct. 24, less than two weeks after the surrender of General Aoun's forces to the Syrian-backed puppet regime of Elias Hrawi.

I'm going to give you a small idea of the political systems that were, and still are, in place in the Middle East—except for Lebanon, which has now, for 10 days, been wiped off the map of the world. But in the other countries, the regimes have been the same since the end of the 1960s—except for Iran, whose regime was replaced in 1979, after the fall of the Shah and the installation of the revolutionary regime, which is a Shi'ite one, the Islamic Republic.

Let us start with Lebanon. Lebanon has 17 communities, half of the population being Christian, and the other half, Muslims and Druses. [See the accompanying article for a fuller discussion of the demographic features of the Middle East—ed.]

If you want to compare the different regimes which were in place in the area, the first characteristic of the Lebanese regime was that it was typically a regime of power sharing—whatever lies have been spread about Lebanon all these years. It was the only country of the Middle East, including Israel, where all the communities were guaranteed a certain part in the government; and that formula seems to have worked well enough, in order to bring about prosperity to the country. Lebanon was perhaps the most prosperous country in the Middle East in the first half of the 1970s. In order to prove that, let us remember that the Lebanese pound



Stuart Lewis

Gen. Michel Aoun sought to rally both Christians and Muslims in defense of Lebanon's national unity and sovereignty, but was bitterly betrayed by the United States, and finally defeated in October of this year. Shown here is a demonstration by Lebanese-Americans in support of Aoun at Lafayette Park near the White House, on Nov. 29, 1989.

was then one of the five strongest currencies of the world—the equivalent of half a dollar at that time. (Of course now, you need 1,200 Lebanese pounds to make a dollar.) If this Lebanese political system didn't work, and didn't ensure real cooperation among all the communities, one couldn't explain this prosperity that Lebanon enjoyed at that time.

The Israeli system had always been the opposite. While the Lebanese system was a multireligious and multicultural system, relying on a peaceful coexistence among 17 communities, the Israeli regime had always been stressing the fact that it is, and will forever be, a monoreligious and a monoracial state. That's very important to be noted, because we will see how this affected the destiny of Lebanon later on.

The bloody rise of Hafez al-Assad

If we go to Syria, we find that in 1963, a coup d'état occurred, led by what was called the Military Committee. The Military Committee was formed of some officers who all were descendants of the minority Alawite community, and among whom was Hafez al-Assad. He was a member of this Alawite military community, but when they led their coup d'état, they didn't put themselves forward as being Alawite Military Committee, but rather, in the name of the Ba'ath Party.

The ideology of the Ba'ath Party is a pan-Arabist ideology, pretending to favor the reunification of the Arab nation for the construction of a socialist society, and a free society—and, of course, an ideology to fight in favor of the liberation

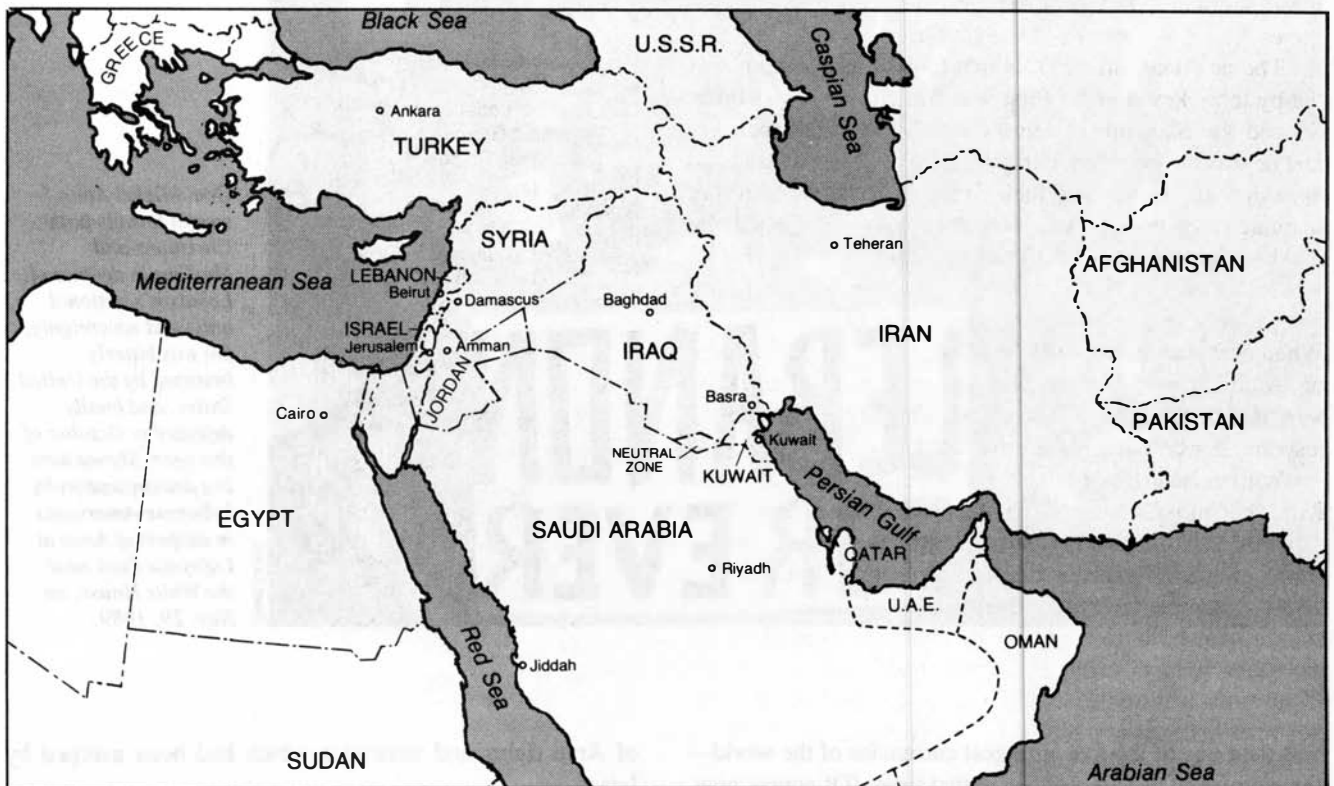
of Arab rights and territories which had been usurped by Israel.

That was the ideology. But what was going on underground, was totally different. In the beginning, the Alawites managed to convince some figures of this balanced party, some Christian and some Sunni figures, and especially the founder of the Ba'ath Party, who was a Christian named Michel Aflak, the main figure of the Ba'ath ideology. The Alawites managed to convince him to get involved with them. But this didn't last long, because in 1965, all these figures, Sunni and Christians, were swept out, and the only ones left were Alawites.

But 1965 wasn't the final round among the different factions within this military office, because they all wanted to be the supreme master of the game. In 1967 another coup d'état happened; in 1968 another coup d'état happened; and the final one happened in 1970, when Hafez al-Assad, who had been before that, during the 1967 war between the Arabs and Israel, the minister of defense of Syria—the one who lost the war. So he came up with a coup d'état that he called *el-haraq ad-tachihyya*—a movement of rectification. He wanted to correct what was going wrong—even though he had been minister of defense during the war. Since then, never has this regime known any other coup d'état, or any other trouble.

But that's only on the surface. Among the different dominant factions, no more problems occurred since then. But what was going on underground was totally different: a war

The Middle East today



between this regime and the Syrian population, a real war. The Syrians were always resisting the regime, but the only way that this regime faced the opposition was by killing the opposition: cleaning up the administration, the military forces, the educational system, everything! They just eliminated all the previous staff and replaced them by Alawites.

Since the beginning of the 1970s—that is, since Hafez al-Assad took power in Syria—from 1970 to 1980, 70% of all the scholarships that were awarded to Syrian students for studies abroad, were given to Alawite students. Now, all the key figures of the Syrian government are Alawites. They control the Army, the Defense Brigades—it's a sort of Securitate, if you remember the Ceausescu system, and they built the Syrian system according to the system of Ceausescu, who used to be a great friend of Hafez al-Assad.

In 1982, the latest confrontation occurred between the regime and the civilian resistance. Hafez al-Assad sent in his brother, because these Defense Brigades were, since 1970, commanded by Rifaat al-Assad.

In order to face the civilian opposition in 1982, Hafez al-Assad sent his troops, this Defense Brigade, the elite of the Syrian forces, to Hama, in the north of Syria, because that's where the stronghold of the resistance was. Within three days, they killed 20-30,000 Syrians, and destroyed 20-100%

of the city.

That's only to give you an idea of the nature of this regime. Of course, when he committed all these crimes, nobody knew anything, because everything is under control in Syria—the media, everything. Only a few months later on, we started to find out about it. Maybe *Le Monde*, the French newspaper, was the first one to publish anything about it. Michel Seurat, the French researcher, was kidnaped and then killed in Beirut. Do you know why he was killed? His wife was Syrian, and because of that, he was allowed to get into the real Syria—what was really going on. He wrote a lot of things about the real nature of the Syrian regime. He revealed its real nature as a sectarian regime, a minority regime keeping a whole country under control by repression, by terror. So, he lost his life because he told this. We all know that Michel Seurat, whatever other things were said at that time, was killed immediately after he was kidnaped.

More coups: Iraq and Iran

Let's go to the Iraqi regime. The team that is now in power in Iraq, took control in 1968. You notice, that all this occurred after the 1967 war, because this war provoked a collapse of the credibility of all the pre-established Arab regimes. They were all promising victory and glory to the

Arabs, and they were beaten. So all the ambitious factions who wanted to seize power in the different countries, seized the opportunity, and overthrew all the pre-established regimes, and took control of their countries.

The new team in 1968, which took power in Iraq, was led by three key figures. First was Ahmad Hassan al-Bakr. Second was Saddam Hussein, who was the second man. (In fact he was the key man; but as usual, as Hafez al-Assad had done in Syria, they put all their rivals up front, and then start to reduce their power. And when everybody is smashed, the real hero appears later on.) Third was Hardan al-Takriti. He was killed two years later. Nobody knows who killed him, but we only know that he was killed in a helicopter crash. Whether it was an accident or a plot, nobody knows. Later on, Ahmad Hassan al-Bakr was put away, and Saddam Hussein became the master of Baghdad. This happened in 1978, just one year before the war broke out between Iraq and Iran.

Who is Saddam Hussein? He is neither a Shi'ite nor a Kurd, but an Arab Sunni. That means that he descends from a minority in Iraq. It's not as much of a minority as the Alawites in Syria, because the Arab Sunnis in Iraq are around 20%—but at the same time, there is another source of confusion in Iraq, because they have the ethnic problem between the Arabs and the Kurds. If the power went to a Shi'ite, the Kurds would absolutely rise up against him. So, the Arab Sunnis could always play on this opposition between Kurds and Arabs, to their own benefit.

While the Syrian regime pretends to be a Ba'ath regime, the Iraqi regime claims to belong to the same ideology. That is, they both belong to the Ba'ath Party, the Ba'ath ideology; they both are fighting for the unity of the Arab world, of the "Arab nation," as they say; but since they came to power, they have been enemies.

Let's go to Iran.

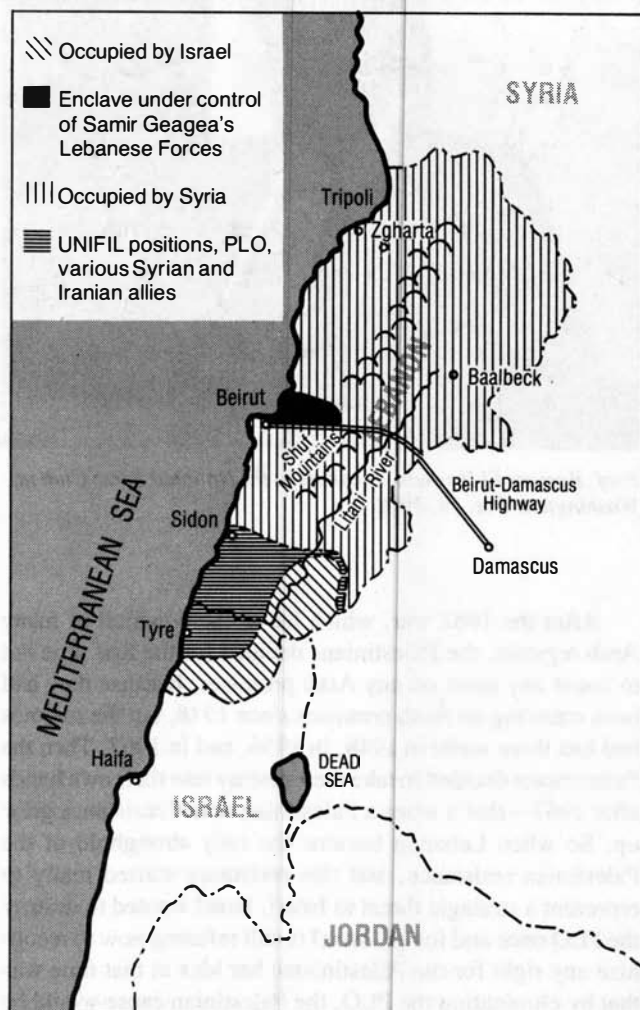
Since 1975, the Shah's regime in Iran had been relying on a very strong army. More and more, the Shah became a real regional power. In the beginning, he was under American protection. But in the middle of the 1970s, he started to seek a role for himself; he wanted to become the policeman of the Gulf, and he showed some distance regarding the American hegemony in the region. He was thrown out two or three years later by the Ayatollah, who installed an Islamic republic—that's what it's called, but in reality it's a Shi'ite republic. This is very important to understand.

Now let us return to the Lebanese problem.

There was no Lebanese 'civil war'

Usually it is said that in Lebanon there was a civil war, or more precisely a religious war, a war between Christians and Muslims. What I want to show now, is that *never* did Lebanon have a civil war; that war, even if some Lebanese factions took part in it, could not be understood as a war between Christians and Muslims, because what was really going on was *a war totally orchestrated from outside*.

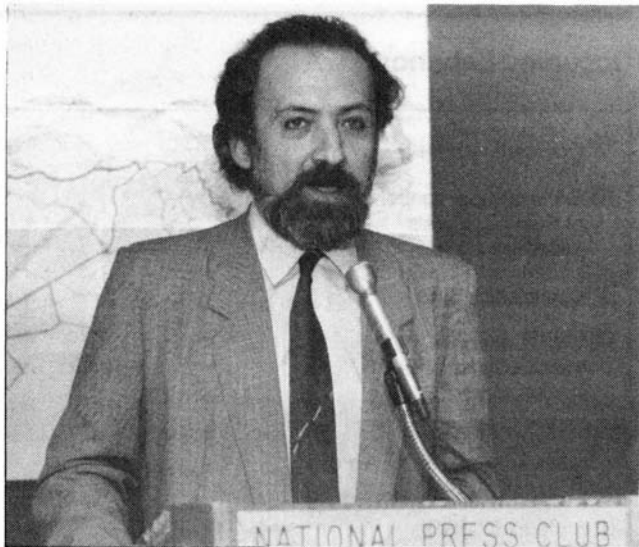
Occupied Lebanon



It was Henry Kissinger who orchestrated this war, and I will tell you why. The war was orchestrated in order to accomplish three targets: to give satisfaction to Israel; to give satisfaction to the Alawite regime in Syria; and to serve the American strategy in the Middle East and the Gulf, as it was determined from the beginning of the 1970s and specifically since the Arab-Israeli war of 1973, by Kissinger. At that time, Kissinger was President Nixon's national security adviser.

Israel's interest in Lebanon

What was the interest of Israel? In order to understand this, one has to know that after 1970, after the Black September for the Palestinians—the massacre of the Palestinians in Jordan which led to a withdrawal of all the Palestinian resistance from Jordan—Lebanon became the only stronghold of the PLO in the whole area.



Prof. Bassam El Hashem, speaking at the National Press Club in Washington, Oct. 19, 1990.

After the 1967 war, which led to the downfall of many Arab regimes, the Palestinians decided for the first time not to count any more on any Arab promises, because they had been counting on Arab promises since 1948, but the regimes had lost three wars: in 1948, in 1956, and in 1967. Then the Palestinians decided to take their destiny into their own hands after 1967—that's when a Palestinian armed resistance grew up. So when Lebanon became the only stronghold of the Palestinian resistance, and this resistance started really to represent a strategic threat to Israel, Israel wanted to destroy the PLO once and for all. Israel is still refusing now to recognize any right for the Palestinians; her idea at that time was that by eliminating the PLO, the Palestinian cause would be buried once and for all on Lebanese soil. But that was only one target.

Another target was the Lebanese system itself, since Israel stresses its nature as a monoreligious and monoracial state and refuses any sort of dealing with any kind of multiplicity or coexistence with Arabs. The PLO had proposed in 1968 and, in 1973, the Arab League sent the Lebanese President of the Republic, Suleiman Franjeh, to the United Nations, to offer Lebanon as a model for a future compromise between the Palestinians and Israel, in such a way that in the future, the solution would come from a compromise whereby the Jews and the Arabs—the Arabs being Christians as well as Muslims—would live in peace, as they had lived in Lebanon. Because of this, Israel wanted to destroy the Lebanese pattern. Israel wanted to destroy its Lebanese antithesis. Only by this, could Israel have demonstrated that she is right, because as long as the Lebanese pattern was able to survive, that would always be an argument against the Israeli state.

Secondly, the war of 1973 came along. It was a war

launched by the Arab regimes; indeed, for the first time, the Arabs didn't lose—they didn't really realize a victory, but they didn't lose either. That meant that from then on, a certain balance between Israel and the Arabs had been achieved. Israel realized that maybe in the future, Arab unity would be strong enough to beat the Israeli entity.

This wasn't only a product of the situation prevailing in 1973. It became evident what had been the policy of Israel's founders even from the early 1940s, from the foundation of the Israeli state. According to the memoirs of Moshe Sharet, who had been prime minister of Israel at the beginning of the 1950s (he died at the end of the decade, and his son managed to publish, against the will of the present leaders of Israel, his memoirs in 1976 or 1977), from the beginning, Ben Gurion and all the founders of Israel were always hoping that they would be able to create around them monoconfessional states in order to homogenize Israel's very nature with the environment.

In 1973, this became very relevant to Israel, because if Arab unity represents a strategic threat for Israel, the only way to fight this was to try to convert the common hostility of the Arabs against Israel into hostility *among* the Arabs, by provoking the Arabs one against the others, across the lines separating the different religious communities.

They wanted to start with Lebanon, by using the weaknesses of Lebanon, because of the PLO presence in Lebanon, with a very heavy presence of Palestinian refugees—they represented at that time more than 20% of the population; that's huge, tremendous. Israel wanted not only to destroy Lebanon, the antithesis of Israel, but in its place they wanted to create three microscopic ministates—Shi'ite, Druse, and Christian—fighting against each other, hoping that this would be able to be generalized all over the Middle East. That would allow us to understand why Israel supported Iran after the war broke out between Iran and Iraq. We will come back to this point.

Israel wanted always to eliminate the PLO, to destroy the Lebanese pattern of peaceful coexistence among different communities, to build up, in the place of this pattern, rival and hostile confessional mini-states, to balkanize the region.

There was another reason that Israel wanted to destroy Lebanon: the south of Lebanon. What is the property of the south of Lebanon? Palestine is poor in water, and the south of Lebanon is extremely rich in water. In the south, we have three rivers: the Litani River, which has its source in the central Bekaa Valley and goes to the Mediterranean along the town of Tyre in the south. Thus, the river only circulates inside the Lebanese boundaries. The two other rivers are the Hasbani and the Wazzani, the sources of the Jordan River, which irrigates the Palestinian territories.

This is something that Israel always wanted to control, even from the early beginnings, with that famous Balfour promise from His Majesty that they would have a homeland in Palestine. In 1919, the Zionist leaders came to the peace

conference in Versailles seeking to be allowed to annex the south of Lebanon, stating that this would be the only way for them to irrigate the Israeli territories for agriculture and to allow Israel to have water for itself. Since then, this goal had never changed, and when the war broke out, Israel wanted to achieve this purpose.

Syrian designs upon Lebanon

As far as the Syrian regime is concerned, as you already know, it managed to keep in power only by eliminating, by terror and violence, any and all opposition. But Hafez al-Assad and his assistants knew that this would not be able to last forever.

In order to ensure what was needed for the long-range survival of the Syrian regime, something had to be done on a structural level.

First of all, this regime pretended to be fighting for the unity of the Arab world, the liberation of the Arab territories—everything you can imagine as extremist slogans. But at the same time, the PLO was representing a real revolutionary force, threatening all the Arab regimes that were in power. And the PLO is, from the Alawite standpoint, a Sunni force, because the Palestinians are about 90% Sunnis and 10% Christians. But of course the leading force was Sunni—Arafat is a Sunni. So, in order to ensure the safety of the regime, they always wanted to eliminate the PLO.

That's one common goal of Israel and the Syrian regime: They both wanted to eliminate the PLO—from Israel's point of view, for the security of the state, and from the Alawite point of view, for the security of the regime.

But that wasn't the whole story of the Syrian regime. While everything is controlled in Syria, Lebanon used to be the only democratic country in the region, with a very free press. That was absolutely dangerous for such a regime as the Syrian one. So Assad needed to destroy that freedom in Lebanon, and that meant that Lebanon became the first target.

But there was another goal of the Syrian regime, and this one is essentially a demographic one. Of course, in order to counterbalance the Sunni majority of 72%, Hafez al-Assad could have converted people—but nowadays it's not common to convert people to a religion by force—or could elaborate another strategy, which would achieve such stability for the regime. What he decided was to elaborate a strategy of gathering a certain number of minority communities—and when I talk about minorities I'm talking on the general level of the whole Arab world, and not on the level of each country alone.

This strategy consisted of gathering together a certain number of minorities, which would have been able, by their demographic weight and cultural, economic, and political influence, to counterbalance the weight of the Sunnis. Of course, in Syria alone, all the minorities added up to only 28% of the population. So, the only thing was to annex

Lebanon, because in Lebanon, the equation between minorities and the Sunni is just the opposite of what it is in Syria—and of course the resident population of Lebanon was at that time 2.5 million, while all around the world the immigrants were millions and millions. That was what was needed to stabilize the regime.

So the Alawite regime of Syria and Israel turned out to be both objectively seeking, even without any previous agreement between them, to destroy the PLO first, and to destroy the Lebanese state. Of course, they did not want to destroy the Lebanese state for the same purpose: Israel wanted to annex first the south, and then to divide up the country among three microscopic mini-states, while Syria wanted to integrate the whole lot.

Let's go now to the American strategy.

The U.S. policy

In 1973, the war that led to a certain balance between the Arabs and Israel, also led to an oil embargo, which was imposed by the Gulf oil producers against the Western countries. Why? Because the United States had always been unconditionally supporting Israel against the Arab cause. They imposed the embargo in order to force the United States, and all the West, to finally be a little bit more just. You all know the recession that the embargo led to in the different industrialized societies.

On the American side, Kissinger realized that it was becoming urgent to confront this increasing threat, the instability on the Mediterranean side of the Middle East. What did he decide to do, to control all this, and to recoup the losses of the Anglo-American financial milieu which he always represented?

Since the Middle East is the closest neighbor of the Soviet Union, and at the same time, the closest neighbor of Western Europe, the strategic position of the region always took a privileged place in American strategy. This strategy always sought to keep Soviet influence away from the region, and, at the same time, to control the region in such a way as to control the different European countries.

How? By keeping the oil under U.S. domination. How did they usually manage to keep the oil under their control? That was very easy. The stronger Israel was, the more it was capable of threatening the Arab countries, and the more the Arab countries were in need of somebody to protect them. Who was the "protector" who blackmailed them? The American administration.

That's what always happened since at least 1956, which was the last time that the American administration decided to intervene in a just way. In 1956, Israel, France, and England went into an expedition in the Suez Canal, and Eisenhower forced them out. That was really the end—the only time that the Americans decided to really play a fair game.

So, in 1973, when the embargo occurred, that was a very big problem.



Refugees flee from their destroyed home in southern Lebanon during the "civil war" in 1978. In fact, it was no civil war, but a conflict imposed from the outside, from which the local warring parties found they could not escape.

United Nations/J. K. Isaac

What did Kissinger's strategy consist of?

