

EIR

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COLD FUSION
GENERATORS
WITHIN FIVE YEARS

Rajiv Gandhi, British genocide's latest victim
Danish aid official: lift sanctions on Iraq!
Chinese unity debated at Hong Kong conference

**Bush's free trade agreement
will enslave U.S. economy**





A TOTAL WAR STRATEGY AGAINST PEKING

by Gen. Teng Chieh

"All we need do is to understand how to make the most of our strengths to attack the enemy's weaknesses. Then we can snatch victory out of the jaws of defeat. The Chinese Communist Party is extremely weak, just like a paper tiger—one poke and you could pierce it through. All the masses on the mainland are opposed to communism."

—Gen. Teng Chieh

This amazing little book by one of the top leaders of Taiwan's Kuomintang party, published by Chinese Flag Monthly in December 1988, charted the course for the Chinese students' revolution that erupted just a few months later. Preface by Lyndon H. LaRouche, Jr.

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From the Editor

In *Economics* we present an eight-page special report which came together as we were editing this issue, on the cruel reality of Iraq since "Desert Storm." The report leads with the formation of a Committee to Save the Children in Iraq, announced on May 15, and the text of the committee's appeal for immediate action to end the sanctions and rescue the Iraqi people from extinction. I personally urge each reader to support this effort in whatever way possible.

The call is accompanied by two extraordinary first-hand reports on Iraq. If there were any lingering doubts about the genocidal intentions of George Bush and his British sponsors in engineering this war under United Nations auspices, they should be dispelled by these reports and photographs. What the eyewitness accounts prove is the *deliberate* design of those who are still prosecuting the "war on Saddam Hussein" to carry out a slaughter of the innocents. To quote one of the authors, "One of the great myths of this war was that food and medicine would continue to be allowed into Iraq. From August to March, no food whatsoever was permitted to enter Iraq (from any source) according to the provisions of Sanctions Resolutions 661 and 666."

On May 21, we were horrified to learn that the former prime minister of India, Rajiv Gandhi, had been assassinated. His death, as we report in *International*, must be laid at the door of those same genocidal Anglo-American elites who concocted "Desert Storm."

The cover photo highlights an example of the strong grassroots resistance to Auschwitz policies, being mobilized by presidential candidate Lyndon LaRouche and his collaborators: A truck, adorned with a large image of a magnetically levitated train and the banner, "Build Maglev/No 'Free Trade' Slavery! U.S. Needs LaRouche Economics," crossed the state of Pennsylvania along the route of a proposed high-speed maglev rail line.

There is no reason for NAFTA, except to bail out the big money-center bankers who have George Bush in their pocket. The *Feature* outlines the lethal effect "free trade" will have on the already moribund U.S. economy.

Science & Technology offers one crucial example of how economic problems can actually be solved—through leaps in technology, especially to more energy-dense forms of energy production: namely, fusion power.

Nora Hamerman

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Brazilian minister: Save lives before paying debt

by Silvia Palacios

During the 44th General Assembly of the World Health Organization (WHO), held in Geneva in the first week of May, Dr. Alceni Guerra, the health minister of Brazil, blamed the International Monetary Fund for the current disaster facing the continent's health and sanitation systems. He stated that such international institutions as the IMF had made Ibero-America a "sick continent," facing an imminent threat of losing millions of people to the cholera pandemic now sweeping the region. Health conditions cannot be ignored when developing nations renegotiate their debt conditions, the Brazilian minister asserted. "Life cannot take second place."

Emphasizing that he had the backing of Brazilian President Fernando Collor de Mello, Minister Guerra proposed a specific, urgent measure to combat cholera and other epidemics: Divert part of the foreign debt payments into sanitation infrastructure projects. He presented data to document the cruelty stemming from the usurious foreign debt. South America, he explained, has a foreign debt of about \$500 billion. And Brazil, which is the continent's largest debtor and owed over \$110 billion of this amount, paid out \$85 billion in interest over the course of the 1980s. If 20% of this had been invested in health, Dr. Guerra argued, the country would be in a much better situation to deal with the cholera crisis facing it.

The fact is that the decade of 1980-90 were the years of the worst looting in all of Ibero-America's history, as can be seen in the **Figures 1 and 2**. Ibero-America as a whole paid \$313 billion in interest payments over the decade, and yet its foreign debt *rose* during this period from \$243 billion to \$439 billion. In the case of Brazil, the country paid out about \$85

billion, as Guerra noted, and yet here the foreign debt jumped from \$71 billion to \$111 billion between 1980 and 1989. This looting through the foreign debt mechanism meant that Ibero-America, and Brazil in particular, did not invest the necessary resources in maintaining the health and other vital infrastructure for the survival of the population.

In Brazil, for example, in terms of sanitation, the current precarious systems are the result of investments made in the decade of the 1970s. The National Sanitation Plan, which was drawn up in the mid-1970s when Brazil launched its great infrastructure projects, had as a goal to provide 80% of the Brazilian municipalities with garbage collection, sewerage, and potable water services.

But during the most recent decade, Brazil docilely paid its debt and stopped all investment. Thus, basic sanitation investment dropped to an annual level of \$80 million, an almost insignificant amount; experts consider an optimal average investment to be about \$3 billion per year.

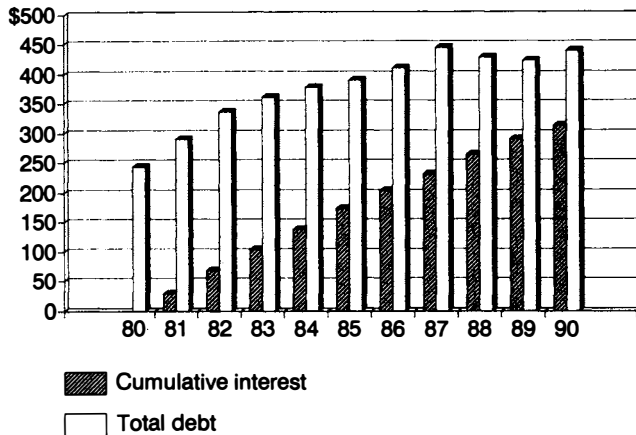
Cholera, the IMF's epidemic

In 1974, *EIR* Founding Editor Lyndon H. LaRouche forecast that, if the zero growth policies of the World Bank and the draconian austerity of the IMF continued to be applied in the Third World, there would necessarily be a resurgence of pandemics which humanity had earlier controlled, and that these would possibly be accompanied by new types of diseases, new "Black Deaths" engendered by the bankers' boundless usury. Unfortunately, that forecast is being fulfilled.

Then in 1982, LaRouche provided a solution to this prob-

FIGURE 1

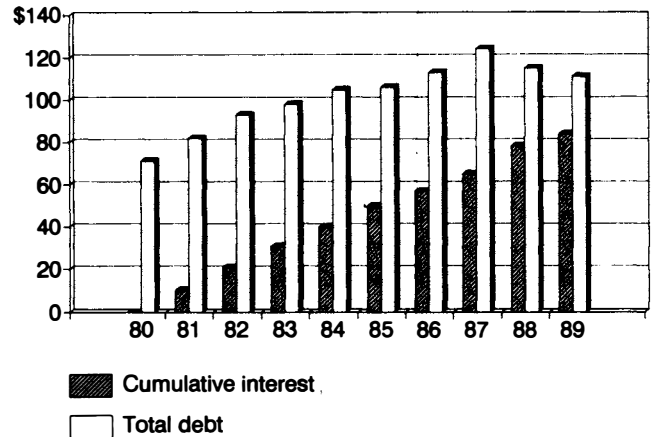
Ibero-America paid, and the debt kept growing
(billions of U.S. \$)



Source: World Bank.

FIGURE 2

Brazil paid, and the debt kept growing
(billions of U.S. \$)



Source: World Bank.

lem, proposing that Third World nations use the “debt bomb” to protect themselves from the destruction wrought by the usury of the international financial institutions.

So, today, in order to deal with cholera, and in Brazil’s case also with the dramatic, exponential growth of AIDS cases (medical authorities estimate the number of cases at 300,000), the first step is to declare a total moratorium on the foreign debt, before the continent is killed off by disease and starvation.

According to conservative estimates of the WHO, Brazil will face about 3 million cases of cholera. On May 14, Brazilian Health Ministry official Percy Soares, in announcing a special program to combat cholera with resources on the order of \$3 billion, recognized that Brazil has sanitation conditions which are worse than those of poorer countries, such as Costa Rica or Sri Lanka.

The cholera epidemic is taking two routes into Brazil, pincers-style. One is through Peru, directly into the Amazon region, which is the area of the country almost totally lacking in any sanitation services, from where it will jump to the big cities where the the immense *favelas*, or slum areas, will be a tremendous breeding ground for the disease. The second route is through Bolivia.

Taking both routes into account, a total of 12 cases of cholera have been reported. The newest was found in the capital of the state of São Paulo, the industrial heart of Ibero-America. “The outskirts of the cities of São Paulo, Rio de Janeiro, Manaus, Salvador, and Recife, constitute a true red zone of cholera threat. If contamination occurs in those critical centers, we will lose control of the disease,” National Secretary of Sanitation Walter Annichino declared on April 20.

Almost half of Brazil is vulnerable to the cholera bacteri-

um. On May 18, the latest study was released by the Brazilian Institute of Geography and Statistics (IBGE), which shows an almost unimaginable sanitation vulnerability in Brazil. More than 100 million Brazilians residing in urban areas—that is 66% of the population—lack clean water, sewerage, and garbage collection services. This lack of basic sanitation is already the principal cause of the 500,000 cases per year of malaria, the 5,000 cases of Chagas’ disease, and of the more than 40 million Brazilians infected with schistosomiasis. Out of 4,425 Brazilian municipalities, less than half (47.28%) have a sewage system; only 239 (5.4%) have treatment facilities for sewage; and only 51 cities in the country (1% of the total) have their own treatment facilities.

It is in the North, the “Africanized” area of the country, where the greatest lack of basic sanitation is to be found. Of 298 municipalities, only 24 have a network of septic tanks. In other areas, such as in the Amazon capital of Manaus, which is feared to become the epicenter of cholera contagion in the country, the situation is no better. The city of one and a half million people has sewerage for less than 4% of the population, and only 7% have potable water in their homes.

Contrary to the lies of the bankers and their mouthpieces, the cholera contagion is far from under control in Ibero-America. In fact, new countries continue to be added to the victim list. In Venezuela, for example, three probable cholera cases were just discovered along the border with Brazil. The arrival of the cholera bacillus is also considered inevitable in Central America, according to a task force of specialists who met in Costa Rica May 16. Said Raúl Penna, a representative of the Pan-American Health Organization for Central America, “although we cannot say that the arrival of cholera in the region is imminent, we know that it is

unavoidable." At least 600,000 cases of cholera of a total Central American population of 30 million are expected over the next few years.

In Peru, the number of cholera cases has now surpassed 182,000, while in Ecuador, health officials are admitting to nearly 11,000 cases in that country. Colombia, too, is acknowledging more than 800, while Chile is struggling to keep several outbreaks there from becoming epidemic.

Banks' policy amounts to infanticide

Minister Guerra's presentation in Geneva reached a high point, when he denounced the infanticide that is resulting from imposition of the bankers' brutal austerity terms for paying the foreign debt. In Brazil, he said, 350,000 children are dying each year, "four times the number of deaths that resulted from the bombing of Hiroshima." It is as if "three airplanes filled with children were crashing every day of the year in Brazil," he added. The leading cause of infant deaths in Brazil is diarrheal illnesses, caused—as with cholera—by a lack of basic sanitation.

The murder of babies in Brazil and throughout the Third World, is the cold, hard truth that lies behind the perverse face of bankers' usury. The explosive imagery used by Minister Guerra has enraged the neo-liberal fanatics, who accused the minister of being "grotesque," and demanded his head. A May 9 editorial in the daily *O Estado de São Paulo*, entitled "The Limits of Stupidity," warned that the bold truths stated by the health minister in Geneva could ruin ongoing negotiations with Brazil's creditor banks. President Collor had better make up his mind, the editorial demanded: "The bankers and foreign investors have a right to ask whose mentality predominates in Brazil—the President's or his minister's?"

A new book just published by the Danish section of UNICEF, Danish Save the Children Foundation, offers timely confirmation of the infanticide committed by the International Monetary Fund. The book, *Lost Generations—A Debate about Children and the Debt Crisis*, identified the high interest rates imposed by then U.S. Federal Reserve Chairman Paul Volcker in 1979, the 1982 debt crisis, and the "free market religion" exemplified by George Bush's Enterprise for the Americas Initiative, as the principal causes of misery in the world today.

"Every week, year round, 273,000 children die in the Third World from diseases that do not harm our own children. That adds up to 14 million children every year who do not die from the catastrophic famines, the floods, the earthquakes, or the other natural disasters we are entertained with on the TV news or at humanitarian rock concerts. All 14 million die quietly. Killed by the rich world's lack of will to help. . . . Throughout the '90s, it would take \$2.5 billion a year to save the lives of most of these 14 million." This \$2.5 billion "amounts to 6% of what the underdeveloped countries send to the industrialized countries in interest payments on their foreign debt to the West."

Special Report

Group seeks to save the children of Iraq

Almost three months since the official close of hostilities against Iraq, the scale of the devastation wrought on the country and its people—especially its children—is beginning to emerge in the public view. The picture, as presented by members of the newly formed Committee to Save the Children in Iraq at a press conference in Bonn on May 15, is one which strikes horror in the hearts of moral men and women.

In her remarks concluding the Bonn press conference, Helga Zepp-LaRouche, chairwoman of the Schiller Institute, addressed what the real target of "Desert Storm" was: "It was precision bombing, to be sure, but not to spare the civilian population, rather to apply the 'bomb now, die later' principle. The aim of the war was not Saddam Hussein or Kuwait, but the destruction of Iraq as a developing sector land that was on the verge of taking off." The Schiller Institute initiated the call for the formation of the committee (see *Documentation*).

Not only Iraq, but the whole developing sector is targeted, said Mrs. Zepp-LaRouche, pointing to the 120 million people in Latin America threatened by cholera, 5 million homeless in Bangladesh, the 27 million people in Africa, all suffering, not from "natural catastrophes," but from "the result of policies developed in the 1970s to reduce the population of the developing sector." She quoted statements made the week before at a Conservative Party gathering in Britain by Sir Nicholas Fairbairns, to the effect that food aid should not be sent to storm-ravaged Bangladesh, because it would allow them to only "breed more people." This attitude, she said, betrays the same kind of thinking behind Hitler's view of people as useless eaters; today, there are those who think secretly that it is better to let masses of people in the developing sector die.

Only three days after the Bonn press conference, another member organization of the committee was able to announce that former U.N. High Commissioner for Refugees Prince Sadruddin Aga Khan will ensure that the U.N. pays for transport and delivery of goods collected by the Letter of James-Food for Peace in Sweden and the Chaldean Patriarch in London. The committee itself intends to oversee each and every shipment.

A May 18 press release from the International Progress Organization announced:

"Austrian President Dr. Kurt Waldheim yesterday contacted the Executive Delegate of the United Nations for the Humanitarian Program in Iraq, Prince Sadruddin Aga Khan, so as to facilitate the transportation of hospital equipment and emergency food supplies that has been donated by several humanitarian organizations in the United Kingdom, Sweden, Germany and other European countries. Thanks to this initiative, transportation and delivery is now being assured within the framework of the United Nations Emergency Program in Iraq.

"The President of the International Progress Organization, Prof. Dr. Hans Koechler earlier this week had briefed President Waldheim in Vienna on the humanitarian situation in Iraq. He informed the Austrian head of state on the joint initiative of the Committee to Save the Children in Iraq, which was established by several non-governmental organizations in order to co-ordinate humanitarian projects.

"The Committee held an international press conference in Bonn on May 15 where Dr. Margit Fakhoury, representative of the International Progress Organization, gave information on the difficult situation in Iraqi hospitals resulting from the lack of medicine and medical equipment.

"Among the members of the Committee are H.E. Raphael Bidawid, Patriarch of the Chaldeans, Dr. Reza Sabri-Tabrizi (Edinburgh), and Prof. Dr. Hans Koechler, president of the International Progress Organization, an organization in consultative status with the United Nations."

War against innocents detailed

The Iraqi people were first weakened by a five-month-long embargo, then subjected to 40 days and 40 nights of relentless bombardments; those who survived have been suffering ever since from the after-effects of the surgical bombing and the continuing embargo.

Whereas talk is rife of plans for rebuilding Kuwait, with British and U.S. firms scrambling over lucrative contracts, almost no one is addressing Iraqi reconstruction. Indeed, the policy toward this battered country, on the part of those who have isolated it and destroyed it, continues to be total annihilation.

The war's genocidal effects were described at the Bonn press conference by pediatrician Dr. Margit Fakhoury, who worked for years at the Baghdad Children's Hospital. With water, electricity, and communications destroyed, she said, doctors "would like to help patients, but have their hands tied, since the medications and required medical equipment are lacking." This means that diabetic children die from lack of insulin; infants with bronchial ailments die for lack of oxygen; only emergency operations can be performed, and scalpels are used and reused. Most of the illnesses afflicting children are caused by acute undernourishment, a result of the sanctions. The danger of spreading epidemics increases

as the temperature rises—soon to reach up to 120°F in some parts of the country—and even basic information about their location and spread is impossible to communicate, due to the lack of telephones, radios, and television links. Already, 90% of deaths among children are due to diarrhea, contracted through contaminated water.

The conditions in which Iraqi refugees in southern Iran are forced to live, with 22 people in rooms three by four meters, without sanitation, are also breeding grounds for epidemic diseases, as Dr. A.-Hassan Halboos, president of the Association of Arab Doctors, reported from his recent trip there.

While Iraqis are being put slowly to death by torture, the United Nations sanctions blocking vital food and medicine are still in force. "This is an embargo against 18 million Iraqis," in the words of Father Philip Najim, secretary general to His Excellency, Patriarch Raphael Bidawid. "The population is innocent, and has nothing to do with this situation." Yet, he said, "the bombardments destroyed everything, the economy, the infrastructure, even the culture. They bombed mosques, churches, convents, monuments," he said. "Now, it's finished. Our question is: Why is the embargo still on? In order to create more suffering? What about the children?"

The Iraqi health minister had told Father Najim in Geneva in early May that "whatever Iraq receives now" in humanitarian aid "is enough for 10 provinces for six hours." He explained that prior to Aug. 2, 1990, Iraq spent a half-billion dollars a year to import medical supplies. Since Aug. 2, it has not been able to purchase any. The minister was in Geneva for medicines, but was unable to organize purchases because of the sanctions, and has forwarded the list of required items to the Committee to Save the Children in Iraq.

Iraqi Trade Minister Mehdi Salih has asked that the \$1 billion in frozen Iraqi assets be freed, so that the country can buy food, including 1.5 billion tons of wheat already contracted from Australia and Canada. Salih, who threatened to bring the case before the U.N. Human Rights Commission, said Britain was deliberately blocking the funds, in an attempt to starve the Iraqi people and thus force Saddam Hussein out of office.

"The United States and Europe are supposed to be defenders of human rights, but they are destroying human rights in Iraq," Father Najim said. "Here we have to put our hopes and principles together to save this society in Iraq. Saving this civilization is a humanitarian act." He appealed to the press and others present to "say it everywhere, say 'stop the embargo' and give Iraqis their right to begin a new life, to live a normal life in their own country, to produce and use their own goods." Mrs. Zepp-LaRouche also pointed to the moral responsibility Europe shares for having financed the Gulf war: "Humanity will emerge from this crisis, only if Europe overcomes moral indifference, and participates in the reconstruction of Iraq; for this, the embargo must be lifted. Save the children of Iraq!"

Plan of action

What follows is the text of the "Plan of Action" released by the Committee to Save the Children in Iraq at its Bonn press conference May 15.

The Committee to Save the Children in Iraq has been founded as a non-partisan coalition of doctors, intellectuals, leaders in the religious community, human rights and right-to-life activists, politicians, relief workers, prominent citizens, trade unionists, farmers, and all those who cherish the sacredness of human life. We have come together out of a shared concern that, unless immediate steps are taken, a tragedy of apocalyptic proportions will play itself out in Iraq, annihilating an entire population. Especially threatened are the children of Iraq, who represent the country's future. We are committed to mobilizing public opinion and responsible government and international bodies to act on three levels to stop genocide in Iraq: 1) immediate relief, through shipments of food, medicines and other emergency items, particularly required for children; 2) equipment, such as generators and hospital equipment, to start activity needed to save lives; 3) reconstruction of basic infrastructure.

Reports from the United Nations, the Physicians for Human Rights, the International Red Cross, the Gulf Peace Team, and scores of others document the devastation caused by over 120,000 U.S.-led air strikes against Iraq's infrastructure. The precision bombing methods utilized succeeded in paralyzing the nervous system of the entire country, destroying communications, transportation, basic utilities such as electricity and water, as well as homes, schools, factories, farms, distribution outlets and places of worship. The "near-apocalyptic results" of which United Nations emissary Marti Ahtisaari spoke following his March 10-18 tour of Iraq, are visible in reported cases of cholera, typhoid, and other epidemic diseases. Most endangered are the elderly and children. According to a more recent UNICEF report 5 million children in the region as a whole are threatened by death due to food and water shortages, and disease. As of late February, the calories available to Iraqis averaged between 750 and 1,000 a day—less than what a 5-year-old child needs.

Immediate needs

Individuals and organizations working with the Committee have identified the following needs, corresponding to the three levels of intervention mentioned above.

1) Approximately 3.9 million tons of staple foods are required over the course of the coming year, in order to close the gap between 750/1,000 calories a day, to 2,500 calories a day on average. The emphasis must be on items that do not need refrigeration as that is no longer possible due to the bombing. Food items most needed are rice, tea, coffee, flour, powdered milk, canned meat (not pork) and canned vegetables. Approximately 21,900 tons of dried milk powder are required over the coming year to provide for infants.

Medicines urgently required include those to regulate blood pressure and cardiotonics; anesthetics (for local anesthesia as well as for surgery), disinfectants (to purify water, to wash vegetables, to disinfect wounds, for hospital use); insulin for diabetics; antibiotics of a wide variety; and throw-away syringes.

2) Hospital equipment is required to set up functional operating rooms. Electric generators, not less than 10 KW, are urgently needed, as well as material to repair existing generators. Generators are now being moved about in cities and from village to village, because of their scarcity; massive amounts are required, as refrigerators can run only a few hours and freezers, not at all. Emergency power equipment, fuel to run it, and chemicals for water treatment must be provided. While the U.N. estimates needs at 40 liters per person per day, we believe that 150 liters per person per day must be brought on as soon as possible. Before the war, the population was getting 450 liters per day on average. 150 liters is the minimum given the special demands created by the present sharp increase in diarrheal diseases. To get to 150 liters a day in Baghdad, 6,750 tons of fuel will be needed to run water purification facilities, plus 16 tons of chlorine, and 5,600 tons of alum. For sewage treatment, 3,300 tons of diesel fuel would be needed to operate sewage treatment equipment, in addition to 16 more generators for emergency use. Vehicles of all types are needed, especially ambulances, jeeps, bulldozers, dump trucks and spare parts like batteries, tires.

3) Basic infrastructure for gathering and stocking food must be provided, in order that the wheat crop sown last fall be harvested. Seed stocks must be replenished by October 1991, that enough fruits and vegetables may be planted. To rebuild Iraq's infrastructure, a major effort involving governments must mobilize civilian engineering corps to build bridges across the Tigris and Euphrates and restore transport capabilities. A Gulf Peace Team report (April 17) emphasizes the importance of regenerating the Iraqi distribution system, in cooperation with the Iraqi government, so as to ensure that all relief efforts reach the people in need. Emergency measures must also be taken to provide at least 25% of the pre-war civilian fuel consumption. Beyond the emergency phase of restoration of basic infrastructure, a vast project for infrastructure development in the entire Gulf and Mideast region, through cooperative governmental efforts, is required.