First of all, he knew that as long as the Israel-Arab problem was not solved, insecurity and the instability would be permanent in the region. So, one had to find a solution—whatever the solution. When I say "solution," I'm not talking necessarily about justice.

The strategy elaborated by Kissinger was complex. He wanted to bring about peace between the Arabs and Israel, but of course, if all the Arabs were allowed to discuss peace with Israel together, that would weaken Israel's diplomatic and political position.

That's why Kissinger decided to promote a separate peace process, "step by step"; that's why after the war of 1973, the first step was the disengagement that occurred on the Sinai, and then on the Golan Heights. After this disengagement, he engaged in a separate peace process between Israel and Egypt. That reached a happy end, thanks to Sadat and all his strength—really—to force the Israeli leaders to an agreement. That reached an end in 1978.

A second step was to penalize every single Arab leader who even dared to threaten America. Who dared at that time? King Faisal of Saudi Arabia. What was the price he paid? He was killed in 1975. That turned out to be dissuasive enough to prevent anybody after him from ever daring to proceed with any other embargo.

Third: As the Shah became more and more conscious of his own strength, Mr. Kissinger decided that because the Shah was no longer a loyal client, but was claiming ambitions for himself, he would not be suitable from now on, and should be removed. So beginning in 1975, they started to

destabilize his regime by using the religious factions. Why did they use the religious factions, despite the fact that in Iran there were democratic factions against the regime? Because they thought it was the only way that allowed America to keep the communist influence out of the region, and at the same time helped to destabilize the region, in order to be able to control it better. Because only when the region is unstable, could it be controlled.

Fourth: The only Arab regime which kept out of America's control was, until then, the regime of Saddam Hussein. His regime was the only one to reject all the international resolutions that stressed the necessity of a compromise, a negotiated solution for the Arab-Israeli problem. So they wanted to diminish the capability of this regime, to humiliate this regime.

The next step would be later on: the war between Iraq and Iran that would begin at the end of 1979.

But before all this, the war of Lebanon was already orchestrated.

Kissinger's strategy in Lebanon

What did Mr. Kissinger seek in Lebanon? The ultimate purpose was to prepare the ground for a Syrian-Israeli conciliation or compromise. But Hafez al-Assad and his friends could never, for the sake of their own credibility, just leave the Golan Heights, which had been occupied by Israel since 1967.

So Kissinger thought that a solution could be reached, by proposing to Syria compensation which would be helpful in order to realize two goals: first of all, to get land in place of

the Golan Heights, and second, to give the Syrian regime the demographic weight needed to counterbalance the Sunnis. That's why the invasion of Lebanon by Syria was so suitable for Hafez al-Assad.

Mr. Kissinger wanted to lead Syria and Israel to a compromise. What was the ground on which they were supposed to compromise?

First of all, that's why the Lebanese war was orchestrated. The first goal of this war was to eliminate the PLO; the second, to eliminate the Lebanese state; the third, to allow Israel to keep the south of Lebanon, for the sake of its water needs; and the fourth, to give all the rest to Syria, and promote, at this price, a compromise between Syria and Israel, at the expense of Lebanon and the PLO.

All that has happened from 1975 to the present was, I would say, indefatigably governed by these goals. Never did the American policy in the Middle East change by an inch. You tell me that in 1982, Reagan sent American Marines to Lebanon, and the French sent in troops of their own within the multinational force. Yes, they did indeed; but what was the purpose of this multinational force? It wasn't sent in order to restabilize Lebanon. It was only sent in order to allow the PLO, the remaining resisters, a way out in dignity, because of all the pressures that were put on the United States from the different Arab so-called allies—slaves, in fact, vassals.

That was the only purpose for which the multinational force was sent to Lebanon in 1982, after the Israeli invasion of Lebanon.

This was covered, of course, by slogans, ideological justifications. Hafez al-Assad, in order to get his troops into Lebanon, pretended to be there in order to bring peace, to help the Lebanese to reconcile among themselves. Syria sent its troops officially in 1976, but unofficially, in a speech on July 20, 1976, in Damascus, President Hafez al-Assad revealed that he had already sent troops into Lebanon, behind the back of the Lebanese authorities, in 1973. That is two years before the war!

How could he send troops without its being known? Nothing could have been simpler, because the Palestinians in Lebanon were enjoying an accord with the state, the Cairo Accord, which was signed in 1969, according to which they had the right to circulate freely with arms in Lebanon, and even to bring weapons from Syria. As long as this Cairo Accord existed, nothing was easier for Syria than to send guns and troops to Lebanon. Syrian troops only had to wear Palestinian uniforms!

That was the first time. And according to the same speech of Hafez al-Assad, the second time the Syrian troops were sent to Lebanon, before they were sent officially, occurred at the end of 1975—that means, a few months after the war broke out. When were they sent? When, for the first time since the beginning of the war in Lebanon, the inhabitants of the Christian town of Damour, halfway from Beirut to Sidon, were to be pushed out of their town and massacred. Three to

four hundred people were killed, and the others were forced to move out.

A 'civil war' run from outside

All these years, you've been told that there was a civil war in Lebanon. Nothing is easier than to create a civil war, when there is a foreign force such as the PLO within the country. This foreign presence is usually a factor to polarize all the radical factions against each other. It was enough for Lebanon that Pierre Gemayel was ready to fight, and on the opposite side, Kamal Jumblatt, with his allies, to create a so-called civil war.

But as soon as this happened, of course, in order to pretend that they were the only representatives of the Christians, the Falangists of Pierre Gemayel eliminated a great number of Christians who were opposed to them.

I would have been immediately killed if I had not left the country in 1976. I went back later on, but in 1976, I was obliged, with many thousands of Lebanese Christians, to leave the country, because we were threatened with being killed by the Kataeb Party, the Falangists.

But there were far more important leaders than the Falangists, with huge followings, such as Raymond Edde, who since the end of 1976, has been in voluntary exile in France. He is now 78. He was forced out after several unsuccessful attempts against his life.

The former President of the Republic, Suleiman Franjeh, was also threatened by the Kataeb and their fighters, and in 1978, they killed his son, Tony Franjeh.

That's how they managed to appear to represent all the Christians: by eliminating their opponents by force—the same way that Hafez al-Assad kept control over the Syrian society. They all did the same: the Kataeb among the Christians, Jumblatt and his allies among the Muslims, in order to claim to be a complete representation among the communities. They eliminated the opposition, whether by forcing them to leave the country, or by killing them.

But even those who agreed, in the beginning, to try the adventure, to engage in hostilities, discovered immediately what it was—that they were *being driven by foreign forces*. At the beginning, Kamal Jumblatt thought that he would be able to provoke a shift in the power in the country in his own favor; and Pierre Gemayel was hoping the same thing. But once they got into the war, they discovered that they were being driven into it, against their their own will, against their own interest, by Syria, Israel, the United States, and all the other foreign forces involved. So, they wanted to disengage. And what happened? They all—*all! all!*—were systematically killed: Jumblatt in 1977, Imam Mussa Sadr in 1978, Tony Franjeh in 1978, Bashir Gemayel in 1982, Mufti Hasan Khalid in 1989, Prime Minister Rashid Karami in 1987, and many, many, many others.

When a political party, or when a force, or a militia loses its leader by an assassination, what happens to the successor?

Either he continues to obey, or he will be killed just like his predecessor. That's how the different militias became *instrumentalized* by Syria and Israel.

The so-called Lebanese Forces of Samir Geagea now are the Israeli instrument in Lebanon, while the so-called Druse militia of Walid Jumblatt (the son of Kamal Jumblatt who was killed in 1977) and the Amal militia (led now by Nabih Berri, as a successor of the Imam Mussa Sadr, who was eliminated in 1978 in Libya)—both are instruments of Syrian policy in Lebanon.

Walid Jumblatt—he's a funny one, because he could change his mind so quickly. He could give a declaration, and two hours later, the opposite one, as easily as you take off your jacket and put it on. A few months ago, he was in the Soviet Union, and he gave a declaration to Novosti in which he said, "As different Lebanese factions, we have no control whatsoever on the ground; *we all are dependent on foreign powers.*" That's what he said, in essence.

If you want to know what this "civil war" was all about, I can only tell you, that the civil war—even if, in the beginning, it involved certain radical factions wanting to increase their own power—after just a short while became only a Lebanese cover for a *multinational war*, using the Lebanese, against their own will, forbidding them to meet with each other, to discuss with each other, because that was the only way for the foreign powers to keep controlling the ground. If the Lebanese sat down to negotiate with each other, what would be the reason for Syria to stay in Lebanon, or for

Israel? As long as Israel is in the south, Syria will not withdraw; Israel says, as long as the civil war is going on, and Syria is staying in, we will not withdraw. And that's how each of them uses the other as an excuse not to withdraw.

But in the meantime, one has to record that since 1978, the U.N. Security Council, after the first Israeli invasion of the country, passed Resolution 425, calling for an unconditional and immediate withdrawal of Israel from Lebanon. And after the second invasion of 1982, three other resolutions were passed, in the same direction. But never, never, has anything been done to force Israel to respect these resolutions.

As far as Syria is concerned, the United States administration has never wanted to point out its responsibility in the Lebanese tragedy.

General Aoun becomes prime minister

Then in 1988, General Aoun, who had been before that the commander-in-chief of the Army, was promoted to the status of prime minister. Lebanon's Military Council is headed by the commander-in-chief, and he recruits five other generals, representing the five other main communities of the country—one Sunni, one Shi'ite, one Druse, one Greek Catholic, and one Greek Orthodox.

In 1988, Lebanon was an occupied country by more than 80% of its territory: 10-11% by Israel in the south, and the rest under Syrian control, except for that small region that is called from outside the Christian region, which was the only

Michel Aoun: a personal profile

Asked to describe Lebanon's Gen. Michel Aoun personally, Professor El Hashem replied:

Michel Aoun is a son of the people, coming from a poor family. His father and mother were small farmers—don't imagine people owning a very big ranch; it's a small farm, with a few cows, and so on. He lived and grew up on the farm. He went to a public school, which is a multiconfessional school, because the area where he used to live was inhabited by Christians, Shi'ite Muslims, Sunni, etc. By growing up under these conditions, one learns to be tolerant, and to know the others. I, too, went to a multiconfessional school, where I met with different people, and from my early childhood I learned to love my country's people.

General Aoun doesn't belong, by any means, to the

establishment that ran Lebanon since independence in 1943, and even before.

When he got his Lebanese baccalaureate, he passed his test to get into the military academy. According to all his professors at the military academy, he was a brilliant student. After this, he was sent to France and to America, for specialization in artillery. He was a brilliant artillery man, according to his superiors. I'm not only giving him labels; I'm only telling the truth. Brilliant people start by being brilliant from the beginning.

Before that, during his studies in the military academy, every time he went on vacation, you know what he used to do? Go and help his father and his mother on the farm. Usually, in the military education, people learned to be very proud, and to look down on such things. But he used to go to the farm.

In 1961, there was an attempted coup d'état in Lebanon, led by the Syrian Social Nationalist Party. The coup d'état failed, and all the members of this party were caught, put into jail, and tortured. According to the top leader of the coup d'état, whom I knew, and who wrote about what happened there—writing during the war of

remaining area of the country free of foreign occupation. This area was under a certain form of coexistence between the operational brigades of the Lebanese Army, on one side, and the Lebanese Forces—actually, the “Israeli Forces in Lebanon” would be a much more suitable name—of Samir Geagea on the other side.

So, on Sept. 23, 1988, the mandate of the last President, Amin Gemayel, was due to come to an end, according to the Constitution. Ten days before, also according to the Constitution, a new President should have been elected, in order to be ready to take office on the 23rd.

Syria did everything to forbid the Lebanese Parliament to meet and elect a new President. Seven days before the end of the term, Richard Murphy was sent by the American administration, with the explicit mission, to find an agreement to unblock the situation in Lebanon. So, he went to Syria, where he spent four days, after which he came out alone to Lebanon, and met with officials there—the Commander-in-Chief of the Army General Aoun, the President of the Republic, Samir Geagea, and other personalities—and he told them that after very hard, very tough discussions in Syria, Syria is ready to allow the election of a new President; *but* under the condition that the Parliament vote only for Mr. Michel Daher. *No other candidate is allowed*, and if you don’t accept this proposal, then you’ll have to face the chaos alone.

That was the proposal of Mr. Murphy, the representative of the biggest “democracy” in the world.

The Lebanese officials said to him, “Well, during the Ottoman Empire, even when the Sultans wanted to send us a new governor or something, they were a bit more polite. Before they sent us one, they used to send somebody to say, ‘We intend, we feel, that this man is right for the job. We hope that you have no objection if we send you this one.’ But, without any consultation, you can’t appoint us a dictator. We have to refuse it; we are going to face chaos, if that is the only alternative that you leave us.”

And that’s how the country was left without a President. On the last day of Amin Gemayel’s mandate, the President, according to Articles No. 53 and 62 of the Constitution, transformed the Military Council, which was formed in a balanced way on the interconfessional level, into a transitional government. According to the Constitution, when the presidency is vacant for any reason, a transitional government takes its place and assumes the functions of both the President of the Republic and the cabinet, until a new President is elected.

That’s how the *perfectly constitutional* government of Michel Aoun came about.

Of course, Syria is always doing everything to destroy the state. What Syria did, first of all, to contest the legitimacy of Aoun’s government, was to get the previous government, that of Selim al-Hoss, to remain in place, *de facto*, claiming that his was the only legitimate one. Under what constitutional provision? *None. Only by the force of Syria.* And secondly, they put pressure on the Muslim generals of the Aoun combi-

liberation last year, from West Beirut, and that means under the Syrian control—he gave a testimony, saying that there were at that time very few Lebanese officers who refused to participate in the torture. One of them was Michel Aoun.

When the war broke out in 1975, Michel Aoun was always on the front to defend legitimate institutions. Never did he participate in any fight between factions. He only took part in the fighting between the Palestinians and the Lebanese, because he thought that the Palestinians were abusing and violating Lebanese sovereignty. After the war, when the Palestinians stopped, he never participated in any fighting between Christians and Muslims, whatsoever.

In 1983, after the redeployment toward the south of the Israeli Army, the Syrians tried to get back into Beirut, because they had been pushed out of Beirut by the Israeli Army. Never did the Syrian Army face Israel! Why do they pretend to be there to fight against Israel, when they have never faced Israel? So, when Syria was trying, at the end of the summer of 1983, to get back into Beirut, and the famous battles occurred on the Souk-al-Gharb front,

who was the commander-in-chief of this stronghold? It was Michel Aoun.

Two or three months later, the hostilities settled down, and a so-called conference for national reconciliation was held. That was a big joke, because the Syrians wanted to show the whole world that the Lebanese weren’t able to reach an agreement among themselves. How could they have been able to reach an agreement in the presence of Mr. Khaddam, the Syrian vice president? That wouldn’t be possible.

After this conference, a new government was formed, a so-called government of national unity, gathering, of course, Muslims and Christians. And guess who said that Michel Aoun should become the commander-in-chief of the Army? Amin Gemayel, the President of the republic? No. Nor any of the Christian ministers; rather, it was the Muslim ministers.



Michel Aoun



A rally in support of Aoun in Washington, D.C. Four hundred thousand people—both Muslim and Christian—camped out around the Lebanese presidential palace at Baabda, to defend the nation's constitutional government.

nation, to prevent them from joining the government. They didn't dismiss; they only sent their excuses. The government survived by its Christian half, but that's not because they were fanatics, but because they were the *only* Lebanese who were free to say yes or no, because the others were under Syrian control, threatened with their lives.

So, facing an almost entirely occupied country, and a state which is undermined by the militias, the government had either to accept all this, and to coexist with it, or to refuse it, and to call for the restoration of sovereignty by the withdrawal of the foreign forces, and for the disarmament of the different militias. What Aoun and his government chose, was the second option, of course. He fought against the militias, he fought against Syria, and virtually against Israel, because he demanded the withdrawal of all the foreign forces.

He was betrayed, very, very immorally betrayed, by the American administration. We now know that in the beginning, he was encouraged by American officials, and when the war of liberation broke out between himself and Syria, the American officials went to deal with Syria, against him. They used him, they used the war that he was fighting against Syria, as a pressure point, in order to reach agreements with Syria, at the expense of Lebanon.

Betrayal at Taif

The Taif Accord was one of the conclusions of that war of liberation. It committed Lebanon, before any Syrian withdrawal, to elaborate treaties with Syria, covering all the dif-

ferent aspects of national life, in order to illustrate the so-called special links between the two countries. Well, I beg you to tell me, what kind of treaties could be concluded between an elephant and a fly under his feet? This was due to happen within two years, after which the Syrian troops were supposed to redeploy, to get out of Beirut, and to be redeployed to the north of the country and the Bekaa Valley. That means around 35% of the country!

This so-called agreement is an imposition, because if you compare the initial text that was put forward as a platform apparently by the Saudi government, but really, as we all know, by the Americans, you will find that it was an accord with a *koufeia* [Arab headdress].

So, there is no change. My friend Raymond Edde told me that when Mr. Hariri—who is a Lebanese naturalized Saudi, the wealth-keeper of King Fahd of Saudi Arabia—came up to address the invitation to Edde in Paris, he told him, “Oh, yes, *Amid* [“Leader”], but you know, this text should not be modified.” Edde asked, “If no modification is allowed, why do you want me to go to Saudi Arabia? I'm not going.” He did not go.

That's why General Aoun refused this agreement. But the Bush administration was the first to recognize the Taif agreement and the puppet government which resulted from this so-called agreement. Behind the American administration, all the allies, all over the world, recognized the agreement and what resulted from it—the government of René Muawad and then Hrawi after Muawad was killed. The Arab states, except for Iraq and the PLO, and in the beginning Egypt (and now, they're allied with all the others), all gave their recognition, against the constitutional facts of Lebanon, to this accord imposed from the outside.

You couldn't believe it, how everything has been, for the last 16 years, an imposition from outside, and especially from the Kissinger policy of America.

So, we refused this. They threatened us, to force General Aoun out, by using the Syrian Army. Immediately after the first threats were formulated, 400,000 Lebanese people—Muslim and Christian alike—went up to the presidential palace at Baabda and camped for three months around Baabda, in order to say, “If you want to force General Aoun out, you'd better start by killing us.” Do you know what 400,000 people means? That's proportionally the equivalent of 60 million Americans around the White House. Despite this fact, the legitimate government was considered to be the Hrawi one, which was imposed from outside, and the one that the people were ready to defend, without weapons, with their own bodies, was not considered legitimate—despite the fact that this one was nominated according to the Constitution, while everything that was done from Taif to the elections that came later, was absolutely unconstitutional.

That's how the reforms, in the “democratic” way of Saudi Arabia and Syria, occurred in this region. Imagine Saudi Arabia proposing democratic reforms for Lebanon!

Demographic basics shape Mideast policy

The following is excerpted from a speech given by Prof. Bassam El Hashem on Oct. 17 to the Schiller Institute in Leesburg, Virginia.

In order to understand what is happening in Lebanon and the whole Middle East, and the motives of American policy, whether in the Gulf crisis now, in Lebanon and Palestine, for the last four decades, there are a certain number of facts—geopolitical, demographic, etc.—that must be known first.

Early on, the Muslim world split between the Sunni (orthodox), and the Shi'a (heterodox). But through the ages, the Sunni remained nearly unified—except for the Wahhabite sects and so on—while the Shi'a were dismembered. The Sunni now represent more than 80% of the whole Islamic world.

Within the Shi'a branch, we can count the Duodecimans, who believe in the succession of 12 Imams. They believe that the last of these Imams didn't die, but disappeared, and will appear again at the end of time—a sort of messiah. The Alawites are a minority living in Syria and Turkey.

Then there are the Druses, a heretical sect, deriving from Shi'a, but no longer part of Islam. The sect was created at the beginning of the eleventh century in Egypt, which was then dominated by the Fatamids (a Shi'a sect that took control of Egypt and North Africa). The Fatamids built their own empire, which did a lot to integrate Syria, Palestine, Lebanon, and Jordan—this part of the Arab world—while the Abbasid Empire was still in existence, having Baghdad as its capital.

The Druse doctrine believes in the divinity of the Caliph under whom the sect was created; his name is al-Hakim bi-amri Allah, or al-Hakim for short. They believe that God was very often incarnated throughout history, and that the latest incarnation is al-Hakim. This has nothing to do with either Islam or with Christianity. But they still pretend to be Muslims. That is something to be understood about all the Shi'a sects: They have a principle of the *Tagiyyah*. Believers are allowed to hide their real convictions; when their security or vital interests are in danger, they are authorized to pretend to have the convictions of the one who is threatening them. So through the ages, since the end of the thirteenth

century, when the Crusaders were pushed out by the Mamluks (very tough Sunni groups coming from Asia Minor), the Druses always pretended to belong to the Sunni, just to protect themselves. This gives us a measure of the extent of the persecution that was practiced by the majority against them.

The geopolitical map

From 1516 until 1916, during World War I, this area was part of the Ottoman Empire, which had Istanbul as its capital. That was a Sunni empire, adopting the Koran and Sunni law as the fundamental law. Under this, the heterodox were supposed to obey the majority Islamic law, while the Christians and Jews—"the People of the Book"—benefited from the so-called *Millet* regime. They were given autonomy in their personal status. "Personal status" in the Arab world refers to all the laws that concern the family, and the position of the individual in the family and in the city. They enjoyed educational autonomy, and freedom to practice their religious beliefs without persecution.

That regime was always guaranteed mainly by France and Great Britain. The Ottoman Empire was finally dismantled by these two European powers, who had been working hard at it for the last century and a half, effectively since 1797, when Napoleon launched his expedition to Egypt.

In 1916, during World War I, the French and the British concluded a secret agreement, the Sykes-Picot agreement, that once they won the war, they would divide up the region between them, into two zones of influence: a French zone, including the territory of the future Syria and Lebanon; and an English zone, including Palestine, Jordan (then called Transjordan), and Iraq—including, of course, Kuwait, which didn't exist at that time.

After the Versailles Conference in 1919, the League of Nations gave France and Britain a Mandate for this region, according to which they were in charge of helping these people, who had been dominated for so long, to take their destiny into their own hands. In 1917, a second agreement, a revision of the Sykes-Picot agreement, was concluded in San Remo, Italy. In this, they decided that these two zones would be divided into the states which you can see on the map today. That is very important, in order to understand what is happening now.

While Britain was discussing all this with France, the English king was making promises to Sherif Hussein, who was the leader of the Arabian Peninsula, and the ancestor of today's King Hussein of Jordan. The people in what is now called Saudi Arabia were loyal to him. The name Saudi Arabia comes from Ibn Saud, who was the first king of this country after the war; but in fact, the people there are loyal to Sherif Hussein and his descendants, because Sherif Hussein is a descendant of the Prophet Mohammed's family, the Qoraish tribe. The people here today consider King Hussein the legitimate successor of Sherif Hussein, rather than the

family of Ibn Saud—King Fahd and all the others.

The French created Syria and the state of Great Lebanon. During the Ottoman Empire, this whole area was an organic part of the empire, except for Mount Lebanon, which had been, since the beginning of the seventeenth century, an autonomous emirate gathering mainly the Christian Maronites, who are Catholics, and the Druses, who endured such persecution that they always pretended to belong to the Sunni Islam, not to mention other minority communities such as the Duodeciman Shi'ites. Despite all the differences that separated them from each other, these three communities participated in the same destiny, because they had to fight the same struggle for survival.

At the 1919 Conference of Versailles, the Lebanese asked France to help them recover their natural frontiers, because even though the boundaries of the emirates since the seventeenth century were a bit more than the so-called Great Lebanon that emerged after 1930, still, practically, the zone of influence of the emirs was always farther than the administrative northern boundaries. For example, under the Emir Fakhr ed-Din, the Lebanese boundaries extended to the city of Hama, in Syria. There is no secret why: This is a place where the persecuted minorities used to seek refuge. And there has always been a solidarity between them, just for their survival.

But when France gave Lebanon the right to exist, Syria always opposed it, and claimed that Lebanon had always been a part of Syria—which does not have any historical basis whatsoever. Before 1920, Syria had never existed as a country. Syria itself was divided into a certain number of *vilayet* during the Ottoman Empire, and had never constituted a political unity.

While France was doing this, the British were first of all promising Sherif Hussein to help him create a state of Arab unity, but behind the scenes they were negotiating with the French dividing up the area, and at the same time, in 1917, they gave their famous Balfour promise to the Zionist movement, that they would help the Jews to create a homeland in Palestine.

The British, when they divided this area, decided to create Jordan, Palestine—with two opposite promises. For Iraq, they separated all the seacoast area and created an independent emirate, just to block Iraq from the sea. This has never been accepted by the Iraqis.

Never did the Arabs agree with this partition plan when they discovered that it existed. They always rejected it, and vowed to struggle for the reunification of the Arab world.

Now, we know where the basic geopolitical map of the Middle East comes from.

Demographic complexity

What are the demographic facts of the Middle East?

I will start with Lebanon, using figures from 1975. I cannot give you data about the present, because, with all the hostilities, the transfer of population because of massacres,

and so on, there is a new distribution, and most of the Christians have fled, resulting in a demographic imbalance in the country. But we cannot consider this as a structural fact; if anything changed, most of the Lebanese who left the country since 1975 would go back, and I am one of those. But in 1975, Lebanon was approximately composed of 50% Christians and 50% Muslims, with the Druses considered part of the Muslim group, because that is how they classify themselves. Of the Muslims, 42% are Sunni, 46% are Shi'ite, and the Druses are 12%—most of the Druses have moved to Syria since the eighteenth century.

There are 11 Christian communities, representing all the Eastern churches—except for the Coptic, which is the Egyptian church. The principal community on the Christian side are the Maronites, the oldest Christian community in Lebanon, because that is where the Maronite church was founded in the north of Lebanon at the end of the seventh century. The Maronites are 60% of the Christian half of Lebanon.

Then there are the Melkites. They used to be the Orthodox church, but at the end of the seventeenth century, this church split; part remained Orthodox and part became Catholic, rejoining Rome.

The fourth community is the Armenian, because, after the Armenian genocide was committed by Mustafa Kemal Ataturk during World War I, most of the survivors came to Lebanon, where they found refuge. Others went to the United States and France.

Israel, as you know, is a monoreligious, monoracial state, and the ideology of the state is to refuse any mixture; they don't want any multiconfessional structure.

As for Syria, 72% of Syria was Sunni, as of 1979. The Alawites (the confession of President Hafez al-Assad) are 12.5%; Christians were 11%; Druses about 2.5%, etc.

Jordan is 96% Sunni, and 4% Christian.

Iraq is a country which has two characteristics on this level: an ethnic duality between Kurds and Arabs, and a religious multiconfessionalism. On the confessional level, 52% of the population of Iraq in 1979 was Shi'ite—that is very important. All of these—the Shi'ites of Lebanon, of Iraq, and of Iran—are Duodeciman. The rest, 48%, included 3.5% Christians and 45% Sunni. But the Kurds are Sunni. We find that most of the 45% of the population who are Sunni are Kurds, and not Arabs. Saddam Hussein is an Arab Sunni.

There is often confusion concerning Iran; I hear, "The Arabs are fighting among themselves." But in fact, the Iranians are not Arabs at all, from an ethnic point of view. The Iranians are Persians, and the Arabs are Arabs. Their only common denominator is that they both are Muslims—but within the Arab world there are also Christians. I am a Christian, and I am an Arab. But the Arab world is Muslim, and Iran is Muslim too—though even here, one has to distinguish Iran as being a Shi'ite Muslim country, by 88% of its population, while the Arab world is mostly Sunni.

Kissinger's record: war and terrorism

by Scott Thompson

On April 11, 1989, at a press conference of the Trilateral Commission in Paris, Henry Kissinger said that he never lets morality interfere with policymaking, which is one reason why he "rather likes" Syria's Hafez al-Assad. "God may punish me" for it, Kissinger said.

Kissinger's relationship with Assad spans two decades, and he was instrumental, with Israeli intelligence, in the November 1970 coup that made Assad the strongman of Syria. In his memoirs, *The White House Years*, Kissinger praised the Syrian dictator to the skies: "Less visionary than Sadat, [Assad] nevertheless gave Syria unprecedented stability and, against the background of the turbulent history of his people, emerged as a leader of courage and relative moderation."

In the second volume of his memoirs, *Years of Upheaval*, Kissinger wrote: "Withal, I developed a high regard for Assad. . . . He was far from being a Soviet stooge. He had a first-class mind allied to a wicked sense of humor. I believe that I was the first Western leader with whom he had dealt consistently. . . . He grasped the opportunity for some free tutorials."

What this really means, can be judged from the report of former State Department official Edward Sheehan, that their relationship had become so close that Kissinger regaled Assad with tales of his sexual exploits, and even offered Syrian leaders names from his "Black Book."

Role in 'Black September'

As soon as he took office as Nixon's national security adviser in 1969, Kissinger set out to undermine the comprehensive Mideast peace plan of Secretary of State William Rogers. As Seymour Hersh documents in his book *The Price of Power*, Kissinger found a close ally in Israel against Rogers, who wanted Israel to withdraw to its pre-1967 borders.

In September 1970, King Hussein of Jordan, a close ally of the United States, became a victim of Kissinger's Middle East machinations. When Kissinger, according to CIA sources, fomented an uprising of Palestinian radicals against King Hussein, it triggered a U.S.-Israeli showdown with Syria, which ended with King Hussein expelling the Palestinians into Lebanon, and with a coup that placed Hafez al-Assad in power. This is the root of the present crisis in Lebanon, as Prof. Bassam El Hachem shows in the accompanying articles.

Once the revolt against King Hussein began, Israeli intelligence on Sept. 20 reported that there was a massive invasion of Syria by Jordanian tanks to defend the Palestinians. Kissinger circulated these wildly exaggerated estimates in the name of the CIA, without revealing their Israeli origin. Andrew N. Killgore of the State Department later said: "We started getting these reports as if it were El Alamein. They were invading in full force."

Kissinger argued that the Soviets were backing Syria to the hilt, to challenge the United States. As Kissinger brought the world to the brink, Syrian Air Force Gen. Hafez al-Assad refused to provide air cover for Syria's tanks, forcing their withdrawal from Lebanon. This gave Kissinger a "victory," for having faced down the Soviets.

As a result of the crisis, King Hussein expelled all Palestinian organizations from Jordan, despite the fact that PLO leader Yasser Arafat suspended George Habash's Popular Front for the Liberation of Palestine, whose terrorist acts had precipitated the crisis. Kissinger, according to CIA reports, reorganized some of the more radical Palestinians to create a phony "Black September" network, under the joint control of British, U.S., and Israeli intelligence, whose later terrorist acts helped trigger the 1973 Yom Kippur War.

Israel was given massive military supplies, having "proved" that it was America's sole ally in the region against the Soviet Union. And Assad used the fallout from the crisis to mount a coup that brought him to power two months later. Thus, Kissinger's two future allies for rejecting any real Middle East peace were lined up. As Kissinger admits in *Years of Upheaval*, Assad's intransigence against a peaceful settlement in the Middle East, combined with that of Israel, became his major weapons against any rebirth of the Rogers Plan.

The plan to partition Lebanon

Kissinger drew up a plan in 1975-76 for the partition of Lebanon. He welcomed the Syrian intervention and subsequent occupation of Lebanon, describing it as an essential buffer against the PLO.

The "Sarajevo incident" that triggered the war in Lebanon was the March 1975 assassination of Saudi King Faisal, an act that ended the mirage of peace resulting from Kissinger's diplomacy. (There is evidence to place Faisal's murder at Kissinger's doorstep, as Jordanian officials have recently pointed out to his successor, King Fahd.) One month later, the Lebanese civil war erupted, as Kissinger proceeded with his partition plan.

Kissinger was present at meetings at the ranch of Israeli Defense Minister Gen. Ariel Sharon, where the 1982 Israeli invasion and partitioning of Lebanon were planned. Kissinger's former National Security Council deputy, Alexander Haig, then secretary of state, gave Sharon a green light, unbeknownst to President Reagan.

The world is collapsing around Britain's Thatcher

by Mark Burdman

The resignation of British Deputy Prime Minister Sir Geoffrey Howe on Nov. 1 represents the end of an era in Britain. Howe was the last remaining cabinet member from the original 1979 Margaret Thatcher cabinet. As the London *Financial Times* put it brutally on Nov. 3, the time has now come for "the sole remaining survivor of Mrs. Thatcher's 1979 cabinet to depart." The "sole remaining member" is none other than Thatcher herself. The paper reported the hopes of unnamed ministers of the British government, that Thatcher's husband Dennis would prevail on her to peacefully resign and retire to their new home in Dulwich in the days or weeks ahead.

In his resignation letter, Howe cited strong differences over British policy toward Europe as the reason for his departure. That had, indeed, become a highly important issue, in view of the British government's isolation at the European Community (EC) heads of state meeting in Rome on Oct. 27-28, and in view of Thatcher's insistent anti-European carping. Throughout the European continent, there is a growing anti-British backlash. Powerful British elites, typified by former Foreign Secretary Peter Lord Carington, are in despair that the longer Thatcher stays in power, the more Britain will be left out of politics in Europe and will be unable to manipulate European politics from within, through "balance-of-power" and "divide and conquer" stratagems.

But Europe is not the only point of contention. It is inextricably linked to Britain's dire economic problems, and this factor of economic collapse is a central reason for the snowballing anti-Thatcher sentiment, whether it be among political and banking elites, businessmen, or the general public. On Nov. 6, the Confederation of British Industry (CBI) launched its strongest attack on the Thatcher govern-

ment in a decade, warning that British industry had been seriously weakened by high interest rates and high inflation rates at precisely the moment when it needed to double investment to compete with European competitors. CBI director-general John Banham declared: "Too much of the damage has been self-induced: the speculative boom in housing, of interest rates too high for too long," and delay in joining the European Exchange Rate Mechanism. CBI spokesmen warned that the government was ignoring infrastructure development, and that as a result, Britain was falling dangerously behind Europe. Banham warned that the Thatcher government would soon be ousted, unless it "got its act together" on Europe and the economy. "A board that is divided is ripe for takeover," he stressed.

Beyond Europe and the economy, the opposition to Thatcher is a reflection of growing anxiety within segments of the British Establishment about imminent war in the Gulf, for which war Thatcher has been the most enthusiastic international advocate. Although this is not addressed explicitly in Howe's resignation letter, his resignation has severely undercut Thatcher's credibility, precisely at the moment when war clouds are gathering. Senior continental European and City of London insiders stress emphatically, that there is a growing faction of British military and intelligence insiders who are opposed to a "Falklands II" adventure in the Gulf, and that Howe was, in effect, acting as their point man. Howe's resignation came more or less three months to the day after the Aug. 1-2 Iraqi invasion of Kuwait.

Coincidence or not, as news of that invasion came from the Gulf, Thatcher was on a plane to Colorado to receive an award from the Aspen Institute. She used the occasion of her U.S. trip to devote no less than five days to intensive

consultations with President George Bush and his advisers, during which, according to British press accounts in August, she “stiffened Bush’s resolve,” and “played Lady Macbeth to George Bush’s Hamlet.” Since Nov. 2, the English-language *Baghdad Observer* has run interviews and commentaries pinpointing Britain’s role in pushing the U.S. into war. A Nov. 6 commentary attacked “perfidious Maggie” for her leadership of the war party, but also reported her growing internal problems in the United Kingdom. Indeed, three months after Aug. 1-2, the case can ironically be made that Thatcher is in more political trouble than is Saddam Hussein.

Howe, Heath, and Heseltine

It is hardly a coincidence that Howe’s resignation letter was delivered to 10 Downing Street at 6:00 p.m. the evening of Nov. 1, just as news was coming from London of British government fury at the German government, for Bonn’s declaration that it would be backing former Chancellor Willy Brandt’s diplomatic trip to Iraq. London was particularly incensed because, only hours before, Foreign Secretary Douglas Hurd was boasting that at the Rome summit, Britain had painstakingly won the commitment of the other EC countries *not* to launch independent diplomatic initiatives around the Gulf. Just as the blood was boiling at 10 Downing Street and Whitehall, Howe dropped his resignation bombshell.

On Nov. 1, former British Prime Minister Edward Heath launched his strongest attack ever on the Bush-Thatcher war policy in the Gulf. Heath denounced President Bush for having said he “had had it” with Saddam Hussein, and called on Thatcher to “disassociate herself from the President’s statements.” Heath stressed that a war “is a question of life and death for tens of thousands of people,” and could potentially plunge the world into the deepest recession since the 1930s. He stated: “There must be a distinction between appeasement and solving a problem. And what we have got to do in the Middle East is solve the problem. That requires a diplomatic effort. And that effort is not being made. The government has abdicated diplomacy.”

The London *Daily Telegraph* commented Nov. 2 that Heath was emerging as the “head of the anti-war faction at Westminster.” He continued his outspoken intervention throughout Nov. 3-4, declaring Saddam Hussein to be a man “we can negotiate with,” and chiding the bishops of the Church of England for having failed to endorse a process of negotiations and war-avoidance. The pro-war *Sunday Telegraph* noted with apprehension on Nov. 4, that Heath had been consulting with and advising Brandt before the latter’s mission to Baghdad. The paper said that Thatcher was “furious” at Brandt for his Iraq initiative. In a rare moment of anti-British defiance, Brandt shot back that Thatcher should rather be concerned with the problems “at her own doorstep,” before all her cabinet members desert her.

On Nov. 4, the next bombshell exploded. The British press released the text of a letter by former British Defense

Minister Michael Heseltine to the head of his local Conservative Party constituency branch, expressing his concern that Thatcherite policies toward Europe were a disaster. Heseltine has long been recognized as the most prominent and persistent challenger to Thatcher within the Conservatives. And where was Heseltine when the text of the letter was released? In Jordan, in the middle of a diplomatic swing through the Middle East.

‘The best service she can render’

During the week of Nov. 5, Thatcher and her loyalists began to mount a furious witchhunt against Heseltine and his backers, insisting that “intra-party discipline” would be ruthlessly imposed. The Thatcherites’ intent is to head off a leadership challenge within the Tory Party later in November.

But short of an immediate war in the Gulf preempting the political challenge against her, Thatcher is in an impossible position. The more she acts in her traditional way, the more she damages British interests, and the more she fuels opposition to herself. As maverick Conservative parliamentarian Tony Marlow (who has opposed the Gulf intervention) put it diplomatically on Nov. 2, Thatcher was necessary in the latter 1970s, fine for the 1980s, but obsolete and harmful in the 1990s.

Polls published on Nov. 4 in the *Independent on Sunday* and *Sunday Correspondent* weeklies showed two-thirds of British voters want her to step down before the next general election. On Nov. 8, new mid-term election results in Bradford North and Bootle election districts are expected to bring further disasters for the Tories, after the late-October travesty in the election district of Eastbourne, where the Tories lost a usually “safe” district to a candidate for the also-ran Liberal Democrats.

Meanwhile, Establishment mouthpieces are demanding Thatcher’s head in language that is bloodthirsty even by the Establishment’s standards. On Nov. 3, the *Independent* daily headlined its editorial, “The arch-divider.” The editorial began: “It now seems unlikely that the Conservative Party can win the next election under Mrs. Thatcher. This is not because of the European issue as such. Europe is not the top of the agenda for most voters. They are more concerned with health, education and the economy. . . . What is going to bring about the defeat of the Tories if they do not get a new leader is the public perception of a deeply divided party facing a series of important domestic and international decisions.”

The paper asserted that “the vast bulk” of Tory Members of Parliament “instinctively realize that the Prime Minister has gone over the top and that her obsession may be harming both party and country. The truth of the matter is that it is the Prime Minister herself who magnifies and exacerbates the differences within the party and turns them into yawning divisions. She is the arch-divider.”

The *Independent* noted that “if the economy were in

Is the People's Army reliable?

by Mary M. Burdman

The People's Liberation Army of China is undergoing the biggest internal shakeup since at least 1985. In the months after the June 4, 1989 Tiananmen Square massacre, when PLA troops fired on civilian demonstrators, reportedly at least 3,000 officers and soldiers were purged for mutiny, for refusing to fire on the demonstrators. Now a much more thorough purge is afoot.

Military strongmen President Yang Shangkun and his brother Gen. Yang Baibing are trying to consolidate control of the PLA and squeeze out Communist Party head Jiang Zemin, appointed as chairman of the Party Central Committee Central Military Commission by Deng Xiaoping. Chairman of the Central Military Commission was, until 1989, the only official post held by Deng Xiaoping, indicating its power. The Yangs, who occupy second- and third-level positions in the Military Commission, however, are raising "very heavy" opposition for their pains, Hong Kong analysts report.

What role will the Army play when the death of 86-year-old Deng Xiaoping, or 85-year-old, but still much more active Yang Shangkun, forces the fight for power in China into the open? One exiled Chinese dissident said earlier this year that in China, in case of civil war, the Army would split: "It would be very messy, and many people would die."

Unconfirmed reports in the British press Oct. 15 say that senior PLA officers in Guangdong and Beijing have formed a secret organization committed to forcing Prime Minister Li Peng and the Yangs from power, and restoring ousted party head Zhao Ziyang. The secret group has "funds and friends at the top, as well as in the Navy and Air Force commands. . . . There is now a division between northern and southern units."

There have been steady reports of discord between the Guangdong Military Region and Beijing. Guangdong's leaders were the last to state their support for the Beijing government after the Tiananmen massacre. However, the overwhelming concentration of military power is in the northeast; Guangzhou is weak in comparison, lacking enough experienced soldiers to form five divisions.

The leadership of the seven Military Regions was complete shaken up in April and May this year, and new commanders appointed in six regions. Then, on July 6, the *Liber-*

splendid shape, the Tories might, at a squeak, be able to afford the luxury of appearing before the electorate as a divided party. But that is far from the case." The question, it stressed, is whether the Tories can resolve their differences "while Mrs. Thatcher remains as leader. After this awful week, it is difficult to conclude in the affirmative. Only if she goes will the party be able to unite and wage effective electoral battle. . . . The only way Mrs. Thatcher can give her party a chance of victory is by resigning and then supporting her successor. It will be up to senior members of the party to persuade her that this is the best service she can render to the nation and the party."

The lion that didn't roar

The *Independent* is one of the British Establishment dailies most sensitive to how Britain is seen on the European continent. The paper would have been acutely aware that the Thatcherites' crude attempts to whip up anti-European sentiment among Britons have flopped miserably, both in Britain and across Europe.

For example, the pro-Thatcher mass-circulation *Sun* tabloid, a mouthpiece for the Rupert Murdoch interests, called on Britons to mobilize on Nov. 2 against France and Jacques Delors, the French president of the European Commission. On Nov. 1, the *Sun* had published an editorial entitled "Up Yours, Delors," which recommended that Britons congregate the next day, turn in the direction of France and make an "Up Yours!" gesture, as a message to Delors where he should put the ECU currency notes that would be the currency of a united Europe. The editorial was filled with wild anti-French ravings.

On Nov. 2, a grand total of six people showed up at Trafalgar Square to "gesture" against France. Four of the six were Thatcherite Tory loyalists, and two were *Sun* readers. The embarrassment should not be underestimated: Trafalgar Square is named after the Battle of Trafalgar, where the British Admiral Lord Nelson defeated the Napoleonic French fleet and broke French sea power. The demonstrators gathered at the Square's famous statue of a lion, which is supposed to symbolize the British lion. The French press, needless to say, had a great time.

To add insult to injury, a correspondent for the *Independent* reported on Nov. 3 that he had spoken to numerous farmers in Germany, expecting there to be anger against the United States over the emotional issue of cuts in agricultural subsidies. Instead, he found a violent anti-Thatcher mood.

Feelings against Thatcher are so high in eastern Germany, that a *Financial Times* reporter advised British travelers in an Oct. 29 column: "If you find yourself conversing with anyone east of the Elbe, do not get into a discussion about Mrs. Thatcher's views on German unification unless: a) you have an aeroplane ticket to leave Germany extremely fast, b) you are under police guard, c) you are talking to an ex-member of the [East German communist party] Politburo."

ation Army Daily announced that the General Political Department of the PLA, under the leadership of Gen. Yang Baibing, would administer the PLA's Commission for Discipline and Investigation, which had been under the jurisdiction of the Central Military Commission. Yang Baibing said that in the next six months, the PLA would investigate certain unnamed "new factions in the leadership" in order to make sure they had already adopted the correct measures to "maintain integrity."

Eight of 17 generals were ousted this year, and middle-level officers are being given the "helicopter" treatment if their record on June 4, 1989 is right. The regional command changes were not even announced at Central Military Commission meetings. Last May, Yang Baibing went from region by region, announced the changes with no advance notice, and ordered the officers to their new posts within a week's time. The changes were by no means all disciplinary. The new commander of the vital northwest Lanzhou region is Fu Quanyou, 60, enforcer of martial law in Chengdu Military Region (Tibet). When martial law was lifted on May 1, he was transferred to the "new flash point," Xinjiang, Hong Kong's *Tangtai* reported.

Morale is destroyed

The PLA has been called out for three crucial interventions in the past 18 months: in Tibet, where martial law was proclaimed in March 1989 and never really lifted; in Beijing; and, in April this year, to suppress an armed rebellion of Turkic Muslims in Xinjiang province. In June, the *Liberation Army Daily* warned that "the possibility exists of local wars and military conflicts in the border areas of our country."

There is no doubt that the communist regime also fears bloody revolution inside China. But the Army which the Beijing regime finds so essential for keeping China under control, is wracked with internal dissension. The Beijing regime's treatment of the PLA after the massacre did little to foster loyalty. In "official" accounts of the massacre, especially that of Beijing Mayor Chen Xitong, the troops were blamed for finally opening fire when pushed beyond endurance by the demonstrators—taking the blame for the actual killings away from Deng, Li Peng, and Yang Shangkun. Overall morale among the 3 million troops is reported very low, due not only to rancor at the PLA's role in the Tiananmen massacre, but also because of miserable conditions, so bad that PLA troops in some areas must grow their own food. The Army has also reimposed Mao Zedong "struggle sessions" as a substitute for military training, and miserable conditions. In September the PLA daily announced that "Marxism-Leninism-Mao Zedong Thought" is "the guiding ideology and theoretical foundation for the building of our party and Army," and that "criticism and self-criticism," the brainwashing methods that prevailed in the Cultural Revolution, will be the mode of interaction.

Despite such efforts, there has been a 20% rise in crime

and disciplinary violations since last year among lower ranks. The greatest increase was registered in the category of political "crimes," such as putting up posters, "conspiracy," theft of weapons, sheltering "rebels" and even assassination of unit leaders, Hong Kong's *Cheng Ming* reported in August. In the crucial Beijing Military Region, 40% of cadres and soldiers had relatives or friends at the 1989 demonstrations.

All this calls the question: Can the PLA be relied upon to maintain the Communist Party leadership in power under conditions of revolt?

'From the prison in which the politician's career expires, the influence of the statesman is raised toward the summits of his life's providential course. Since Solon, the Socratic method has become the mark of the great Western statesman. Without the reemergence of that leadership, our imperiled civilization will not survive this century's waning years.'

—Lyndon H. LaRouche, Jr.

IN DEFENSE OF COMMON SENSE by Lyndon H. LaRouche, Jr.

Available for \$5 from:
Ben Franklin Booksellers, 27 S. King St., Leesburg, Va.
22075. Telephone (703) 777-3661.

Postage & Shipping: U.S. Mail: \$1.50 + \$.50 each additional book.
UPS: \$3 + \$1 each additional book.

GRALIN associates, inc. Fax (215) 340-2415
(215) 340-2411

3613 Old Easton Road, Doylestown, PA 18901

Specialists in Voice Response Systems.

The Audio Info Engine, provides you with a powerful tool to deliver your information. GRALIN offers today's Information Provider a wider choice of options than any other vendor of audio

response systems. GRALIN's staff will work with you to



design and implement a system to meet your needs. Call or Fax us with your ideas or requirements for a quotation.