Lifting the sanctions

The first step toward implementing this emergency program must be to mobilize the political will to make available the necessary resources. The precondition for averting genocide in Iraq is the lifting of the U.N. embargo against the country, to allow it to sell its oil and therefore be able to purchase necessary goods for the population. A country which was dependent on imports for 70% of its food before the war cannot survive the embargo. Indeed, more deaths are expected through famine and epidemics in the wake of the war than during hostilities themselves. As the cited Gulf Peace Team report moots, "One is led to conclude that the continuation of the sanctions serves more insidious purposes, such as driving the Iraqi people to despair and, ultimately, rebellion." Among others demanding the lifting of the embargo were the representatives of the Christian churches in Iraq, in their meeting with Pope John Paul II in the Vatican May 5. His Holiness indicated he would act through international channels to remove the embargo, according to press reports. Secondly, governments must be forced to mobilize a large-scale relief and reconstruction effort, in cooperation with the Iraqi authorities and other cooperating governments in the region. Finally, the Bush administration policy of "retribution" and technological apartheid (denying life-saving technology to the Third World) must be stopped. The worldwide mobilization to defeat famine and disease, starting with the dire state of Iraq, can not only solve that problem, but provide the impetus for reversing the immoral IMF economic policies of the last 20 years.

The Committee to Save the Children in Iraq has been brought into being by the following individuals (affiliation for identification purposes only): Rev. James Bevel, U.S. civil rights leader; His Beatitude Patriarch Raphael I. Bidawid, Patriarch of the Chaldean Church, Baghdad; Amelia Boynton Robinson, U.S. civil rights leader, author; Jacques Cheminade, Schiller Institute, Paris; Jutta Dinkermann, Club of Life, Germany; Dr. A. Hassan-Halboos, M.D., Haan, Germany; Katharine Kanter, journalist, Germany; Muriel Mirak-Weissbach, author, Germany; Richard Nikodaim, Berlin; Fiorella Operto, Schiller Institute, Rome; Dr. Reza Sabri-Tabrizi, Edinburgh, Scotland; Ulf Sandmark, Anti-Drug Coalition, Stockholm; Helga Zepp-LaRouche, Schiller Institute, Germany.

People working with the Committee include: Irmgard Ehrenberger, Middle East Action Network, Vienna; Prof. Dr. Hans Koechler, International Progress Organization, Vienna.

The Committee to Save the Children in Iraq collaborates with relief organizations and private groups dedicated to collecting needed goods, and organizations and groups which transport and deliver them. The Committee serves as a coordinating link between the two. While open to collaboration with all such oriented organizations, the Committee currently works through the following: ● Letter of James-Food for

Peace, Sweden, which collects food, clothing, and medicine. ● International Progress Organization, Vienna, which organizes transportation of food and medicines to children in Iraq, via Amman. ● Middle East Action Network, Vienna, which organizes transportation of food and medicines to Iraq, via Amman. It is currently rebuilding and re-equipping a hospital in Kerbala. ● Patriarchate of Baghdad, which coordinates distribution of food and medical supplies.

The activities of the Committee are supported by the following (affiliation for identification purposes only): Dr. Beatrice Boctor, Psychiatrist, Cambridge, England; Keith Bovey, Solicitor, Edinburgh, Scotland; Msgr. Robert Callahan, STL, JCL—U.S. Catholic Relief Mission; Dr. Janet Cameron, formerly Gulf Peace Team, Ayrshire, Scotland; Alan Clayton, Schoolteacher, Glasgow, Scotland; Dr. Andrew Dobson, Keele University, Lecturer in Politics; Mary Catherine Donnelly, Regent, Catholic Daughters of America; Prof. M. Dummett, New College, Oxford; Dr. James Elgorn, The Flying Physicians, U.S.A.; Sr. Rosa Esposito, Daughters of Charity of St. Vincent de Paul; Sammer Ghouleh, Union of Palestinian-American Women; Toby John Grainger, London; Dr. Ahmed Hakim, Arab-American Physicians Association; David Hargreaves, Editor, Surrey, England; Donald Lowry, Primary School Principal, Dublin, Ireland; Adelgunde Mertensacker, Bundesvorsitzende, Christliche Mitte Deutschland; John Morrison, District Manager, Edinburgh, Scotland; A.C. Robb, Catholic writer, Dundee, Scotland; Prof. Hermann Schneider; Nancy Spannaus, Club of Life, U.S.A. Joyce Turner, Save the Children, Philadelphia; Herr Würmeling, General Secretary, Union der Nationen Europäischer Christen, Paris.

✂ — — — — —
Clip and send the following to:

Muriel Mirak-Weissbach,
Committee to Save the Children in Iraq,
c/o Schiller-Institut

Vereinigung für Staatskunst e.V., Postfach
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Sanctions must be lifted to stop further loss of life in Iraq

Lennart Skov-Hansen is the deputy general secretary of Danchurchaid, the relief organization of the Danish State Church. He was interviewed in Copenhagen on May 17 by Poul Rasmussen.

EIR: You were among the very first to arrive in Baghdad after the Gulf war. What did you see?

Skov-Hansen: I arrived in Baghdad on March 7 as a member of a delegation from the Middle East Church Council. The MECC has its office in Limasol, Cyprus, but throughout the period leading up to the Gulf war, we had a stock office in Amman, Jordan, to coordinate the relief work for the refugees from Kuwait and Iraq. It was from here that we brought in the first Western shipments of emergency relief, which arrived in Baghdad on March 7. Our group consisted of a representative from Danchurchaid—myself—a representative from the Norwegian Church Relief Organization, and a couple of people from the British Christian Council in Amman.

As I said before, it was a very strange feeling to arrive in Baghdad. We drove from the Jordanian border through Iraq during the night and arrived in Baghdad at dawn. We went through the suburbs and got to the center of the city very early in the morning. It was more or less like a ghost town. Perhaps, we had expected to find much more material damage, since we had followed the bombings of Baghdad night after night; but to our surprise, the destruction was very limited, at least at first impression—a few buildings here and there, and most of the bridges across the Tigris River. It was not until later in the day that we realized what kind of buildings had been totally destroyed. They were very strategic sites: ministries, TV, communications, pumping stations, the water supplies, the electricity supplies, and those kinds of things. And it was not just one attack and one round of bombings, but countless bombings during the short time of the war. The same strategic buildings had been hit again and again, and then, of course, the bombs that had missed their target, and hit the residential areas in the suburbs and in Baghdad.

All of this might be very difficult to comprehend, but Iraq is not a traditional Third World country. Baghdad is a very large and modern city of 4-5 million people. Therefore, it

takes a lot of those missiles to destroy concrete buildings, and that was what they had done very thoroughly and effectively. They had cut the nervous system of the city, and paralyzed it in a way that affected people living a big city much harder than if they were living in the countryside or in a Third World country. If you are already dependent upon modern facilities, on drinking water coming from a faucet, and on a toilet that can be flushed, then you are in deep trouble the day these things are cut. We were quite shocked, when we realized how effectively these things had been destroyed.

EIR: There has been a great deal of discussion about whether or not legitimate military targets were bombed.

Skov-Hansen: From our standpoint, these were not military targets. First of all, Baghdad was not a war zone as such. It was Kuwait they were supposed to liberate. In our opinion, Baghdad was not a war zone, and post offices, central telephone exchanges, and things like that are not obvious military targets, neither are ministries. I do not know how military targets are defined. If it is installations of weapons and the production of weapons, yes, but that is not what we are talking about. They were clearly civilian targets, if one does not limit civilian targets only to residential areas. I am not an expert in those things, so I don't really know, but for us, they were civilian targets, as if you bombed the central post office in Copenhagen.

EIR: Ramsey Clark and others have clearly said that these were not military targets and therefore, the U.S. government should be held responsible for what it did (see interview with Prof. Francis Boyler, *EIR*, May 24, p. 66).

Skov-Hansen: It is a matter of definition. I think that this war was a totally new type of war. It was not a conventional war in the sense that it was a totally different way of conducting a war, with completely new types of weapons. And that is a very effective way to paralyze a society. Therefore, if they consider them military targets, it is because civilian targets also become military targets when you want to paralyze the society.

EIR: Danish Radio reported recently about an article in the *New York Times* by a journalist Paul Lewis, who said that

the initial reports about the damage in Baghdad might have been all true, but that now everything is functioning normally, and that water and electricity have been restored. He said that the Iraqis were much better organized than anybody had expected and therefore the sanctions should continue, because otherwise Iraq would become a military threat again.

Skov-Hansen: I was at a U.N. meeting in Geneva on May 15. There, Prince Aga Khan [U.N. Executive Delegate for the Humanitarian Program in Iraq] gave a report on his last visit to Iraq, including Baghdad. The issue was the Kurdish and the Shiite uprising. He had been in Baghdad to make an agreement with the authorities about a comprehensive relief effort everywhere, both in the Kurdish area and in the southeastern area around Basra. He reported that things now function much better in Baghdad, but not in any satisfactory way yet. Maybe the center of the city is being restored, but in the outer areas the supplies of drinking water, etc., have not at all been reestablished.

And the food situation is a catastrophe. Iraq is totally dependent upon imports of food. The production has stopped and they do not have the foreign currency to import food. That is why there is a catastrophic shortage of food. The water supplies still do not function. The pumping stations are down. There are massive problems with garbage collection. The sewer systems are only functioning in limited ways. Still, Baghdad is slowly returning to normal life.

But the situation is much worse in the countryside and around Basra. That is the area that was hit hard by the Gulf war and the uprising afterwards. Here, there used to be very effective modern agriculture. This has been smashed too. There are no power plants, and the irrigation systems do not function. Therefore, they fear a mass migration into Iran, because the entire area is threatened by starvation. Again this goes to show that Iraq is not an underdeveloped country. One could imagine if our own big cities and our own agriculture were destroyed.

EIR: Did you discuss the sanctions issue at that meeting?

Skov-Hansen: Yes, indirectly, by way of concluding that unless the sanctions are lifted and trade is resumed, the Iraqi people will become totally dependent upon humanitarian aid, which is totally insufficient. In a way, this was an indirect message, saying that trade has to be reestablished, so people can get the necessary food, and so that self-sufficient agriculture can become reestablished in order to stabilize the situation and prevent the loss of lives.

EIR: And that is what you suggest?

Skov-Hansen: Yes, and that was also our most important recommendation after our first visit right after the war. That is—sure we can accomplish something in a relatively short period of time through emergency relief and humanitarian aid, but you cannot continue that for half a year or one year. Therefore, the only effective way to help the civilian popula-

tion is to lift the sanctions. But then there is the double effect, that is, they fear that this could be used for other things, and that is why the allies maintain the sanctions.

EIR: But aren't there some very unpleasant consequences if the sanctions continue?

Skov-Hansen: That is clear.

EIR: Then what are we going to do?

Skov-Hansen: You have the humanitarian goals and consequences and the political ones. They are not always compatible.

EIR: But, how can we have a political policy that is contrary to a humanitarian attitude?

Skov-Hansen: Very easily, because isn't that what they are trying to do to Iraq? We have the sanctions, and then the population is suffering. That is supposed to be the motivation for them to overthrow the regime, or to get them on their knees and accept the conditions. That is why the sanctions are there.

EIR: As a human being, one has to react to that kind of thinking. What needs to be done now? What are the plans of the various relief organizations for Iraq?

Skov-Hansen: Right now we are very busy trying to help in northern Iraq. That is, help the returning Kurds, and it is a massive job to resettle almost 2 million people. Then there is the Baghdad area. But there are areas which were hit even worse, especially from Baghdad down to Basra, which certainly got its share both during the war and the civil war after that. That is the area which we are now trying to reach. We have an airplane leaving tonight directly from Luxembourg to Baghdad. That is the latest of a number of airplanes bringing 50 tons of food and medicine. It is the first time we are flying directly to Baghdad. Part of the supplies will go up north to the Kurdish area, and part of it we will try to get down to the civilian population in the southeastern areas. We have been as far as Kirkala, 100-150 kilometers south of Baghdad, but we will now try to get even further south.

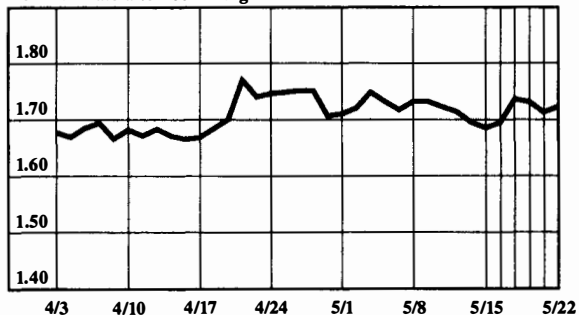
When I say "we," I mean Danchurchaid in collaboration with MECC, which includes all the small Middle Eastern churches. Some of these are very old churches like the Orthodox Syrian Church, the Assyrian Church, the Armenian Church, etc. There are 12 of these represented in Baghdad. They have negotiated with the authorities and the Red Crescent organization and have been met with great cooperation. It is only a question of solving the practical problems, like availability of diesel fuel and gasoline in order to get the shipments organized for such large quantities of supplies. But we know where the hospitals are, where the institutions are that can receive and distribute the supplies, so it is only a question of getting out there.

EIR: Can you give us any news concerning the situation of

Currency Rates

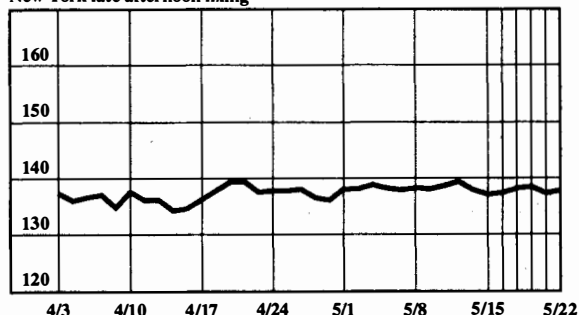
The dollar in deutschemarks

New York late afternoon fixing



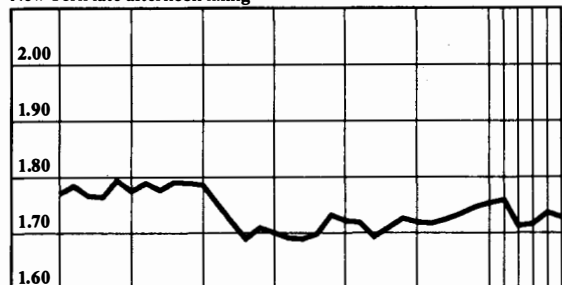
The dollar in yen

New York late afternoon fixing



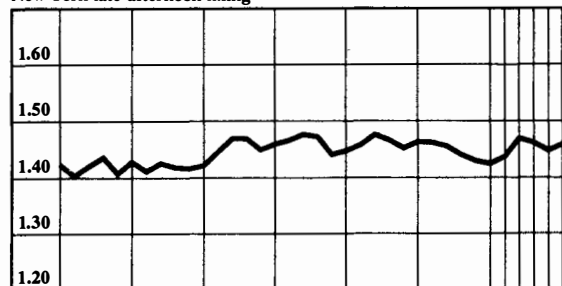
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



the children in Iraq?

Skov-Hansen: Our very first contact in Baghdad was with the Saddam Children's Hospital, the main children's hospital in Iraq, where we spoke to the director and the chief surgeon. They were extremely good contacts, because they were very open and kind. In this way we also got a good sense of the situation in the country as a whole, because the children were referred to the hospital not only from Baghdad, but also from the rest of the country. When we were there the situation was chaotic. The hospital was overcrowded and there was no medicine. Later, we visited the hospital several times, when we had new shipments. Yes, now they have started to receive medicine and the things they need to help the children, but there are still a lot of reports of diarrhea and intestinal problems, mainly from the polluted drinking water. The situation in the hospital is better and some of the supplies can be further distributed, but the number of cases they receive show that the water supplies are far from being satisfactory.

EIR: Looking at the proportions of the problems in Iraq, Iran, and Kuwait, can this be handled by the private relief organizations alone, or do we have to involve the Western governments?

Skov-Hansen: There is no way that we can handle it on a private basis. We have never said that we could. We could never reach anything that resembles effective help for Iraq. Danchurchaid couldn't; 120 relief organizations couldn't, because we are talking about immense resources that are needed. What we have participated in—and I would say in an effective manner as a voluntary private organization—has been a limited first aid. But in the long run that is no help. What is needed is a totally different kind of effective help and reconstruction. Maybe we have saved some children, like at the Saddam Children's Hospital—which now functions and can take care of the patients, which it couldn't do when we arrived on March 7, thanks to the medicine and food which we and others have supplied. That is what we call first aid. But we have to reach the stage where all the health institutions and the hospitals, so to speak, make themselves superfluous. That is not happening. Of course, there will be children hospitalized even under normal circumstances. But the kind of diseases they are getting now, the cases of diarrhea and malnutrition, are due to an abnormal and very catastrophic situation.

These are clear signs that something else has to be rectified, and that is the food situation—the rebuilding of the domestic agriculture, and more than anything else, that means imports of pesticides, fertilizers, and seed grain. They do not even have that in the area to get the agriculture functioning again. In addition, they have to import food. Probably 40-60-70% of the food has to be imported.

EIR: And that means lifting the sanctions?

Skov-Hansen: Yes.

When push comes to shove

Is the United Nations savior or spoiler when it comes to humanitarian aid for Iraq? By Eric Hoskins, M.D., Medical Coordinator, Gulf Peace Team.

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Now that Kurd-Aid has come and gone, refugees are returning home and unarmed United Nations "guards" are heading north, the public would like to believe that for once the problem is actually being solved, rather than simply Band-aided.

However, Kurdish and Shi'a refugees returning to Iraq are likely to find home less than welcoming. If one takes United Nations special envoy Prince Sadruddin Aga Khan's recent pronouncements to heart, conditions within Iraq are now critical. Food shortages are leading to rising rates of malnutrition, and a paralyzed health service is unable to cope with surging epidemics of disease.

In Kirkuk, several hours north of Baghdad, an old man lay collapsed some ten meters in front of the emergency entrance to the general hospital, suffering from a potentially fatal exacerbation of his chronic chest pain. There are no medicines to give him. Inside, the 400-bed hospital's only attending physician explained how she had just completed an emergency caesarian section "with flies swarming over the incision because operating room windows had been shattered during wartime bomb blasts."

Hospitals have been reduced to mere reservoirs of infection since most medicines are in short supply, laboratories cannot function, operating theaters have no supplies, and basic services (including food, water and electricity) are often unavailable.

In all parts of the country, critical shortages of clean drinking water have led to epidemic levels of gastroenteritis (infectious diarrhea). Thousands have died. In Nasiriyah, near Basra, 98% of admissions to the town's pediatric hospital are children with diarrhea. Infants as young as two months old are admitted badly malnourished, dehydrated and dying. Once in hospital these babies are often given only two hours of intravenous fluid and then discharged since doctors have no drugs with which to treat the diarrhea, and no food to offer these scrawny, vacant-eyed infants.

Food throughout the country is prohibitively expensive and generally in scarce supply. The U.N. admits that agricultural production has been halted due to a lack of fuel, fertiliz-

ers, and spare parts for machinery and irrigation pumps. Between August and January, food prices increased by as much as 1,000%.

Last week, the United Nations quadrupled the amount of its appeal for humanitarian aid for Iraq, to just under \$1 billion. Unicef and the World Health Organization have now warned of a "potentially disastrous situation" if more money and aid are not immediately forthcoming.

Yet, the scale of the human tragedy unfolding has been known by Western governments and aid organizations for months. Not only has this tragedy been entirely predictable, it has been the product of six months of a strangulating economic embargo culminating with a war whose greatest impact was to eliminate Iraq's capacity to generate electricity, thereby paralyzing the country's infrastructure.

One of the great myths of this war was that food and medicine would continue to be allowed into Iraq. From August to March, no food whatsoever was permitted to enter Iraq (from any source) according to the provisions of Sanctions Resolutions 661 and 666.

Resolution 661 stated that foodstuffs would be allowed into Iraq under "humanitarian circumstances." Resolution 666, passed one week later, indicated that "it is for the Security Council alone . . . to determine whether humanitarian circumstances have arisen" and hence when food might be allowed into Iraq.

Indeed, it wasn't until a humanitarian emergency was declared in March, and only after considerable pressure from concerned governments and aid agencies, that even a single scrap of food was permitted entry into Iraq. This followed eight months of what effectively constituted a total food embargo in a country that historically imports more than 70% of its food.

Not only had no food been provided by the international community since August 1990, but for the first time in history a country and its government, in this case Iraq, had been prohibited from importing food (and medicine) for its own people.

Even with the March declaration of a humanitarian emergency, foodstuffs were only permitted entry when provided "through the United Nations in cooperation with . . . other iate humanitarian agencies." Despite the presence of an inter-



nationally acknowledged food emergency, Iraq could still not purchase or import its own food and relief supplies.

If we look at the international community's efforts to deliver food to Iraq, the figures are somewhat discouraging. A country with more than 18 million persons, Iraq's daily food requirements amount to roughly 10,000 metric tons of staple foods per day, 70% of this imported. From August to April, the total food provided by the international community amounts to less than 10,000 tons—enough for only a single day's ration and less than one-half of one percent of the country's estimated needs during that nine month period. Iraq, in short, was not only left to starve, it was forced to starve itself.

Unfortunately, more was at play than simply Western indifference to the growing calamity within Iraq. There are numerous examples where coalition governments actively prevented the export of food to Iraq.

Over 2,000 metric tons of infant formula and powdered milk, purchased by the government of Iraq prior to August 1990, remain blocked in ports and borders around the world. Shipping companies and governments housing these stocks argue that the formula and milk powder cannot legally enter Iraq due to economic sanctions. The expiry date of the food is now dangerously close and it is likely that the shipments will be spoiled. Over 1,800 tons of milk powder have been blocked in Mersin, Turkey since August 1990. A further 500 tons have been held since August by authorities in Poland and Bulgaria.

When one begins to examine the impact of sanctions on importation of medicine to Iraq, the gulf between myth and

fact grows wider still.

Resolution 661 states quite innocuously that "supplies intended strictly for medical purposes" are exempt. Perhaps sensing the laxity of the earlier resolution, 666 quickly issues a clarification by specifying that "medical supplies should be exported under the strict supervision of the government of the exporting state." This measure is clearly intimidating if not outright threatening to those governments who perhaps naively believed that medicine was to be exempt from sanctions controls.

Historically, Iraq imports more than \$500 million worth of medicines per year (one of the highest per capita rates in the Middle East). Since August, it has been estimated that less than one-thirtieth of Iraq's medicine requirements were being met. All medicines—including vaccines, insulin, anesthetics and antibiotics—have been found to be in short supply since late 1990. Iraq's child immunization program has been suspended since September for lack of vaccines. Already, cases of paralytic polio are on the rise, and outbreaks of measles are likely.

Despite access to health care being a fundamental human right, the following methods were used to effectively ban medicine from entering Iraq.

More than 50 separate consignments of medicines were purchased by the government of Iraq prior to August 1990. These medicines are still being held in foreign ports and border stores, where shipping companies or the governments themselves are preventing these medicines from being forwarded to Iraq. Indeed many pharmaceutical companies have to sell medicines to Iraq since the August embargo. In many



Photos Courtesy Harvard Study Team

Left to right: 1) At Erbil Pediatric Hospital, a special infectious disease ward for typhoid patients. 2) At Sulamaneiya Pediatric Hospital, a two-year-old Iraqi child suffering from gastroenteritis, severe vomiting, and malnutrition. "Once in a hospital these babies are often given only two hours of intravenous fluid and then discharged, since doctors have no drugs with which to treat the diarrhea, and no food to offer these scrawny, vacant-eyed infants." 3) A street scene in Kirkuk: children washing in contaminated water. "Critical shortages of clean drinking water have led to epidemic levels of gastroenteritis."

countries, a special license must be issued by the government before medicines can be purchased or shipped to Iraq.

Finally, only those items which the Security Council has deemed "supplies intended strictly for medical purposes" are allowed under the sanctions restrictions. All materials, spare parts, transport, and other paramedical items essential for the operation of a health care system are still prohibited or allowed only on a case-by-case basis after agencies submit an application to the Security Council.