Kahane's revenge may be a new Mideast war

by Joseph Brewda

The Nov. 5 assassination of Jewish Defense League founder Rabbi Meir Kahane in New York City is a dramatic reminder that a Mideast war could be triggered in a variety of unexpected ways in the coming period. Within hours of the killing, two elderly Palestinian peasants were gunned down in an olive grove near Hebron on the West Bank, by Jewish gunmen in a passing car. "I hope it was revenge," Kahane's spokesman Baruch Marzel said after the slaying. "I promise you there will be a river of Arab blood," said another Kahane spokesman, Yoel Ben-David, adding, "Kahane will take more Arab blood with him in his death than when he was alive."

Kahane was shot shortly after announcing to a crowd of 80 followers at the Marriott Hotel that he would be running again for the Israeli Knesset (parliament). He had previously been banned from running for reelection because he promoted racism. His alleged assailant, Egyptian-American El-Sayyid Nosair, was shot and captured while attempting to flee.

A self-confessed former FBI informant, Kahane had first gained notoriety in 1968 when he formed the Jewish Defense League in Brooklyn in order to keep blacks out of Jewish neighborhoods. Since emigrating to Israel in 1973, Kahane built the Kach political party, based on a policy of forcing the 1.6 million Arabs who reside in the Occupied Territories and whom he termed "dogs," out of what he claimed was Israel. Kahane rejected democracy as antithetical to Judaism.

While Kahane was usually dismissed as an "outcast" for his fascist rhetoric, it is well known that he was patronized by Israel's Hitler, Gen. Ariel Sharon, the current housing minister and strongman of the Israeli war cabinet that was formed last June. Sharon reportedly met with Kahane's "Jewish settlers" movement over the summer and ordered a vast increase in their arming and funding by the Israeli government.

The Sharon crowd has long viewed Kahane as a useful tool in providing a pretext for a new war. In one reported scenario, his followers would carry out a killing spree of sufficient intensity to trigger the type of Arab counter-reaction that would "justify" an Israeli strike into Jordan. It is even possible that Israel set up Kahane's murder in order to put this scenario into motion. One thing is certain: that while Kahane may now be dead, his "final solution to the Arab question" policies are in the process of being implemented.

Ongoing provocations

Leading up to the assassination, the Israeli government of Yitzhak Shamir had been steadily increasing its terror against Israel's Palestinian population, especially since the British and Israeli governments manipulated the Bush administration into sending its land and naval forces into the Persian Gulf.

In one hideous incident, Israeli authorities massacred 21 Palestinians at the Harem al-Sharif, site of the Al Aqsa Mosque, in Jerusalem on Oct. 8. The Palestinians had congregated at the site after a Jewish fundamentalist sect affiliated with Kahane had threatened to defile the site that day. The police claimed they were threatened by Arab youths who began throwing rocks in response to the desecration.

On Oct. 21, Sharon provocatively called for prohibiting any Arabs from carrying knives into Jerusalem. Should an Arab be caught with a knife, his house and that of his family should be demolished, he raved. The Israeli government has demolished 1,556 Palestinian homes since 1987 as punishment for family members' throwing rocks at Israeli police.

The day after Sharon's remarks, two female Israeli soldiers were stabbed by an Arab near Haifa, apparently in revenge for the massacre. The Arab was apprehended by a crowd and beaten to death. That same day, an Arab attacked two Jews in Ashkelon with a hammer.

On Oct. 28, Sharon fueled the tense environment by demanding that there be mass firings of Palestinians to make way for jobs for unemployed Jews and new immigrants, mostly from the Soviet Union. As Sharon was speaking, many Arabs returning from the Occupied Territories to their jobs in East Jerusalem, after having been excluded for several days by authorities, discovered that they had been dismissed from their jobs while they had been away.

Israeli government spokesmen estimate that new measures being planned which would forbid Arabs who have police records or who are without proper papers from working within the pre-1967 borders of Israel, would eliminate 50,000 Palestinians from their jobs.

On Nov. 3, Israeli authorities killed one Palestinian and wounded 89 others in the Gaza Strip. A riot had started after Israeli police informed the family of Attiyah Zanin that he had "hanged himself" in prison, 13 days after being detained by police for ties to the Palestine Liberation Organization. Following the riot, the Israelis began a policy of flinging rocks from helicopters at demonstrating Arabs.

Responding to such incidents, U.N. Secretary General Javier Pérez de Cuéllar stated on Nov. 2 that the 164 nations that signed the Geneva Convention which protects civilians in wartime should meet to discuss new ways to ensure the safety of Palestinians in the Occupied Territories. His recommendation, attached to a report to the U.N. Security Council on the Jerusalem massacre, predictably led to an outburst by the Israeli government, which claimed that the Geneva Convention did not apply, and that Israel "has sole responsibility for administration of these areas."

'Iraq will not fire first; why can't the U.S. try diplomacy?'

Fiorella Operto, EIR's correspondent in Rome, conducted the following interview with Mayor Elias Freij of Bethlehem on Nov. 2. Operto's questions were submitted to Mayor Freij in writing.

EIR: Can you please brief us on your recent tour in Italy?

Freij: I was invited by the Pio Manzù International Research Center to participate in the conference held in Rimini and the subject was "Eye of the Needle."

It was a very good opportunity to participate in this conference.

On Sunday, Oct. 14, 1990 I had a meeting with Prime Minister Giulio Andreotti.

I spoke in the conference on Monday Oct. 15. Also I gave many interviews to the press, radio and television.

On Wednesday, Oct. 17, I spoke in the City Hall of the Municipality of Rome. His Worship the Mayor of Rome was the first speaker.

While in Rome, I had meetings in the Foreign Office.

EIR: How do you see the current situation in the Occupied Territories?

Freij: The current situation in the Occupied Territories is very tense, critical, and dangerous. The closure of the Territories, forbidding Arab people to go to Arab East Jerusalem, was a very serious warning. There are no prospects for a genuine peace settlement in the foreseeable future. However, the Palestinian Arabs are willing to negotiate a comprehensive peace settlement with Israel, based on [U.N.] Security Council Resolutions 242 and 338. As Palestinians, we aspire to live with the Israelis as good neighbors, free neighbors, and equal neighbors.

EIR: Day by day, we see that the will to peacefully solve the Gulf crisis is sabotaged by forces who are interested in a war. How do you see the situation? Is a war inevitable?

Freij: Unfortunately, the situation in the Gulf area is worsening. There are several forces which are trying to sabotage peace efforts. I believe that war is inevitable. It might start any day after the American congressional elections are over on Nov. 6.

War will have devastating results on this region in particular and the whole world in general. War cannot resolve disputes of this nature. Political negotiations are the best way to resolve the Gulf crisis.

EIR: If the United States and the oil multinationals come, through a war, to control the access to the Gulf oil, Europe will be damaged the most. Already, Eastern Europe has suffered from the last two and half months of increases in oil prices. How could Europe intervene to stop the mechanism of war?

Freij: The poor countries in the world and especially East European countries will suffer most. The U.S. and multinational oil companies will dominate the production and sales of oil. But the standard of living and education in poor countries will worsen.

Europe can prevent the outbreak of war. The speech of the French President [François Mitterrand] in the U.N. last month contained some grains of hope.

The Soviet Union is adopting a wise and realistic policy. The policies of the United Kingdom are most unhelpful. Without European support, the U.S.A. cannot start war. *Iraq* will not fire the first bullet. Why cannot the Americans try diplomacy?

EIR: Don't you agree that economic cooperation and aid to uplift the well-being of all the peoples of the area is the best key to peace? Don't you think that we must apply to the Middle East situation the mandate of Pope Paul VI, "The new name for peace is development"?

Freij: I agree with the full contents of this paragraph as written by you.

EIR: Can you comment on the situation of the forces in Israel and in the Occupied Territories, who are in favor of a Palestinian state?

Freij: The forces or groups in Israel that support a Palestinian state are insignificant. Amongst the Palestinian people there is overwhelming policy in support of establishing a Palestinian state in accordance with [United Nations] Security Council Resolution 242.

New government in Pakistan, but stability is far away

by Ramtanu Maitra and Susan Maitra

Islamic Jamhoori Ittehad's (IJI's) resounding victories in the national assembly elections on Oct. 24 and provincial assembly elections three days later were no surprise, although the routing of the People's Democratic Alliance (PDA)—a coalition which is overwhelmingly dominated by Benazir Bhutto Pakistan People's Party (PPP)—in general, and in Punjab particularly, was a shocker. IJI is strongly backed by Pakistan's Army and the bureaucracy, and is in full agreement with the U.S. policy in the Gulf.

The PPP's drubbing, which became obvious when the poll results began to emerge, is a clear indicator that former Prime Minister Benazir Bhutto's 20-month tenure, which came to an abrupt end when President Ghulam Ishaq Khan summarily dismissed her government on Aug. 6 and called for fresh elections, was considered ineffective by the people. Bhutto, however, has claimed that the results are lopsided because the caretaker government, under whose supervision the polls were held, was involved in "massive rigging" to destroy her party's chances. Bhutto has called for a new poll of 100 out of 206 national assembly seats under new election laws. She has, on the other hand, provided little evidence of such "massive rigging." A Paris-based independent group has reported widespread irregularities, and a 16-member non-governmental South Asian Association for Regional Cooperation (SAARC) observer mission has, however, found "serious improprieties and violent incidents" in some polling stations it visited during polling.

Reflecting Washington's preferences, the National Democratic Institute, an arm of the U.S. "Project Democracy" which orchestrated vote fraud in favor of Corazon Aquino in the Philippines in 1986, has said little to confirm Bhutto's accusations.

As the election day neared, the battle between the Army and bureaucracy on the one hand, and Bhutto on the other, reached endgame intensity. Many believed that even if Bhutto were elected, the Army would not permit her return to power, posing the direct threat of civil war—a prospect the Pakistani population evidently did not relish.

Since Bhutto was never able, during her 20 months in office, to break the power of the Army-bureaucracy establishment of Pakistan, it is not likely that the reemergence of the IJI will result in major policy changes. As observers in India

point out, the Army was already running Pakistan's provocative policy toward the border states of Kashmir and Punjab, where terrorist-separatists are agitating against the Indian central government.

But the election results will definitely advance Pakistan's tendency toward Islamic fundamentalism, and thence into Islamic postures on foreign policy. This will tend to spark increased tensions between Pakistan and both Washington and New Delhi.

The campaign

While Bhutto's vote-rigging charges have been brushed aside by the caretaker government, there is no denying the fact that the IJI had set out to destroy the PPP. On a number of occasions, the former chief minister of Punjab and the IJI strongman, Nawaz Sharif, had threatened to "wipe out the PPP." Even President Ishaq Khan, a career diplomat who is known for his integrity, made no bones about his contempt for the PPP.

During the campaign, Bhutto and her supporters were routinely harassed and dragged to court under charges of corruption and nepotism. Bhutto's husband and a PPP candidate, Asif Ali Zardari, was arrested under kidnapping and extortion charges, and Bhutto was prevented from holding a rally at Lahore, the political heartland of Pakistan. Besides, the IJI candidates branded Bhutto as a "pro-India" politician, while IJI's Jamaat-e-Islami members made sure to extract *fatwa* (edict) from various Maulvis, claiming Bhutto's ineligibility for leadership because she is a woman.

At one point, when sample polls indicated that Bhutto's party might emerge as the single largest party, it seemed that the authorities would disqualify Bhutto by convicting her on one of many charges leveled against her. However, a reported intervention from the White House and noises from the U.S. House of Representatives stopped such a plan. Washington's insistence that a "free and fair" poll in Pakistan must be a precondition of foreign aid also seems to have played a role in keeping Bhutto free and allowing her to campaign.

On Oct. 21, the Islamabad-based English daily *The Muslim* reported a survey carried out by the Civilian Intelligence Agency, Inter-Services Intelligence, and the Provincial Special Branches. That survey showed the IJI a clear winner

with 92 seats, with the PPP winning 75 seats, including 11 marginal seats. More revealing was the fact that the survey showed that the PPP was expected to win 82 seats as against 71 of the IJI. The PPP was fast losing ground as the campaign became hotter.

When the elections were over, the IJI had romped home with 105 seats out of 206 seats for which polls were held. PPP came in a poor second with 45 seats—24 of which came from Sindh, 14 from Punjab, 5 from North West Frontier Province (NWFP) and 2 from Baluchistan. The IJI, which swept the crucial province of Punjab, winning 91 of 115 seats, got eight in the NWFP, 3 in Sindh, 2 in Baluchistan, and 1 in the federally administered capital, Islamabad.

In the provincial elections that followed, the IJI won Punjab and the NWFP, leaving an allied anti-PPP coalition of parties to emerge as majority in Baluchistan and Sindh. The PPP, which had always done well in rural Sindh, could manage to win 43 out of 100 seats in Sindh—a drop of 27 seats from 1988. But, it was in Punjab that the PPP was thoroughly humiliated, winning only 10 seats as opposed to the IJI's tally of 208 seats.

What happened?

Putting aside Bhutto's as-yet-unsubstantiated charges of "massive rigging," a number of factors had worked in consonance to bring about such a lopsided result. First, the ineffectiveness of the PPP government. There were also widespread accusations, by the media, the opposition, and independent observers, that the PPP government was dishing out favors, often in the form of unsecured bank loans, to its friends and backers. The corruption charges against the Bhutto family members, Asif Ali Zardari in particular, made things worse. During her campaign, Bhutto's reluctance to address these charges and her exhortations that she would answer them in "people's courts" did little to allay suspicions.

Second, the IJI succeeded in branding Bhutto as "pro-India." India, which has remained a subject in Pakistan's elections, whereas Pakistan does not figure any more in Indian elections, had, no doubt, showed signs of relief when Bhutto was elected in 1988, but was fully aware that Bhutto was not in control of Indo-Pakistan foreign policy. Nonetheless, one poster put up by the IJI in various campaign rallies showing Bhutto and Rajiv Gandhi addressing a joint press conference, bore the caption: "Will you vote for a person who permitted the Indian prime minister to declare on Pakistani soil that Kashmir is an integral part of his country?" This IJI tactic worked particularly well in Punjab, which had been partitioned in 1947 and has suffered three India-Pakistan wars. IJI's accusation that Bhutto did not do enough for the Kashmiris who are fighting for their "liberation" from India, also made an impact in rural Punjab.

Third, in Pakistan, the Army and bureaucracy are considered the most disciplined institutions and by far the most powerful. President Ghulam Ishaq Khan's repeated accusa-

tions of the PPP government's "destructive policies" and "looting of public exchequers" made many voters apprehensive about giving Bhutto yet another term.

Fourth, the breakdown of law and order took a turn for the worse in Sindh, and there are reasons to believe that the PPP was less than sincere in dealing with the crisis. Bhutto's open condemnation of the Mohajir Qaum Movement (MQM)—an ethnic grouping of Urdu-speaking Muslims who emigrated from India following the partition of the sub-continent in 1947—as a terrorist organization, following the riots in Karachi and Hyderabad involving the PPP, was considered a biased statement. It is well known in Pakistan that the PPP and the MQM are vying for political power in urban Sindh. Both are involved in violent activities.

Fifth, Bhutto's economic policies turned out to be a direct contradiction to what she had promised the electorate in 1988. After garnering political power with poor people's votes in 1988, Bhutto had put the promised poverty program on the back burner and acceded to International Monetary Fund (IMF) austerity policies. She managed to surround herself with economic advisers who worked hand-in-glove with the IMF-World Bank. Even when a truncated poverty-alleviation program was approved by the IMF, there were widespread allegations that the beneficiaries were mostly PPP workers. The poor were judged eligible for benefits by their political affiliations.

Sixth was Washington: In 1988, when the long-lost democracy in Pakistan was reestablished, Washington chose to back Bhutto and the PPP. At that time, Washington was uneasy about the Pakistani establishment's single-minded approach toward Afghanistan. President Mohammed Zia ul-haq and his men were zealously pursuing a policy to defeat the pro-Soviet Kabul regime and install an Islamic fundamentalist, pro-Pakistani government. Washington, by then, had switched its policy from confrontation to détente with the Soviet Union. Both Washington and Moscow were working toward moving the Afghan issue to the back burner. Bhutto, who is undoubtedly an anti-fundamentalist, was backed by Washington, to help cool the Pakistani generals' heels.

However, the developments in the Persian Gulf have brought about a sea-change in the relationship between the Pakistani establishment and Washington. Pakistan has already sent 20,000 troops to Saudi Arabia to defend Washington's interests, violating the provisions of Pakistan's Constitution. There was distinct uneasiness in Washington about Bhutto's objections to this grand plan. The IJI, the political arm of the Pakistani establishment, on the other hand, will be bending over backwards to pursue this policy. Hence, Washington has little use for Bhutto, at least for the time being.

Beside the issues, fundamentalists' refusal to accept leadership of a woman and Bhutto's style of functioning, which consistently isolated her from the electorate, also helped to shrink her vote further.

Rwanda targeted for World Bank genocide

On Oct. 26, the Presidents of the central African nations of Rwanda, Uganda, Zaire, and Burundi agreed on measures to enforce a ceasefire between Rwandan government troops and an invading force of Rwandan refugees of the minority Tutsi tribe bent on overthrowing the government.

The agreement, under the auspices of the Organization of African Unity (OAU), calls for the posting of a small interim force of approximately 45 peacekeeping troops from Rwanda's three neighbors until a larger force of 200-300 troops can be assembled and financed with the backing of Belgium. Their task will be to monitor the border between Uganda and Rwanda, which the invading force of 10,000 crossed on Sept. 30.

Over the past 30 years since the independence struggle from Belgium, more than 250,000 Rwandans of the Tutsi tribe have fled their homeland following their overthrow by the majority Hutus. Since approximately the 13th century, the cattle-rearing Tutsis from the Nile had dominated the agricultural Hutus, with continual inter-tribal conflict between the two over centuries.

The central African region has never broken out of what has been described as "cyclical massacres." One of the most horrible was the 1972 murder of hundreds of thousands of Hutus by the minority Tutsis in Burundi, where the Tutsis still rule. The late-September invasion of Rwanda by Tutsi refugees, against the government of the Hutu and Catholic President Habyarimana, raised the

specter of rekindled tribal warfare.

The Rwandan government responded to the invasion by requesting military support from Belgium, France, and Zaire to help repel the attack. A combined force of more than 1,500 troops was deployed, with the Zairean forces becoming heavily engaged in fighting, while the others took up positions around crucial transportation arteries and the airport in Kigali, Rwanda's capital. France and Belgium emphasized that their mission in Rwanda was to ensure the safety of their citizens living there. At this time, all but the French troops have left, and the government has declared the military aspect of the conflict at an end.

Though Uganda has been one of the parties engaged in ceasefire talks, its attitude in the conflict is highly suspect. As recently as the second week of September, Ugandan President Museveni met with the leadership of Zaire and Rwanda, assuring them that no invasion would occur from Uganda, in whose army 20,000 Rwandan Tutsis have enlisted over the years. But the soldiers who invaded were led by a member of the Ugandan Armed Forces who was originally a Rwandan Tutsi. Museveni, from a Rwandan Tutsi family himself, was put into power with the backing of Tutsi guerrillas. He had also promised in 1989 that there would never be an invasion of Rwanda from Uganda. Rwanda had suspected that an invasion was being planned since 1987, at which time the government requested assistance from the CIA to evaluate the invasion potential. But in 1988, the CIA also assured Rwanda that there was no threat.

Tribalism aids the World Bank

Two circumstances appear to have played a role in precipitating this most recent crisis. The first was the total collapse of the Rwandan economy and the collapse of intensive negotiations with the World Bank, which had been ongoing since January of this year and reached a climax in May with 15-hour-a-day sessions. A prelimi-

What now?

The IJI campaign was studded with anti-U.S. rhetoric. Repeatedly, Nawaz Sharif has condemned Pakistan's overdependence on the United States. The reason behind such attacks was Capitol Hill's holding up of the \$500 million-plus aid package earmarked for Pakistan. The U.S. Congress has stipulated that the aid package be released as soon as President Bush produces documents which can prove that Pakistan is not pursuing its efforts to make nuclear weapons. So far, Bush has not come up with the required documents.

Besides, the IMF is sitting on Pakistan's back, demanding to get its conditionalities implemented. The draco-

nian Structural Adjustment Facility (SAF) program signed between the IMF and Pakistan when another caretaker government under President Ishaq Khan was ruling the country, has virtually handed over Pakistan's economic management to the IMF. Since then, the IMF has succeeded in forcing "conditionalities" down Pakistan's throat and forced the country to impose austerity (see *EIR*, Nov. 2, p. 7). However, the fourth and final tranche, amounting to \$248 million, scheduled for delivery last June, has been withheld, because the IMF, in the wake of rising oil prices, wants Pakistan to implement additional structural adjustments—raising the imported oil and natural gas prices by 41% and hiking the

nary agreement was reached in late September, days before the invasion. The second was a visit by Pope John Paul II to the region, and Rwanda specifically, whose population is 80% Christian, the vast majority of whom are Hutus. The Pope's intervention provided the spiritual strength which could lift the population out of its destitution.

Rwanda, with the highest population density in Africa—700 people per square mile, compared to Belgium's 840—has long been a target of malthusian population reductionists. Other than the availability of precious metals, Africa, let alone Rwanda, is, in the words of one U.S. AID official, "of no strategic interest." If these people can be induced to butcher each other in regional power struggles, the malthusians say, so much the better for population control. As Bertrand Russell, one of the architects of 20th century genocide, happily noted in 1963, the inter-tribal warfare was "the most systematic human massacre . . . since the extermination of the Jews by the Nazis."

The invasion was timed at a moment when Rwanda's economy was at its nadir. After four years of collapsing prices for coffee and tin, Rwanda's major exports, the regime was vulnerable to destabilization. Earnings from coffee exports, which make up 75% of the nation's hard currency revenue, dropped to one-third of the 1986 high. After years of trying to avoid World Bank and IMF "structural adjustment" programs, a desperate Rwanda was forced to come to an agreement in a state of desperation. This was an opportune time to destroy the Habyarimana government.

Pope urges regional economic projects

Pope John Paul II arrived in Rwanda on Sept. 7 in the course of his seventh tour of Africa, undertaken in part to provide a source of strength to overcome the region's periodical descent into fratricidal warfare. The Pope first challenged the regional and international diplomats. "But

is it sufficiently estimated that a decent existence, with a minimum of security, constitutes a common right, and that it is a common duty to guarantee it to everyone in all the countries of the world?" he asked. "In the first place, I am thinking of problems still extant as a result of the shifting populations which occurred after the painful confrontations of these last decades. I hope with all my heart that through open and sincere dialogue it will be possible to heal ancient wounds and find an equitable solution to a problem whose complexity is common knowledge. And I have good reason to hope Rwanda will not lack help from friendly countries."

The Pope proposed that "an emphasis on regional cooperation would be profitable to the economic development of the various countries. The concrete implementation of projects conceived in common will support everybody's activity, whether in technical fields of transportation, the commercialization of basic commodities, credit, or scientific research programs adapted to the necessary programs of agricultural production, to the struggle against diseases and their prevention, to mention only the most urgent examples." Transportation and disease are two of the most crucial questions of survival for this landlocked country so afflicted by the AIDS pandemic.

But Pope John Paul II made absolutely clear his opposition to the use of foreign aid as a weapon for population reduction. The Catholic News Service reported that he "cautioned that aid agreements must not pressure the people on family matters—an apparent reference to birth control programs promoted by development agencies." The Pope said, "Through mutual cooperation and understanding, people must be assured that their rights will be respected and that they will enjoy a peace inseparable from justice. Equal partners in dignity, it is right that they expect true support from their brothers and sisters in the world, free from any threat to their own spirituality . . . and to the free exercise of their rightful responsibilities, notably at the family level."—*Michael Gelber*

electricity and mass transit tariffs. It has since been reported that the new government will deal with the IMF demands and an agreement with the IMF has been assured before Nov. 30, the day the SAF agreement lapses.

There is no question in anyone's mind that the IJI government will satisfy the IMF in order to get the \$248 million, at a time when Pakistan's foreign exchange reserves have reached a crisis level. Facing the possibility of a debt default, one caretaker cabinet member has said that Pakistan would default if Washington did not release the \$500 million-plus aid package. In the coming days, the new government will be subjected to the IMF's ruthless screw-tightening, and in

the long run, complying with such an economic policy will create economic chaos. It is unlikely that the government has either the gumption or capability to bring any order out of such chaos.