As a result of the above measures, Iraq has had no choice but to join Bangladesh and Africa in the growing queue of countries appealing for humanitarian assistance.

But, unlike Bangladesh and Africa, the solution to Iraq's crisis is far more manageable. A rich country, remove all non-military sanctions and Iraq will be capable of providing its own currency for relief and reconstruction. Allow Iraq to export petroleum and they will once again have the funds with which to purchase food and medicine for the Iraqi population. And by offering genuine United Nations assistance, the international community will possess the requisite supervision to ensure compliance with cease-fire terms.

Yet we continue to sweep the sanctions issue under the carpet. We must stop seeing sanctions as justified leverage against the Baghdad regime and consider that we have drifted a long way from the original terms of their implementation.

But we must acknowledge one further inquietude, one reason why the peace movement in particular has been loath to acknowledge the controversy surrounding sanctions. After relentlessly championing the cause of sanctions against apartheid South Africa, how can we possibly suggest that punitive

sanctions should not be imposed with the same vigor against Iraq.

However, there are important differences. Unlike South Africa, it must be concluded that the majority of Iraqis do not wish sanctions to continue against them. Sanctions were applied before the war, when no such humanitarian emergency existed, and when sanctions were meant to weaken, not kill.

Furthermore, sanctions against Iraq were applied as part of a non-violent campaign to force the Iraqi military out of occupied Kuwait. It was understood that sanctions would be removed following the Iraqi withdrawal. However, upon implementation of the cease-fire agreement, it became clear that sanctions would only be lifted once Iraq complied fully with the cease-fire terms. More recently, we have seen a further shuffling of the goalposts as at least one Western leader (with Security Council veto power) has declared that sanctions will not be lifted until Saddam Hussein is no longer in power.

For the majority of Iraqi civilians the war is continuing. Their suffering now is largely due to the cruel hand of punitive economic sanctions. As more and more coffins are spirited away aboard taxis and horse carts, towards cemeteries already bulging from ten years of war, isn't it time we stop the hurting and begin the healing?

The author, a medical doctor who specializes in public health and disaster relief, recently concluded a four-week health and nutrition assessment in both southern and northern Iraq.

Clash over type of investments in China

by Michael O. Billington

Amidst all the discussion in the U.S. Congress and the media about whether or not the U.S. should extend Most Favored Nation (MFN) status to the People's Republic of China (P.R.C.), a more crucial issue is being fought out in the background: What *kind* of investment will go into the world's most populous nation? Two opposite policies present themselves: on the one hand, massive infrastructure development, of the sort first proposed by Sun Yat-sen in the 1920s, or, continued expansion of the "free trade zone" policies in the coastal cities at the expense of the agricultural and industrial infrastructure of the country as a whole. It is this latter policy that has been the basis of collaboration between the U.S. and the P.R.C. since Henry Kissinger and George Bush first established ties with China in the early 1970s.

The current highly publicized debate over MFN is not what it is portrayed to be in the Western press, i.e., congressional pressure on Bush, or merely a partisan effort by Democrats to attack Bush's close relationship to the Beijing regime as a presidential campaign issue. This is made obvious by observing that the Bush administration itself began the confrontation by attacking China's balance of trade surplus and their military and technological trade with other Third World nations. These, and not human rights, are the issues that are actually governing the debate. The emerging new world order envisioned by Bush et al. insists that the developing nations must be prevented access to modern technology, claiming that such nations can not be trusted with potential military-use technology. Although China lacks the means to provide substantial aid to other developing nations, their ability to provide support outside of the control of the Anglo-Americans represents a threat to Bush's new world order.

Also, the Bush-Kissinger crowd want any available investment capital from other nations—especially Japan—to be diverted to bailing out the collapsing U.S. financial structure, rather than flow into Third World development. In such a new world order, the only investment funds to be permitted into the developing sector are those for labor-intensive, export-oriented industries under "free trade zone" regulations, creating conditions like those of the British Imperial age.

Modern infrastructure for all of China

The opposite policy, and the only one that could possibly reverse the catastrophic economic breakdown facing China,

is to drop the "fast money" policy of the Special Economic Zones along the coast in favor of finally creating a modern infrastructure for the national economy as a whole. Such a program, as Sun Yat-sen correctly envisioned, was not only a necessary prerequisite for the development of China, but was also a necessary investment program for the *Western* nations, to provide the markets necessary for their own recovery from the post-World War I recession. The failure of the West to heed Dr. Sun's advice at that time, in favor of speculative looting, led inevitably to the Great Depression of the 1930s.

There are some voices, even within the P.R.C., who are calling for infrastructure projects in this direction. The current "hard line" leadership centered around Li Peng admits that projects such as building the Three Gorges Dam across the Yangtze, and the building of an extensive nuclear energy grid, are the only approach that could provide for real development. But there is no idea of how to finance such projects nor how to mobilize the skilled labor to implement them. In fact, the domestic policies of the regime are virtually a new Cultural Revolution, meant to suppress any independent thought of the sort that led to the 1989 revolutionary movement. Great projects will not function in such a mindless environment.

As to the "reformers" in the government, their reforms of the last 12 years were a disaster. The truth of the "opening up to the West" under Deng Xiaoping is that the economy was "opened up" to a collapsing, post-industrial mess in the United States, under the direction of Henry Kissinger and Associates. The Anglo-American interests, represented by Kissinger and Bush, were interested in China's economy only as a source of cheap labor, not as a market for heavy industry or infrastructure development, which would have required a transformation of the international monetary system. Today, while the Bush administration organizes *against* major infrastructure loans into the P.R.C., there has been no effort to slow down the investments into the cheap labor markets in the Special Economic Zones.

Japan, although it has also taken full advantage of the cheap labor in the Special Economic Zones, has repeatedly insisted that no long-term solution to the Chinese economy exists without a major transformation of infrastructure. Japan resumed a five-year, \$6 billion loan program last November, which had been suspended after the Tiananmen Square massacre, which is primarily directed at basic infrastructure and resource development. They also called for the Asian Development Bank to extend a \$500 million loan for rail and bridge construction. But the U.S. is reported to have argued against this ADB loan. China has now requested a massive \$5 billion loan from Japan for resource development, in addition to existing agreements. The United States wants to divert such Japanese money to bail out the U.S. deficit, without which the bottom will fall out of the already bankrupt U.S. economy.

United States imports Swedish barley

A frenzy of food dumping is being organized by the world food cartel under the Bush free trade policy.

Even before the congressional vote took place on whether to continue the Bush administration's imperial demand for "fast track," rubber stamp approval of any free trade agreement with Mexico or the 100 member nations of the U.N. GATT (General Agreement on Tariffs and Trade), there are new examples almost daily of dumping of farm commodities by the world cartel of food companies.

At the beginning of May, a ship filled with barley from Sweden floated into port in California, to unload its golden cargo at Continental Grain's Stockton elevator.

U.S. barley growers were livid, but those who castigated Washington officials and the cartel companies for failing to enforce "fair play" among nations, and allowing subsidized Swedish barley to enter port, were wasting their breath. The rhetoric of "free trade" is just a cover for free-for-all dumping and usury by a select group of companies, banks, and private interests who see themselves as above the law of nations. They are wheeling and dealing in commodities, while deliberately denying food, and the means to produce food, to millions who are starving.

The Swedish barley shipment in April had 920,000 bushels, and another shipment rumored to be on the way, will displace about the amount that Montana barley growers send to California, which is one-third of Montana's market for barley, according to the Montana Wheat and Barley Committee.

The grain cartels (Continental,

Cargill, Archer Daniels Midland, André, Bunge, Louis Dreyfus, and Ferruzzi) have brought in Swedish oats to the U.S. market over the past 10 years. One trader reports that 12 shiploads of oats from Sweden are lined up for the coming months.

John Mittleider, director of marketing for the North Dakota Barley Council, said of the Swedish barley innovation, "We may end up being a dumping ground." He charged, "It certainly doesn't sit well with our growers that one of our exporting firms that has benefitted from U.S. subsidy programs aimed to support domestic prices is also importing barley, softening the domestic market."

Mittleider is referring to the Export Enhancement Program, in which the big grain trading companies get free government handouts of grain and other commodities in order to guarantee the cartel's profits in their trade deals. Recently Continental was given a fat export bonus to sell discount feed barley to Israel.

This is not the exception, but the rule of free trade. The food cartel companies regard the proposed GATT and North American Free Trade Agreement with Mexico as merely a license to completely consolidate their deadly control over farm and food supplies everywhere. The grain cartel issued a statement April 24 in favor of NAFTA and the fast track, signed by Continental Grain Co., Cargill, ADM, Louis Dreyfus, and three dozen other individuals and groups.

They called themselves the Na-

tional Agricultural Advisory Committee (NAAC) of the Citizens Network for Foreign Affairs.

The Citizens Network includes among its directors, banker David Rockefeller, ADM head Dwayne Andreas, and AFL-CIO President Lane Kirkland. Henry Kissinger, who promotes the policy of using food as a weapon, is an honorary adviser.

Little wonder that food dumping is rampant. Heinz, for example, produces ketchup in Tijuana with cheap labor and underpriced produce.

The U.S. Department of Agriculture last year gave sudden approval to allowing Mexican beef to enter the U.S., which heretofore had been considered unreliable under sanitation codes. Five in-bond abatoirs are producing beef at serf-labor wages for export to the United States.

The most dramatic case of dumping is the criss-crossing of wheat over the U.S.-Canada border since the Free Trade Agreement went into effect two years ago. At that time Cargill and the other cartel companies re-positioned elevators and grain assembly points to control the North American wheat belt, outside government power. To serve cartel interests, Canadian wheat was first dumped into the United States. Then, as of April this year, the Canadian government authorities agreed that U.S. wheat should be allowed to cross into Canada freely without import licenses.

To give cover for this, an elaborate set of calculations is done by bureaucrats to determine which national sector of farmers has a marginally higher degree of subsidy, and then they are dumped on by the cartel trade. In the wheat decision, sources say that Canadian Prime Minister Brian Mulroney (called Lyin' Brian Baloney) personally made the decision to allow in U.S. wheat, over the objections of his cabinet.

Business Briefs

Research & Development

Asian countries respond to U.S. with science center

A "center for Asian science and industrial policy research" has been founded in New Delhi in order to "seek geopolitical cooperation among developing Asian countries and evolve a collective science and industrial policy," the Press Trust of India announced in early May.

Headed by Dr. Dharendra Sharma, a workshop of science policy experts from several unnamed countries concluded that the center was needed to "encourage cooperation and collective research . . . in view of the official U.S. action in placing China, India, and Thailand under the blacklist of the Special 301 Trade Provision"—a provision that places sanctions against any country that does not comply with Washington's notion of "free trade."

The center was termed "the right response" to the U.S. policy, which is accused of trying to impose growing control "in the form of trade, banking, patent, and industrial laws." Said Sharma, "Laws passed by governments and parliaments in Western countries are being imposed on Third World countries."

International Trade

France tries to edge in on Japan in Indonesia

French Industry Minister Roger Fauroux wound up a three-day visit to Indonesia on May 8, where he told the press that one of France's major aims was to challenge Japan's trade and investment domination in the region. "We are determined not to leave free room just to Japan," Fauroux said. "It is not written anywhere that Japan has monopoly rights on Indonesia, and I don't think Indonesia wants that."

Japan poured \$2.24 billion worth of investment into Indonesia in 1990, while France's investment in Indonesia totals \$239 million since 1967.

Fauroux said France would fight for con-

tracts in telecommunications, electricity generation and, other infrastructural projects. Companies from Japan, France, and the United States are currently being considered for a \$10 million site study contract for Indonesia's first nuclear reactor.

Indonesian President Suharto plans to inaugurate the controversial Kedung Ombo dam in Central Java on May 18, a project in which the Japanese have a hand, the Indonesian daily *Suara Pembaruan* reported May 17. The \$281.3 million dam, funded by the World Bank, the Export-Import Bank of Japan, and the Indonesian government, and involving Japanese contractor Hazama-gumi Ltd., was completed in January last year.

The project straddles the three districts of Sragen, Purwodadi, and Boyolali, over 17,606 hectares in the provinces of Central Java and Jogjakarta, and will supply water to 70,000 hectares of now-dry land. The dam has been opposed by environmentalists.

Third World

Malaysia attacks U.S. plan for G-7 control

Malaysia's *Business Times* praised Germany and Japan for their refusal to bow to U.S. pressure to cut interest rates at the Group of Seven (G-7) advanced industrial nations meeting the last week in April. Developing sector nations are relieved that Tokyo and Bonn "stuck to their guns," says the newspaper.

Nevertheless, the editorial continues, there is great concern over "the U.S. now wanting the G-7 to go beyond the economy sphere and venture into the political arena as well." It quotes U.S. Undersecretary of State Robert Kimmitt, that the U.S. wants the G-7 to "meet frequently to fashion our response to existing situations, anticipate and avert future crises, and pursue broader policies."

Says the *Business Times*: "The U.N. Security Council made a misjudgment in allowing the U.S. to lead combined forces to oust Iraq from Kuwait instead of arranging for a U.N. force to handle the task. That act, and the victo-

ry which Washington has claimed as its own, has obviously gone to its head. Washington is attempting to exploit the momentum generated by the Gulf war to create a 'super council' of just seven nations which will decide what's right and what's not in the world. . . . The G-7's domination of the world economy is bad enough. There will be more acrimony if it is to also push its collective weight around in political affairs, which is bound to also mean intervening in domestic, bilateral, and regional affairs of nations."

Technology

Only 25 semiconductor plants by the year 2000

The world will only be able to afford 25 semiconductor factories by the year 2000, because they will cost \$2 billion each, a panel of industry experts assembled by the National Advisory Committee on Semiconductors has concluded, the *New York Times* reported May 16.

The panel of 90 experts forecast that facilities to produce semiconductors will be so costly, that no single company will be able to afford one, so technology and resources will have to be shared to a degree never before achieved by U.S. industry.

The panel expects 10 of the 25 factories to be located in the United States.

West Asia

Turkey, Iran in economic deal

The recent trip of Iranian President Rafsanjani to Turkey, his first as President, has led to the announcement of a \$10 billion rail, electrical, and natural gas agreement between the two countries.

Turkish Oil Minister Mehmet Kececiler told a Teheran press conference on May 8 that the deal has the following components. Iran

will supply 3 million tons of crude oil to Turkey, and the Turks will supply 10,000 tons of refined motor oil to Iran, and a natural gas pipeline will be laid between the two states, which will branch into Bulgaria and Greece. Its capacity will be 10 billion cubic meters, of which Turkey will use half for domestic consumption.

Turkey was previously dependent on Iraqi petroleum and natural gas.

Turkey will also supply 7 billion kilowatt/hours of electricity to Iran through 1994, after which the two countries will exchange 2 billion kilowatts of electricity per year. On July 1, Turkey will repeal a law which restricts the number of Iranian trucks in Turkey. Finally, the Teheran-Istanbul railway, which had been abandoned, will be reopened.

Turkish sources say that Pakistan will shortly be incorporated into this deal.

AIDS

Scores of Illinois doctors, nurses stricken

During the last decade, 126 doctors, nurses, laboratory technicians, and other health care workers in Illinois have died of AIDS, the state Public Health Department reported. Another 68 currently have the disease, it said.

Statistics released by the department indicated that 14 nurses, 5 physicians, 1 surgeon, 3 dentists, 19 health aides, 11 lab technicians, and 15 other medical workers currently are infected with HIV. In the last decade, 18 physicians have died of the disease, as well as 36 nurses, 2 dentists, 1 surgeon, 25 health aides, 9 lab technicians, and 35 other health care workers.

The statistics were released May 14 at the request of Rep. Penny Pullen (R-Park Ridge), who is sponsoring legislation to notify patients who have been treated by HIV-infected health care workers. No state law requires patients to be notified if they came in contact with a health worker who had AIDS, and there is no record that any patients have been told.

Christian Economics

Pope attacks monopolistic capitalism

Pope John Paul II used the 100th anniversary of the encyclical *Rerum Novarum* on May 15 to attack "monopolistic capitalism." The Pope addressed a large group of political, economic, and labor leaders on the church's social doctrine, on the occasion of his release of a new encyclical, *Centesimus Annus*.

On May 19, a Sunday, 100,000 workers from all parts of the world gathered in St. Peter's Square to continue the celebration, culminating in a march of 20,000 Catholic organizers.

"We know that productive capital, in the full sense of this word, increases quickly in particular in the industrialized countries," said the pontiff. "However, this increase is not always going to the benefit of a multitude of persons, but the capital remains concentrated in the hands of few individuals. Now, the social doctrine of the Church has always defended the participation of a large number of people in productive capital.

"There is also the danger that capital takes possession, that is, conquers and usurps the authority of the state, reinforcing in this way its economic and social monopoly."

The Pope denounced the emergence of "new poverties" in the developing countries and industrialized nations, blaming it on "an unjust distribution of goods." But, the Pope claimed, "a moral reform must go together, better yet, precede structural reforms. . . . The deepest root of social evils is moral in nature: the exclusive desire for profit and the thirst for power."

The Pope's new encyclical attacks the "capitalist" nations of the West for misinterpreting the collapse of the socialist bloc. "The Western countries . . . run the risk of seeing this collapse as a one-sided victory of their own economic system and therefore failing to make necessary corrections in that system. Meanwhile, countries of the Third World are experiencing more than ever the tragedy of underdevelopment, which is becoming more serious with each passing day."

Briefly

● **SOUTH KOREA** wants to work more closely with Indonesia on developing energy resources, including nuclear power. Seoul's Energy and Resources Minister Lee Hee-il announced May 6: He told the opening of an annual bilateral energy meeting in Jakarta that nuclear power would be included in future technical cooperation programs between the two countries. Indonesian Mines and Energy Minister Ginanjar Kartasasmita was at the press conference.

● **THE INDIAN** government will soon permit the marketing of Centchroman, a weekly abortifacient pill that prevents the implantation of a fertilized egg in the uterus, according to *Science* magazine. It is expected to be on the market in about six months, and will license the new contraceptive for sale, as well as for distribution through the Indian welfare system.

● **U.S. WHEAT** production will fall by 25% this year from last year and world production will fall 6%, according to USDA estimates the May 10 *Wall Street Journal* reported.

● **DONALD TRUMP** intends to invest in Brazil's gambling "industry." On the expectation that the Brazilian Congress will shortly repeal the 40-year-old anti-gambling legislation, Trump, whose empire is crumbling into bankruptcy, announced that he intends to "invest in the gambling sector of Brazil," in the words of Trump's Brazilian representative, Roberto Vianna Pinto.

● **THE HOUSE** Banking Committee's Financial Institutions Subcommittee voted 35-0 May 16 to bar any government agency from reimbursing foreign depositors in failed U.S. banks. While banks like Morgan Guaranty and Citibank—with large foreign deposits—pay insurance premiums only on domestic deposits, the FDIC has been providing coverage on both foreign and domestic deposits.

Cold fusion generators possible in five years

Physicists Frederick Mayer and John Reitz have a new idea about what makes the controversial "cold fusion" experiments work. Their concept could revolutionize the world economy in 20 years.

Since the announcement of "cold fusion" on March 23, 1989 by Drs. Martin Fleischmann and Stanley Pons, the major media as well as the scientific establishment have insisted that there is no such thing, that the results reported were merely an appearance resulting from poor diagnostics, or even fraud. But on April 25, 1991, two plasma physicists, Frederick J. Mayer and John R. Reitz, held a press conference in Boston, at which they asserted that with modest financing from private industry, they believe that they could build a working demonstration nuclear reactor in five years, based upon the Fleischmann-Pons experiment.

Scientists in Japan, India, Eastern Europe, and Italy, as well as in leading laboratories in the United States, have confirmed the experimental work of Fleischmann and Pons. While the results have been in some measure anomalous and the experiments do not always agree quantitatively, there has been a consensus by nuclear scientists that something important and new is happening.

Now Mayer and Reitz claim that they have developed a theory, which has major commercial as well as theoretical implications, which can explain these experiments. They conclude that what is really occurring is the creation of a new kind of very short-lived particle which is able to penetrate the nuclei of heavy metals to produce results very like what occurs in hot fusion. In other words, they confirm the experimental results achieved by Fleischmann and Pons, and the other scientists who have successfully repeated their work, but they disagree about the theoretical conclusions.

Rather than the fusion of two deuterium nuclei or a deute-

rium and a tritium nucleus taking place at room temperature, they believe that the deuterium or tritium is compressed in a palladium lattice so that a virtual neutron, which they name a hydron, is formed by the condensation of electrons on a proton. The hydron then is capable of entering the nucleus of a heavy element such as palladium, or perhaps some of the contaminants typically found in palladium samples.

The April 25 press conference by Drs. Mayer and Reitz followed a scientific seminar given by them at the Massachusetts Institute of Technology. They have published a technical paper on this which appeared in the May issue of the journal Fusion Technology.

Mayer has more than 20 years of experience in magnetic and inertial confinement fusion research and now heads a consulting and research firm in Ann Arbor, Michigan, called Mayer Applied Research, Inc. Reitz, a theoretical physicist, is his principal collaborator. The MARI company has applied for several patents on practical nuclear reactor systems and processes that make use of the new research discovery. MARI is also looking for industrial partners for joint R&D projects.

A series of experiments proposed by Mayer and Reitz should confirm or disprove their theory. Most exciting, if they are proven correct, they say that they can build a demonstration reactor within five years. According to their expectations, the "cold" fusion reactions will optimally occur at higher temperatures, in the 7,000° to 8,000° Celsius range. This is well within the range of existing materials technologies, in contrast to the problem of developing a workable reactor with more traditional "hot fusion" temperatures in



Dr. Frederick Mayer (center) and associates announce their new theory of cold fusion at a Boston press conference.

the range of 100 million degrees. Mayer expects that after a successful proof of principle within five years, fusion power can have a global impact on the world economy within an additional 15 years.

Excerpts from their press conference follow. The transcript was made available to EIR by 21st Century Science & Technology magazine.

A new theory for a new particle

Mayer: We have invited you here because we think we have made an important advance in the understanding of some of the very anomalous observations that have been made in different areas, cold fusion being one of them. We did some work which finally resulted in a publication yesterday.¹ Since a few of our colleagues had heard about the publication, we were invited by Prof. [Peter] Hagelstein and Prof. [Lawrence] Lidsky, at MIT, to deliver a technical seminar about this since we thought there was interest beyond this particular locale, we decided that it was appropriate to invite the media to come and talk about it and hear about what we have done.

Let me give you a brief history. I am a plasma physicist by training. And John [Reitz] has been involved in both solid state physics and nuclear physics. I spent a number of years working in laser-induced fusion and in some smaller sense in magnetic fusion as well. I have been involved in trying to control fusion for most of my professional life. When the cold fusion experiments first came out two years ago, it was impossible not to take a look at it and try to find out what we

thought was going on. John and I got involved in trying to figure out how you could make some neutrons from deuterated metals. In fact, we published a paper given at the Santa Fe meeting in 1989 [a Department of Energy conference on cold fusion] having to do with cracks generating accelerated deuterons, therefore yielding neutrons in some reactions. We concluded, very skeptically, that this was very interesting from a scientific point of view, but certainly wasn't going to go anywhere with respect to large-scale energy production.

At that meeting, however, I was bowled over by certain of the data which were not as clearly brought to me in some of the earlier publications. So, when we got back, we started thinking more broadly about all the issues. And as the data started rolling in, it became more and more apparent that something very important was happening here; so it was hard not to continue working on it.