In addition, the IJI cannot rule out the possibility of the PPP exploiting every political scandal that surfaces and each economic debacle. Although the IJI has won the elections handsomely, the street power rests with the PPP, and Benazir Bhutto may turn out to be much tougher when in the opposition than when in power. Pakistani people, who have seen many self-proclaimed messiahs come and go, may not remain as docile as the power elite would like them to be.

Jewish immigration barriers to fall

A Jewish renaissance is about to begin, as more Soviet and Israeli Jews are looking at Germany as a safe haven.

The mission to Iraq of former German Chancellor Willy Brandt, which was launched against strong Anglo-American opposition, indicates that the united Germany is developing a foreign policy of its own. The government has given substantial logistical support to the Anglo-American Gulf force, but has also worked, in parallel, on initiatives aimed at neutralizing the war danger. The Brandt trip is probing non-military options.

Another sign of a new approach in German foreign policy, is a changed view on the role of the state of Israel and its present policies. This change did not really originate in Germany, but in the Soviet Union and, ironically, in Israel. The intransigence of Israel vis-à-vis numerous peace feelers extended from several Arab governments, has resulted in a sobering of relations between Jerusalem and Bonn.

But the decisive factor in the change of views in Bonn has been the increased interest of Soviet Jews in emigrating to Germany. Challenged by this unexpected phenomenon, Germany has been forced to review its position on Jewish immigration, which has been a sensitive issue.

The longtime official view in Bonn has been that the Soviet Jews are an ethnic minority who belong to the nation of Israel; any questioning of Israel's immigration policy was termed "strictly banned." As long as Soviet Jews intending to emigrate to Germany remained only a few hundred each year, there was no problem of interfering with Israeli interests. But since the late spring of this year, and with the prospect of the Persian Gulf crisis de-

veloping into a full-scale regional war, the interest of Soviet Jews in moving to Germany has increased dramatically.

By the end of August, one-third of 210,000 Soviet Jews filing for emigration had registered with the German embassy in Moscow or the German consulates in other big Soviet cities; two-thirds had registered with the Israeli contact bureau (there is no formal embassy of Israel in the U.S.S.R.) and the U.S. and Canadian embassies and consulates. The German consulate in Kiev alone reported that more than 10,000 Jews had declared their intention to emigrate to Germany, and the trend is rising.

This poses a crisis for Edgar Bronfman and the KGB's black propaganda division who have painted a gruesome picture of Germany allegedly being a latent Fourth Reich, a continuation of Nazi Germany. More and more Jews show that they do not believe this propaganda about modern Germans, especially Jews who have lived in Israel for some time after their emigration from the Soviet Union. Confronted with the brutal reality of social, economic, and political life in Israel, and with the daily threat of war, more and more Jews are choosing to emigrate again, this time from Israel to Germany.

It is undoubtedly a cultural shock for most Germans to see Jews, most of whom lost family members to the Nazi Holocaust in the Soviet territories occupied by the German armies between 1941 and 1944, choosing Germany as their future home.

It is also a big challenge to the 30,000 Jews in Germany who have

viewed themselves as a small diaspora compared to the 800,000 Jews who lived here before World War II.

Having come under the influence of the Bronfman networks during the past three years, Jewish officials in Germany had gone on a confrontational course against the government in Bonn; but there is suddenly strong dissent between the German Jewish community and the Bronfmanites, because the Jews here and the government have come to realize that they are forced to cooperate in response to Jewish mass immigration from the Soviet Union and, to a lesser extent, from Israel.

Following a series of talks between the political parties, the government, and Jewish officials, Deputy Interior Minister Horst Waffenschmidt announced in Bonn on Oct. 25 that the government intended to lift remaining restrictions to Jewish immigration from the U.S.S.R. Waffenschmidt declared that an increase in immigration from the East would "strengthen the survivability of Jewish communities" and have a "positive impact on cultural and intellectual life in Germany."

Various Jewish officials made similar statements. Michael Guttman of the Central Council of Jews even forecast a return to the size of the pre-war community of 800,000 Jews in Germany.

This perspective was also spelled out on Oct. 31 by Wilfried Penner, a leading member of the Social Democratic parliamentary group in Bonn. Calling for an unbureaucratic handling of Jewish immigration, he said: "Should there develop a renaissance of Jewish cultural life in Germany, it could only be welcomed."

This marks a profound change. Such a statement would have been impossible in German politics only a few weeks ago.

The railroading of General Noriega

Why is George Bush trying to rush the anti-drug Panamanian leader to judgment without a proper defense?

The U.S. government has induced the drug-tainted government it installed in Panama by military force early this year, to bring a \$6.5 billion civil suit against Gen. Manuel Noriega under the U.S. Racketeer Influenced and Corrupt Organizations (RICO) laws. The suit, brought in a Miami, Florida federal court, claims that Noriega ran the now-extinct Panamanian Defense Forces (PDF), as a racketeering enterprise. Noriega was the commander of the PDF until he was overthrown by the U.S. invasion of Panama which began last Dec. 20.

The immediate effect of the lawsuit was the freezing of Noriega's personal bank accounts, an action which prevents him from paying his legal expenses. He is now in danger of being denied his constitutional right to a lawyer of his choice, and he may have to go to trial with only a court-appointed public defender, to face the full might of the U.S. government and its corrupt Justice Department.

The lawsuit negated an earlier agreement reached by the prosecutors with Judge William Hoeveler and Noriega's defense attorneys, to release up to \$6 million of Noriega's own money for his legal fees. By getting Panama's puppet regime to file the suit, the prosecutors took back what they were forced to concede earlier. Only this time they can claim they are not legally responsible for tying up the funds.

Because of Noriega's financial problems, Judge Hoeveler said that the trial will have to be postponed for several months.

Meanwhile, the administration of

former Central Intelligence Agency head George Bush, has stymied defense efforts to investigate U.S. covert activities. "The CIA would prefer this case not be tried," Cable News Network reported Nov. 1.

This case is not about drugs, said Frank Rubino, Noriega's lawyer. It is "a complex case that evolved out of the long and often secret relationship between Noriega and the U.S." he said, according to the Oct. 26 *New York Times*.

"It is to the government's advantage to give us no money so we can't investigate," he explained. "They don't want us to. This is a Pandora's box."

The RICO suit against Noriega was filed on behalf of the government of Guillermo ("Porky") Endara, by Gregory Craig of Williams and Connolly, the same law firm whose partner Brendan Sullivan, represented Iran-Contra figure Oliver North. Craig's relationship with the CIA goes back at least to the 1960s. In 1967, he was influential in the National Student Association, an organization that was a conduit for CIA funding.

Craig was also one of the organizers of the financial warfare waged by the United States against Panama to force Noriega's removal. In February 1990, Craig arranged to have thrown out of a U.S. federal court a drug-trafficking case against Endara's business partner, Panamanian millionaire Carlos Eleta, who had been arrested in Georgia on charges of conspiring to smuggle 600 kilos of cocaine per month into the United States. At the time of his arrest last year, Eleta was

working for the CIA as a bagman, delivering funds for Endara's 1989 presidential campaign and for other anti-Noriega activities.

To create the environment for a successful railroad of Noriega, a new wave of media slanders has been set off against the former Panamanian leader. The word being spread all over the world is that Noriega is being held in prison facilities that are a "country club, with color television, exercise bike, computers, paper shredders, and two safes." The campaign is also obviously aimed at removing Noriega from a secure environment to facilitate an attempt against his life.

In fact, Noriega "experiences much greater restriction than other inmates," noted J. Michael Quinlan, director of the Bureau of Prisons. The conditions under which Noriega is being held "represent a balance between the unique security needs that he presents as an individual, his treatment as a prisoner of war, and the need to protect sensitive national security information to which he and his legal team may need to have access in the preparation of his case for trial," said Quinlan in a letter published by the *Miami Herald* Oct. 30.

As for Noriega's "exercise bicycle," he said, it was put together "from salvaged parts."

The story that Noriega was being held in a "posh" jail cell began to be retailed right after the Oct. 23 *Baltimore Sun* revealed that the Bush administration "knew" that Endara's Banco Interoceanico, also known as Interbanco, had "ties to the Colombian cartels since 1984, but chose to ignore them in its efforts to oust General Noriega."

"Instead," reported the *Sun*, "the U.S. helped finance Mr. Endara's 1989 presidential campaign" despite his bank's well-known links to the cocaine cartels.

International Intelligence

Will Moscow pull the plug on Fidel Castro?

Cuba's Fidel Castro is running into trouble with his Soviet patrons, according to a report by columnist Georgie Ann Geyer on Nov. 1. She quotes an exposé in the Soviet youth newspaper *Komsomolskaya Pravda* that Castro has a secret wife, 5 children, 32 houses, and 9,700 personal bodyguards, and notes that Soviet revelation of these previously unknown facts is a significant move to undercut him.

Since people like Castro thrive on, and require, a *mythos*, and must be shrouded in mystery, the puncturing of such a *mythos* will assist his decline—and the Soviets know this. They are also increasingly unable to provide support to Cuba's sagging economy.

Alan García says charges against him are political

In response to the accusation that he is guilty of murder in the 1986 suppression of a Lima prison uprising, former Peruvian President Alan García stated that the campaign against him is totally political. García incurred the wrath of the international banking establishment when, after his election in 1985, he placed a cap on Peru's debt-service payments and attempted to crack down on the money-laundering operations of the drug traffickers. Although he later retreated from these positions, the bankers never forgave him.

"I understand that I can be criticized for many things," García said. "I have unleashed passions because of the debt and the banks, but I can't be accused of murder for that. I firmly believe that these accusations against me are political."

A special committee has been formed in the Peruvian Congress to investigate the role of García in the prison uprising, in which tens of jailed terrorists were killed by security forces. The committee has exonerated any Army personnel from responsibility, but claims that García, premeditatedly "in-

stigated" the killing of jailed terrorists by ordering the Armed Forces in to put down the rebellion.

The former President reiterated that he could not be held responsible for what happened, since at the time of the rebellion, the Joint Command of the Armed Forces was in charge of security in the Lima-Callao region. García stated that "if the special commission has been formed, with no further study of the affair," then the House of Deputies and the Senate will almost certainly approve the committee's charges; "then they will strip me of my immunity, and put me before the Supreme Court to be tried."

Germans approve treaty on Soviet withdrawal

The German Parliament voted on Oct. 31 in favor of the German-Soviet agreement that sets the end of 1994 as the latest date for withdrawal of all Soviet troops from German territory. But there are also hints that the withdrawal could be significantly speeded up.

The agreement goes along with a DM 13.5 billion financial package from the German government:

- DM 7.8 billion for the construction of 36,000 new homes in the Soviet Union for officers and their families returning from Germany;
- DM 200 million for the training of Soviet officers and specialized Army personnel in Western economic and management skills at German companies;
- a DM 3 billion credit over five years to help the Soviets cover the costs of stationing and withdrawal of their troops from eastern Germany;
- DM 1.5 billion to cover the interest accumulating for the credit.

Gorbachov adviser Oleg Bogomolov indicated in an interview published in the German weekly *Bild am Sonntag* on Nov. 4 that Gorbachov's visit to Bonn on Nov. 9 might lay the groundwork for a more rapid troop withdrawal. "I think that there is a potential for accelerated pullout of the Soviet troops,"

he said. "This in the interest of both sides. Our Army on German territory is considerably affected by the virus of disintegration. Just because of that, it is important to defuse the situation by accelerated withdrawal of the Soviet troops. In order to do so, we have to solve technical problems like, for example, destroy or sell obsolete tanks already on German soil.

"Furthermore, we can solve the problem of lodging with aid from Bonn, which means: Accelerated construction of homes for returning Soviet soldiers will also accelerate the withdrawal of Soviet troops."

First military meeting at United Nations

The U.N. Military Staff Committee held its first substantive meeting on Oct. 28, although the outcome has been kept totally under wraps. The committee is an important part of the drive to make the U.N. a more efficient instrument of one world rule (see *EIR*, Aug. 17, 1990, "British steer Gulf crisis toward one world government").

The committee, consisting of the military chiefs of staff of the five permanent members of the U.N. Security Council, was intended to be the military command over U.N. Security Council troops. It has operated on a purely *pro forma* basis throughout the Cold War period; but now the Soviets, in line with their Gulf policy that military action should only be undertaken by the U.N., have been demanding that the committee be revived to deal with the Mideast situation. If there is to be military action against Iraq, Moscow does not want to be left out of the deal.

The meeting was scheduled to take place at the New York residence of the French ambassador to the U.N. Those attending were Lt. Gen. Michael Carns, director of the Joint Staff at the Pentagon; Maj. Gen. Edwin Beckett, British defense attaché in Washington; Vice Adm. Alain Caotanea, director of the French Joint Military Committee; Maj. Gen. Du Kuanyi of the People's Republic of China mission to the U.N.; and Col. Gen. Bronislav Omelichev, first depu-

ty chief of the Soviet General Staff, who flew to New York from Moscow to attend the meeting.

Ukrainian churches unite for freedom struggle

On Sunday, Oct. 28, in the western Ukraine center of Lvov, the first ever ecumenical church service of the Ukrainian Autocephalous Orthodox Church and the Ukrainian Catholic Church was celebrated by the long-exiled Ukrainian Orthodox Patriarch Mstislav, and the leading clergy of the Ukrainian Catholics. The service was held to celebrate the rebirth of the Ukrainian nation and of its two national churches, both of which had suffered outlawing, forced incorporation into the Russian Orthodox Church, and slaughter of their clergy and believers under Stalin.

The ecumenical service marked the high point of the triumphal tour of Ukraine by Patriarch Mstislav, which had begun with him celebrating mass in Kiev's St. Sophia Cathedral on Oct. 21. The Patriarch, 93 years old and in exile since the war, was carried in triumph to the cathedral on the shoulders of marchers in a crowd numbering close to 100,000.

One week later, the Russian Orthodox Church tried a comeback, when Moscow Patriarch Aleksii came to Kiev. A huge crowd turned out in protest, and prevented him from entering the cathedral's main entrance. Only after police used force to clear a narrow path, was he able to enter the cathedral through a back door.

South Africa lifts emergency rule in Natal

South African President F.W. De Klerk has lifted emergency rule in Natal province, the stronghold of KwaZulu Chief Mangosuthu Buthelezi's Inkatha movement. Some 4,000 people have been killed in this region in fighting between Inkatha and the African National Congress (ANC) in recent years.

The easing of restrictions as of Oct. 18 follows similar action in South Africa's three other provinces in June. In so doing, the government has met one of the major conditions set by the ANC to open up broader negotiations with the white minority government. In 1988, the U.S. Congress had demanded the end of emergency rule as a condition for lifting economic sanctions.

De Klerk stated, "There is only one route to peace and reconciliation in our country, and that is through peaceful negotiations. . . . The door is now fully open and I am appealing to all leaders and all South Africans to accept the challenge of this open door."

Both Chief Buthelezi and the ANC welcomed the lifting of emergency rule as a move which will improve the climate for peace.

'Explosions' will knock out Arab regimes

The Jerusalem Arabic daily *Al Fajr* published an editorial on Oct. 29 warning that one overlooked effect of a Gulf war would be the overthrow of most of the Arab regimes which are kowtowing to the United States and Great Britain, and supporting the deployment of military forces against Iraq.

The paper reports that Egyptian military units have had to be deployed in Cairo over recent days to deal with the growing popular sentiment against the war. "What is now taking place in Cairo is only the first indication of the potential explosions in all the Arab capitals that have pawned themselves, their will, their dignity, and the causes of their nations to the new colonialist program, based on plundering the Arab oil wealth and halting Arab progress," the editorial states.

"Therefore, the explosion of the Arab nations will necessarily be more powerful, deeper, and more comprehensive than the explosion of the Gulf war itself, should its colonialist planners see fit that war breaks out. In that event, not one Arab regime will be safe, even if it be supported by the arsenals of the United States and its allies."

Briefly

● **PRINCE PHILIP** blamed "Catholic theology" for exacerbating the population problem in cities like Mexico City. His Gnostic Highness was speaking on Oct. 29 on a BBC commentary, explaining his campaign to bring "preservationist" ideas into the major world faiths.

● **DEPOSED EAST GERMAN** dictator Erich Honecker has given his first interview since being thrown out of power, to Robert Maxwell's journal *The European*. It says that Honecker is "unrepentant," and confident that communism has only suffered a temporary setback, but will return triumphant. He suggests that he was stabbed in the back by Mikhail Gorbachov.

● **YASUHIRO NAKASONE**, the former Japanese prime minister, met on Nov. 4 with Saddam Hussein and said the Iraqi leader "demonstrated serious encouragement" to end the Gulf crisis. Nakasone was also scheduled to meet PLO chairman Yasser Arafat during his visit to Baghdad with a 68-member delegation, including members of his ruling LDP. Nakasone said it was time Japan stopped "watching from the sidelines" in the Gulf crisis.

● **GREAT BRITAIN** is considering extending the 150-mile fishing protection zone around the Malvinas Islands to 200 miles, according to a report in the Argentine newspaper *Clarín*. The report has created an uproar in Argentina.

● **'DEMOCRACY,'** Panamanian-style: The U.S. puppet government of President Guillermo Endara has ordered the arrest of journalist Dagoberto Franco, a columnist for the Panamanian daily *El Siglo*, on charges of slandering the President. He wrote an article implying that Endara was involved in criminal activity. Other journalists are being detained for "questioning" by authorities.

Bush helps narco-terrorists eliminate military foes

by Gretchen Small

Narco-terrorists in three countries—Colombia, Peru, and El Salvador—are to set to become the final arbiters for the restructuring of the institutions of all Ibero-American nations along lines acceptable to themselves and the drug trade. How close these evildoers are to victory is evident in Colombia, where they now serve in the cabinet, and are preparing to dictate the terms of a new Constitution.

The terrorists could never have won such power in the Americas, if it were not for the fact that the Bush administration has thrown its diplomatic, military, and economic weight behind the narco-terrorists' topmost strategic objective: the *elimination of the very institution of the national military itself in Ibero-America*. The policy strikes at all the nations in the Americas, not just the three immediately endangered by insurgent forces. A country without a military to defend its sovereignty, can quickly be subjected to direct colonial occupation, as demonstrated in Panama.

When the anti-military project was launched by the Anglo-American Establishment in the mid-1980s, few spoke publicly of eliminating the military. Such Establishment think tanks and policy forums as the Inter-American Dialogue focused on building a consensus behind the insane proposition that the militaries in the region constitute as great, or an even greater threat to "democracy" than the terrorist killers. Now it has become accepted dogma that the power of the military must be curbed in every aspect, whether it be men under arms, access to national policy making, or independent technological and scientific capabilities, for "democracy" to work.

Narco-terrorists to office, patriots to jail

In phase two, the Establishment is moving rapidly to jail or kill all opponents of its project. Panama's Gen. Manuel Noriega, who built up the Panamanian National Guard into an actual army, carrying out one of the most active civic-military programs in the continent, sits in a U.S. jail, vilified as a drug-runner. Also under arrest is Argentina's Col. Mohamed Alí Seineldín, revered as a new de Gaulle, and who has warned that the ongoing dismantling of the Argentine Armed Forces will lead inevitably to the breakup of Argentina as a nation.

Brazil's media and government are demanding that Air Force Brig. Gen. Hugo de Oliveira Piva, the military scientist who oversaw the creation of Brazil's advanced air and space program, be forbidden from continuing his work even in a private capacity; the possibility of bringing criminal charges against him for his role in securing the transfer of technology to other developing sector nations has been raised.

Nothing exemplifies better than the crisis in Colombia how this anti-military campaign is abetting the narco-terrorist drive for power in Ibero-America—and the immediate future which faces those nations that continue to accept this policy.

Nov. 6, 1990 marked the fifth anniversary of the M-19 movement's seizure of the Justice Palace, and murder of half of Colombia's Supreme Court justices. The M-19 action, one of the bloodiest terrorist actions ever carried out in Colombia, was bankrolled by the drug cartels. Yet today, the ideologue of the M-19 movement, Antonio Navarro Wolfe, serves in the cabinet as health minister, while Gen. Jesús Armando

Arias Cabrales (ret.), the military officer who led the operation to retake the Justice Palace, faces severance of all ties to the Army, the loss of his pension and all privileges, and dishonor.

General Arias Cabrales retired from the Army only three months ago, serving in his last post as Commander of the Army. Throughout his service, he distinguished himself as an implacable opponent of the drug trade and its insurgent allies who have not stopped their daily kidnappings, assaults, and bombings. But on Nov. 1, the Attorney General of Colombia, a group of supporters of Amnesty International, and the Colombian Communist Party, recommended that the President dismiss Arias Cabrales for refusing to "negotiate" with the M-19 commandos during the 1985 Justice Palace assault. President César Gaviria must now decide.

The dismissal recommendation "is the product of persecution by the State against those who have laid their lives on the line in fulfilling their duty," Gen. José Luis Vargas, the former Bogotá police commander during the M-19 occupation, commented bitterly. This is an attack on those who actually defended democracy, while those who attacked it and intended to destroy it occupy high posts of government, he added. "As a witness from the front lines, [I can assure you] that if it was not for the decisive and timely action of the Colombian Army and Police under the command of General Arias Cabrales, this country would be far different . . . we would be worse than Cuba."

The same M-19 which carried out the attack is campaigning to pack the Constituent Assembly, whose delegates are to be elected on Dec. 2, with its supporters, so that they can rewrite the Constitution, the Bogotá daily *El Tiempo* warned in an editorial on Nov. 3. Before voting, Colombians should visit "the remains of the Justice Palace, and remember that Arias Cabrales was not the author of that crime, nor the cause of the death of the learned judges. That was others. Then let them decide."

Salvadoran army facing extinction

In El Salvador, the outright elimination of the Army as in Panama is the central issue of politics—even as the insurgents of the Farabundo Martí Liberation Front (FMLN) continue to bomb and attack.

The FMLN has long been the model of action studied by the Andean narco-terrorists. In 1985, M-19 commander and current cabinet minister Antonio Navarro Wolfe told the Mexican magazine *Cuadernos Políticos* that M-19 strategy sought to break the impasse between the FMLN and the military in El Salvador, by opening a second revolutionary front in the Andean Spine.

Yet even so, Bush administration officials have put out the word that they have decided to "Lebanize" their policy towards El Salvador, the *New York Times* reported on Sept. 16 and again on Oct. 22. Bush officials state that what they mean by "Lebanize" is to pull out support for the El Salvador

government, build up its neighbors, and "watch what happens," the *Times* noted. The real aim of that policy, however, has just been demonstrated in Lebanon, which has been handed over for extermination at the hands of Syria, the world's leading narco-terrorist power.

This "Lebanon" policy lies behind all the talk in Washington that the military in El Salvador is the number-one obstacle to peace. Congress and Bush administration officials agree that military aid to the country must be cut to ensure that the government and the military negotiate "in good faith" with the FMLN, and that the military be "adequately reformed."

What is meant by "adequately reformed" has been revised steadily, until it now means its elimination. In 1989, according to a *Christian Science Monitor* story at the time, State Department officials met secretly with FMLN representatives to review the terms of a new FMLN "peace proposal." The centerpiece of that proposal, issued only after the State Department had reviewed it, was that the Salvadoran military be cut by two-thirds, from its approximately 56,000 soldiers currently, to 10-12,000. When the United Nations-overseen "peace talks" began in 1990, the FMLN made that one of their non-negotiable conditions for reaching a ceasefire.

At the round of U.N. negotiations held in Geneva, the government agreed to the FMLN demand that they "reform" the Army structure. In the next round of negotiations in Costa Rica, however, the FMLN came back with new demands, this time that the military not be restructured, but *abolished and replaced by a "civilian-controlled public security force."*

Although President Bush protests that this bill ties his hands, officials have made quite clear that they agree 100% with the congressional targeting of the military. In an opinion column in the *Washington Post* Oct. 12, Assistant Secretary of State Bernard Aronson complained that "too often in the past" the U.S. has "retreated in the face of intransigence by the Armed Forces, because we have shrunk from the danger of cutting military aid in the middle of a war waged by a murderous and committed guerrilla army."

That "mistake" won't be made again, Aronson insisted. He called for cutting the military by 60%, as the first step in implementing "proposals for changes in the structure and size of the Armed Forces that would have gotten a Salvadoran leftist killed less than a decade ago."

The State Department has backed the FMLN all the way in its anti-military fight. A front-page article entitled "Taming the Latin 'tiger'" appearing the Sept. 2 *Los Angeles Times*, reviewed precisely how stripping the Salvadoran Army is viewed in Washington as "the key to new progress in disarming" Central America. "Central America's armies are under pressure to thin ranks, and Washington is backing the effort," the paper wrote.

It reported that the Bush State Department sent a memo to each Central American government which argued that the

armies of the region are as much a cause of civil war, as the insurgents. "The proliferation of weapons and the size of national [military] forces has contributed significantly over the decade to regional insecurity. Development of smaller, apolitical and professional forces can meet the threat posed by insurgent forces better than large, offensive forces"—language lifted from the script which prepared the elimination of the Panamanian Defense Forces.

The *Los Angeles Times* piece specified that any idea that supporting the anti-drug war will get around this commitment is an illusion. "As we move into the drug war in Central America, we must be careful not to nurture anti-democratic elements in the military who want to use drug trafficking like they used communism to justify doing as they please," an unnamed U.S. official told the paper. The preferred agency for the "anti-drug war" in the region is the Costa Rican narcotics police, currently being trained by U.S. Special Forces.

Panama: test case for dismantling military

by Carlos Wesley

When George Bush ordered the invasion of Panama last Dec. 20, one of his chief aims was to destroy Panama's Defense Forces (PDF). As a military force, the PDF was not very impressive, but it was developing the capability to fulfill its primary mission: to be ready by the year 2000 "to protect and defend the Panama Canal."

That was an obligation assumed by Panama when it signed the 1977 Carter-Torrijos Panama Canal treaties, under which full control of the waterway is supposed to revert from the United States to the Republic of Panama by the year 2000. In 1984, when Gen. Manuel Noriega became the commander of what was then the National Guard, he initiated the organizing of a modern, professional military force to ensure that Panama could comply with the defense commitments imposed by the treaties.

By the time of the invasion, Panama had organized two battalions—"Batallón 2000" and "Batallón Paz"—and some additional infantry and other specialized companies, for a total "Army Battle Order" of around 4,500 men. An estimated 1,000 additional men were distributed between Panama's fledgling Air Force and Navy. The Air Force was equipped with helicopters and passenger planes, but no combat aircraft. The Navy's total "combat capability" consisted of five coastal patrol boats. The rest of the 14,000-person PDF were not fighting men, but customs agents, secretaries, homicide investigators, traffic cops, patrolmen, and so forth.

The PDF had no artillery. There were about a score of

vintage armored personnel carriers, but no tanks, no rocket launchers, and no anti-aircraft batteries.

Destroying the PDF

Although for two years prior to the invasion, U.S. administration officials repeatedly said that their fight was only with Noriega, not with the PDF, and even as the invasion was getting under way, George Bush took to the airwaves to assure the Panamanians that once Noriega was out of the way, "we have no continuing axe to grind with the PDF," it was the PDF as an institution which was targeted for destruction. As drawn up by Gen. Maxwell Thurman, the invasion plans called for "not only the capture of Noriega, but destruction of his entire military command structure, through attacks on 27 different locations."

A week after the invasion, the U.S.-installed President of Panama, Guillermo "Porky" Endara, announced on U.S. orders that Panama's constitution would be amended to forever ban an army.

In a May 24 speech at the Panamanian oligarchy's watering hole, the Union Club, the head of U.S. Army South, Gen. Marc Cisneros, said: "I don't believe there is any need for an army here." Panama "does not have to worry about being invaded by anyone," said Cisneros, who commanded the U.S. ground forces on Dec. 20. To replace the PDF, a new constabulary was established, the Public Force. Lt. Gen. Carl Stiner, operational commander of the invasion forces, announced that the new force "will be armed only with shotgun and pistols."

Although many officers and most men of the extinct PDF were at first incorporated into the new Public Force—"we didn't want them to become guerrillas," explained Roberto Azbat, the new chief of the constabulary—almost all of the former PDF officers have since been purged and replaced by people trained by the U.S. Department of Justice. Panamanians currently studying at military academies abroad will not be allowed to serve in the Public Force.

To reinforce the anti-military policy, the U.S.-installed government has instructed all foreign governments to recall their military attachés. Henceforth, Panama will only allow police attachés to be accredited as diplomats.

The Public Force numbers a total of 12,000 members, of whom a very small number, about 100 or so, have been organized into a SWAT-type unit, supposedly to fight drugs and deal with subversion. The remainder have been stripped of patrol cars, even of flashlights. In the town of Puerto Armuelles, Public Force officers were issued bicycles to carry out their patrols. The government announced that it is selling off the helicopters and other aircraft from the former PDF—as part of its policy of privatizing all state-owned property. The U.S. confiscated all the PDF patrol vessels, and is now demanding that Panama sign a treaty allowing the U.S. Navy and Coast Guard to patrol Panama's territorial waters for drugs because Panama no longer has the resources to do so.

Argentine, Brazilian armed forces axed

by Cynthia R. Rush

The Argentine and Brazilian Armed Forces are among the most technically advanced in Ibero-America, and for this reason have been targeted for dismantling by the Anglo-American establishment. They are numerically large, and they have been entrusted with the development of in-depth scientific and technological capabilities, particularly in the area of nuclear energy and weapons development. Their destruction will have far-reaching negative implications for their respective nations and economies.

In Argentina, the assault on the Armed Forces has been two-pronged. First, budgetary restrictions have dramatically reduced the size of the institution—as per orders from Washington to “restructure” it—ultimately transforming it into a type of national gendarmerie or constabulary whose primary task would be to purportedly fight drugs and internal “subversion.” On March 10, President Carlos Menem reversed earlier policy and signed a decree authorizing the Armed Forces to put down domestic social protest. In mid-May, then head of the U.S. Southern Command, Gen. Maxwell Thurman, visited Argentina to pressure the country’s military leaders to reorganize the Armed Forces, cut the defense budget, and get the military anti-drug involvement under way.

Currently, the Army has only 6,000 officers, 24,000 non-commissioned officers, and 15,000 troops. *Somos* magazine reported in its April 24 edition that the Army couldn’t afford to incorporate this year’s class of recruits for lack of funds.

The second aspect of Anglo-American policy has targeted the military’s in-depth scientific and technological capabilities, specifically the nuclear energy sector and the rocketry and advanced weapons programs. As repeatedly documented in the Argentine media, the International Monetary Fund-backed economic policies implemented for most of this decade have devastated the nuclear program, which operated for many years under Navy auspices. Nuclear plant construction is at a standstill; scientific institutes have been closed, leading to an enormous brain drain out of the country.

On April 21, the Argentine government succumbed to U.S. pressures and announced the decision to abandon the Air Force Condor II missile project. An example of technology transfer carried out in conjunction with Egypt and Iraq, it was intended to produce a 700-kilometer range rocket to place satellites in orbit. The Air Forces of Argentina and Brazil have also cooperated closely in rocketry programs,

which will also be affected, and the government plans to privatize 33 military companies, including the General Mosconi petrochemical complex and Military Industries (Fabricaciones Militares) which for years oversaw crucial projects for the development of the country’s basic industry and infrastructure.

The Brazilian case

Since Iraq’s Aug. 2 move into Kuwait, the Anglo-Americans have used Brazil’s long-standing relationship of technology transfer and cooperation with Iraq, as a pretext to intensify the attack on Brazil’s Armed Forces and its involvement in several areas of national scientific and technological development, particularly the nuclear energy and aerospace sectors. National and international media have singled out for attack retired Air Force Brig. Gen. Hugo de Oliveira Piva, former head of the Aerospace Technical Center (CTA), who led a team of Brazilian specialists in Iraq in the development of air-to-air long-range missiles and other scientific and military projects.

That the campaign against Piva also has broader targets was indicated by Gary Milhollin, of the Wisconsin Project for Nuclear Arms Control, who complained that both CTA and the premier Brazilian aircraft manufacturer Embraer had for years worked as “extensions of Brazil’s nuclear and weapons industries” and that Piva still maintained ties to engineers and physicists of both institutions. Brazilian newspapers have depicted the military nationalists who developed Brazil’s space and nuclear programs virtually as enemies of the nation.

The Brazilian government has agreed to investigate Piva and to heighten “vigilance at the aeronautic-technological complex” at São José dos Campos near São Paulo. President Fernando Collor has also indicated he intends to halt all parallel military involvement in nuclear projects and has shelved the “GT-Pronen” report backed by the Armed Forces which calls for an aggressive development of nuclear energy over the next 15 years.

The gutting of the operational capability of Brazil’s Armed Forces is less than that of Argentina’s. Yet cuts in the defense budget and lack of funds recently caused the Army to cut short by one month the 12-month training period for recruits, and lay off 60,000 recruits, or 60% of the total number which entered the Army at the beginning of 1990. The Oct. 31 *O Estado de São Paulo* reported on unrest among Army, Air Force, and Navy noncommissioned officers over low wages. Air Force Minister Brig. Socrates Monteiro has described as “anguished” the decision to grant only a 30% wage increase to the Armed Forces. Embraer announced on Nov. 30 that it will dismiss 4,000 of its 12,538 employees, and cut executive salaries by 50%. Work on the first jet-powered passenger aircraft will be suspended, and production of the AMX ground-attack plane will be cut from 8 to 6 this year.

Bush administration's drug policy is 'Vietnamizing' the Andes

by Luis Vásquez Medina

Dr. Luigi Einaudi, the U.S. ambassador to the Organization of American States, ran into trouble during his presentation at a Nov. 6 forum on U.S. policies toward the Americas at Lima's Peruvian Center for International Studies. At the very moment when Einaudi, for years a close associate of former Secretary of State Henry Kissinger, emphasized the need for the Peruvian government to reverse its refusal to sign a military aid agreement with the United States, a car bomb exploded with great force just outside the conference hall.

Einaudi had begun by stressing that now that the Cold War is over, all U.S. relations with the Americas must be set in terms of the new condominium among the United States, Great Britain, and the Soviet Union. Einaudi said they must be seen "in the same light as the Gulf and other problems, including Central America, are now seen." His implication was that the Soviet Union agrees with U.S. insistence on Peru signing the military agreement.

Regaining his composure after the blast, Einaudi said that in the United States, "relations with Peru are viewed almost entirely in terms of cocaine." He added that he thinks Peruvian President Alberto Fujimori's proposals on narcotics are coherent with those of the Cartagena Accords which Bush signed back in February with Peru, Bolivia, and Colombia. But he stated that if Peru wants any non-military aid, it has no choice but to accept the terms now being offered by Bush.

Einaudi's comments revealed how much Washington has been irritated by Peru's reticence. So did statements by Assistant Secretary of State for International Narcotics Affairs Melvin Levitsky. Levitsky was dispatched to Lima in early November by the Bush administration in place of Assistant Secretary of State for Inter-American Affairs Bernard Aronson, who was to have gone to Lima in late October to sign the aid accords. In his lecture to President Fujimori, Levitsky left no doubt that the United States would insist on Peru's acceptance of the military aid pact.

U.S. Special Forces into the jungles

The actual intent of the package is to pressure Peru into accepting the deployment of U.S. Special Forces and CIA-

linked mercenaries into the drug-producing areas of Peru, and other Ibero-American nations. In fact, this process has already begun, according to revelations in both the Peruvian and the U.S. press, and involves individuals linked to Oliver North and his illegal Iran-Contra operations, which have been documented to be involved with drug trafficking.

According to an article by Frank Greve in the May 30 *Philadelphia Inquirer*, "about a dozen veterans of the Reagan administration's illicit effort to aid Nicaragua's Contra rebels have volunteered to fight the Bush administration's cocaine war in Peru." Standing out among those dreaming of another Vietnam in Peru, is one Richard J. Meadows, a mercenary from the hosts of Maj. Gen. Richard Secord. Meadows has been operating in Peru since 1983, and according to the *Inquirer* article was the one who recruited the Drug Enforcement Administration's anti-drug combat forces. Meadows "directs security at a 19,000-acre palm oil plantation adjacent to the U.S.-Peruvian counter-narcotics base at Santa Lucía in the Upper Huallaga Valley. A guard force of 150, most former Peruvian marines, is based at the plantation."

Greve reports that many of the U.S. operatives in the Peruvian jungles are "Contra hands" who worked directly with North and Secord. They are also reportedly associated with the Betac Corp. of Rosslyn, Virginia, "which specializes in intelligence technology and clandestine operations. . . . Among the Betac executives pursuing the drug-war 'business' is former CIA director of operations Clair George," who resigned from the CIA in 1987 after 32 years. "Betac also employs retired Army Gen. Paul Gorman as a 'consultant,' " according to the *Inquirer* exposé.

The palm oil plantation where Meadows is nominally employed belongs to the Romero family, oligarchs who own the powerful Banco de Crédito, which until recently was the country's biggest launderer of cocaine dollars. (Today, the central bank itself performs that function.) Charges that the Romero plantation's private airport is used with impunity for cocaine transport have appeared repeatedly in the Peruvian press.

Some sources in Peru have charged that Meadows and

his men are re-exporting some of the cocaine they seize, for their own benefit; but as yet there has been no independent confirmation of these charges.

Bush's pressure tactics

Pressures on the Fujimori government are not merely verbal. Press dispatches from Lima report that Peru's chances for a \$2 billion bridge loan to clean up its foreign credit standing dropped after Fujimori rejected military aid. Central bank president Dr. Jorge Chávez revealed upon his return from London on Oct. 31, that he had failed to obtain a bridge loan to alleviate arrears with the International Monetary Fund and World Bank. He added that Peru would not get the loan for at least another six months.

The Peruvian government's decision to reject the proffered U.S. anti-drug package of \$36 million won the support of nearly every political and military sector in the country. Mistrust of U.S. intentions is a general sentiment throughout the country, and is in fact justified when one takes into account such recent developments as the bloody U.S. invasion of Panama, where the Bush administration's so-called war on drugs was shown to be a pretext for seizing permanent control of the Panama Canal and wiping out military opponents to Project Democracy and the drug cartels.

The United States' proposed "anti-drug" effort regarding Peru reflects this same deceit. The military aid package contains such abusive and unacceptable conditions that affixing Peru's signature to the agreement would constitute surrendering a major portion of Peru's national sovereignty to the United States. According to the Peruvian press, the U.S. is demanding in return for its \$36 million: 1) the presence of U.S. "advisers" in Peru's battle zones, with the option of entering into combat as considered appropriate; 2) construction of three military bases in the Peruvian jungle, which would both logistically and militarily depend directly for their commands on the United States; 3) that in the event of a conflict of interest in implementation of the agreement, Peru would place itself under the jurisdiction of the U.S. courts; and 4) that "suspected Peruvian drug traffickers" would be extradited to the United States without *any* investigation or trial by Peruvian courts—i.e., the same treatment meted out to Panama's Gen. Manuel Noriega.

Drug legalization in disguise

President Fujimori issued a public rejection of the U.S. aid package, alleging that the Bush administration's proposal was "insufficient and partial," and that it failed to address the need for economic assistance which would enable the more than 600,000 coca-growing peasants to substitute their crops.

Fujimori presented his alternative on Oct. 27, with what he dubbed a "global solution" to the drug trafficking problem in Peru. He incorporated the thesis of Gen. Alberto Arciniegas with that of Hernando de Soto, an Ibero-American economist who has been publicly singled out for praise by George

Bush. Fujimori placed military repression on a lower priority, arguing instead for a progressive process of crop substitution, to be launched with a judicial reform consisting of granting property titles to the coca-growers. As Hernando de Soto, charged with explaining the proposal to the Bush administration, put it, the plan would legalize the "informal" coca farmers, giving them access to credit and making the presence of the state viable in those zones where state power has de facto been nonexistent.

Fujimori justified his proposal by arguing that it would separate the informal coca growers from the influence of the Shining Path and Tupac Amaru terrorists. This, he argued, would correct "the U.S. error in Vietnam," where the strategy was not to ally or give land to the Mekong Delta peasantry, forcing them to ally with the communist guerrillas. What Fujimori's proposal conveniently overlooks is the total integration of the Shining Path narco-terrorists with the drug traffickers: They are one and the same apparatus.

The U.S. government has made an unconvincing display of "opposition" to this de facto legalization strategy. The *Washington Post* admitted on Nov. 4 that "Fujimori's new policy confirms what U.S. officials have gradually come to accept—that the prospect of wiping out the coca fields . . . is unrealistic."

The irony of the situation is that Fujimori's proposal is inspired—as he is the first to assert—"in the spirit of unrestrained free enterprise" presented in President Bush's Enterprise for the Americas initiative.

CONSULTING ARBORIST

Available to Assist in

The planning and development of wooded sites throughout the continental United States as well as

The development of urban and suburban planting areas and

The planning of individual homes subdivisions or industrial parks



For further information and availability please contact Perry Crawford III

Crawford Tree and Landscape Services

8530 West Calumet Road
Milwaukee, Wisconsin 53224

Voters slap Bush in face, but not hard enough

by Nancy Spannaus

President George Bush is smarting from the slap in the face he received in the Nov. 6 mid-term elections, but it was definitely not a knockout punch. The weakness of the message he received from American voters means that Bush is free not to change his economic policy, and is also free to go ahead with his lunatic flight forward in the Persian Gulf. That means that Americans are certain to be hit by a shattering financial and depression collapse, and will very likely be thrown into an unjust war that will make Vietnam look like a picnic.

Direct hits on Bush occurred in Texas and Florida, where Republican gubernatorial candidates were defeated. In addition, the Republican Party not only did not regain control of the Senate, but it lost eight seats in the House of Representatives.

Nevertheless, the much-publicized anti-incumbent mood did not result in either a high voter turnout or a broad punishment of those congressmen who had passed the austerity package of health cuts and tax increases. Voters refused to challenge the status quo, in the insane hope that perhaps things wouldn't get worse.

Most devastating among the results was the fact that Lyndon LaRouche, congressional candidate in Virginia's 10th Congressional District, was credited with an unbelievably low vote total of 1.38%, while no members of his slate running nationwide were elected to Congress. American voters are not yet ready to go against the powers-that-be who are determined to destroy LaRouche's movement, and their unwillingness to do so will have deadly consequences for the United States, and the world.

The powers that be will not miss the fact, however, that numerous LaRouche Democrats won from 18-30% in races around the country, and are posed for an expansion of anti-war and anti-depression organizing in the months ahead.

The Texas victory of Democratic gubernatorial candidate

Ann Richards over Republican Clayton Williams was a personal defeat for Bush. The President had spent days in Texas right before the election campaigning for Williams, and has a personal animus against Richards. That is based on her memorable anti-Bush rhetoric at the 1988 Democratic Party convention: "Poor George, he was born with a silver foot in his mouth!"

The President and his wife had also personally committed themselves to providing the winning margin for Florida's incumbent Republican governor, Bob Martinez. Martinez was roundly defeated by former Democratic senator Lawton Chiles, in what was clearly an anti-incumbent vote.

There were other significant Republican defeats, notably Virginia congressional candidate Stan Parris in the Eighth C.D., and Minnesota Sen. Rudy Boschwitz. But the Republicans were able to squeak by and win several very important gubernatorial races, notably California and Massachusetts, and they beat back a nationwide mobilization against North Carolina Anti-Defamation League stooge Sen. Jesse Helms.

The LaRouche vote

The most significant message which the voters could have sent to the President against his depression and war policies, would have been to elect imprisoned Democratic statesman Lyndon LaRouche to Congress. Instead, despite a major mobilization of LaRouche supporters from around the country and the world into LaRouche's home district, the political prisoner was credited with only 1.38%.

"Totally unbelievable," was the evaluation of LaRouche for Justice campaign coordinator Melvin Klenetsky. He noted that in nearly every precinct, LaRouche was held to nine votes or less per voting machine—a pattern which has been previously identified with machine-fixing. Some machine malfunctioning was also reported, along with a deliberately confusing ballot.

LaRouche on the vote

From a statement issued early Nov. 7:

Although the results of the Nov. 6 national congressional and gubernatorial elections are so far incomplete, two things are clear: First of all, that President George Bush did receive a significant political black eye. A message in that degree was sent to Washington. However, the message was not strong enough, on several counts, and therefore, we are now faced with two great catastrophes, which will hit the American people as a result of the American people's failure to go far enough in yesterday's elections.

First, we will now begin to feel the full force of the worst economic depression of the 20th century. This depression will be a shattering one—at least until the point we reverse trends, and stop it.

Secondly, it is not yet certain, but it seems likely, as a result of the failure of yesterday's election to go far enough, that we shall have a war in the Middle East. If so, many Americans will find their relatives returning from the Middle East in bodybags. The prospect is, that we will have a world price of oil of between \$70 and \$100 a barrel, which will aggravate the great depression which is now rolling in, reaching toward gale force, and toward hurricane force.

These are the lessons of history. When a great people,

having reached the kind of power which the United States reached, become so corrupt and stupid, that they allow to continue the kinds of trends in policy-shaping which have persisted over the past 25 years, that people will be punished. Not merely for the sake of punishment, but in order to purge that people of those cultural weaknesses, those moral weaknesses, which encourage them to tolerate such errors for so long.

I hope that the punishment wrought upon our nation will not be as cruel as that which destroyed the Roman Empires, first in the West, and then in the East. However, I fear that we are going to move in that direction, if not all the way.

I can only hope that our American people will wake up soon enough; will give up their rock-drug-sex counterculture, will give up their malthusian insanity, and will give up a racist intolerance for the human rights of Arabs, people who speak Spanish below our borders, and Africans, generally. Until we learn to be less racist toward Arabs, toward black Africans, toward Mexicans, toward South Americans, toward people in Southeast Asia, we will probably lack in ourselves the moral fitness which a nation requires for durable national survival.

I think we'll wake up; I hope we wake up in time. I dedicate everything I can do, to causing us as a nation to wake up, and stop acting like fools. Yesterday, we took a step slightly in the right direction, with the humiliation of George Bush. We didn't go far enough; we must go far enough.

The LaRouche vote total was also wildly at odds with the level of citizen participation in the campaign in the district. Hundreds of residents had come forward to participate in some way or another in the LaRouche congressional campaign, breaking apart the taboo ordered by the national press and major political party bureaucracies on speaking seriously about the candidate's proposals for an emergency economic recovery program in order to avert the misery of depression and war.

The LaRouche vote was also inconsistent with results credited to senatorial candidate Nancy Spannaus, a LaRouche Democrat, in the northern Virginia area. Spannaus received 17.2% of the vote in Loudoun County where LaRouche resides, and over 18% of the vote in nearby Fairfax County, despite the sustained campaign of slander and mockery against LaRouche and his ideas in the area.

Statewide breakthrough

Vote-fixers were not able to prevent a significant vote for LaRouche Democrats from showing up in the rest of Virgin-

ia. The highest total was won by Harry Broskie, the LaRouche Democrat running against incumbent Democrat Owen Pickett in the Second C.D. (Norfolk area)—22.28%.

The next-highest statewide LaRouche vote was given to Spannaus, who ended up with 18.35% against incumbent Republican Sen. John Warner. Spannaus's vote, which occurred against a coalition of the Democratic Party and major media, as well as the Republicans, is considered to be a sharp warning to the Commonwealth's "Bush Democrats."

In the words of the *Richmond Times-Dispatch* editorial on Nov. 7, "the fact that a fringe candidate, Nancy B. Spannaus, a Lyndon LaRouche adherent, captured almost one-fifth of the vote says something about the anti-incumbent anger in this political season, and perhaps about conservatives' discontent with Mr. Warner as well."

Indeed, if Spannaus had received such a percentage in a European country such as Germany, which does not adhere so strictly to the two-party system, she would have easily won a seat in the national parliament.

The breakthroughs reflected in the Spannaus campaign

show up more dramatically in the county-city breakdown of the vote. While Spannaus won in only one precinct in Norfolk—with 53% of the vote—she polled as high as 39% in one county, and 25% or more in 11 others. In most major urban centers, over 20% voted for her.

The relatively higher results can be attributed both to the fact that Spannaus concentrated her three-week radio campaign in the area of the state from Richmond east to the Tidewater, and to the rage felt by black voters against Senator Warner's role in killing the Civil Rights Act of 1990.