Our paper is the first in a series of papers on the implications of this new energy source. What we have done is put together a new theory for what we believe are a new set of nuclear reactions mediated by a new particle—actually a new series of particles. This theory provides a framework within which you can attempt to understand all of these anomalous phenomena, not just cold fusion. In fact, the theory gains its strength, as far as we are concerned, from the fact that it applies equally as well, and more quantitatively, if you will, to the area called cluster impact fusion [experimental work with ion-beam fusion conducted at Brookhaven National Laboratory].² It also goes some distance, we believe, to un-

derstand some of the other anomalies; for example, thermochemical fusion as the Soviets have described certain experiments. Also it produces an explanation for other anomalies, such as bursts of tritium coming out of volcanoes, which has been pointed to by Steve Jones [at Brigham Young University in Utah] and others. It explains, as well, finding high levels of helium-3 inside metals, and other things. Let me get to just a very brief outline of what we think is going on, and why we think it provides the framework for understanding some of these anomalous characteristics.

Of course, everyone knows that the big technical problem and the big conflict in cold fusion has been, how do you ever breach the Coulomb barrier [at which charged particles collide and their initial paths are deflected]. We have found, from assembling other people's ideas and our own ideas, That we believe the way this happens is by the creation inside metals and inside plasmas of a new particle that is compact, very small, and short-lived.

The new particle occurs by making a charge-neutral compact of a proton and an electron, or a deuteron and an electron, or a triton and an electron. Those three particles we have called *hydrons*, because they are formed with hydrogen nuclei and electrons. These objects are nuclear size, not atomic size. They last only for short periods, but during their lifetimes they are charge-neutral. Therefore, they don't experience repulsion in a Coulomb potential.

Transfer reactions

That's the Coulomb barrier part of the story. The other part of the story is that there are reactions that are allowed by these particles or that these particles provide an ability to begin. These particles now can have a new set of reactions with very high Z nuclei [heavy elements, Z being the atomic number], such as palladium or titanium. So it is no longer the case that the easiest reaction to have happen is the deuteron-deuteron reaction, the classic fusion reaction. These reactions are called *direct nuclear reactions*, or simpler, just *transfer reactions*. The transfer is of a neutron from either a deuteron or triton to a heavy nucleus; or a deuteron receiving a neutron from a heavy nucleus. The transfer can go in either direction.

In that transfer, there are no neutrons released, but there is nuclear energy released. However, it comes out in the form of charged particles of low energy. That obviates the biggest difficulty—or resolves the biggest conflict in cold fusion: what we jokingly call the “dead graduate student” problem. That is, if all of this heat is coming from the deuteron-deuteron reaction (D-D), you would have had to have created so many neutrons that you would have irradiated everybody to death. And you know you didn't do that.

The answer is, you don't do that, because those neutrons at that level are not there. There are still D-D neutrons being produced but in small numbers. And those are seen by experimenters as well. Let me summarize: The new physics here,

The Fleischmann-Pons original experiment

In the original experiment conducted by Martin Fleischmann and Stanley Pons, announced in March 1989, the basic apparatus consists of palladium and platinum electrodes placed in a glass tube with heavy water. A voltage applied across the electrodes splits the water into oxygen and deuterium, and the deuterium is then absorbed by the palladium. Excess heat at room temperature was measured, which Fleischmann and Pons attributed to a nuclear process—the fusing of deuterium atoms. The experiment occurs at room temperature, hence the name, cold fusion.

as you might guess, is not in just one piece. It requires two rather interesting and rather spectacular events that have hitherto not been seen: One is the formation of these little compact objects, called hydrons; and the other is this class of reactions, which, when the Coulomb barrier is not there, have a very high probability of occurring—much higher than a D-D fusion.

Now, the other part of this is that to create these [hydrons], you have to have a certain amount of heat; you have to heat up materials because they have to be ionized. They have to have a lot of hydrogen isotope in them and they have to be ionized. And if you are doing it in metals, you also have to have the right metals. If you are creating the hydrons in a plasma, that is another way to have free electrons; then you can get ordinary D-D neutrons. That is what is happening in cluster impact fusion, and it is the reason that those results are also anomalously large (that is, the rates at which these are created is anomalously large).

Again, the theory offers conclusions about why nuclear physics can take place in these relatively heated regions in two places: inside of metals, in particular heated metals; and also inside of heated, high-density plasmas. If the density of the plasma is too low, you also don't create enough of them. These things, therefore, are happening all over, in a variety of anomalous experimental circumstances. In particular, there is a very good chance that these reactions are going on inside the Earth, as had been suggested already by a number of people, but could not be squared with the standard nuclear reactions, the standard D-D nuclear reactions.

One of those, an exciting one, is the recently reported Soviet experiment, where they took little pellets of lithium deuteride and dropped them into a container of heavy water

that was inside a neutron detector, and they made neutrons. That is a spectacular result, because it is created at temperatures of only a few thousand degrees. But it also tells you you don't need anything special like a palladium lattice to make fusion at very low temperatures. The point here is not to say there is not something special about palladium, because there is. There is a reaction that we list in our paper that operates on a tau hydron—that is, a hydron created from a triton—inside of metals, which reacts with the palladium to release nuclear energy. So, the palladium is, in fact, important in that set of nuclear reactions and is probably creating the heat, or at least some part of the heat in those experiments.

Similarly, with titanium, there is a certain reaction with one of the hydrons that creates nuclear reactions in titanium as well.

The right conditions

There is an important point that I should bring up, and that is that the reactions we have identified so far in so-called cold fusion, we believe, are operating on contaminant-level materials. That is to say, we have not used the right materials yet to get large amounts of energy release. Furthermore, we have not used the right conditions; that is, we don't want it to be cold. We want it to be heated, because that form helps to form the hydrons, and hydrons are the particles that allow the nuclear reactions to occur in larger numbers.

I should mention that there is evidence for the fact that these particles, these little compact particles, form—evidence that is separate from any nuclear observations, just standard observations on the interactions of hydrogen with metals. A well-known but little understood phenomenon is the hydrogen embrittlement of metals and the very high diffusion rates of hydrogen in metals. It is almost certainly the case that that also is a solid state physics observation of the existence of these compact objects, because it is these small objects that then can go through metals sort of unimpeded, compared to hydrogen itself, atomic hydrogen. The point is, though, that there are observations that now span a very large number of areas in physics that can be simple results of the fact that these compact objects formed. Only one of those observations is the observation of strange nuclear events. There is a broader set of implications for that.

Reactor systems possible

There are a few things we should now get to. One of the most important is that if these ideas turn out to be true, then it is clear that raising the level of contaminants in the right way could yield very large energies coming out. If those energies and those power levels can be sustained, still maintaining a very low level of penetrating nuclear radiations, then it seems that reactor systems would then become possible, probably with very small amounts of shielding, which would be very important.

It also appears, if these things are correct, that these

reactions, and therefore the ability to do something with them, should be easily accessible. It is not complex, like many other systems trying to release energy from the nuclear domain, which become either very large or very costly.

From the technical point of view, our company is doing a few things. One, we, of course, have applied for certain patents to take advantage of what looks like a clear path to an energy developing system. And we are actively seeking strategic partnerships with large companies. We are really not interested in small investments, because we think this will quickly go from where we are now, to where we want to be in a very short time. And, therefore, we are looking for partnerships where people have more than money—where they have a distribution network, a production network, and a capability, if this path is really clear, of getting there fast.

We also believe that the government should be interested in these things, but may not be. They may not be able to help out quickly enough, because I think if these things are correct, that we may be able to quickly get to a place where industry is the primary player. We hope that is true.

Those are the main points that I wanted to make. The topic is broad. The ramifications, of course, are very extensive. And, of course, you understand that at this point, this still is theory, but we have high confidence it is correct, because it is supported by many otherwise very strange observations.

From the discussion with the press

Q: To what degree does what you have found, or what you believe you have found, validate the findings of Fleischmann and Pons . . . to vindicate the position that they have taken on cold fusion?

Mayer: . . . I am not trying to vindicate anything. I would say that I believe they were mistreated in many ways by what has transpired. That's more a statement, really, about our country, than anything else. I am sorry to say that that is the case. . . . I believe . . . I am making a sociological statement. The fact is that science proceeds by allowing information to flow out, to be criticized, and then, if it's not right to go away—not to try and make the people go away. The idea, if it is okay, will survive. If it is not all right, it should disappear. But the fact is that more than that has transpired in this issue. And that is something I am sorry to have seen happen in this country.

Reitz: We believe that the experiments that Pons and Fleischmann did were good experiments. They did see new effects that had not been observed before. . . . There are other experiments throughout the world that indicate the same type of thing going on, or at least nuclear reactions going on at moderate or low energies. But the Pons and Fleischmann experiments were striking. And clearly they are the ones that got us interested in it in the first place. We think their interpretations of the specific reactions that they identified as cold fusion were probably not correct, although

at higher temperatures they probably would be. They said they thought they were the D-D reactions. I think they did say something about there may be other nuclear reactions going on, and that is basically what we are saying now: that experiments that have been done so far primarily are working on the contaminants. And they are a different class of nuclear reactions than the conventional fusion reaction.

Mayer: What is certainly being observed at these very low temperatures are these transfer reactions. And it really isn't a fusion reaction. A fusion reaction in general means you form a compound nucleus, which then comes apart. This is a reaction where a light particle comes in and a neutron jumps across the remaining gap. You don't have to fuse the whole objects. It sort of tears the neutron out of one nucleus and puts it in the other. But it is still the case that the Pons and Fleischmann experiments led us to try and understand what was going on, plus all of the other strange observations.

We bring up cluster impact fusion because it also can be explained on the same basis of physics. There is no necessity to make up anything different for all of these anomalous observations, including the tritium coming out of the earth. All of these things fall under this larger blanket of the formation of this new class of nuclear reactions and hydron formation.

Q: To what degree can you empirically verify the existence of these particles? And to what degree does it rely on circumstantial evidence and computer modeling?

Mayer: There is no direct observation, yet, of those particles. Actually, it may be very hard to make a direct observation. But this is the same phenomenon that is observed in many other areas of physics where a couple of particles get together, run around together for a little while, and come apart. That is a standard type of phenomenon. It is well known, for example, with positron-electron pairs. It is well known in elementary particle physics, as well. These are called continuum bound-state resonances, the more technical term. Usually in such resonances they are given names, and we decided that since this is the only one that we know of that is more like an atom, to give it a special name—a hydron.

Q: How long have you been persuaded that this phenomenon does in fact exist?

Mayer: Of course, when you don't understand something, you have fluctuations in belief. And we certainly had fluctuations in belief, too; but, when I came back from the Santa Fe meeting [in 1989], there were a number of things that I just could not say were errors. One of those was the observation of all of this excess heat. That's the biggest signal, if you will, in all of these experiments. There is heat that is unaccounted for by other processes that are known. The second was the generation of MeV particles, for example, in a sense out of nowhere.

Reitz: Let me mention one other thing. There are two exper-

iments mentioned in our paper that give evidence of a nuclear transformation of the type that Fred has described, that is, direct neutron transfer. And actually there is quantitative evidence. One has a change in the isotopic content of palladium. And the other one involves a charged particle coming out of titanium after being subjected to this low-temperature environment to produce cold fusion. These are exactly what we predict. These reactions could not occur without some kind of neutral particle, of the hydron type, mediating this type of effect. So, we do have some experimental evidence. It is indirect, but it is supportive.

Mayer: It is quantitative. And it could not occur, so far as we know, by other nuclear processes. And since it also, as John said, could not occur without the formation of these hydrons, it is very suggestive that that is what is happening. Of course, by itself, it is not a direct confirmation. All of this evidence is suggestive. The important point is that the evidence is suggestive in a broad class of reactions. And . . . we are pleased by the fact that it is testable. It is not a general theory; it is very specific. It says: If this happens, then this is what you would see. So, it is testable, and with the tests, if it's proven wrong, then it is just wrong. You have to go out and try again. . . .

Q: You said you expect it to mature, in your words, fast, and I gather go commercial. What does fast mean?

Mayer: You are going to put me on the spot. I would say five years. We have put down here five years to get things to the prototype stage. And I think it would take another 10, typical of technology in fusion and to the society, another 10 to 15 years to grow it to the point that it impacted the society, say, as a computer did. . . . There is a lot of experimental work to be done. But we know what to do.

Q: You also indicated you are looking for big money.

Mayer: . . . The point is that we it will take us a certain amount of money. The big money is not big money on the scale of other enterprises, on the scale of what this could mean. It is big money for our company, but it is not big money on the scale of say, big companies.

Q: Is there danger of a meltdown?

Mayer: If the material gets too hot, from generating its own nuclear energy, the reaction rate goes down. So, there is an optimal temperature at which this will operate, which is something like, nominally, 7,000° or 8,000° C—which, by the way, is also the temperature, approximately, at the center of the Earth. That may not be just coincidence, by the way, and that is a statement about geophysics. But . . . there should be no problem with runaway; and meltdown is self-extinguishing, because, in fact, if it does melt and puddle, then it will cool to the point that it goes out.

So, the nice thing is, that we think it will not be dangerous nuclear energy. It will be very forgiving.

The reason I am so emotional about this, is because many of us have experienced this negative, nasty, hostile position that has been taken in the face of something which is potentially very, very important. It is a bad statement about the state of science in the United States.

Q: What would the fuel and the catalysts be if you were using it on a commercial scale?

Mayer: We are not sure yet. As John mentioned, we have a lot of experiments to do yet. We have outlined the broad theory. Finding an optimal set of circumstances and materials and operating conditions and the things you are talking about, starting and stopping and everything else, is in fact the thing we need some larger assistance with. Those are non-trivial things. But the broad outline of how to get there, we have made clear. So, the point now is to get on with all of those issues, trying, first of all, to do two things. We would like to see those things being done simultaneously: optimizing materials, dealing with the engineering aspects, starting and stopping, the accelerator and the brake; and finally, harnessing this in a way to make it very easily.

Reitz: Some suggested materials which we think are operating at the contaminant level are listed in the paper. These may not be the final ones.

Mayer: Nor the only ones.

Reitz: On page 2 there is a list of at least some of them. But they still might have to use palladium or titanium metal, as a background metal.

Q: There might be something you don't even know about?

Mayer: That's right. In fact, let me just say, there are probably more things that we don't know about, then we do know about.

We have a broad outline. What we have done is that in some sense we have all been in a dark room, we turned on the lights a little bit. Now we can look around. So, in that sense we have provide a way to sort of steer experiments, maybe. And the other thing is, if these things are incorrect, we will know that fast. And that's the whole point in research. If you have a new idea, you do want to get to the place where it is testable, quickly, so, again, you don't waste your time. And that's another reason for bringing the information to the public at large.

A number of people have said: "Why don't you just be quiet and run to this person or that person?" The answer is, it will take too long that way. This way will be much faster. The major thing we want to do is make it work. We want this to be an energy source. If there is an energy source here, which we think there is, let's get it to work. And let's make it happen quickly. And that's what we are going to do. . . .

In fact the research focus, if this is correct now, is going to switch. It is going to switch. . . . Well, there will continue to be a lot of this optimizing of reactions, but some of the focus now is going to be going to understanding hydron physics, because that's the base of this, at some level.

By the way, I have to acknowledge another set of people who have influenced our thinking about these things. One group is James Vary and his group at Iowa State University. And we also have been strongly influenced in our thinking by a number of the experimental groups. One of those groups is the group at Naval Research Laboratory. Another one is the group at Texas A&M. And a variety of the other experiments that have come along, that have been very, very powerful results.

Q: To contrast your perception of the evidence of cold fusion, which you feel so strongly about, with the perceptions which seem to be running wild on the negative side, how did you come to the conclusion that cold fusion is a solid phenomenon?

Mayer: Well, I am primarily an experimentalist, so, when I had looked at the data, I decided there was no way that all of these things could have been either hoaxes, which some people have suggested, or incorrect, which some people have suggested. Finally, you have to believe that the data are telling you that nature is offering up something to be understood. So you have to either understand it or find yourself, if you are of such a mind, saying this is all impossible, as some people are saying.

Reitz: And of course, the data wasn't all from one laboratory, though it is true that the initial work came from the two Utah laboratories, but there are now more than 60 laboratories worldwide that have seen these things. They just can't be artifacts, anymore.

Mayer: There is the larger picture, and that is, there are anomalies in other areas which are very similar. And these have been pointed out as well by researchers who are in this field. The anomalies in geophysics are substantial. They can't be explained in some simple way. And so, therefore, the fact that one set of ideas can bring some coherence to this whole picture to us is a very important point. It is well known, for example, that the Earth's heat, when you look at it from the point of view of resulting from standard, long-lived radioactivity—you have uranium and thorium—those alpha parti-

cles from that decay produce helium, which diffuses out of the Earth. The amount of helium that is coming out of the Earth is very inconsistent with the amount of heat coming out of the Earth. So, if you are a geophysicist, then you say, well, what's going on here?

You have to conjure up some other mechanism. But that you see—connected with other funny phenomena, like having a lot of helium-3 and tritium coming out of volcanoes—says there looks like there are nuclear transformations going on in the Earth. But you know that the Earth can't be at the temperatures required to produce ordinary nuclear reactions, the standard, high-temperature nuclear reactions. So, I think at some level, you are forced to conclude that there are some other types of nuclear reactions going on. And we think those are all relatively thermal nuclear reactions taking place at only a few thousand degrees.

There are a lot of these things that I think, once this set of ideas becomes clear, will come out. And there are more of these anomalies that are around, and we presented a few in our lecture. There are the observations of a lot of helium-3 in technical metals, metals that have been processed in laboratories. And this has also been pointed to by other researchers in cold fusion. It is not just we who noticed that.

Q: You seem to be suggesting, if this isn't an oxymoron, common scientific sense supports the notion of cold fusion?

Mayer: Let's be careful of the words now. The reaction that is dominating some of these results is not a fusion reaction. And when it works best, it is not cold. So, I am trying to make sure we understand the distinction. The point is these are nuclear reactions at moderately lukewarm temperature. It is not cold, but the point is also, it is not fusion in the standard sense that you would think about it. But, what you are saying is that common sense would dictate that something like this must happen, that's because we have tried to put this into a context which did explain a lot of the anomalies and in a way that spanned those different anomalies. And it's again that, which we think gives a lot of strength to these arguments.

Q: Recognizing that science is not a democracy, you don't win because you get the most votes, you win because you are right, nonetheless, how do you account for the fact that so many people have so summarily rejected Pons-Fleischmann?

Mayer: I would say the following: As I think I mentioned before, I think that is rather more a statement right now about our society, and about a certain closed-mindedness which occurs; I am not sure why, or where that happens, whether it is in our science education, or what. It seems to me you can't close your mind to the data, and I think a lot of people have. I would say that's where I see a major problem. . . .

Q: Given the history of cold fusion and criticisms of people

holding press conferences, I am just wondering, why not in your case simply wait for experimental data supporting it and proceed with your business plan? Why hold a press conference now? I am a little uncertain.

Mayer: I want it to happen fast. If I am wrong I want that to occur; I want it proven. Just let me say, the other way takes a long time. We have tried to interest certain large institutions by logic, and it has not worked out real well. So, what I am saying is, I want to go in a direction in which something will happen.

Q: The press has been so hostile, especially the *New York Times*. Do you see this reflected in academic circles?

Mayer: I think academic circles have been carried right along with the whole stance. In fact, to be honest, I am a little bit ashamed of some people, who I felt would be more open-minded and really more discerning about how they made decisions.

Q: At least "the jury is still out" would be a good attitude?

Mayer: Right. It would have been good to say at least, "the jury is still out." I was very skeptical in the beginning, too. But then when the data started pointing up, and it didn't matter what other people said, the fact was that the only argument that people had was that you can't get past the Coulomb barrier. But that is just a calculation.

Q: Arithmetic?

Mayer: It is just arithmetic. And the answer, "arithmetic," is important after you know what physics is going on. Not before. If it is something you don't understand, you can conclude something from the arithmetic, but the chances are, it's going to be wrong. . . . The reason I am so emotional about this, is because many of us have experienced, with our colleagues, this negative, nasty, hostile position that has been taken in the face of something which is potentially very, very important. It is a bad statement about the state of science in the United States.

A fellow over here at MIT failed to get his tenure, because he expressed some sympathy. These are very important phenomena, and they don't come along that often. A lot of ones come along that are suggestive, that don't turn out. I think people kind of cut their teeth on shooting those down. When something really big and really important comes along, I think a lot of people keep that reflex going. And it takes the kind of discipline and kind of care to check these things out. Most of them don't turn out. This one did.

Notes

1. The paper authored by Mayer and Reitz, "Nuclear Energy Release in Metals," was published in the May 1991 issue of *Fusion Technology*, a journal of the American Nuclear Society, p. 552. The paper was received by the journal Oct. 16, 1990.

2. See R.J. Buehler, G. Friedlander, and L. Friedman, "Cluster-Impact Fusion," *Physical Review Letters*, Sept. 18, 1989, p. 1292.

Books Received

The Commanders, by Bob Woodward, Simon and Schuster, N.Y., 1991, 398 pages, hardbound, \$24.95

Conspirator, The Untold Story of Tyler Kent, by Ray Bearer and Anthony Read, Doubleday, N.Y., 1991, 332 pages, hardbound, \$24.50

Of Walls and Bridges, The United States and Eastern Europe, by Bennett Korvig, New York University Press, N.Y. 1991, 425 pages, hardbound, \$40

Benjamin O. Davis, Jr., American, by Benjamin O. Davis, Smithsonian Institution Press, Washington, D.C., 1991, 480 pages, hardbound, \$19.95

Geometry, Proportion, and the Art of Lutherie, by Kevin Coates, Oxford University Press, N.Y., 1991, 178 pages, illus., paperbound, \$39.95

C.P.E. Bach, by Hans-Günter Ottenberg, trans. by Philip Whitemore, Oxford University Press, N.Y., 1991, 280 pages, paperbound, \$19.95

To Shining Sea, A History of the United States Navy, 1775-1991, by Stephen Howarth, Random House, N.Y., 1991, 620 pages, hardbound, \$25

The Gulf War Reader, History, Documents, Opinions, edited by Micah L. Sifry and Christopher Cerf, Random House, N.Y., 1991, 526 pages, paperbound, \$15

Islamic Spain: 1250 to 1500, by L.P. Harvey, University of Chicago Press, Chicago, 1991, 369 pages, \$47

Ignatius Loyola: A Biography of the Founder of the Jesuits, by Philip Caraman, S.J., HarperCollins, San Francisco, 1991, 222 pages, hardbound, \$22.95

Why Catholics Can't Sing: The Culture of Catholicism and the Triumph of Bad Taste, by Thomas Day, Crossroad, N.Y., 1990, 183 pages, hardbound, \$19.95

The True and Only Heaven: Progress and Its Critics, by Christopher Lasch, W.W. Norton, N.Y., 1991, 591 pages, hardbound, \$25

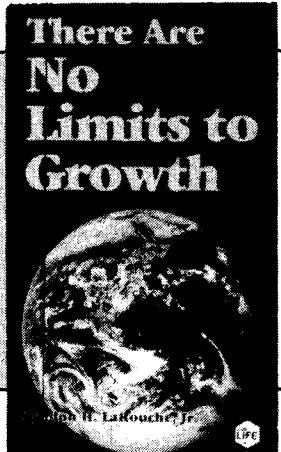
The Urban Underclass, edited by Christopher Jencks and Paul E. Peterson, The Brookings Institution, Washington, D.C., 1991, 490 pages, hardbound, \$34.95, paperbound, \$12.95

Opening Arguments—A Young Lawyer's First Case—The United States v. Oliver L. North, by Jeffrey Tobin, Viking Penguin, N.Y., 1991, 374 pages, hardbound, \$22.95

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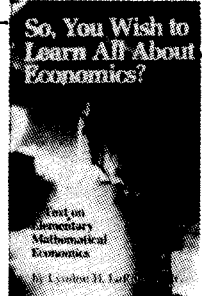


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'Free trade': worst threat to U.S.A. since Confederacy

by the EIR Economics Staff

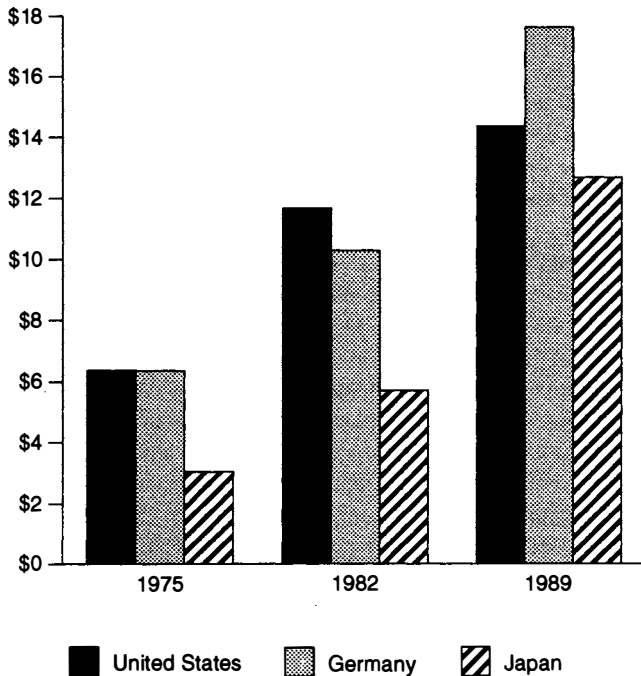
The proposed North American Free Trade Agreement (NAFTA) represents the gravest threat to the existence of the United States since the pro-free trade insurrection of the Confederate slave states in 1859-60. Posed again is the issue that freely associated labor, cooperating under conditions of political self-government, is incompatible with the despotism which spreads, like a cancer, with the usury practiced in the name of "free trade."