Overall, the vote in Virginia was as small as predicted, with only 40% of the registered electorate voting. There was a significant drop-off from even that total in the senatorial election, because the major media continued to lie, up to and including on the day of the election, that Warner had no opponent whatsoever.

LaRouche campaign gains

The most significant victory in the elections, both for the country and for the efforts of the LaRouche movement, was the two-to-one defeat of the Big Green environmentalist initiative in California. The major opposition to this piece of environmentalist stupidity, which would have destroyed what remains of California's economy, was catalyzed by political supporters of LaRouche who organized themselves into the Stop Eco-Fascism Committee. In Washington State, Proposition 547, the equivalent to California's Big Green, was roundly defeated, 77% to 23%.

Other results across the country show that LaRouche candidates received votes in the range of 30% in districts which have been hit hard by the depression, and even higher totals in smaller areas where people have been hit so hard that they are ready to wake up and do something about it. In the central Texas area around San Angelo, Lester Dahlberg, a working farmer running a home-grown campaign on the LaRouche platform for state House of Representatives, polled 29.9% in a two-way campaign, and won in one county, with 51%. In the Houston area, Bruce Director received 29% in a U.S. congressional campaign against Republican incumbent Tom DeLay, and polled 48-49% in areas where his shoestring campaign was able to do walking tours.

In other LaRouche campaigns, Lewis du Pont Smith, the du Pont heir who is being persecuted by his family for supporting LaRouche, received only 4.5% in Pennsylvania's Fifth District, in an independent campaign against Republican incumbent Dick Schulze, who only scraped by with 56% because many who did not have the courage to vote for Smith, voted instead for a Democratic stand-in. In St. Louis, Missouri, Jerome Schmidt won 27.5% against a Republican incumbent state senator; in North Dakota, Jim Mosienko received approximately 33% in a bid for county commissioner; and in Michigan, Joan Dennison, running as a Food for Peace Democrat, polled 33% against her Republican opponent.

FBI coverup of Iranian arms-for-hostages deals continues

by Edward Spannaus

The FBI is still covering up Iranian arms-for-hostages deals from the beginning of the Reagan-Bush administration in 1980. Despite all the investigations into the Iran-Contra arms dealing, the FBI's coverup of illegal arms deals from the early 1980s has so far escaped the scrutiny of both Congress and the Special Prosecutor.

In documents filed recently in a Freedom of Information Act (FOIA) lawsuit in federal court in Washington, FBI officials have continued to suppress evidence concerning the role of a former Justice Department official in facilitating the illegal arms deals. Four years ago, it was revealed that former Assistant Attorney General J. Stanley Pottinger had narrowly escaped prosecution because the FBI had "lost" the transcripts of wiretaps on which Pottinger had been overheard.

Now, in the new court filings, the FBI is flatly denying that it has any record whatsoever of the wiretaps.

Bugs and guns

Arms-for-hostages dealings actually date back to the fall of 1979, when Pottinger, acting as a lawyer for Iranian banker and arms dealer Cyrus Hashemi, approached officials of the Carter administration with proposals for using Hashemi to negotiate the release of the American hostages then being held in Teheran. In January 1980, Pottinger and Hashemi met with high officials of Carter's State Department, to discuss Hashemi's proposals. The fact of this meeting was first revealed in FOIA documents obtained by *EIR*.

Hashemi's first offers to act as a go-between between Washington and the revolutionary government in Iran came to naught. But with the outbreak of the Iran-Iraq War in late summer of 1980, Hashemi again offered his services, since Iran was now in need of military equipment and spare parts for the war with Iraq. In October 1980, Hashemi again met with Carter administration officials, this time including Lloyd Cutler, Carter's legal counsel.

According to reports published in various news media, the CIA supposedly became suspicious of Hashemi as a result of these meetings, and requested that his offices be wire-

tapped. However, CIA documents released to *EIR*, in a civil suit brought by Hashemi against this magazine, show that the CIA was receiving intelligence reports similar to those being received by *EIR* during the summer of 1980. These reports indicated that Hashemi's bank, the First Gulf Bank and Trust Co., was being used to finance pro-Khomeini terrorism in the U.S., and also that Hashemi was helping Iran to circumvent the economic sanctions imposed by the U.S.

In mid-September, the CIA communicated the substance of these reports to the FBI. Contrary to the official leaks in the news media, it is clear that the FBI and CIA were already aware of Hashemi's illegal activities by the time of his October 1980 meetings with the Carter administration.

In October 1980, the FBI obtained a wiretap order from the supersecret Foreign Intelligence Surveillance Court. Wiretaps and electronic listening devices were placed in First Gulf Bank and Trust offices in New York from November 1980 through January 1981.

What the wiretaps picked up was Stanley Pottinger advising Hashemi how to get around the U.S. arms embargo of Iran. A year later, the FBI obtained a search warrant and raided Hashemi's First Gulf offices, but then did nothing to follow it up. Finally, in May 1984, the U.S. Customs Service arrested Hashemi and succeeded in forcing an indictment of the Hashemi brothers and a number of others. Many sources have reported that these indictments were issued over the objections of both the FBI and CIA.

Pottinger was not indicted. He was identified as a co-conspirator in the indictment, and his advice to the Hashemi brothers was cited in a number of the "overt acts" of the conspiracy to violate the arms embargo. According to a *Washington Post* story on July 19, 1984, the only reason Pottinger was not indicted was that the tapes of the wiretaps had been "misplaced." Said the *Post*: "According to a high-level federal official who asked not to be identified, Pottinger was to be indicted last month, but several tape recordings of Pottinger's meetings with the Hashemis have been misplaced. The FBI reportedly has partial transcripts of the tapes, but Pottinger's attorneys say they are insufficient evidence."

Sources within the intelligence community have confirmed this story to *EIR*, explaining that Pottinger's role went way beyond what has been leaked to the press. Pottinger was in fact one of Hashemi's CIA "controllers." Through Pottinger, the CIA used Hashemi and First Gulf Bank to conduit millions of dollars for covert military aid to the Khomeini regime.

Hashemi cuts a deal

Hashemi's relation to the CIA was partially acknowledged in documents released by the joint congressional committee investigating Iran-Contra. In declassified CIA documents disclosed in the committee's final report, Hashemi is described as "a former Agency and State Department con-

Bush and the 'October Surprise'

Bush is one of those who is being protected by the ongoing coverup of the Pottinger-Hashemi case.

It is one of the worst-kept secrets in politics that the Reagan-Bush team was desperate to *prevent* the release of the American hostages before the November 1980 elections, so that the Carter administration could not use a release to bolster their reelection campaign.

It is therefore interesting that, although Hashemi was meeting with high-level officials of the Carter administration in October 1980, he was being guided in his endeavors by a Republican lawyer and former official of the Nixon-Ford administrations—Stanley Pottinger.

A source who is extremely close to the Hashemi family told this reporter that Cyrus Hashemi was in fact much closer to the Reagan administration than the Carter administration, and the source particularly emphasized "the Texas crowd"—Baker and Bush. He also said that the famed Algerian negotiations were a cover for the real hostage negotiations, in which Cyrus Hashemi played a key role.

Whatever role Hashemi played, it is nevertheless the case that there was no "October Surprise," Reagan and Bush won the election, and the hostages were not released until Inauguration Day.—*Edward Spannaus*

tact." A CIA memorandum conceded that, if Hashemi went to trial, "we will be compelled to acknowledge our relationship to Hashemi." What is not admitted is that the CIA's relationship with Hashemi went back much further, into the 1970s.

After his indictment, Hashemi continued to offer his services to the U.S. government to obtain the release of the American hostages in Lebanon. What he demanded in return was a *nolle prosequi* (dismissal) of the charges against him.

CIA documents disclosed in the congressional Iran-Contra report show that Hashemi and former Attorney General Elliot Richardson were in regular contact with CIA director William Casey during the summer of 1985. Richardson and Hashemi used Casey's longtime friend John Shaheen as their channel to Casey. Both the CIA (Casey) and the State Department favored taking up Hashemi's offer to open up a channel of communication with a high Iranian official, and both agencies favored dropping the charges against Hashemi in return. The Justice Department took a more cautious approach, pre-

ferring to wait and see if Hashemi could deliver, before making any promises.

Hashemi couldn't deliver. Soon after this, he agreed to become a "sting man" for the Customs Service and the FBI, in setting up a major arms bust. With the tape recorders rolling, Hashemi was used to set up the April 22, 1986 arrests of Israeli General Avram Bar-Am, U.S. lawyer Samuel Evans, and many others, for illegally shipping arms to Iran. (The charges were later dropped, after attorneys for Evans showed—in the context of the breaking Iran-Contra scandal—that their client believed his dealings were approved by the U.S. government.)

Hashemi did get his *nolle prosequi*. But his reward was not the way he wanted it. He died in London on July 21, 1986 under highly suspicious circumstances. A few weeks later, his case was dismissed.

EIR follows the trail

Meanwhile, associates of *EIR* filed a series of Freedom of Information requests with the appropriate government agencies, requesting documents on Hashemi, his role in the hostage negotiations and arms deals, and the disappearance of the Pottinger-Hashemi tapes.

In response to these requests, the State Department and CIA are disgorging a small number of documents. The FBI has totally stonewalled, releasing only portions of eight documents out of its entire files on these subjects.

As to the wiretaps and the disappearance of the tapes, not only has the FBI refused to disclose any records, but it claims to have no trace of the wiretaps at all! An FBI affidavit filed with the court in August baldly states "FBIHQ's ELSUR [electronic surveillance] indices were searched. No records identifiable with the First Gulf Bank and Trust were located." The legal brief filed by the Justice Department says flatly: "No records were located pursuant to the search of its electronic surveillance ('ELSUR') indices."

The FBI's intransigence in this matter is partly egregious, given the degree of public exposure of the wiretaps which has already occurred. The existence of the wiretaps on Hashemi's First Gulf offices has been disclosed in most of the major news media, including, of course, *EIR*.

But that's not all. In February 1985, a federal court judge in New York officially acknowledged the existence of the wiretaps. When one of Hashemi's co-defendants, Arthur W. Luke, sought access to those portions of the transcripts which were still extant, Judge Robert Owen entered an order which stated:

Upon application of defendant Arthur W. Luke . . . for discovery and inspection of the recordings of conversations intercepted pursuant to the electronic surveillance conducted on the telephones and offices of First Gulf Bank & Trust Company, 9 West 57th Street, New York New York;

And it appearing to the satisfaction of the Court that:

1. The electronic surveillance at the offices and on the telephone lines of said premises was conducted pursuant to orders of the United States Foreign Intelligence Surveillance Court; . . .

Now, therefore, IT IS ORDERED. . .

1. The United States shall turn over to counsel for Arthur W. Luke . . . copies, as requested, of the tape recording made pursuant to the electronic surveillance. . . .

Despite this, the FBI somehow believes it can get away with denying having any records whatsoever of these wiretaps.

The Iran-Contra investigations focused in the 1985-86 arms-for-hostages deals involving Oliver North, et al. Hashemi became an object of attention only insofar as his 1985 offers to arrange a hostage release were pursued by Casey and the State Department.

But the evidence uncovered by *EIR* shows that it didn't start in 1985 with Oliver North. It began under the Carter administration in 1979, and *EIR*'s investigations have shown that the Hashemi case is tied to drugs, terrorism, and at least a couple of murders. And the FBI's aggressive coverup is continuing to the present day.

Who Killed Olof Palme?

A Classical KGB
Disinformation Campaign:

NBC-TV and the Soviet military daily *Krasnaya Zvezda* both blame LaRouche. . . .

Swedish Police Chief Hans Holmér suppresses major lines of inquiry, becomes a laughingstock. . . .

Twelve Stockholm investigators resign from the case, in protest against Holmér's cover-up. . . .

The British press breaks the story of Emma Rothschild's love affair with Palme—and the possibility that her father is a Soviet spy. . . .

What's the real story?

Read *EIR*'s Special Report,
available for \$100 from EIR News Service,
P.O. Box 17390, Washington, D.C. 20041-0390.

Bush's Gulf war has paper-thin backing

by Kathleen Klenetsky

Although you would never know it if you depended on the major U.S. media for your information, support for President Bush's war-mongering in the Mideast is ebbing.

"When nearly 20% of the U.S. Congress comes out publicly opposing the use of force in the Gulf, then you know that Bush's policy is unpopular," remarked one Washington observer, referring to an Oct. 26 statement, signed by 81 members of the House of Representatives, which expressed "grave concern about the possibility of war in the Middle East." The statement continued, "We are emphatically opposed to any offensive military action."

Although not a word about this important challenge to the President's Persian Gulf policy has appeared in any major U.S. newspaper, or on any network news—to our knowledge, *EIR* is the only nationally circulated news organ that has reported it—its significance has not gone unnoticed in Western Europe, where it has garnered front-page coverage.

On Oct. 30, the London *Independent* ran a page-one story on the statement, headlined "Warning to Bush as anti-war sentiment in Congress grows." "The U.S. Congress has delivered its first serious warning to President George Bush," the article reported, noting that the number of signatures shows "a significant increase in anti-war sentiment in Congress."

The *Independent* was right on the mark. Not far into October, Rep. Ron Dellums (D-Calif.), one of the signers of the Oct. 26 declaration, wrote an open letter to President Bush urging him to seek a peaceful solution to the Mideast crisis. Only 33 of his colleagues signed that letter, which, while expressing opposition to a military option in the Gulf, was less strongly worded than the statement signed just weeks later by nearly triple that number.

That increase directly reflects the growth in anti-war sentiment among Americans in general, stemming not only from disenchantment with Operation Desert Shield itself, but also from a mushrooming lack of confidence in the judgment and competence of the Commander-in-Chief. A growing proportion of Americans simply do not trust George Bush, especially when it comes to life-and-death decisions. The possibility that Bush may be too "stressed out" to handle the crisis was raised by columnists Evans and Novak in their cable television broadcast Nov. 3. They pointed to Bush's bizarre statement that Saddam Hussein was worse than Hitler as evidence that the President has lost his balance.

Leading senators, among them, Republican Bob Dole (Kan.) and Democrat Dennis DeConcini (Ariz.), have pri-

vately confided that support for Bush's Mideast adventure "runs a mile wide and an inch deep."

Bush's attempt to whip up a war frenzy in the country has not been helped by reports that the Pentagon secretly estimates that upwards of 30,000 American soldiers could die in the first three weeks of a Gulf conflict. According to syndicated columnist Jack Anderson, the Defense Department's "most realistic estimate" is that 15,000 Americans would die in the first 20 days of fighting—an incredible toll, nearly one-third the total number of Americans killed in the Vietnam War.

Death toll

It is widely expected that as soon as American soldiers start being shipped home in body bags, the paper-thin backing for Bush's adventure will quickly turn into popular outrage. As Anderson pointed out in his column, Air Force chief of staff Michael Dugan predicted, shortly before he was fired, that "The American people will support this operation until body bags come home."

Even Gen. Norman Schwarzkopf, commander of U.S. forces in Saudi Arabia, has warned that a war in the Gulf could "last a long, long time and kill an awful lot of people," and would be "exactly the same" for the soldiers fighting it, as was the war in Vietnam. Schwarzkopf made his comments in an interview with the *Atlanta Journal-Constitution* during the last week of October.

There is a growing recognition that Bush is simply a patrician blue-stocking, who doesn't give a hoot about those outside his elite Establishment circle. Former Texas legislator Maury Maverick, writing in the San Antonio *Express News* several weeks ago, reflected this when he pointed out that the burden of a Gulf war would fall on poor Catholics—especially Hispanics—on blacks, and on poor white Baptists, who make up the majority of the U.S. Armed Forces. This is "discrimination," Maverick charged, and it is "being done by a combination of two of the most powerful and wealthy elements in the country: The Wall Street Episcopalian-Presbyterian crowd, ready for other people's sons to die for cheap oil, and by the flint-rock brittle portion of American Zionists, who are corrupting Judaism."

There is also a deepening concern among some military-related circles that a Mideast war will turn into a Vietnam-style fiasco. James Webb, who served as secretary of the Navy in the Reagan administration, told ABC News's "Nightline" broadcast Oct. 18, that he had "deep reservations" about Operation Desert Shield, and warned that if Bush uses the American troops offensively in the Gulf, he will be "walking into a quagmire." He warned that if the U.S. goes to war in the Mideast, it could produce lethal consequences, among them, an all-out Arab-Israeli war, an Iran takeover of Iraq, and/or the reestablishment of Soviet power in the Gulf area, "after we've been trying to keep them out for 40 years."

Did the 'October Surprise' really target Ronald Reagan?

by Jeffrey Steinberg

The 10th anniversary of the election of Ronald Reagan as President of the United States has revived efforts by an army of investigative journalists to pry open the scandal known as the "October Surprise"—the purported covert effort by the Reagan-Bush campaign team to delay the release of American hostages in Teheran until after the 1980 presidential elections, to prevent any last-minute victory by Jimmy Carter and Walter Mondale.

Scores of articles, a television documentary, and at least one book have explored every nook and cranny of the Reagan-Bush secret apparatus, attempting to come up with the decisive piece of evidence proving conspiracy by the President's men.

This news service has unearthed new evidence which suggests that, ironically, the ultimate victim of the "October Surprise" may have been Ronald Reagan himself. If the story assembled by *EIR* from court records, eyewitness accounts, and other sources proves ultimately to be true, it means that the very same apparatus of corrupt spooks who profited from the Vietnam War and then helped usher the Khomeini regime into power, only to begin funneling millions of dollars worth of covert arms shipments to the Ayatollah during the Carter presidency, secured themselves an inside track with the incoming Reagan administration. This amounts to a cold coup by a mandarin caste of secret warriors who felt a greater loyalty to their Swiss bank accounts and their fellow scoundrels in Britain and Israel than to anything represented by the "Reagan Revolution." It means that President Reagan found himself compromised by a secret payoff undertaken in his name, even before he took the oath of office. It begins to shed new light on what would later become the Iran-Contra scandal.

A secret mission to Teheran

According to several eyewitness accounts, in September 1980, two Americans, Earl Brian and Michael Riconosciuto, flew aboard the private 737 jet of then Saudi Defense Attaché Prince Bandar bin Sultan, from the United States to an undisclosed location in Turkey. From there, they traveled on to Teheran, where they met with top officials of the Khomeini regime.

According to one source, the trip was carried out on behalf of the CIA. Its purpose was to arrange the payment of

\$40 million to top officials of the Iranian government to secure the release of the American hostages—anytime *after* the U.S. presidential elections.

The payment was arranged through a bank in Singapore, according to sources familiar with the deal. Before landing in the Far East, however, the \$40 million reportedly was washed through a series of private and governmental fronts:

- A financial adviser to the Saudi royal family, Fahim Safar, reportedly handled aspects of the transaction in Atlanta, Georgia, where he maintains a residence. Normally based in Lausanne, Switzerland, Safar reportedly arranged for funds to pass through an Atlanta branch of *Crédit Suisse*, a Swiss bank known for its ties to shady intelligence networks (including Mossad networks) and international narcotics traffickers.

- The moneys were also "washed" through accounts used by the National Aeronautics and Space Administration to finance university-based space research programs, according to several sources. The NASA official who handled the administration's university R&D accounts, Charles Carter, reportedly knows the details of the 1980 mission to Teheran.

- Earl Brian, according to an eyewitness, reported the results of the Teheran mission to George Pender, the chairman of First Intercontinental Development Corporation. FIDCO is a construction firm which reportedly specialized in secret projects for the American government in Lebanon, Saudi Arabia, and Nigeria. In addition to his ties into the spook world, Pender, now in his 70s and living in semi-retirement in southern California, is a close personal friend of Ronald and Nancy Reagan.

- At the time of the mission, both Riconosciuto and Brian were reportedly employed by Transaction Technologies, a wholly owned subsidiary of Citicorp which specializes in electronic fund transfers.

At the top of the pyramid of intelligence community front operations that participated in the Teheran mission and the \$40 million payoff, according to one of the participants, was Wackenhut Corp., a large private security firm founded by George Wackenhut, a retired senior FBI man. At the time of the "October Surprise" events, William Casey, the Reagan-Bush campaign chairman and later Reagan's Director of Central Intelligence, was outside counsel to Wackenhut, ac-

ording to documents presented to the U.S. Senate at the time of his confirmation hearing.

Strange pedigrees

Dr. Earl Brian's name has recently surfaced in connection with his ownership of United Press International (UPI) and the Financial News Network (FNN), both of which are believed to be on the verge of bankruptcy as the result of highly questionable financial transactions. A federal grand jury and a Securities and Exchange Commission probe may unearth criminal dimensions to UPI-FNN's money woes, according to *Barron's* magazine.

Dr. Brian was a neurosurgeon in Vietnam in the late 1960s. According to government documents released under the Freedom of Information Act (FOIA), U.S. military hospitals in Vietnam were the scene of sophisticated experiments in behavior modification, chemically enhanced interrogations, and other forms of mind control previously associated with the CIA's MK-ULTRA project. While no evidence has yet surfaced indicating that Brian was involved in these programs, he did apparently return from Vietnam with some high-powered patrons, including Chicago insurance executive and Richard Nixon intimate W. Clement Stone. It was apparently through Stone that Brian was introduced to Gov. Ronald Reagan of California. Brian was named State Secretary of Health and Welfare during Reagan's second term in Sacramento. But, according to one source familiar with Brian's career rise, the neurosurgeon (who never again practiced medicine) was always hard-wired into the intelligence community, since the day he returned from Saigon.

In the late 1970s, Brian made an unsuccessful run for the Republican Party nomination to the U.S. Senate, hoping to parlay his links to Nixon and Reagan into a political career. According to people who knew Brian at the time, once his political career was nipped in the bud, Brian devoted himself to the proposition that he could become wealthy by doing favors for some of Uncle Sam's more unsavory employees. Apparently, Texas billionaire H. Ross Perot, who worked with Brian during the Reagan governorship, is one among many business associates who consider the doctor "unscrupulous."

If the "Mission to Teheran" story is true, it also begins to explain Dr. Brian's curious involvement in the U.S. Justice Department's drive to bankrupt a Washington, D.C. software firm, INSLAW. INSLAW had patented a computer program which was slated to be installed throughout the Justice Department following Ronald Reagan's election in 1980. The contract involved over \$800 million in fees and service charges. INSLAW was driven into bankruptcy and nearly into liquidation by Justice Department actions that a federal judge ruled to be "trickery, fraud, and deceit."

Throughout INSLAW's war with the DoJ, Brian, through one of his companies, Hadron, Inc., tried to buy out INSLAW and take over the patent. Justice Department insid-

ers and others have confirmed that Brian was "hard-wired" to get the contract, worth nearly \$1 billion.

However, INSLAW's owners, Bill and Nancy Hamilton, rebuffed Brian's takeover maneuvers. A former intimate of Brian described the INSLAW affair as a "payoff" to Brian for an "intelligence favor" he did for the 1980 Reagan-Bush campaign committee. Brian's financial backers in the takeover bid were Charles Allen and Company, a New York City investment house with longstanding ties to Meyer Lansky and the National Crime Syndicate.

Although the Justice Department contract never did land in Brian's lap, new evidence suggests that Brian may have illegally obtained copies of INSLAW's patented software system and marketed it to other federal agencies, in violation of the law. According to one version of this story, the INSLAW proprietary software may have been obtained through Wackenhut's research division.

According to several former employees and business associates, Brian spent time during the 1980s shuttling back and forth to Brazil, where he was allegedly involved in "business" with Irangate figures Oliver North and Richard Secord.

Brian's alleged traveling companion to Teheran, Michael Riconosciuto, is an even more enigmatic figure, with ties to the dark side of the American intelligence establishment. Reputed to be the son of a former business partner of Richard Nixon, Riconosciuto is an electronics and computer whiz. These skills were evident in the early 1980s, when Riconosciuto became involved in a top secret government research project housed at the Cabazon Indian Reservation near Indio, California—in partnership with Wackenhut. According to eyewitness accounts, Riconosciuto was responsible for developing a U.S. prototype of a fuel-air explosive device (FAE). He reportedly worked on that project with the late Gerald Bull of Space Research Corp. Bull later became an arms adviser to Saddam Hussein, and may have been the channel through which Iraq obtained the FAE technology.