Accept, or tolerate, the proposed North American Free Trade Agreement, and the proposed content of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), and it will not be too long before the slavery and genocide imposed as a consequence on Third World countries, will be brought back to the United States itself.

The agreement is presented by its proponents as largely a matter of foreign policy. President Bush has argued, for example, that the free trade agreement with Mexico will actually benefit the United States, since increased exports from the United States will create more jobs internally. Similarly, he and the economic and trade officials in his cabinet, like Commerce Secretary Robert Mosbacher and Trade Representative Carla Hills, insist that successful completion of the GATT round will bring nothing but benefits to the United States, and will do so by restoring equality of competition against trading partners, like Germany and Japan, which erect unfair "barriers" against the United States. This is what Ronald Reagan used to refer to as "leveling the playing field," and what lies behind the constant propaganda theme of restoring America's so-called "competitiveness."

Both pacts do indeed have foreign policy consequences. But the focus is intentionally misleading, and deceitful. The policies are, of course, of foreign concern. However, the benefits which will purportedly accrue to the United States are disinformation, intended to disarm and neutralize those who would find themselves opposed, if they knew what was going on. The rhetoric employed is designed to obscure the reality that the same methods directed against "foreign

FIGURE 1
Hourly compensation for production workers in manufacturing industries

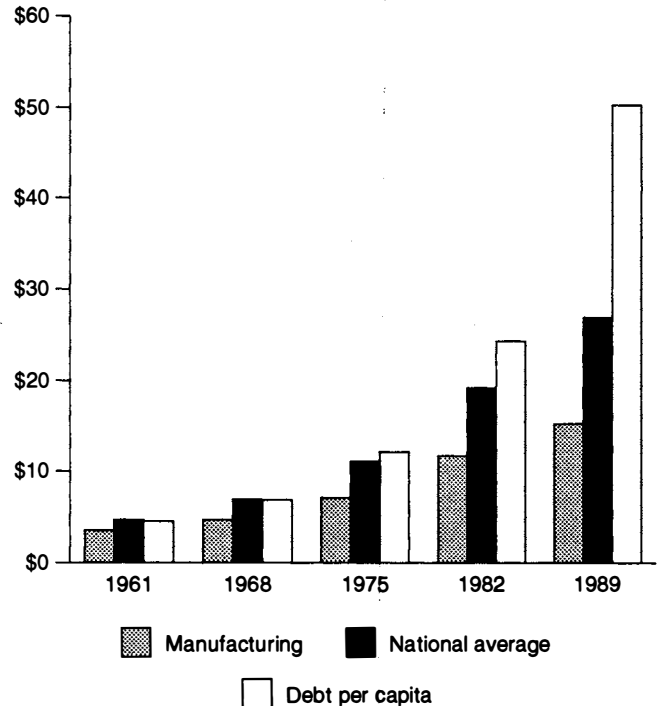


Source: Bureau of Labor Statistics, unpublished data, September 1990.

competitors” of the United States, are also directed against the population of the United States itself, and will have the same intended results, namely, the enforcement of brutal austerity against living standards and remaining productive capacity, accelerating tendencies toward genocide against the poor and disadvantaged, and toward slave labor, such as the expansion of prison system work programs, the revival of workfare-type programs for welfare recipients, and then, “make work” efforts, along the lines of the 1930s Works Progress Administration (WPA) for the so-called “chronically unemployed.”

Anyone old enough to have lived through the 1930s would recognize what such a policy package involves. These are the kinds of policies adopted, under the insistence of financial creditors, to deal with depression economic conditions and bankruptcy. So it is with the proposed NAFTA and the GATT round. Just like the policy for Mexico, it is not a trade package, nor an export promotion package, nor an employment package, but wage-gouging to generate the new margin of loot required to shore up a bankrupt financial system. Mexican slave labor is to be set into competition with

FIGURE 2
Average wages versus debt outstanding
 (thousands U.S. \$)



Source: Bureau of Labor Statistics; *Flow of Funds*, Federal Reserve System.

cheap U.S. labor, which is to be used as a battering ram against, particularly, Germany and Japan, to prop up the usury system of British and American banks.

What NAFTA will do

Within the U.S., the targets of the proposed NAFTA agreement are threefold: there is, firstly, the remnants of the unionized labor force in especially the manufacturing and construction industries; secondly, there will be the effect on the employed population as a whole of both another round of austerity against productive capacities, combined with an overall lowering of wage-levels throughout the economy; third, there will be a tremendous increase in the tens of millions of Americans, 30% and more, who have effectively been thrown on to the scrap heap, deprived of any future, as a consequence of policies already in force.

It is not possible to forecast with any precision exactly what havoc the agreement to be negotiated with Mexico will wreak, if the “fast track” procedures are extended, as per Bush’s demands. It is possible to identify the general process which will be set off, because it is already in the works.

Confederacy was based on free trade

The Constitution of the Confederate States of America, which was adopted March 11, 1861, contained free trade articles. Its Congress had no power to impose tariffs, nor did it have power to appropriate money for internal improvements intended to help commerce. Its Constitution was written with the intent of establishing an empire based on a slave economy, and free trade was at the centerpiece of the confederacy. Excerpts follow:

Sec 8: The Congress shall have power—

1) To lay and collect taxes, duties, imposts, and excises, for revenue necessary to pay the debts, provide for the common defense, and carry on the government of the Confederate States; but no bounties shall be granted from the treasury; nor shall any duties or taxes on importations from foreign nations be laid to promote or foster any branch of industry; and all duties imposed and excises shall be uniform throughout the Confederate States.

2) To borrow money on the credit of the Confederate States.

3) To regulate commerce with foreign nations, and among the several States, and with the Indian tribes; but neither this, nor any other clause contained in the Constitution shall be construed to delegate the power to Congress to appropriate money for any internal improvement intended to facilitate commerce; except for the purpose of furnishing lights, beacons, and buoys, and other aids to navigation upon the coasts and the improvement of harbors, and removing of obstructions in river navigation, and in all which cases, such duties shall be laid on the navigation facilitated thereby, as may be necessary to pay the costs and expenses thereof. . . .

Overall U.S. capital investment is in the range of \$200 billion per annum. Of this it can be assumed that about half is actually for investment in plant and equipment. The proponents of the Free Trade Agreement start from the assumption that under the first year of an agreement going into effect, 10%, or up to \$10 billion could be pulled out of the U.S., and in the name of investing in Mexico, be diverted to the account of bankrupt U.S. banks. One such advocate put it

this way: "Let's say we now make about \$100 billion in real capital investment in the U.S., in plant and equipment annually. Mexico, under NAFTA, could easily get 10% of that. That's \$10 billion the first year; if it looks successful, say even \$15 billion the second year. Then who knows, the third year. . . ."

The sectors which would be affected by such runaway shops are known. Top on the list is the automobile industry, second is the textile and apparel industry, and third, what comes under the heading of electronics and household appliances. Then, fourth, in a slightly different way, the domestic U.S. construction industry.

As so often in the postwar period, the auto industry is the pace-setter. About to announce, at this writing, net losses of \$3 billion worldwide for the first quarter of 1991, General Motors (GM), Chrysler, and Ford, working with the banks, were in the initial steps of reopening their new three-year contract with the United Auto Workers (UAW) union. The threat is clear. The unions are to give up the income security and health insurance components of the contract, and accept wage cuts, or face the flight of investment and employment to Mexico. The textile and apparel industry is next for the firing line. This is what happened during 1981 and 1982, at the height of the Federal Reserve Chairman Volcker high interest rate atrocity. Then, the industry reopened contracts in order to lay off workers and cut back its wage bill.

Reopening wage contracts

GM's president, Lloyd Reuss, alluded to this in a press conference April 15 in Detroit, when in response to press prompting, he let slip that GM may reopen its contract with the UAW. GM spokesmen off the record are less bashful. With \$5 billion in losses over the last nine months, the company cannot, it is said, afford the more than \$4 billion per annum job security and health package it is committed to. They point to the following: GM production worker wages run at \$31.30 per hour. After the government and insurance companies take their cut, the workers are left with \$16.50 per hour. GM has 42,000 workers employed in Mexican *maquiladoras*. They average \$1.10 per hour. As they say: "The discrepancies are huge. Even with this subsidy from Mexico, if auto sales in the U.S. keep collapsing, we will not be able to produce cars in the United States."

Chrysler is perhaps in worse financial shape. Now, the company is under pressure from the government's Pension Benefit Guaranty Corp. Chrysler has \$3.62 billion in unfunded pension liabilities, which are due, but cannot be paid. Chrysler, like GM, is beginning the process of reopening its contract.

The textile industry, for its part, fears that with the elimination of remaining import tariffs on certain classes of goods produced in Mexico, the industry in the U.S. will be wiped out, perhaps in its entirety.

Auto and textiles, along with electronics, are threatened

TABLE 1

Employment and wages of targeted sectors in 1990

	Workers (1,000s)	Weekly wage	Wage bill (billions)
<i>Total private</i>	74,563	\$346.04	\$1,341.51
Blast furnace/basic steel	208	645.98	6.98
Fabricated metal products	1,039	447.28	24.17
Motor vehicles/equipment	611	619.46	19.68
Textile mill products	601	320.80	10.03
Apparel/other textile products	863	239.88	10.76
Rubber/miscellaneous plastics	671	402.37	14.04

Source: *Employment and Earnings*, January 1991, p. 238-9.

by the banks with elimination through substitution of slave-labor in Mexico. With the construction industry, it is different. The bankers have Mexico demanding the right to freely export "services," as part of their "free trade" looting. In this case, "services" means labor. Although at this point the Bush administration is insisting that there will be no opening to Mexican migrant labor under NAFTA, the construction industry is planning to replace labor in the U.S. with imported slave, or cheap labor from Mexico, in the name of "free trade in services." On April 15, one hundred leaders of the Association of General Contractors met with Bush to endorse the "fast track." Their leader, Marvin Black, said on that occasion: "Banks are in the grip of fear that stops them from making loans for construction projects. The message is clear. . . . The Age of Abundance is over." Black went on to discuss the importance of "discipline," and ending "confrontation," like those between management and labor, in the coming "Age of Scarcity."

Where does this leave the United States? **Table 1** summarizes the employment and wages of targeted sectors. The construction industry adds another 4 million workers to this list, should massive migrant labor flows occur under NAFTA, and another \$100 billion in annual wages.

Shifts in investment

Let's assume that there is intended to be a shift of 10% of the investment budget to Mexico in the first year of an agreement, and a 15% shift in the second. Then, in year one, approximately \$10 billion would be looted from what is called the U.S. capital investment budget. In year two, this would rise to 15%, or about \$13.5 billion, of the remaining \$90 billion.

Although again no precise forecasts are possible on the

TABLE 2

Projected reduction in U.S. wages under NAFTA

(billions U.S. \$)

	Year 1	Year 2
Auto	1.9	2.7
Textiles, etc.	2.0	2.7
Construction	10.0	13.0

Sources: *Employment and Earnings*; own elaborations.

employment side, for the purposes of argument, let's apply the same ratios of contraction being promoted regarding capital investment. The textile industry would lose 140,000 of its 1.4 million jobs in year one, and about 190,000 in year two. The automobile and related rubber and plastics industries would lose 120,000 jobs in the first year and 170,000 in the second.

Construction would shed, or replace, about 400,000 workers in the first year, and another 540,000 in the second.

This gives the total job losses for just those three industries, if one makes the same assumptions that the Bush crowd does, at 660,000 and 1 million in the first two years, respectively.

This is the agreement which the same people publicly insist will not result in job losses in the United States.

Let's assume, for the moment, that the Bush administration is right on this point, that no jobs will actually be lost. This could only occur if U.S. wages were drastically reduced towards Mexican levels. (The political reality will probably be some combination of dramatic job loss and wage gouging.) As one NAFTA ideologue succinctly put it, U.S. companies will tell their unions: "We don't want to move to Mexico. But in Mexico they want \$7¢ an hour and you guys want \$15. Now you're going to have to meet us half way, or at least part of the way."

In this fashion, wage reduction on the order of one-third to one-half could occur under NAFTA. If such a reduction occurred at about the same rate as the mentioned capital shifts, i.e., about 10% in year one and 15% of the reduced amount in year two, this gives an overall reduction in manufacturing-sector wages of goods producers of about \$30 billion in year one and \$40.5 billion in year two.

For the targeted sectors, it would look as seen in **Table 2**, and overall estimates of cumulative looting are seen in **Table 3**.

Goods producers in the manufacturing sector only make up 11% of the entire labor force. The 1.4 million workers in the textile industry make up more than 10% of the manufacturing total. The workers in the auto and rubber and plastics

TABLE 3

Projected cumulative looting of U.S. sectors under NAFTA

(billions U.S. \$)

	Year 1	Year 2
Investment	10.0	23.5
Manufacturing wages	30.0	40.5
Construction wages	10.0	13.0
Total	50.0	77.0

Sources: *Employment and Earnings*; own elaborations.

industries also make up more than 10% of the total. This estimate assumes that almost one-fifth of manufacturing workers in auto and textiles will lose their jobs in the next two years, and almost one-quarter of the workers in the construction industry. This is almost 10% of the remaining productive workers in those three sectors alone; 940,000 of the 4 million construction workers, 330,000 of the 1.4 million textile workers, and 290,000 of the 1.3 million workers in the automobile and related industrial employment in the country are targeted.

This is a recipe for upheaval and chaos inside the United States. The spill-over effects, into the work force as a whole, and through the increase of the immiserated millions who have been thrown out of the work force, will be the combination which pushes the U.S. over the edge.

Wages and debt

U.S. wages used to be the highest in the world. The wages paid used to buy the world's most technologically cultured and productive labor. This is no longer the case. Subject to forced reduction through brutal austerity for years, by the end of 1989, U.S. hourly wages in manufacturing were lower than the rates which prevail in Germany, with Japanese workers catching up fast. By the end of 1990, U.S. manufacturing wages were, on average, 10-15% lower than those in either Germany or Japan.

Figure 1 on p. 29 compares hourly compensation for goods-producing workers in the manufacturing industries of the United States, Germany, and Japan. The data are taken from an unpublished series collected by the U.S. Bureau of Labor Statistics. Germany, at rough equality, at least in terms of dollar equivalent wages in 1975, catches up, and then exceeds U.S. hourly rates. Japan is gaining in the same way.

This is a shift of historic proportions, since, in the totality of the postwar period, U.S. labor was supposed to be the best paid, because it was the most technologically cultured and equipped, and therefore the most productive. Now, as it was stated in the *New York Times* of April 13, 1991, it is the relative cheapness of U.S. labor, in dollar terms, which is

put forward as the principal advantage for investing inside the United States. Gone are the days when it was skill levels and productivity which were paid a relatively fair price. Now cheap U.S. labor is being set into competition against Germany and Japan, just as Mexican slave labor is set against U.S. workers.

The U.S. abandoned the policy of high-paid labor in favor of maintaining the claims of usury. Investment in technological advance and maintenance of infrastructure was cut back, and productive capacity was shed. Germany and Japan, as the wage differentials attest, maintaining a premium on wage-earners' income, did not follow the same path. Now we say, they refuse to play on a level playing field, because they refuse to follow our destructive course. The policy difference between the economies of the United States and Germany and Japan can be summed up in one four-letter word: debt. Usury has wrecked the United States.

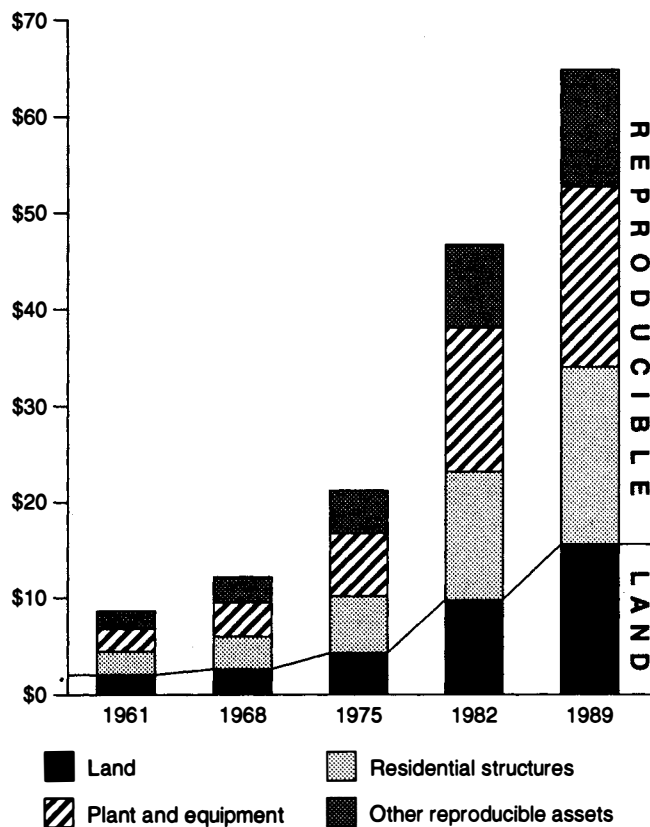
By the end of 1990, the sum of credit market borrowings, or the total indebtedness of the U.S. economy, for all borrowers, could be estimated at \$14 trillion. The basis for the estimate is provided by the Federal Reserve's "Flow of Funds" data series. Out of this total, federal, state, and local governments account for more than \$5 trillion; business, both financial and non-financial, accounts for another \$5 trillion; and household borrowings for \$3.8 trillion. The U.S. population and economy have been sacrificed on the pagan altar of maintaining the claims of that mountain of debt.

Figure 2 on p. 29 compares the average wage of goods-producing workers in manufacturing, the average salaries and earnings of all employed workers, and the debt of the United States, expressed as a per capita figure. Through 1975, it will be seen, the level of indebtedness and the level of the average wage packet were roughly identical. Since 1975, and especially since the Volcker rampage which began in 1979, that pattern has been broken. The indebtedness of the country, in per capita terms, has doubled twice since 1975. That, of course, would mean, interest rates staying the same, that the claims of debt against the population and economy doubled twice as well. But interest rates did not stay the same. Thanks to Volcker, the deregulators, and the elimination of state and local anti-usury laws, the claims of interest were permitted to grow faster than the total mass of debt was growing.

What happened to the economy is no different than what happens to an individual or a company when interest charges are permitted to increase beyond the capacity of earnings generated to maintain the debt service. The economy was bankrupted, driven into the ground, as capital assets and labor productivity, developed over centuries, were "asset-stripped" to service the growing mass of debt.

The debt, like a cancer, wasn't supported by any net new creation of wealth inside the United States. It was supported by looting of tribute from captive trading partners and economies overseas, by looting against the U.S. population and economy, and by the creation of an artificial asset base

FIGURE 3
Total net tangible assets per capita in the U.S. economy
 (thousands U.S. \$)



Source: *Balance Sheet of the U.S. Economy*, Federal Reserve.

against which the mass of debt could be secured.

The growth of this artificial asset base is depicted in **Figure 3**. This is a representation of the official version of the net worth of the tangible assets of the United States, again expressed in per capita terms. That is to say, if the net worth of these tangible assets were divided among all citizens, everyone would have a nest egg greater than \$60,000 to their names. The market value of land comprises about one-quarter of the total; the market value of residential properties another quarter; and the market value of all non-residential plant and equipment another quarter and more. It is not necessary to count how many people you know with \$60,000 in assets to their names, to know that the whole thing is a hoax.

But there has been no real increase in the net worth of such assets. Rather, what has been done to the economy as a whole is what was done to the farmers between 1970 and 1980, when the value of their land was increased about sevenfold, and they were encouraged to borrow on the basis of

that magically created collateral, only to find, between 1980 and 1983, that half or more of the increased valuation of their land had evaporated as suddenly as it appeared, and that their accumulated debts could not be serviced. The same pattern was then repeated with the savings and loan institutions, between 1982 and 1986, with their "Sun Belt" states' real estate and construction lending, and then for a third time with the so-called corporate sector, during the takeover binge of 1985-89. Those chickens are now coming home to roost. Through usury's wreckage of particular sectors, the whole mass of the faked assets against which the debt mass was secured has continued to grow.

Composition of the work force

Figures 4 and 5 depict certain of the consequences of this pattern, where it affects employment and earnings. **Figure 4** shows a more detailed account of the evolution of employment over the period since 1961, dividing the labor force into goods-producing workers—that is, operative and related employment in farming, manufacture, construction, and transportation—and comparing such employment with non-productive employment as a whole. So, goods producers decline overall from rather more than 30% of the work force to about 20%; goods producers in the manufacturing sector decline from about 17% of total employment to about 11%; and the farmers almost disappear entirely. That can be contrasted with the growth of nonproductive employment.

Figure 5 applies the same breakdown to the country's wage bill, such that, in the comparison between the two, what is identified is which portion of the labor force receives what portion of the nation's total wage packet.

In gross, at this level, it appears that the service sector and the producers are allotted dollar for dollar compensation, though the service sector portion has been increasing. The composition of the wage earnings appears to follow the shift in employment closely. But something else has been going on.

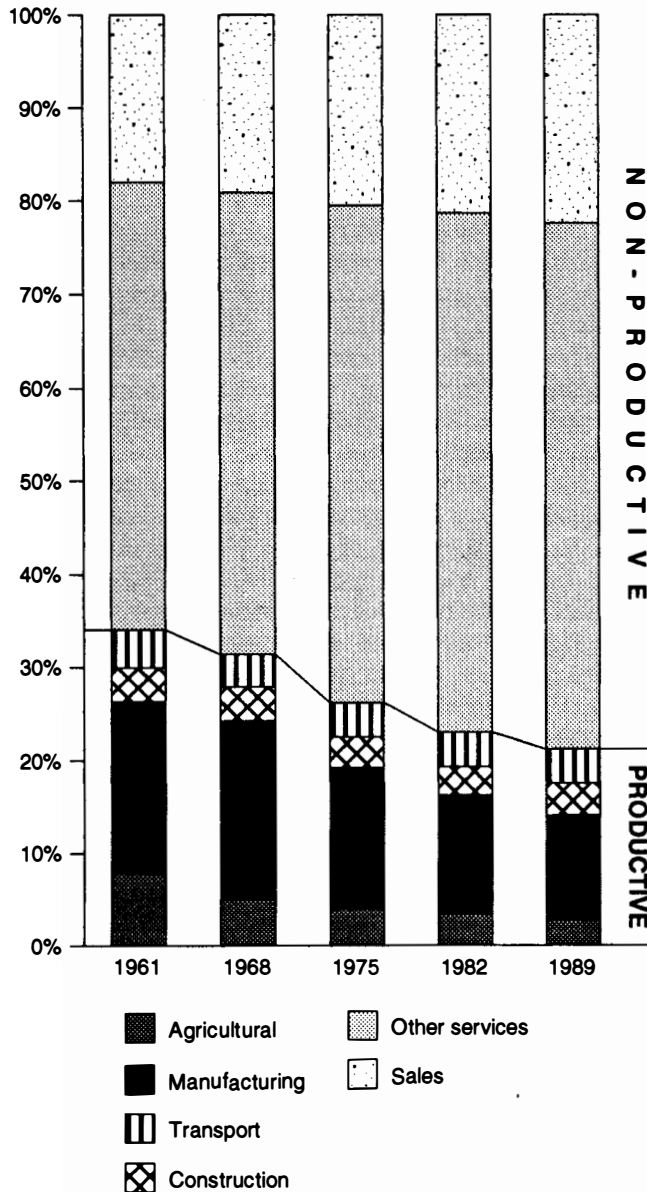
Figures 6 and 7 restate this in another way. In **Figure 6**, the division of the employed work force is organized such that the non-supervisory and government employees in the service and productive sector are separated out. Thus here, productive and services indicate all non-supervisory employment, whether in actual production, or in overhead functions in those sectors. Thus, of the employed labor force, rather more than 20% are now seen to be in supervisory functions in the private sector, and more than 10% in government employment.

This breakdown can be compared then with **Figure 7**, which identifies more precisely where the wage and salary packet ends up. Thus, the rather more than 20% of the employed work force who are identified as in supervisory functions, average \$80,000 per year in earnings. None of the remaining 80% of the employed work force make more than \$30,000, when earnings by sector are divided by employ-

FIGURE 4

**Composition of the U.S. work force:
productive operatives versus non-productive
employment**

(percent of total work force)

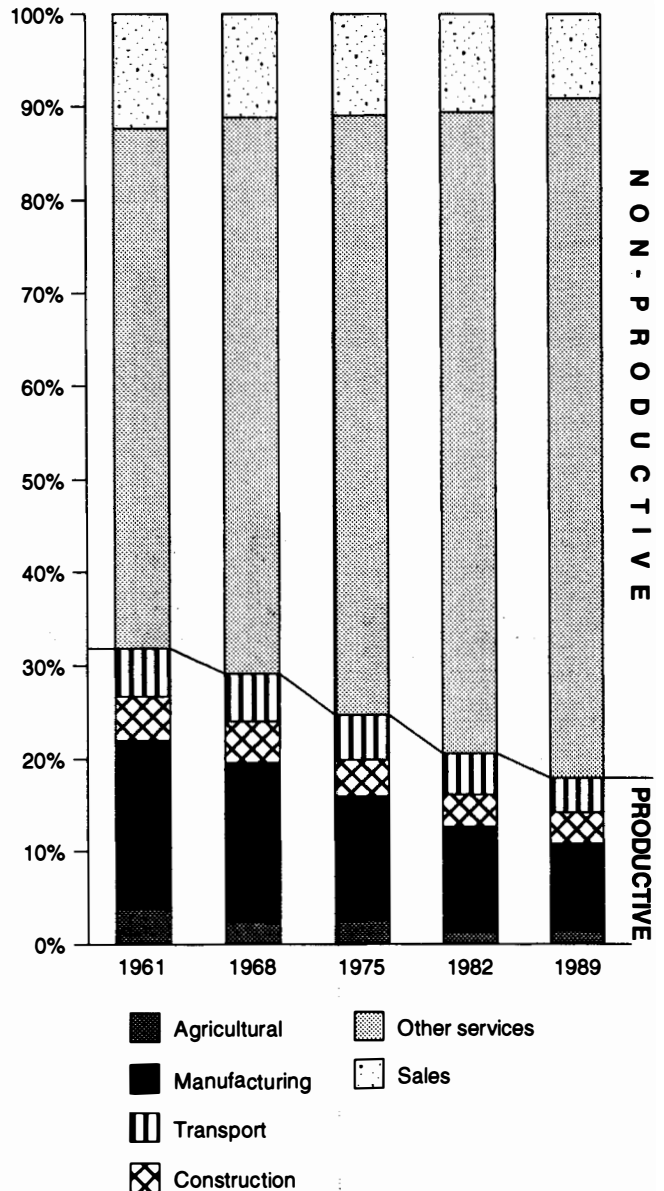


Source: *Employment and Earnings*, Bureau of Labor Statistics.

ment. Manufacturing employees are reported to average just over \$20,000 per year, while retail clerks are allotted an average of \$10,000 per year. Average wages, which reflect the influence of the 20% who are paid about \$80,000, just exceed the wage for manufacturing workers. These mislocated priorities are further reflected in a series not shown

FIGURE 5

**Share of the total national wage bill
(percent of total work force)**



Source: *Employment and Earnings*, Bureau of Labor Statistics.

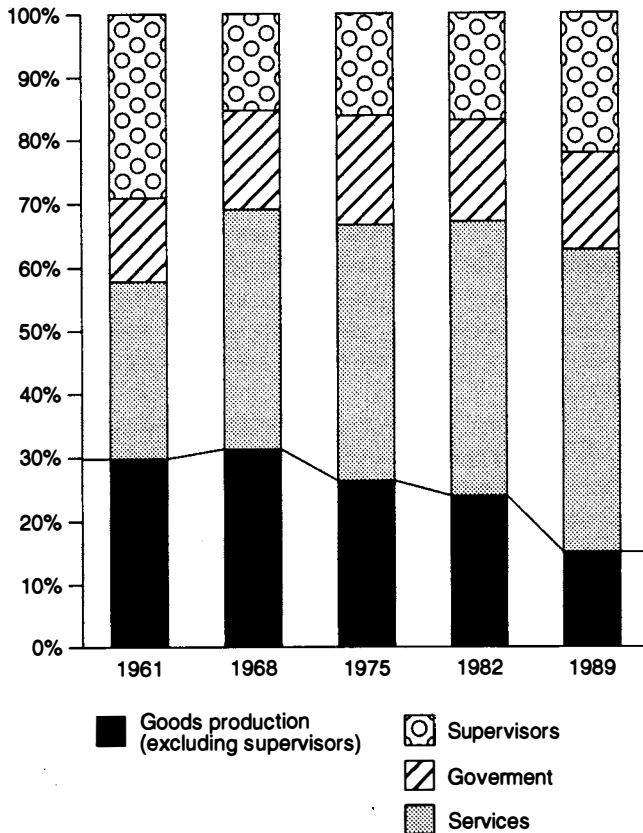
here. In 1961, 1968, and 1975, average earnings of retail clerks exceeded those of farmers.

These days, the level of \$15-20,000 per annum is roughly the poverty line. It is the level of income which has compelled 90% of the married couples who are in the labor force to both work. One wage packet at these levels is not enough to

FIGURE 6

Composition of the U.S. work force, by area of employment

(percent of total work force)



Source: *Employment and Earnings*, Bureau of Labor Statistics.

support a family, or even two people. The bulk of the employed work force is thus on the edge of joining those whom this rapacious usury system has thrown on to the scrapheap. The proposed NAFTA agreements will push those workers over the edge, for they are the ones targeted for wage cuts in the region of 30-50%.

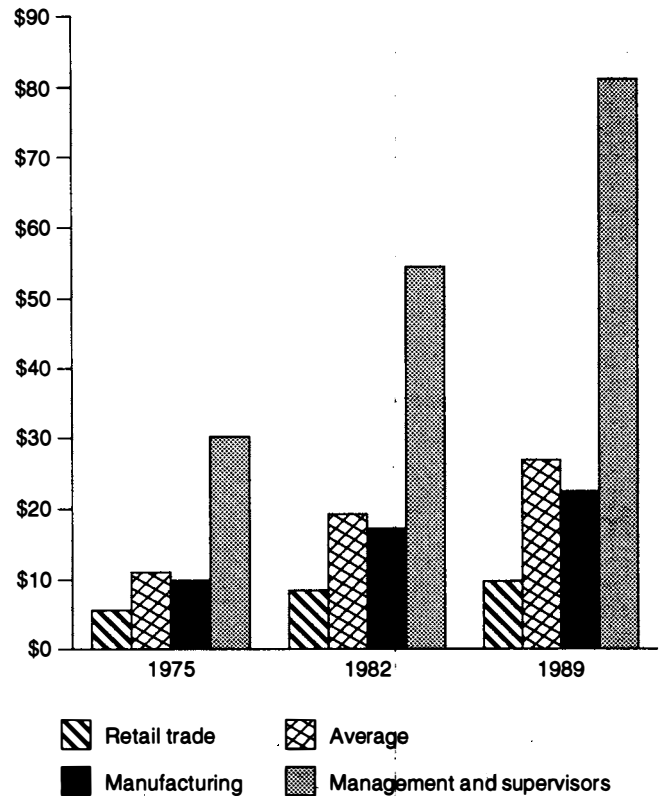
None of this includes the uncounted unemployed, estimated at some 17-18% of the labor force in *EIR* studies, when what the government calls "discouraged" workers and those no longer looking for work are included. Recent studies show that only 37% of the nation's unemployed qualify for unemployment benefits, given changes in qualification procedures which were put into effect in the Reagan years.

Reduce these wage-levels even slightly, add even slightly to the actual numbers of unemployed, and a kind of chain reaction will be set into motion, as the millions who have been pushed to the edge, under the usury regime of the last years, are pushed over. That is exactly what George Bush's

FIGURE 7

Average annual earnings of U.S. workers, by occupation

(thousands U.S. \$)



Source: *Employment and Earnings*, Bureau of Labor Statistics.

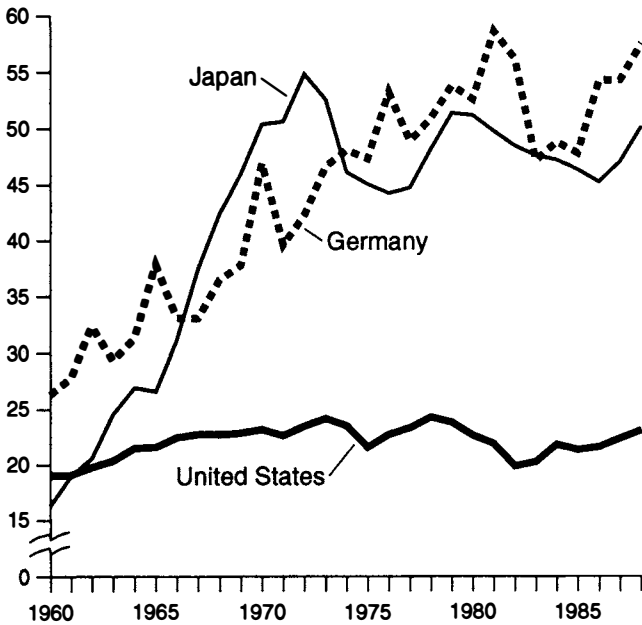
"fast track" North America Free Trade Agreement will accomplish.

The U.S. depression

For the past generation or so, the U.S. has insisted on following policies which have, cumulatively, pushed it over the edge, in the sense that the U.S. is no longer capable of producing, out of its own resources of qualified labor, stocks of plant and equipment, i.e., the means which would enable the country to recover and grow. Germany and Japan have not been so insane as to impose this course on themselves. Now, Germany, as the center of the still-functioning economy of Europe, represents the primary, and Japan, the secondary, remaining islands of productive potential in the world economy as a whole. Their capabilities are what remains after the destruction of the developing sector, through International Monetary Fund (IMF) conditionalities policies, the breakdown collapse of Marxist collectivism in Eastern Eu-

FIGURE 8

Freight moved per capita
(tons)



Sources: Eno Foundation for Transportation, *Japan Statistical Yearbook*; International Road Federation; own elaborations.

rope, the Soviet Union, and China, and the depression bankruptcy of the English-speaking part of the advanced sector.

What is the difference between the U.S. and the other two? Over the last 25 years, the United States, in the name of the post-industrial society—the crazed idea that our society has moved beyond the need to actually produce the improvements which permit continued human existence—has stopped being a front-rank producing nation. Germany and Japan have not. The U.S. is locked into depression. Germany and Japan are not.

Figure 8 compares the total freight tonnage moved, in all modes, per capita, in the three countries. The idea here is that the total freight moved represents a useful approximation of the total throughput of goods in the economy as a whole. The total freight tonnage includes the imported raw materials which, in both Germany and Japan, are necessary for the production process, and the exports which are shipped out to generate earnings to pay for imports and improvements.

It could be assumed, for example, leaving aside the numbers of people in each economy (the U.S., at about 250 million, is more than twice the size of Japan at 120 million, which, in turn, is about twice the size of the population of the area of the former West Germany), that the plateau reached by both economies in the first half of the 1970s does represent the level of throughput of goods required to qualify

as a leading developed economy. It is notable that this level of throughput is more than double that maintained in the U.S., under stagnating conditions, from the mid-1960s on.

U.S. reality: declining production

The totals are, of course, misleading in certain respects. The composition of the goods moved through the economy doesn't remain constant as the stagnating U.S. value might imply. Indeed, the composition of the tonnage shipped inside the U.S. has changed dramatically over the past 30 years, favoring an increased share for heavy, bulk goods, such as fuels, whether oil or coal, and grains intended for the export market. Manufactures and semi-finished goods have declined relative to the increasing shipment of bulk goods. So, while the appearance is one of stagnation, the reality is of decline and decreasing quality of goods moved through the system. Proportionally, manufactures and semi-finished goods count for more in the freight moved through Germany and Japan.

On the other side, however, opposite to the United States, which has become import dependent in multiple different sectors of the economy, Germany and Japan are organized to export. They have to, to survive. In both cases, exports of about 30-40% of total finished and semi-finished goods are required to generate the wealth needed to pay for the raw materials and other inputs which keep their economies functioning. The impulse for technological advance is maintained under the pressure of continually improving production technology and productivity to lower the economic cost of raw material and semi-finished input requirements, relative to the necessity of continuing to export. That is what the United States should have been doing too, instead of fastening, as a parasite, on to the rest of the world.

Figure 9 looks at the labor forces of the three countries and shows that part which is employed in goods production, i.e., involved in production and ancillary services, such as transportation.

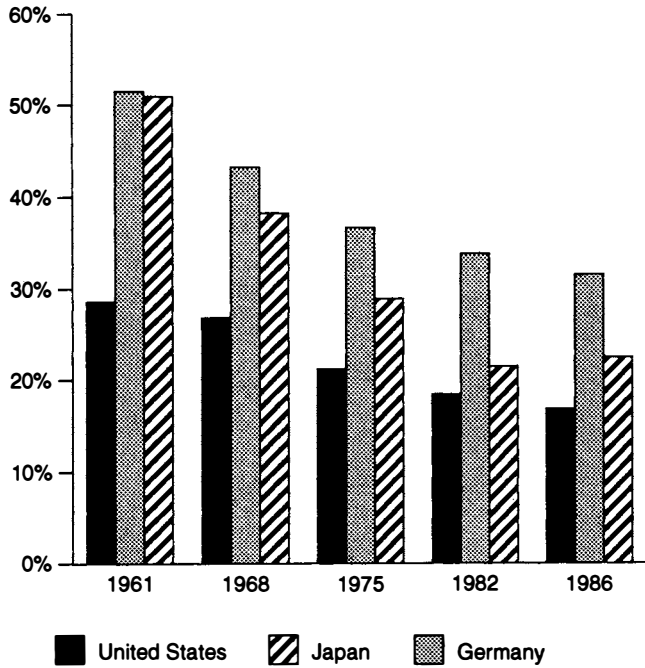
In each of the three economies, the productive share of the total labor force has declined. In each also, the larger part of the decline can be accounted for by a combination of shrinkage of the agricultural sector, and the policy of allowing employment as a whole to grow faster than employment in productive activity. That notwithstanding, the level of productive employment maintained in Germany and Japan till now, is comparable to what obtained in the U.S. 25 years ago, with the U.S. permitting about half of the proportion of the work force of a generation or so ago, to be so employed.

If you double the proportion of the work force to be productively employed in the United States back to the level of 30% or so, lo and behold, most of the inputs required to support production would also be doubled. Add a proportion of production for net exports. Then, for example, it would also be possible to argue that the throughput of goods in the U.S. economy ought to be about where it is for Germany and

FIGURE 9

Workers employed in goods production as a percentage of total employment

(% of total)



Source: United Nations Organization.

Japan. The U.S. ought to be adopting policies which make that type of approach possible, policies which are diametrically opposite to everything represented by the proposed NAFTA agreements.

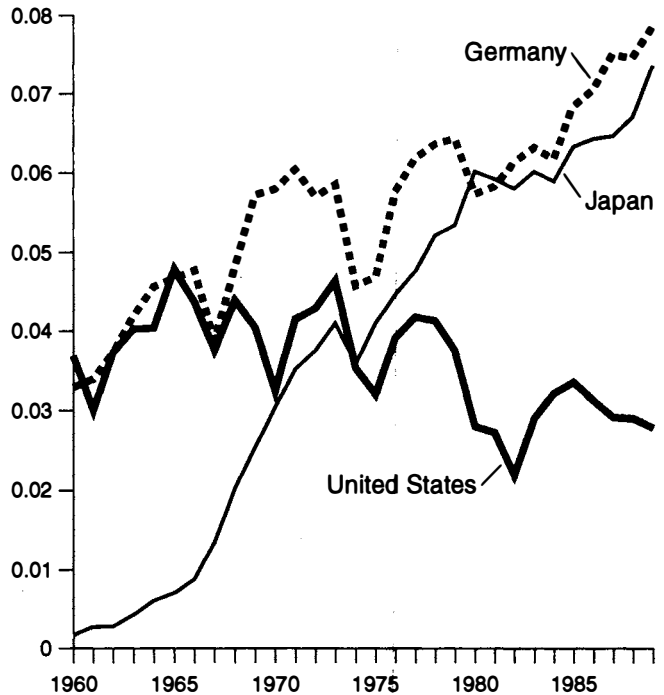
Heavy industry on the wane

The same case applies to particular industries. Both U.S. auto and steel are prominent among those which have demanded protection from imports of competitor nations, whether in the form of import quotas, or tariffs on the imports. Auto and its suppliers now lead among those threatening to pull out for Mexican slave-labor camps. **Figures 10 and 11** compare production of automobiles and steel, per capita, in the U.S., Germany, and Japan. They tell the same story as that shown in Figures 8 and 9.

Apart from the recovery from the recession of the late 1950s, which was launched by President Kennedy in 1961, and the brief continuing effects of that recovery through the mid-1960s, the United States has either been stagnating or in a process of decline ever since. The automobile industry is indicative of some 20% of the totality of the U.S. economy, once the feeder industries, like rubber, glass, plastics, tex-

FIGURE 10

Automobiles produced per capita
(number of automobiles)



Source: *Japan 1991: An International Comparison*, Keizai Koho Center, Japan.

tiles, as well as steel, are taken into account. Both figures reflect the successive phases of the collapse of the U.S. economy: from the shift which began in 1965-67 out of production and toward the post-industrial utopia, through the economic effects of the monetary chaos of the late-1960s which led into President Nixon's Aug. 15, 1971 decision to remove the dollar from the gold standard, through the effects of the first oil hoax of 1973-74, and into the brutality of Paul Volcker's high interest rate austerity policy of 1979-82.

It will be seen from both charts that, talk of any sustained period of economic growth over the last 10 years notwithstanding, the U.S. never recovered the levels of functioning which characterized the period before Volcker, and that those years represented nothing but stagnation and decline from the levels of the early to mid-1960s.

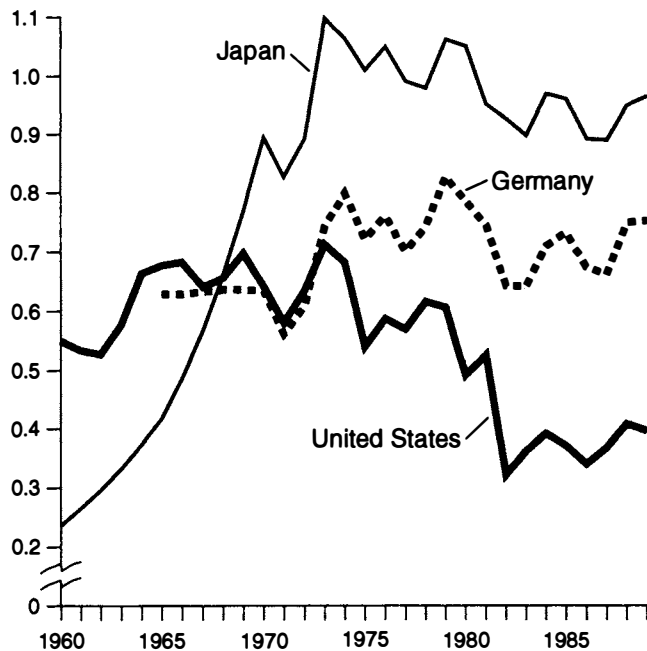
Protection from whom?

Just whom the automobile and steel industries supposedly ought to be protected from, then, becomes a peculiar question. Figure 10 shows, in the case of the automobile industry, that the United States had begun the long slide into depression well before Japanese production began to match that of the

FIGURE 11

Steel produced per capita

(tons)



Source: American Iron and Steel Institute.

U.S. industry.

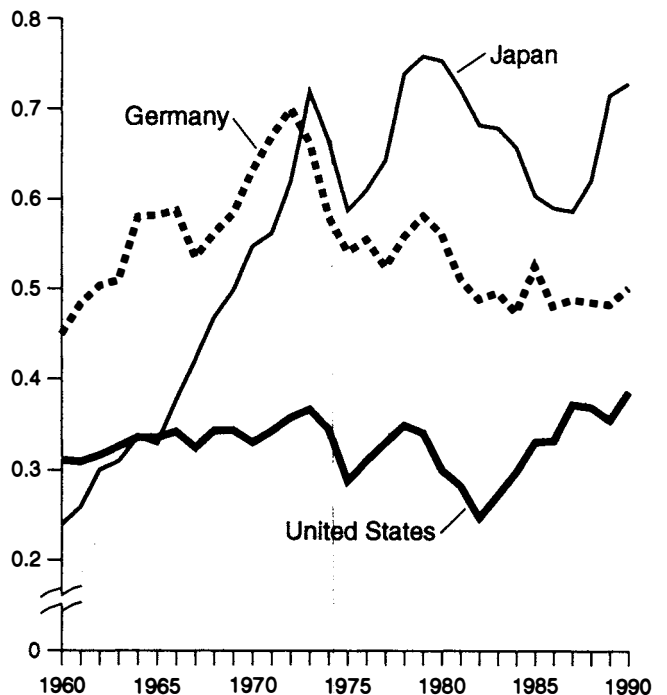
In design, engineering, and product development, the auto industry of the United States is left flat-footed by both the others. The depth of engineering excellence which goes into the production of Mercedes and BMW products can no longer be matched in the United States, and has not been matched for a long time. Japanese industry takes two years to break even on a product; U.S. industry, ten. Japan can redesign 80% of its models every five years; the U.S., only 40% in the same period. Japanese autos are produced with about 20% less labor than their U.S. counterparts, because the quality of the production machinery is continually improved. This is reflected in the new generation of multivalve, four-cylinder engines, which deliver more horsepower than the now-standard, U.S. six-cylinder version. The U.S. industry lacks the capital to retool for such products, or the engineering and production base to adopt them.

In the case of the steel industry, Japan's takeoff seems to precede the onset of the decline of the United States. The question remains, can Germany or Japan be held responsible, over the span of about 20 years, for the collapse of the United States? Steel reflects the same incapacities demonstrated in the auto industry: lack of capital investment, shortage of engineering skills, and dependence on innovation originating abroad, for the maintenance of sections of the industry. The

FIGURE 12

Cement produced per capita

(tons)



Sources: *Japan Statistical Yearbook*; U.S. Bureau of Mines.