During the same period, Riconosciuto, who also is said to be an expert in electronic fund transfers, reportedly played a role in the "disappearance" of tens of millions of dollars in deposits in the Nugen Hand Bank, a rogue intelligence proprietary which was accused of laundering enormous volumes of narcotics profits that financed "off-the-shelf" covert operations. The bank went up in smoke in the early 1980s when one of its owners, Frank Nugen, was found dead, an apparent suicide victim, in Australia. The other owner, Michael Hand, disappeared from the face of the Earth—along with the millions of dollars in depositors' money.

Richard Brenneke, the former CIA contract employee who first blew the whistle on the "October Surprise" and who was in the middle of the secret arms deals with Iran during both the Carter and Reagan presidencies, recently told reporters that he knew Riconosciuto and knew of his role in the Autumn 1980 Iran negotiations, including the Teheran trip.

Self-proclaimed 'cult expert' is exposed for sex crimes

by Herbert Quinde

Rev. Michael Rokos, the former national president of the Cult Awareness Network (CAN) and an Episcopal priest, was recently exposed as a homosexual sex pervert, arrested in 1982 on charges of "soliciting lewdness" and given a six-month probationary sentence. Using various subterfuges, Rokos concealed his true identity until Oct. 25, when the *Baltimore Evening Sun* reported that he had resigned as president of the Cult Awareness Network "to fight a religious group's charge that he was convicted for soliciting an undercover Baltimore City policeman in 1982."

Rev. George Robertson, a Baptist minister associated with a religious advocacy group called Friends of Freedom, made the charges against Rokos. Robertson and other ministers have been at odds with the CAN in the Baltimore area. Rokos resigned as head of the CAN in August, after the allegations surfaced. At their national conference in early November, the embarrassed CAN leadership glossed over an explanation for the resignation.

"Reverend" Rokos has been paraded around through the national media as a "cult expert." He is touted by the Anti-Defamation League (ADL) of B'nai B'rith and affiliated media outlets as an expert on "the LaRouche cult," and presents himself as a chaplain to the Maryland State Police (which he is not). He is a nationally known lecturer on "political cults" and Satanism.

He was used, in collaboration with the ADL, in an extortion scheme against Rochelle Ascher, a political associate of Lyndon LaRouche who was convicted of "securities fraud" in a political frameup in Virginia. The ADL and the Virginia prosecutorial task force are trying, with Rokos's help, to revoke Ascher's bond (she is currently free on bond pending appeal of her conviction). Rokos has also applied his libelous "cult" analysis to Lewis du Pont Smith, another associate of LaRouche who was declared "mentally incompetent" by a Pennsylvania judge, because he contributed funds to the LaRouche political movement. On this fraudulent pretext, Smith, who is an heir to the du Pont family fortune, was stripped of his civil rights, including the right to marry his fiancée.

Now, not only Rokos himself, but the Cult Awareness Network itself, are badly discredited. The "anti-cult" experts

are the ones who are now revealed to be the kooks and cultists.

Just the facts . . .

The details of Rokos's sex crimes are contained in an affidavit by Joseph G. Wyatt, the arresting police officer. Wyatt describes his encounter with Rokos during a stakeout by vice squad officers who were attempting to clean up male prostitution in Baltimore's Patterson Park.

Wyatt reports that on the night of July 3, 1982, he was posing as a male prostitute (or "bait") in an operation designed to target their patrons. Wyatt, at the time 22 years old, was chosen for the assignment by his police superiors because he looked like a young teenager. At 2:00 a.m. he was approached by Rokos, who drove up and asked him if he would "go for a drive." Wyatt refused. Rokos left, then returned and again solicited the officer.

"I turned and walked to his car," reads the report. "As I approached, the driver constantly stared in my direction. I said to him, 'What do you want?' He said, 'I want you to go home with me.' I then asked him, 'What are you interested in?' He stated, 'I want you to tie me up, put clothes pins on my nipples and make me s—k your d—.'"

At this point, officer Wyatt signaled his backup units, informed Rokos that he was under arrest, and attempted to seize the ignition key of his car. Rokos grabbed the officer's arm and began a struggle which required two other officers to subdue him. He was booked on a violation of the Annotated Code of Maryland, Article 27, section 15 (e) (to solicit lewdness), and was charged with resisting arrest.

According to experts on deviant sex, the use of clothespins is considered "extremist" and a "fringe" practice even by many sexual deviants.

According to Wyatt, Rokos misspelled his name to the booking sergeant, identifying himself as "Rokas," gave a false address, and also said that he was a "vicar in the Catholic Church."

Wyatt says that this surprised him, since, "being a life-long Catholic and not knowing what a vicar was, I looked it up in the dictionary and found it defined as a Minister in the Episcopal Church. Because of my relative inexperience as

an undercover Vice Officer I was shocked, to say the least, to learn that the suspect was a Minister in the Episcopal Church.”

He points out that the misspelling of the name was the reason the records have never surfaced until now, and adds that, “Although the arrest took place over eight years ago, I still vividly recall the incident. I recall the incident because this was my first undercover arrest and because of what the suspect, Michael Rokos, solicited me to do to him sexually and his subsequent resisting of my arrest of him.”

Wyatt concludes by explaining that he didn’t realize the implication of the misspelled name until four years later, when he saw Rokos on television, billed as an expert on Satanic cults who was consulting with local police departments. “I was very surprised to learn that any police agency would use Rokos as an expert because of his previous vice arrest and conviction. Over the past several years I have read many newspaper articles concerning Mr. Rokos’ expertise on Satanic cults; however, I still did not notice that his name was spelled differently from the arrest report I wrote on the night I arrested him.”

Rokos denies that he was convicted on the lewdness charge (the “resisting arrest” charge was dropped). Rokos’ lame defense is that he took probation before sentencing by the judge, and thus has technically not been convicted, according to the *Baltimore Evening Sun*. Judge Hillary Caplan sentenced Rokos to six months’ probation and fined him \$100 plus costs.

The Overington case

Most recently, Rokos was caught in an extortion plot—which involved NBC-TV, the ADL, and the national “Get LaRouche” task force—in which a former supporter of the LaRouche movement was brainwashed into believing her financial support was ill advised. The elderly victim, Helen Overington, said in an NBC-TV interview that it was only after a year of intense pressure that she relented in her support of LaRouche’s policies. Reverend Rokos is known to have met with members of Overington’s family, who attempted to extort fundraiser Rochelle Ascher into repaying contributions that had been freely given—or else have her bond revoked and be sent immediately to prison.

The Overington children have made financial contributions to the CAN, and referred people to Rokos as someone who can help in “deprogramming” supporters of LaRouche. The Overington children have written numerous newspaper articles praising the CAN and urging people to contact CAN and Rokos.

In the June 1990 issue of the CAN newsletter, there is a two-page article on Helen Overington written by her family, along with a full-page ad asking people to call a special Western Union hotline to send a pre-written message to Congress. The message asks congressmen to press for further Justice Department prosecutions of LaRouche and his associates.

The CAN’s protectors and associates

Rokos has been a high-profile anti-LaRouche spokesman. He has been on radio talk shows and has given seminars to police organizations, as well as public forums, denouncing LaRouche. In what legal observers say may have been illegal interference in a federal congressional campaign, Rokos addressed a seminar of Delaware County, Pennsylvania police chiefs in September, in which he charged that congressional candidate Lewis du Pont Smith is an “extremist.”

Until recently, Rokos seemed to have been politically protected. When Rokos was subpoenaed, by the defense, to appear at Ascher’s bail revocation hearing, an ADL-connected judge in Maryland quashed the subpoena without any legal basis.

Rokos has some strange associates. The CAN advisory board includes Rabbi Maurice Davis, whose son was convicted in the early 1980s for sex crimes. Rabbi Davis was an early booster of the Jim Jones People’s Temple cult. Esther Deitz, past director of B’nai B’rith Cult Project, and Fr. James LeBar, a Roman Catholic priest who is an anti-cult specialist, also serve on the CAN’s board.

But one of the strangest new recruits to the CAN cause is former Massachusetts Assistant U.S. Attorney John Markham. The October 1990 issue of *CAN News* reported that Markham was a scheduled speaker at the CAN’s national conference in Chicago. “Markham participated in the successful prosecution of Lyndon LaRouche and six followers on a federal court indictment,” reports the newsletter.

“Markham’s presentation will focus on the various legal bases for prosecuting cult leaders for criminal acts they have initiated among their followers. He will highlight courses of action for making local prosecutors aware of how to develop cases with such a dimension as a viable legal strategy.”

But nowhere does the newsletter report that Markham was himself a member of the Process Church, a Satanic cult which associated with psycho-killer Charles Manson. Founded in Britain in the 1960s, the Process Church was headed by Robert de Grimston, who published a book, *As It Is*. He wrote, “Christ said: Love thine enemy. Christ’s enemy was Satan and Satan’s enemy was Christ. Through love, enmity is destroyed. Through love, saint and sinner destroy the enmity between them. Through love Christ and Satan have destroyed their enmity and come together for the END. Christ is judge, Satan to execute the judgement.”

Even in the hippie heydays of San Francisco during the 1960s, Process disciples were considered weird. Their heavy Satanic “rap,” combined with their bizarre appearance (they wore long black velvet cloaks and purple neck ruffs) and their arrogant use of their dogs, almost exclusively German shepherds, to fend off street people, made them universally unpopular with ordinary hippies.

A CAN spokesman told *EIR* that Markham was forced to cancel his appearance at the conference “due to illness.”

National News

Drug legalizers peddle needle exchange

The international drug lobby met in Washington, D.C. at the beginning of November, under the banner of the Drug Policy Foundation (DPF). One of the highlights of the event, attended by about 300 people from the United States and Europe, was the awarding of \$100,000 to finance the purchase of 1 million disposable hypodermic needles, to be handed out to intravenous drug users as an "AIDS prevention" tactic.

This year's conference was heavily preoccupied with the AIDS crisis, with one speaker from Liverpool, England touting the virtues of government-distributed heroin as an AIDS-prevention program, in a port city with a large drug addict population and a thriving prostitution business.

One conference organizer, Kevin Zeese of the old NORML pro-marijuana group, said that the Drug Policy Foundation is focusing its efforts against the Bush administration's so-called War on Drugs. Conference sponsors cited the failure of the War on Drugs as "proof" that no anti-drug strategy can ever succeed.

"Drug use is the classic victimless crime," DPF moneybags and Libertarian Richard Dennis told a press conference. By legalizing drug use and allowing "market forces" to manage the industry, its criminal aspect can be eradicated, according to Zeese. The effects of drug use must be considered from both the "positive" as well as "negative" effects of addiction—including even heroin addiction. "Heroin is an excellent way to relieve tension," he told an interviewer.

Thornburgh's aides are sinking fast

Friends of U.S. Attorney General Richard Thornburgh are getting deeper and deeper into trouble.

On Oct. 29, in a hearing concerning the case of Henry Barr, a key Thornburgh aide

for 20 years who was indicted by a grand jury in August for cocaine possession and false statements, the prosecutor blasted the attempt by the authorities to whitewash the cocaine addict. "Let a poor person commit a felony or a misdemeanor and he will, if caught, be prosecuted. But let Henry Barr and men like him break the law, and they think society should look the other way." Barr was the chief legal counsel to Thornburgh. He is charged with conspiracy "with others to obtain, possess, and use cocaine and to conceal his cocaine involvement from outside scrutiny."

Barr was indicted in connection with a cocaine ring operating out of private homes in the Harrisburg, Pennsylvania area. According to sources quoted by the *Washington Times*, the ring included state officials assigned to prosecute drug dealers and users. One official, Richard L. Guida, headed the criminal division in the Pennsylvania Attorney General's office, when Thornburgh was governor. Guida confessed to have distributed cocaine and is now awaiting sentencing.

Bush curbs rhetoric after ADL complaints

President Bush was embarrassed by his Nov. 1 tirade to the effect that crimes of Saddam Hussein have exceeded those of Adolf Hitler, after the Anti-Defamation League objected that he was intruding on their franchise, the Holocaust.

After a condemnation by the ADL, Bush qualified his statement, saying, "I didn't say the Holocaust; I mean, that is outrageous. But I think the brutalizing young kids in a square in Kuwait is outrageous, too. I was told that Hitler did not stake people out against potential military targets."

Bush later admitted that it would be ridiculous to compare anything Saddam Hussein has done with Hitler's Holocaust, and abruptly dropped all reference to Hitler from his speeches during the lead-up to the Nov. 6 elections.

William Pfaff asserted that Bush's likening of Saddam Hussein to Hitler is not only absurd, but self-defeating, in an *Inter-*

national Herald Tribune commentary on Nov. 1. Pfaff wrote that Hussein is no worse than any other Third World dictator, certainly no worse than Bush's new "ally" Hafez al-Assad of Syria. But beyond this, what Bush is really doing by making the parallel, is to insist on Saddam's "unconditional surrender. . . . If the allies will accept nothing less than Saddam Hussein's head on a platter, a great many Iraqis and Americans assuredly will die before delivery is obtained," he warned.

White House, Congress in row over secret funds

The Executive and Legislative branches of government are in a fight for control of "black box funds" for defense and intelligence.

In the FY1991 military spending bill passed by Congress in October, new restrictions were included that make the President accountable by law for spending the \$35 billion "black budget" according to congressional mandate.

In the past, Congress has attached classified "annexes" to military appropriations, which the Executive treated as wishes, rather than actual law. There are numerous examples of how the Pentagon and CIA have flouted secret appropriations guidelines.

President Bush, Defense Secretary Richard Cheney, and others told Congress they were not required to follow such restrictions, since they did not have the force of law. But, with the latest bill, it is stipulated that the restrictions "shall have the force and effect of law," which binds federal employees. It also means the Congress can monitor compliance through committees that oversee the Pentagon and the intelligence agencies.

In an Oct. 18 letter, Terrence O'Donnell, general counsel of the Defense Department, complained that Congress was enacting "secret law without debate, comment and consultation." An administration spokesman said that it could not comment on the annex, since it was not allowed to see it.

Sen. Robert Byrd (D-W. Va.) said that

"fundamental constitutional and institutional questions" were at stake—in particular, whether there is equal weight to Executive and Legislative under a system of checks and balances "in relation to the highly classified agencies, budgets and programs that have grown in the last several decades."

Walsh scores Bush for lack of rule of law

The Bush administration shows "a lack of concern for applying rule of law to officials of the intelligence community," Iran-Contra independent counsel Lawrence Walsh has stated. Bush has shown an "overprotective attitude toward classified information," he said.

The new charges against the administration were motivated by the latest decision by Attorney General Richard Thornburgh to block the use of classified information in the case of Joseph Fernandez, a former CIA station chief in Costa Rica accused of having illegally armed the Contras. Thornburgh had already vetoed the disclosure of classified material concerning Fernandez, forcing Walsh to drop the case. Now, again, "after thorough reconsideration," he imposed another veto.

The decision has created the "suspicion that he's protecting his boss, the President," according to a commentary in the Oct. 30 *New York Times*.

'Green' legislators threaten researchers

Senator Nicholas Petris from Oakland and Assemblyman Robert Campbell from Richmond, both Democrats, wrote to the University of California president on Aug. 9 urging him "to reconsider the research project that is now planned for publication this fall," and threatened the university that its grants might be cut if it published a study of the economic consequences of the "Big Green" referendum for state agriculture before the Nov. 6 election, according to the Oct. 31 *San Francisco Chronicle*.

A university vice president then sent a memo to the faculty stating that "it is imperative that you comply with university policy" that the university remain neutral on political matters. One of the researchers involved told the paper that because of the memo and oral comments from administrators, he felt that "there was a gag order placed on me."

The final paragraph of the legislators' letter to the university president said: "It is evident that we are entering a period of austerity in which various institutions will be asked to eliminate programs. In the absence of any agreement by proponents and opponents [of Proposition 128] regarding research design, we urge you not to risk the university's standing by publishing research involving such highly charged political issues."

The *Chronicle* reported that the researchers reached a "compromise" with the university administration and published a "carefully worded" paper that "does not mention Proposition 128 but implies that a pesticide ban could have serious consequences for the state's agriculture industry."

FDIC bails out drug bank over objections

The Federal Deposit Insurance Corp. (FDIC) bailed out the uninsured depositors of the highly suspect Bahama Islands branch of the recently failed and seized National Bank of Washington, according to Martin Mayer, author of *The Greatest Ever Bank Robbery*, in a Nov. 1 *Wall Street Journal* commentary.

The decision to pay out \$37 million was made directly by FDIC chairman William Seidman, over the objections of the FDIC staff, Riggs Bank (which took over NBW), and the Independent Bankers' Association of America. As Mayer notes, "One does not need much imagination to guess the likely identity of depositors in a Bahamian branch of a marginal, poorly run American bank."

Another article in the *Wall Street Journal* on the same day, on the problems of U.S. banks, admitted that "'Hot' money from institutions at home and abroad remains a major source of funds for banks."

● **SOUTHERN** California's environmental gestapo, the South Coast Air Quality Management District, has announced restrictions on allegedly smog-forming products that are used in spray can aerosol paints. Although not a direct ban, the regulations effectively mean that over 90% of aerosol paints now available to the public will be eliminated by 1996.

● **CASPAR WEINBERGER**, the former defense secretary, criticized the Bush administration's courtship of Mikhail Gorbachov and offered an alternative policy of strengthening U.S. relations with "emerging democratic forces" in the U.S.S.R. Weinberger was speaking at an awards dinner at the Center for Security Policy on Nov. 1.

● **JACK KEMP**, the Secretary of Housing and Urban Development, may be preparing to jump ship from the Bush administration. Asked on Cable News Network's Evans and Novak show if he would resign from the cabinet to accept a draft as senator if Pete Wilson became governor of California, Kemp said, "Yes." The major reason for his resignation, he added, would be Bush's budget compromise.

● **MORE THAN ONE-THIRD** of U.S. soldiers injured in the Dec. 20 invasion of Panama were hit by friendly fire or were victims of accidents, *Newsweek* magazine reported in its Nov. 5 issue, based on "a confidential Pentagon report."

● **BLACK AMERICANS** see government practices with regard to drugs, AIDS, and police investigation as designed to target blacks, according to a poll reported in the Oct. 29 *New York Times*. Some 32% of the blacks polled said "the government deliberately singles out and investigates black elected officials in order to discredit them in a way it doesn't do with white officials," and another 45% said it might be true.

An end to communism

Seventy-three years after the Bolshevik Revolution, communism has been decisively repudiated. Yet despite this victory for mankind, our world is still in a perilous condition.

The Soviet Union's internal economic collapse, which has been a critical factor in the discrediting of communist ideology, has certainly left that nation in a weakened position. It has provided an opportunity for the Anglo-American faction associated with Thatcher and Bush, to attempt to impose upon the world their own imperial power, following the model of the Roman Empire. This takes the form of a one-world government.

These present day Romans are at least as cruel as the Caesars whom they would emulate, or as the Bolshevik leadership. They are guilty of perpetrating mass genocide, deliberately following policies which create famine and epidemic disease throughout those parts of the planet where people's skin coloration is darker than what is pleasing to the Anglo-American Anglo-Saxons. They are guilty of fomenting a war in the Persian Gulf, which will be the occasion for the spread of war over the rest of the globe.

The Russian situation must be seen in this context. The Soviets have been our adversary, and communism has been a force of evil over this century; but it is the enemies of Christian civilization, in the West as well as the East, who are the real enemy.

The present crisis within the Soviet Union is largely of economic origin. What will happen there, no one can tell. The impulse in Moscow at present is to participate in a U.N. Security Council-centered one-world government; and the strife among the world powers, now that the Anglo-Americans are at least temporarily dominant, centers around the Soviets' efforts, and secondarily those of France and China, to carve out an agreeable place for themselves in the balance of power within the U.N. Security Council.

The targeting of Iraq, for example, must be seen simply as the predecessor to the one-worlders' intended destruction of India, already in progress, and the proba-

ble next target, the destruction of Brazil, over the pretext of internationalizing the Amazon region.

What is happening in the Persian Gulf region, is simply a first step toward a murderous, global neomalthusian tyranny, which will make Adolf Hitler look like a kindly, charitable old gentleman in comparison.

The Soviets are not happy about Anglo-American aspirations to control a major portion of the world's oil supplies, and they do not see a Gulf war as in their own interest; but their own longer-term ambitions run parallel to those of the Anglo-Americans. They, too, would like to see a Third Roman Empire—but with themselves in a hegemonic position. That is how they are looking at the financial and monetary debacle of the Anglo-American system, and although the Anglo-Americans, represented by U.S. military power, are presently dominant, Moscow hopes that the financial and monetary debacle about to strike in the West would tilt the balance back more in favor of Russia and its traditional partners.

But there is another possibility, a genuine alternative, presently represented by Germany. If the Russians orient themselves to a continental Europe which is vectored toward fostering economic development in the East, but also throughout the developing sector, then there is hope for the world in the immediate future.

This can be posed as a question: Will the development of Eurasia proceed from the Urals to the Atlantic, or from the Atlantic to the Urals? If from the Atlantic to the Urals, the transformation will be not only a political and strategic one, but a cultural one as well, because it will represent the emergence of a "third way," which is neither communist, nor to the tastes of the fanatical admirers of Adam Smith. Such a Europe from the Atlantic to the Urals would be in the tradition of Gottfried Leibniz, Alexander Hamilton, and Friedrich List.

This would be the basis for a new global economic system of sovereign republics—not a homogeneous system, but one consistent with respect to certain common principles. That is the hope in the current situation.



So, You Wish to Learn All About Economics?

by Lyndon H. LaRouche, Jr.

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

Order from:
Ben Franklin Booksellers, Inc.
 27 South King Street
 Leesburg, Va. 22075

\$9.95 plus shipping (\$1.50 for first book, \$.50 for each additional book). Information on bulk rates and videotape available on request.

LaROUCHE

YOU MAY LOVE HIM

YOU MAY HATE HIM

BUT

YOU'D BETTER

KNOW WHAT

HE HAS TO SAY



The
Power of Reason: 1988
 an autobiography by Lyndon H. LaRouche, Jr.



The Power of Reason: 1988

An Autobiography by Lyndon H. LaRouche, Jr.

Published by Executive Intelligence Review

Order from Ben Franklin Booksellers, 27 South King St., Leesburg, VA 22075.
 \$10 plus shipping (\$1.50 for first copy, .50 for each additional). Bulk rates available.

Executive Intelligence Review

U.S., Canada and Mexico only

1 year \$396
 6 months \$225
 3 months \$125

Foreign Rates

Central America, West Indies, Venezuela and Colombia: 1 yr. \$450, 6 mo. \$245, 3 mo. \$135

South America: 1 yr. \$470, 6 mo. \$255, 3 mo. \$140.

Europe, Middle East, Africa: 1 yr. DM 1400, 6 mo. DM 750, 3 mo. DM 420. Payable in deutschmarks or other European currencies.

All other countries: 1 yr. \$490, 6 mo. \$265, 3 mo. \$145

I would like to subscribe to
Executive Intelligence Review for

1 year 6 months 3 months

I enclose \$_____ check or money order

Please charge my MasterCard Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

Phone () _____

Address _____

City _____

State _____ Zip _____

Make checks payable to EIR News Service Inc.,
 P.O. Box 17390, Washington, D.C. 20041-0390. In Europe: *EIR* Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, 62 Wiesbaden, Federal Republic of Germany, telephone (06121) 8840.

BRITISH PREPLANNED MIDEAST CRISIS



Special Report, September 1990

Bush's Gulf Crisis: The Beginning of World War III?

If the price of oil goes up through destruction or embargo of the Mideast, this ruins Germany, Japan, Eastern Europe, and the developing nations. This means starvation; it ensures a malthusian impulse in the northern part of the planet. That's what the condominium and the U.N. government idea mean—global fascism.

94pp.

Price: **\$100**

Order from:

EIR News Service

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

Selected chapters:

- I. The drive to Mideast war, and how it might be prevented**
Israel is preparing for war
British economic warfare against Iraq triggered invasion of Kuwait
Margaret Thatcher is brainwashing George Bush
- II. The British grip on the Mideast**
The Anglo-American oil weapon: behind a century of war
- III. The LaRouche development plan for peace**
Creating a Mideast oasis
Water and transport define development
A network of rivers and lakes in the desert
A great railway development project