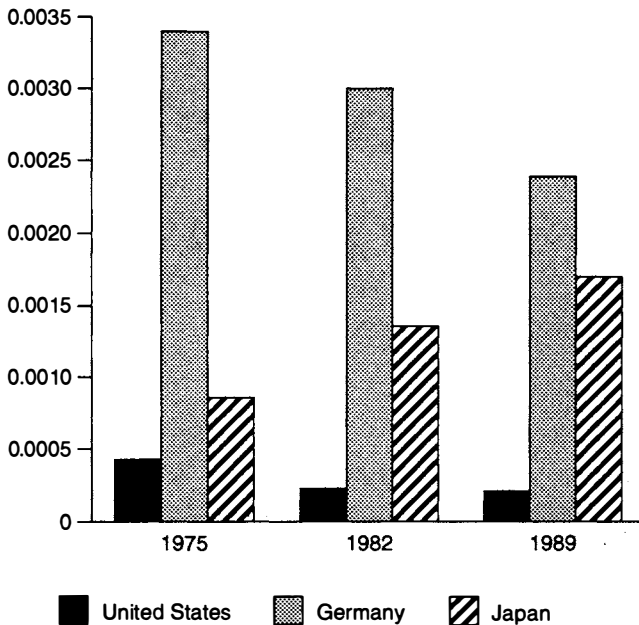
industry has been spending less than half the \$3 billion the American Iron and Steel Institute estimates would be required to maintain U.S. capital plant and equipment. Improvements in the industry's operating technology have been developed in primarily Germany and Japan, and adopted in the United States on a delayed basis.

The thesis that foreign competition destroyed these industries is absurd. No one is to blame but the Americans themselves. Did the Japanese or Germans insist that U.S. research or capital improvement budgets be slashed to maintain debt service? Do Japan and Germany control the policy of the London and New York banks which insist that usury comes first?

Figure 12 highlights this absurdity. No one hears about unfair competition in the production of cement, nor does anyone charge that cement is being dumped in U.S. markets. However, cement, a basic material for many industries, shows the same pattern as the automobile and steel industries. Japan is producing 30% more per capita of the material than is the U.S.; Germany is producing over 20% more. In the U.S., the industry never recovered from the oil shock of 1973-74. Overnight, the energy cost of production tripled, forcing a slew of producers out of business.

FIGURE 13

Machine tool production per capita
(units per capita)



Sources: Association for Manufacturing Technology; *Japan Statistical Yearbook*.

Machine tools and infrastructure

The machine tool industry produces the machines which make the machines that the economy depends on to function. Once number-one, and undisputedly so, both in volume and quality of production, and also the source for production technology innovations in the industry, the United States, since 1989, has been the world's number-five machine tool producer, ranking below Italy in volume of production. The present relative decline of the industry since 1975, again compared with Germany and Japan, is shown in **Figure 13**. The differences: Germany and Japan produce for export markets, whereas the U.S. does not, and imports more than 50% of its annual consumption. Germany, with its tradition of engineering excellence, is the manufacturer of the machines which make the machines for the European economy. The U.S. numbers are significantly lower than what is usually reported, because hand tools, electric drills, and so forth, which are often included in total production figures, have been removed, to produce comparability in the series. If the U.S. series were extended back in time to 1960, it would show the same pattern as was seen in the steel and auto charts: an increase through 1967, followed by a decline through 1972, followed by a bounce-back, with the precipitous decline developing between 1978 and 1982.

Again, lack of investment, destruction of engineering skills, and dependence on foreign innovation, are what characterize the industry. Two-thirds, and more, of the country's market will be dominated by imported tools and foreign transplanted producers in the 1990s, in the industry's own estimate. And again, it is worse than that. The German tool-maker Bihler designs tools at a plant in New Jersey. It cannot find enough skilled workers to build its designs in the U.S. The designs are thus built abroad and imported. When the machines arrive, the company's customers often cannot find workers with the skills to operate the equipment, not even among management personnel. In this company's view, "U.S. manufacturing is absolutely retarded."

The same profile is found in the public investment policies of the three countries. Public investment is made up of government-backed investment in such functions as road and highway construction, water supply and purification, sewage disposal, airports, and sometimes power supply and railroad transportation. These are the components of the infrastructure of the economy, elements which in the main are too large and costly to be funded from private investment, but without which no private investment can function.

This report was prepared by Chris White, Laurence Hecht, John Hoefle, Steve Parsons, and Anthony Wikrent.

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British 'new world order' behind Rajiv Gandhi slaying

by Linda de Hoyos

No matter how the May 21 assassination of former Indian Prime Minister Rajiv Gandhi is carried out or by whom, the murder of this Indian leader is the most lethal blow yet to the national sovereignty and integrity of the Indian republic. And no matter who plotted and carried out Rajiv Gandhi's murder, the policy behind that assassination is British policy for the dismemberment of India, represented in the United States by Henry Kissinger. India was the top target of the National Security Study Memorandum 200, "Implications of Worldwide Population Growth for U.S. Security and Overseas Interests," written in 1974 by then-national security advisers Kissinger and Brent Scowcroft.

NSSM 20 cited 13 "key countries" in which, it said, there is a "special U.S. political and strategic interest" which requires imposing a policy of population control or reduction. India heads the list of those countries.

Kissinger's NSSM states: "The subcontinent will be for years the major focus of world concern over population growth. India's population is now approximately 580 million, adding a million by each full moon." The document cites a June 17, 1974 report from the U.S. embassy in Delhi, complaining that "There seems no way of turning off the faucet this side of 1 billion Indians."

The aim behind the assassination of Mr. Gandhi is to hurl India into fratricidal strife, resulting in the destruction of its economy and sovereignty. And that is the nightmare fear that grips the nation in the immediate days following Rajiv Gandhi's death.

Mr. Gandhi was assassinated in the evening of May 21 as he was approaching the dais for a campaign rally. He was killed by a professionally assembled plastique bomb, which exploded and killed upwards of 20 other people. CBS polling that day had showed that it was likely that Mr. Gandhi would emerge from national elections, which had already begun on

May 20, as India's next prime minister.

Since elections were called on May 1, Mr. Gandhi had been traversing the country non-stop, holding rallies from early morning till late at night, in a campaign to return to the prime ministership. Gandhi's individual effort, far surpassing that of the Congress Party organization itself, was motivated by the threat to India's unity and stability posed by the rising popularity of the Hindu chauvinist Bharatiya Janata Party on the one hand, and the provocative low-caste-Muslim politics of Janata Dal leader V.P. Singh, on the other. In the course of the campaign, it was recognized that Gandhi had crushed the Janata Dal and its bid to steal the Muslim-low-caste vote bank of the Congress Party, leaving the BJP, with its in-depth organization, as Gandhi's major opponent.

Within the BJP umbrella coalition is the Hindu fundamentalist RSS, which provided the assassin of Mahatma Gandhi in 1948. The RSS is a paramilitary grouping with multiple ties to London and Israel.

The civil strife fomented by the BJP and the Janata Dal had already resulted in the bloodiest elections in Indian history, with 50 people killed during the first day of polling. That violence, in turn, became the cover under which Mr. Gandhi's assassination was carried out.

Now, the Congress Party has been left rudderless and in disarray, with far less capability to meet the BJP threat. It is feared that even if the BJP does not come to power in this election, it will be only a matter of time before it does. Once in power, the party is expected to declare war upon India's minorities—Muslims, Sikhs, and Christians—fueling the separatist movements that already plague the country. As *EIR* documented in its 1985 book *Derivative Assassination*, the Sikh separatist movement is owned and operated by London, as are the other insurgencies on the subcontinent.

While the Western press has consistently derided Mr.

Gandhi as the “last of the Nehru-Gandhi dynasty” and taken joy in his murder, the reality is that the Nehru-Gandhi family is the symbol in India of the nation’s unity and progress. “This is one of the blackest days in Indian history,” said Indian Prime Minister Chandrashekhar on Gandhi’s assassination. Gandhi represents for India “progress, development, and complete faith in democratic stability.”

British targeting

The murder of Rajiv Gandhi is the third phase of a destabilization of India orchestrated from outside the country which began in 1983. In March of that year, Prime Minister Indira Gandhi, Rajiv Gandhi’s mother and the leader of the Non-Aligned Movement, had just led a NAM conference which called for “new structures” to replace the bankrupt world monetary system and for a new world economic order, which would bring technology and development to the Third World. By the end of the year, Mrs. Gandhi was faced with an insurgent separatist movement among Sikhs in Punjab, with Sikh terrorists seizing the Golden Temple shrine in Amritsar, Punjab. In June 1984, Mrs. Gandhi ordered the Indian army to seize the shrine and put down the insurgency. On Oct. 31, 1984, Mrs. Gandhi was assassinated by her Sikh bodyguards.

In *Derivative Assassination*, *EIR* documented the British sponsorship of the Sikh separatist movement, and its ties into the U.S. and Canada through intelligence operative Jon Speller and the Anti-Defamation League. The same networks as sponsored the Sikh assassination of Mrs. Gandhi are responsible for the murder of her son May 21.

A case in point is Lloyd Rudolph, “India specialist” at the University of Chicago, who contributed to the India section of the *1980s Project* of the Council on Foreign Relations. Working under Rudolph in 1985 was Iqbal Singh, a retired Indian military attaché who told *EIR* in an interview Nov. 12, 1984, that he received regular reports from Sikh terrorists in Punjab. Singh was also in contact with Canada-based terrorist Brigadier Parminder Singh.

On the night of May 21, 1991, Singh’s professorial sponsor Lloyd Rudolph appeared on ABC’s “Nightline” to push his new book, *The Life and Death of a Dynasty*. Exuding hatred of the Gandhi family and of India, Rudolph proclaimed that India would have no problem surviving Gandhi’s death with leaders like V.P. Singh. A Public Broadcasting System special on Rudolph’s book, prepared weeks ago, will be aired May 25, Gandhi’s funeral-day.

Against the war, malthusian policies

If India is now in grave danger of disintegrating into chaos with the murder of Rajiv Gandhi, it is also the case that had he lived and taken the prime ministership, India was likely to re-emerge on the world scene as a leader of the underdeveloped sector and against Bush’s new world order. This first became clear when Rajiv Gandhi challenged the prosecution of the war against Iraq. In February, as the horrific toll of the U.S. air war

against Iraq became clear, Gandhi acted as the de facto foreign minister of the Chandrashekhar government, in an attempt to halt the war. Gandhi issued a statement Feb. 7, which decried the war in no uncertain terms:

“Iraq is being used as a testing ground for new weapons technology. The idiom in which the war is being advocated, propagated, and fought gives the impression almost of a game, or a war machine that is so taken in by its technological superiority that it seems to have forgotten the price in human suffering it is exacting. . . . Who knows how many children this war has already killed, how many more are destined to die, how many orphans this war has left untended, how many it has left destitute, from how many their laughter and play has been stolen, how many have been robbed of their childhood? We do not believe that the mandate of Resolution 678 extends to the destruction of Iraq. The Security Council cannot have authorized the liberation of Kuwait through the obliteration of Iraq.”

Gandhi then forced the Indian government to withdraw permission for U.S. warplanes to refuel in Madras on their way to the Gulf war from the Philippines; despite pressure from Washington, which knowledgeable Indian sources say included threats of assassination of Indian leaders.

In his last interview before his death, in the car on his way to the rally outside of Madras where he was killed, Gandhi again showed his unwillingness to step in line with the malthusian new world order. The interview, as reported May 22 by Barbara Crossette of the *New York Times*, went like this:

“He argued that family planning was ‘very much a non-starter’ in India.

“‘We need four things,’ he said. ‘We need education for the woman, the girl child. We need a good job for everybody. We need child and maternal health care. And we need overall economic growth. The government must act so that the result is family planning which would follow these things.’ . . .

“Asked how he thought he would get along with Pakistan’s new Prime Minister Nawaz Sharif . . . Mr. Gandhi said he had never met Mr. Sharif and could not judge what kind of relationship they would have.

“‘But I know who could have solved these problems with us,’ he said. ‘General Zia. We were close to finishing agreement on Kashmir, we had the maps and everything ready to sign. And then he was killed.’ . . .

“Mr. Gandhi said there was evidence that General Zia had been murdered, but he wouldn’t say more. Mrs. Gopal [another correspondent present] asked him if he didn’t think that some outside power had decided to upset the development of better relations with Pakistan. He said he thought that was likely. She asked whether India and Indian leaders might not be targets as India took on a larger role in the region. He agreed. He said the danger would not be from the Soviet Union, however, which was too busy with its own problems.”

Within the hour, Mr. Gandhi was dead, killed by a plastic explosive C1C2C3, never before used in India.

'Assassination of Gandhi is a crime against humanity'

Presidential candidate Lyndon LaRouche issued this statement regarding the May 21 assassination of former Indian Prime Minister Rajiv Gandhi.

The Gandhi family of India—which has just suffered another death today with the assassination of former Prime Minister Rajiv Gandhi—has been a friend of mine. And I speak from the standpoint of both that special friendship, and also as a statesman who is placed in a horrifyingly unique position by this latest atrocity, this latest assassination.

There is no question as to the ultimate authorship of this assassination. It is essentially the same authorship as that of the assassination of Mrs. Indira Gandhi as prime minister back in 1984. The assassins then included forces allied with the Anti-Defamation League in the United States—that is, with the Project Democracy crowd in the United States and the relevant other parties indicated.

The essence of this assassination is, of course, that while it may have been directed from the United States (as recent threats against former Prime Minister Gandhi indicated), the policy is manufactured in Great Britain—specifically by those in Britain who own, according to Mr. Kissinger's own public statement, former Secretary of State Henry A. Kissinger.

Now, to be specific.

Kissinger's target list of countries

Remember that India was placed on a special target list by Henry A. Kissinger at a time that he was still national security adviser for the Nixon and Ford administrations, and also Nixon's secretary of state. India is, along with Mexico, Colombia, Brazil, Pakistan, Turkey, and others, on that hit list. That's the essential issue.

The policy which Kissinger elaborated came at a time that Kissinger was acting as an agent of influence of the British Foreign Office. Kissinger so declared himself, that he had been such an agent during the Ford and Nixon administrations in a speech delivered publicly at Chatham House—his master's premises—in London, in May 1982.

So this, like the Bernard Lewis Plan, under which the United States joined Britain in bringing Khomeini to power in Iran, is a *British policy*—the policy of those in Britain who own, according to his own admission, Henry A. Kissinger—

those who represent the policies which Kissinger, Brent Scowcroft, and others have put into the U.S. government policy book back in the 1970s and during the 1980s, into the 1990s.

The objective of the assassination of Gandhi is the destruction of India. If the Bharatiya Janata Party comes to power, as is expected with the assassination of former Prime Minister Rajiv Gandhi, then the likelihood of communalist conflict is greatly increased; and also, even, of potential war or similar conflict with Pakistan and others. The objective of the British and their fellow running dogs in the United States, such as Henry Kissinger, is the dismemberment of India, dividing it into quarreling nations, or into a loose federation of quarreling states with no real effective unity as a nation.

Genocide beyond Hitler

The purpose of this is to take the approximately billion people or so of the Indian subcontinent and to subject them to massive genocide over the coming two generations through famine and epidemic. This puts Kissinger's masters in London and his associates and dupes in the United States in a class way beyond the worst attributed to dictator Adolf Hitler.

We must grasp the nature of this situation; we must rise above pragmatism to face elemental realities. The United States War of Independence was not a mistake, was not a misunderstanding, but was premised on an imperfect but adequate understanding of a moral gulf existing between the people of the Americas, and the British monarchy, which could not be bridged, except by war, if necessary, to separate the Americas from Britain.

The British royal family was evil then, and has not lately shown much sign of improvement in this policy. What they've done in India in the past speaks for itself, and their hand in the bloody events of the present speaks of Britain's past.

This is a crime against all of humanity; not only the family of Mrs. Gandhi and Nehru. It is a crime against India, because there was no public figure left in Indian political life who could have pulled that nation together, in a degree of unity sufficient to meet the challenge of this period. Thus, in this occasion, the murder of Rajiv Gandhi by Anglo-American interests, perhaps with ADL and related support, is more than the murder of a man; more than the continued murder of a family which the British happen to hate; it is the attempted murder of the better portion of a billion people of the Indian subcontinent.

Never before in the history of mankind have the Anglo-Americans of that faction associated with Kissinger done a crime as monstrous as this. It is time to say no: And whether the nations of the United Kingdom and North America are morally fit to survive, rather than be wiped from the face of this earth as an abomination after the model of Sodom and Gomorrah, will perhaps be judged by the manner in which we respond to the challenge of this awful event of today.

Brazilians challenge U.S.-backed genocide

One hundred sixty-four members of the Brazilian Congress have signed a call to officially establish a Congressional Commission of Inquiry, which will investigate United States government involvement in a decade-long mass sterilization program directed primarily against poor, black Brazilian women. The call, which has stirred nationalist passions in the country, comes on the eve of a June visit to Washington by President Fernando Collor de Mello, where the Brazilian head of state is hoping to link his flagging administration to Bush's fascist new world order.

Current estimates by Brazilian Health Minister Alcení Guerra are that as many as 20-25 million Brazilian women of child-bearing age—an incredible 44%—were sterilized, many of them without their knowledge. He has stated that evidence exists of *continued* mass sterilization programs today, and that the population reduction programs in Brazil's poorer cities, such as Recife and Salvador, have been so "successful" that his ministry was unable to find enough children to vaccinate last year! Dr. Guerra has ordered his ministry's Division of Infant and Maternal Health to investigate.

The congressional investigation call was sparked by extensive media revelations during the past three weeks, of secret U.S. National Security Council (NSC) documents detailing an explicit U.S. government policy to force Brazil and a dozen other Third World countries to reduce their populations, as part of a neo-colonialist strategy of domination to ensure U.S. access to those countries' raw materials. The recently declassified documents were written between 1974 and 1977, under then Secretary of State and NSC director Henry Kissinger and his successor, Brent Scowcroft. George Bush, Director of Central Intelligence and U.S. ambassador to China during that same period, collaborated in the development and implementation of the policy, the documents show.

An article published on May 2 by Brazil's most important newspaper, *Jornal do Brasil*, and written by the respected law professor and journalist Heraclio Salles, noted that of the 13 countries listed in the NSC memo as principal targets of the U.S. depopulation scheme, Brazil was the first on the list. The other countries considered of "special, strategic, and political interest to the United States," reported Salles, are India, Bangladesh, Pakistan, Nigeria, Mexico, Indonesia, the Philippines, Thailand, Egypt, Turkey, Ethiopia, and

Colombia. Salles writes that the NSC documents first became known in Brazil through a special memorandum circulated by the Brazilian office of *Executive Intelligence Review* magazine.

Salles charged that depopulation programs in Brazil have been generously financed by the U.S. Agency for International Development and Bemfam, the Planned Parenthood local chapter, which coordinates sterilization programs. "Millions of women were, and continue to be, subjected to procedures which differ in no way, in terms of their final objectives, from those used by the Nazis in Hitler's Germany to try to stop the numerical growth of the Jewish people," he said.

Sterilization: 'hidden apartheid'

At least 90% of the women who were sterilized were black and uneducated, residents of the impoverished *favelas*, or shantytowns, surrounding Brazil's major cities, according to Congresswoman Benedita da Silva, who gathered the signatures to establish the Commission of Inquiry. Da Silva called this "hidden apartheid," and has announced her intention of calling many of these women before the commission. The black congresswoman also charged that companies in Brazil were asking for proof of sterilization as a condition for employment, and demanded an investigation of what agreements may have been signed in recent years enforcing such policies. She suggested that "even the International Monetary Fund could be involved in all this."

Jornal de Brasilia, a daily published in the nation's capital, reported on May 10 that São Paulo Senator Mario Covas, a former presidential candidate, said that while the question of birth control was up to each individual, an investigation was warranted due to the "interference of a foreign state in this matter." Covas, who headed a similar congressional probe on the involvement of foreign agencies in the sterilization of Brazilian women during the late 1960s, said, "the evidence was very strong then, and is now being confirmed by impartial documents."

On May 18, *Jornal de Brasilia* revealed that the previous administration of José Sarney had zealously supported these depopulation programs. One of Sarney's departing acts was to decree that families could not take more than five deductions (for children) on their income taxes, a China-modeled policy which current President Collor has pledged to overturn. In 1989, Sarney personally awarded the International Planned Parenthood Federation \$100,000 "for services rendered to Brazil." The Brazilian daily *Hora do Povo* reported May 1 that those "services rendered" have led to "a collapse of Brazil's population growth, from 3.5% per year during the 1970s, to 1.9% during the '80s."

An official study by the Brazilian and Statistical Institute (IBGE) has just revealed that birth rates may fall to zero by the year 2000. *Hora do Povo* has appropriately dubbed this "a strategy for extermination."

Danger of war intensifies through the Balkan peninsula

by Konstantin George

A sweeping Balkan crisis of a type not seen in over 75 years, led by the threat of civil war in Yugoslavia, could become reality anytime between June and October. The immediate hot spot is and will remain Yugoslavia, but during the coming months the economic-political chaos in the neighboring countries of Albania, Romania, and Bulgaria, beset by collapsed economies, mass unemployment, and the beginnings of mass fascist-chauvinist movements, will advance toward dangerous thresholds. The most unstable of these situations around Yugoslavia's periphery is Albania, where a national general strike of industry and transport, begun May 15, was still in progress as of May 23, having paralyzed the country.

This overall matrix of upheaval in southeastern Europe will tend to intensify the latest troubles inside Yugoslavia. May 15 was the inflection point. Under the present constitution, the presidency of the Yugoslav federation is supposed to rotate annually among the six presidents of the constituent republics—Serbia, Croatia, Slovenia, Macedonia, Montenegro, and Bosnia. On May 15, by this rotation agreement, the post of State President, who is also commander-in-chief of the armed forces, was supposed to have passed by a vote of the collective State Presidency, from the Serb Borisav Jovic to the Croat Stipe Mesic. Instead, a Serbian chauvinist cabal, grouped around Serbia's communist President, Slobodan Milosevic, his "national bolshevik" supporters, and a Serbian extremist faction in the Serbian-run military, created a constitutional crisis by blocking Mesic's election.

The election of Mesic would have paved the way for Yugoslavia to become, as demanded by four republics—Croatia, Slovenia, Bosnia, and Macedonia—a league of sovereign states, in a very loose confederation. This transformation has been blocked by a Serbian cabal which insists that either Yugoslavia remain a Serb-dominated federal state, or, under any confederation arrangement, the territories outside Serbia where Serbs live—on the territory of Croatia and Bosnia—be incorporated into a Greater Serbia.

Three sessions, May 15-17, of the collective State Presidency, consisting of eight representatives—the presidents of Yugoslavia's six republics, and of the two autonomous regions ruled by Serbia, Kosovo, and Vojvodina—failed to break a repeated 4-4 deadlock on the vote for Mesic as

President. The numerical deadlock, however, was misleading concerning the true political correlation of forces inside Yugoslavia. In reality, the vote showed that Serbia was isolated. Four of Yugoslavia's six republics, the two western republics Slovenia and Croatia, the central republic of Bosnia, and in Serbia's rear, the republic of Macedonia, lined up solidly against Serbia, leaving only Yugoslavia's smallest republic, tiny Montenegro, aligned with Serbia.

The fears expressed by many Western commentaries that the constitutional crisis would plunge Yugoslavia into a immediate Serb-Croat civil war proved unfounded. Stipe Mesic and the leadership of Croatia handled the affront with commendable statesmanship. As early as May 15, Mesic was on Yugoslav radio proclaiming that the crisis was "not an inter-ethnic conflict" but a crisis caused by "Bolshevik Serbian expansionism," and, contrary to threats he had issued prior to May 15, that should he fail to be elected, he would hold a press conference in the Croatian capital of Zagreb proclaiming Croatia's secession from Yugoslavia, nothing of the sort materialized.

Croatia's May 19 referendum, where 94% voted in favor of Croatian independence within a "league of sovereign states," was not the alleged inflammatory secessionist move portrayed in some Western media, but another example of moderation. This was shown in statements made by Croatian President Franjo Tudjman, May 20: "I repeat that we want an alliance of sovereign states within the framework of Yugoslavia, if this is possible. If this is not possible, then we want complete sovereignty and complete independence." Stepan Mesic on the same day, quashing speculation that Croatia would bolt from and thus immediately break up Yugoslavia, stated: "Disassociation is a long and drawn-out process . . . of continuing negotiations with Yugoslavia's other states on the future shape of the [Yugoslav] community." Since basic agreement on this "future shape" had already been reached with everyone except Serbia, Mesic was clearly saying that Croatia still retained confidence that the crisis could be resolved through talks with Serbia.

This confidence of Mesic and other Croat leaders was not illusory. After the breakdown of the collective State Presidency, on the weekend of May 18-19, Yugoslav Prime Minister Ante

Markovic, a Croat, succeeded in creating a Coordinating Committee drawn from the federal cabinet, to run the country until the constitutional crisis was resolved. Notably, the agreement was concluded with the anti-civil war faction in the Serbian elite, and the leading Serbian cabinet members, Gen. Veljko Kadijevic, the defense minister, and Gen. Petar Gracanin, the interior minister, joined the Coordinating Committee.

At this juncture, a dangerous crisis existed and persisted, the danger of civil war had not been removed; but there was certainly hope for at least a short-term solution avoiding the ultimate horror of civil war. Then George Bush intervened.

Bush intervenes: back to square one

As in past history-making Balkan crises, what could send the situation out of control is the deadly mixture of home-grown instability and consciously evil manipulation of the regional crisis by outside forces, headed by the Bush administration and its controllers in London. It is the escalation of this latter factor, and not the failure of Yugoslavia to elect a new State President and solve its constitutional crisis, as such, which threatens to make the Balkans again, as in the decade prior to World War I, the "Powder Keg of Europe."

On May 20, the U.S. State Department announced that all U.S. aid to Yugoslavia had been suspended, and that the United States would veto all International Monetary Fund loans to that Balkan country. The U.S. veto means that Yugoslavia will not get a \$1.1 billion IMF standby loan, and thus no foreign loans in 1991, as the \$3.5 billion in foreign loans that had been lined up were all contingent on the IMF first agreeing to the standby credit. This could push Yugoslavia over the edge.

State Department spokeswoman Margaret Tutweiler on May 22 claimed the American move was prompted on behalf of "human rights," citing the Serbian leadership's "severe repression in the Kosovo Province." Serbia "has not conducted full, fair, and free elections, and is now acting to destabilize the Yugoslav Presidency," she said. A more than strange explanation, as Serbia has been conducting "severe repression" in Kosovo for a good three years, and the Serbian elections the State Department just discovered, were held last December. The State Department had no "explanation" to justify why all six Yugoslav republics were being subjected to U.S. economic warfare.

The effect of the U.S. policy will be to radicalize the Serbian people behind the extremist cabal, whose former popularity had waned sharply since last autumn. The media outlets controlled by Serbian extremists, such as Serbian TV—which had failed to mobilize mass support for a "crusade" against Croatia—were handed just the issue to rekindle Serbian chauvinist passions. Serbian TV on May 22 raved that the American move was a "special war" against Serbia on behalf of Croatia, to support the "radical goals" of Serbia's opponents through "force and foreign interventions."

The Croatian government of Tudjman denounced the

U.S. move for punishing "innocent republics" for "Serbian chauvinism," and federal Prime Minister Markovic warned that if Washington didn't revoke its measures, then Yugoslavia was doomed to "international isolation" and "economic catastrophe."

Could it have been a coincidence that the State Department dropped its "bombshell" during the Washington tour of Serbian Crown Prince Alexander, the claimant to the Yugoslav throne, who had arrived from his exile residence in London? It was precisely on May 20 that Alexander was addressing the National Press Club in Washington, confidently presenting his perspective of Yugoslavia's descent into total chaos, which would create the atmosphere for the restoration of the monarchy in Belgrade, i.e., a return to the pre-1941 state of affairs, of a monarchical "Greater Serbia" serving as a pawn to British interests.

In a recent issue, the German weekly *Neue Solidarität* warned that if the Balkans go up in flames, Western Europeans will have their own moral indifference to blame.

"For decades the West Europeans have stood idly by as the Yugoslavs have been subjected to the same International Monetary Fund austerity policies as those which destroyed the majority of the Third World countries. That is shown now, among other things, by the catastrophic condition of the country's infrastructure." The paper decried "shameless efforts by the Austrians to force the Yugoslavs to shut down their only nuclear power plant (a modern American model). It seems the Austrians and West Europeans only want to have a poor, backward southeastern Europe, where they can go on cheap vacations."

It went on, "If we want to stop a new European catastrophe, we must reverse this policy at once. Nothing is more apt for this than to implement the 'Productive Triangle' program" of Lyndon LaRouche. The Balkan states lie precisely in two of the most important "development corridors" expanding out from the Triangle: **The Danube Arm**, which connects the Western European industrial heartland with Southeast Europe and the Black Sea, via the Rhine-Main-Danube Canal; and **The Southeastern Arm**, with rapid rail lines for freight and passenger transport: Munich-Vienna-Ljubljana, and Zagreb-Sofia-Istanbul. This would revolutionize overland freight transport to the Mideast.

A political statement of intent to get the Productive Triangle going full-swing right away, would have a vital stabilizing effect on Yugoslavia and the entire Balkan region. "Then, money would have to start flowing and the construction get under way. There is no more time to lose."

French military strategy returns to gunboat diplomacy aimed at South

by Christine Bierre

The recent Franco-Algerian crisis has exposed a radical change in French military and strategic thinking.

Politically this dispute rings the death knell of a preferential alliance which, despite the typical love-hate relationship between colony and colonist, had united France with its former colony since the latter's independence. The fact that it was Foreign Minister Roland Dumas who went to Beijing to demand that China explain its nuclear cooperation with Algeria, doubtless on behalf of the new troika of France, the United States, and Great Britain, really does constitute treason against the traditional Franco-Algerian cooperation.

Roland Dumas's demarche confirms what France's participation in the Gulf war had already made obvious: that France has abandoned its "Arab" policy. But it would be false to think that the new French strategy is solely anti-Arab. France is, henceforth, turning against all developing sector countries, thereby abandoning General de Gaulle's remarkably generous posture toward the poor countries that wanted to progress.

This overturning of the values of Gaullist France lays bare an ugliness, a racism that one had gotten used to seeing only in the faces of the friends of Mr. Le Pen, but which, today, is spreading throughout the French political class. How else could one interpret the statements of Dep. François Fillon, "Gaullist" by extension, in the May 2 *Quotidien de Paris*, explaining that, in order to stop countries like Algeria from obtaining with civilian or military nuclear power, "we must set a limit on the export of expertise"?

Wars against the South

Even more disturbing are the speeches that have been given by a number of military figures since the Gulf war, which indicate that a whole military strategy is being put into place to confront the new menace from the South. That was precisely the evaluation of many think-tankers and strategists. Such views were expressed by a certain number of participants in the major military strategy colloquium that was organized in April by the War College in Paris, and which brought together more than 100 foreign dignitaries to discuss "Which Security for Europe at the Dawn of the 21st Century?"

"For 40 years, for the people of Western Europe, the threat

of war was from the East," wrote Yves Lacoste, director of the magazine *Herodote*, in one of the discussion documents distributed by the organizers of the April Forum. "But, now, when euphoria should be general" following the collapse of communism, "new dangers are appearing: not only in the East, where the difficulties of post-communist societies are more and more disturbing, but also in the South, that is, south of the European continent, in the Arab world and more broadly the Muslim world. The Kuwait affair is a living example."

The end of Yalta, with all the control that the superpowers used to exercise over their Third World allies, opens up a new period of instability in the Third World, according to these strategists, wrote Paul Marie de la Gorce, director of the *Revue de la Défense Nationale*, in another conference paper. This is especially true, he says, in the "Arc of Crisis . . . which goes from the northwest of Africa to the Indian Ocean, from Morocco to Pakistan, from the Atlantic to Central Asia."

We are moving, in the language of the experts at the French International Institute for Foreign Affairs (IFRI), from a world in which we had to deal with only one, very well-defined enemy, organized into a bloc, to a world in which the threat is multiple and found in the former East bloc countries, and above all in the South.

But how could this army of poor people constitute such a threat against us? This was explained for us by Maj. Gilles Martin, in his paper, "The Appearance of a Threat to Southern Europe."

Militarily, he says, this threat exists because we cannot appeal to nuclear deterrence against developing sector countries. Now, Southern Europe is already within striking range of the Arab countries. Italy, Greece, and Spain can be reached by Scud class missiles, while new, better performing missiles, which Libya, Syria, and Egypt are in the process of obtaining, would allow them to strike the south of France. These countries are also able to extend the range of missiles, eventually to equip them with chemical warheads, and deploy—for some of them—long-range planes like the MiG-27. As for tanks, countries like Egypt and Syria have three times as many as France.

Even though these countries deploy several systems

allowing them to reach some European countries, Martin acknowledges that these countries do not have an in-depth military capacity to really challenge Europe. With the Mediterranean in the middle, putting a halt to any land-based assault, Martin says the "Arab" menace in fact, is limited both now and for some time to come to a strategy of blind "terrorist bombings."

However little credibility the military threat may have, "the future seems heavy with uncertainty," says Martin, who envisages the building up of opposition—especially by "demographic, economic, and religious orders." Therefore, the threat consists of starving hordes, turned into religious fanatics. First there is the demographic factor: "The contrast between a rich Europe where population is stagnating or regressing, and a Maghreb in a permanent economic crisis, whose demography is taking off, can only be aggravated." Then the economic factor: "The Arab people blame the Westerners for their economic misery." On the religious factor: "Islamic integrism is spreading throughout and opposes Western values." Finally, there is geopolitics: "The two coasts of the Mediterranean create two confederations of states . . . the EC in the North, and the Union of the Maghreb in the South. . . . Having two great powers next to each other, populated by 200 or 300 million inhabitants, often gives rise to rivalries and war. These rivalries are all the more probable when they stem from differences in religion, ethnic differences, standards of living, democracy, demography."

Deploying against weapons of the poor

What to do in the face of this threat? Major Martin made a feeble and scarcely convincing call at the end of his paper in favor of European aid to these countries. Others, more candid, laid out the necessary military strategies to be on the scene for fighting those countries that would dare to develop the same advanced technologies, civilian or military, that we deploy.

Col. Jean-Louis Dufour put forward the following ideas: "From now on, future interventions will be all and altogether be linked in France to limited wars, however misnamed. These will take place . . . within Europe as well as outside the old continent. Overseas action, which formerly for the French Army used to be ancillary . . . even an embarrassing parasite, a bother that used to distract it from being preoccupied with Central Europe, the only noble engagement, will become the rule and the cardinal point of its efforts. Suffice it to say that a new army is indispensable."

Colonel Dufour went on to propose a top to bottom reform of the army, maintaining nuclear deterrence, but creating the conditions for rapid interventions, "as much in the East as in the South." He favors a coast guard, because "our naval forces will never have enough ships to be everywhere." "The land army is going to suffer" the most, but will be reconstituted around a rapid deployment force, considerably reinforced. The air force, will also be changed, in the "more

distant" future. Fewer fighter and intercept planes will be needed, but more very long distance transports.

What will be done with nuclear-armed nations? "What will we do, if the United States, being the dominant power, asked us to aid them in the circumstances leading to a conflict between India and Pakistan, for example? Will we remain seated on our rear ends, contemplating these things and saying, 'This isn't in our interests'?" asked former head of the General Secretariat for National Defense General de Barry, in the discussion that followed the presentation by Colonel Dufour. After being reminded by another participant that the United States would have nothing to do with such a conflict, de Barry acknowledged in effect that such an intervention would be undertaken in the name of the U.N. and the new world order, and not under the American aegis. Then he shouted out: "We need a new Metternich and a new Congress of Vienna, and it's not tomorrow that we need it!" Colonel Dufour added that, nuclear proliferation being what it is, there is a strong probability that "on the threshold of the year 2000, a certain number of regional conflicts, such as that between India and Pakistan . . . will be nuclear ones. The deployment of these weapons is eminently probable. It is only more probable, fortunately, that it may take place in the South than in the North!"

Declare war on the Anglo-American interests

What is the real situation in these countries of the South that Colonel Dufour is declaring the new enemy? In Africa, where the good colonel proposes to have Zaire and Morocco become the gendarmes for France, 29 million will die of hunger in the Horn of Africa, while, according to the latest World Health Organization figures, 6 million are infected with AIDS. Egypt, Tunisia, and Morocco are regularly rocked by food riots, brought about by the austerity policies of the IMF; Algeria has been falling into poverty for 10 years. What do these strategists fear: famished hordes, armies of poor, armies of sick, who will demand payment for the misery that's been imposed upon them?

In 1974, when the National Security Council was led by Henry Kissinger, an NSC document denounced development in Third World countries as a threat to the security of the United States. Since then, the manipulation to lower the prices of raw materials on the London, New York, and Chicago exchanges and IMF "structural adjustment" policies have ended up destroying the majority of the countries of the South that make up a "threat" to the United States, creating the "hungry hordes" that now worry the French strategists.

As for Islamic integrism: In Algeria, it was Saudi Arabia, the unconditional ally of the Americans, that financed the Front Islamique de Salut party; and in Iran, thanks to British Petroleum and Royal Dutch Shell, and to Valéry Giscard d'Estaing, Khomeini was put into power, and, from the beginning, it was the British intelligence services that fanned the flames of Islamic integrism.

Military crisis builds in Argentina

by Cynthia R. Rush

The crisis in Argentina's Armed Forces is reaching the boiling point, as high-level officers from all three branches are angrily telling President Carlos Menem that his austerity policies are turning the country into a "banana republic." Army nationalist Col. Mohamed Alí Seineldín, because he said long ago what many of these officers are only now saying, sits in jail today, with a sentence of 20 years to life. He repeatedly warned President Menem and the Armed Forces' high commands that surrender to the Anglo-American strategy to dismantle the military institution would leave the country defenseless and its sovereignty threatened. Menem ignored Colonel Seineldín, and with his anti-military policy provoked the nationalist uprising of Dec. 3, 1990 directed against the Army high command. The high command backed Menem in his harsh repression and treatment of nationalists, and tolerated his demand that the uprising's leaders be put to death or jailed for life.

But now, when leaders of the Armed Forces are telling Menem some of the same things that Seineldín has been saying for years, they are getting pretty much the same treatment that the President meted out to Seineldín. In response to military protests over the austerity conditions imposed by the International Monetary Fund (IMF), Menem has told the Armed Forces leadership to "make sacrifices" and not waste time demanding higher wages. Speaking on May 15, he warned that "just as we didn't tolerate what happened on Dec. 3, [1990], we will not tolerate any acts of indiscipline within the Armed Forces." As far as the Argentine President is concerned, anyone who questions his policy is just a rebellious *carapintada*, or "painted face," the term by which the nationalists are known, in reference to the camouflage paint worn by combat soldiers.

Menem issued his warning in response to a series of events over the preceding week. On May 10, the Navy's deputy chief of staff, Vice Adm. Antonio Mozzarelli, told an audience at the Punta Indio naval base that "Argentina is defenseless." Speaking on the anniversary of the founding of naval aviation, he explained that "this is not a sensationalist message, but rather a product of the conjunctural economic situation from which we all suffer." A few days earlier,

retired Brig. Ernesto Crespo, former head of the Air Force under the Raúl Alfonsín administration (1983-89), publicly attacked the government's submission to U.S. State Department and Pentagon demands that the Air Force's Condor II missile be dismantled. To succumb to these pressures, Crespo said, would transform Argentina into "a banana republic." In a subsequent interview, the Air Force officer said that Argentina had "subjugated itself to the United States."

Menem and Defense Minister Erman González moved quickly to punish the outspoken officers. Mozzarelli was relieved of duty and sent into retirement, and Crespo placed under 30 days of house arrest. Menem also ordered the high commands of all three branches to cancel a joint meeting, scheduled for May 14, whose agenda was the economic crisis afflicting the institution. It was the first time such a meeting had been planned since 1983. Menem threatened the military leaders that if they didn't cancel the meeting, he would put Finance Minister Domingo Cavallo on national television to charge that the Armed Forces are greedily demanding a 27% wage increase—equivalent to \$72 million monthly—which could be put to better use for social programs and pensions.

Military wages are at an all-time low, yet Cavallo, a leading asset of the Anglo-American establishment, claims that the increase would disrupt his economic austerity program.

Dismembering the Armed Forces

Menem's strategy of jailing or repressing anyone who disagrees with his policy is only a short-term solution. The high commands of the three branches of the Armed Forces agreed to cancel their May 14 meeting, and to discuss the issues separately; but that is probably only a temporary postponement. Just a few days after Vice Admiral Mozzarelli spoke out, Adm. Emilio Ossés, head of the Joint Chiefs of Staff, remarked in a public speech that the military institution had suffered "a substantial setback" in recent years, and warned that "the non-existence of the Armed Forces is not a luxury the country can afford."

Army, Navy, and Air Force leaders are enraged that cuts in the defense budget, at the IMF's behest, have reduced the operating capability of all three branches to almost nothing. Military manuals say that an Army with a 30% operating capability is effectively "defeated," yet the Argentine Army estimates that it now has only a 15% operating capability. According to the Armed Forces' own estimates, the current budget of \$150 million represents only 20% of the "historic" defense budget (\$750 million).

With no regard for national security or sovereignty, Finance Minister Cavallo views the Armed Forces as he would any other state-sector enterprise which is slated to be streamlined and privatized under the auspices of the World Bank. He and his military adviser Rosendo Fraga are trying to find a way to officially incorporate the Armed Forces into the

program to "reform" the state sector, in order to reduce the number of active-duty troops, and send soldiers home with unemployment benefits as if they were any other state employee. Menem has also granted the World Bank oversight of the privatization of all defense-related companies, including such strategically vital ones as the Somisa steel complex, the General Mosconi and Bahía Blanca petrochemical companies, and the military industries company Fabricaciones Militares.

Technology prohibited

The Bush administration's efforts to do away with the Condor II missile, which was formerly being developed in collaboration with the governments of Iraq and Egypt, have provoked sharp resistance among Army, Navy, and Air Force ranks, as well as an official alliance between the Army and Air Force high commands. For "tactical" reasons, Navy leaders prefer to steer clear of any public stance which might endanger the "strategic alliance" with the United States, but for most of the rest of the Armed Forces, the outrageous behavior of U.S. Ambassador Terence Todman, in his efforts to get the Condor scrapped, goes beyond the limits of tolerance. The Argentine Armed Forces have a proud tradition of involvement in scientific, technological, and infrastructural development, and view the attack on the Condor II as an unacceptable interference in the country's internal affairs.

For the Anglo-American establishment, elimination of Argentina's Condor has become a test case for successful implementation of its *technological apartheid* policy of denying Third World nations access to advanced technology, under the guise of preserving "democracy" and "regional peace." An article published in the May 13 *New York Times* lamented that the Menem government has failed to exercise sufficient control over the Armed Forces, thereby permitting the Condor II project to continue. After complaining bitterly that Argentine Air Force officials "were able to prevent a team of United States observers from conducting a full inspection of the [missile's] research sites," the *Times* asserts that the real issue is "the President's authority." It quotes a military expert that "I don't think there is a civilian official in Menem's government who really knows what Condor II has."

Nationalists strengthened

The *Times* tries to portray the Condor II, and the military institution itself, as dangerous menaces to the region, in order to justify further assaults on Argentina's Armed Forces. But, as the weekly intelligence sheet *El Informador Público* reported in its May 17 issue, the Bush administration's anti-military policies and the attacks on the Condor II are provoking intense discussion inside the Armed Forces on what the institution's proper role should be, and strengthening nationalist resistance. *El Informador* notes that "the Pentagon

is not pleased with the survival of a nationalist wing in the Army, apparently extended now to the Air Force with a focus on the Condor II, whose purpose is to show that the Argentine Armed Forces cannot and should not 'let down their guard' on matters of national defense." The paper adds that the U.S. is fearful that should nationalists ever take power in Argentina, a 1,200-kilometer-range missile like the Condor could be of real use in any plan to retake the Malvinas Islands.

The current military turmoil is particularly strengthening the group around Colonel Seineldín, whose views have been vindicated by recent developments. In an open letter on the current crisis, reported on in the May 14 daily *Clarín*, Seineldín commented that "the high commands at last appear to be trying to do something for the institution." Vice Admiral Mozzarrelli's statements on the defenselessness of the nation constitute "a small light which is beginning to insinuate itself," the colonel said. "If concretized in a real and sincere way, it will at last address the causes of so many confrontations "within the Armed Forces."

Regional warfare threat

Faced with a nationalist backlash, and uncertainty about Menem's ability to control it, the Anglo-Americans are looking into the option of using regional warfare as a way to smash the Argentine "menace." Argentina and Chile almost went to war in 1978, and, as proven by its role during the Malvinas War, Chile is quite willing to serve as an agent of British interests. In recent weeks, tensions among Chilean and Argentine Armed Forces have intensified over a disputed piece of territory in the Argentine province of Rio Negro on the Chilean border. A border incident in which an Argentine policeman killed a Chilean farmer heightened those tensions.

It hasn't escaped the attention of Argentine military personnel that while the United States, Britain, and Israel are demanding the dismantling of the Condor, they have no problem in supporting Chile's military machine. According to the same issue of *El Informador Público*, the U.S. and Britain are backing the development of a medium-range Chilean missile called the Rayo. The head of the Army, Gen. Augusto Pinochet, has just embarked on an international arms-buying tour, with stopoffs in South Africa, Israel, and the United Kingdom. Military sources in Argentina report that Israel is engaged in building a Chilean aircraft factory which will produce sophisticated bombers, similar to the French Mirage.

On May 13, the Spanish news agency EFE reported on statements by Chilean Navy Adm. Jorge Martínez Busch who asserted that Chile has none of the problems that other Ibero-American nations have, and should therefore be treated as a privileged partner by the United States. Chile is a "leader" Martínez said, which, among other things, "assures it a certain degree of independence in the capability to generate its own weaponry, and maintain its defense industries."

Chinese unity debated in Hong Kong

by Webster G. Tarpley

The unity of China has always been a central theme in that country's philosophical tradition, which is among the oldest and richest in the world. Already in the sixth century before Christ, the school of Confucius was dedicated to the philosophical and economic education of ministers and officials capable of providing enlightened and progressive administration in the various states of the Chinese world. The goal of Confucius, and of countless Chinese thinkers of later epochs, was to promote a peaceful, unified, and developing China as an alternative to oligarchism and the endless internal strife of the Spring and Autumn-Warring States periods.

Today, almost two years after the repression of the democracy movement in Tiananmen Square, a Chinese national dialogue seeking the peaceful reunification of this great nation has emerged. The status of Hong Kong as a British colony will be terminated in 1997, and the Portuguese presence in Macao will end two years after that. In Taiwan, the National Reunification Committee of the Republic of China (R.O.C.) on Feb. 23, 1991 proclaimed a set of "Guidelines for National Reunification," which foresee stages of "reciprocal exchange" and "mutual trust and cooperation" between Taipei and the People's Republic of China (Beijing) before a final stage of negotiation for reunification finally brings the two sides together. The R.O.C. is preparing to take up de facto diplomatic contact with the People's Republic of China (P.R.C.) through the medium of the newly created Straits Foundation, a private institution. Such events in China fit within the context of a more general drawing together of the East Asian nations (exemplified by the Malaysian proposal for regional economic cooperation) under the impact of renewed Anglo-American colonial aggression masquerading as Bush's "new world order."

Unification within two to three years?

According to Gen. Teng Chieh of Taipei, who was Gen. Chiang Kai-shek's right-hand man for many years, the Chinese situation has been completely transformed during the last 18 months. General Teng is a member of the R.O.C. National Assembly which has just completed approval of a series of constitutional amendments designed to terminate the measures of special mobilization necessitated by the period of communist insurrection. As a result, political life on

Taiwan will soon be fully normalized and a new National Assembly will be elected before the end of the year. By Dec. 31, General Teng, who has served as a deputy since 1948, will go into a well-deserved retirement. But in the meantime, General Teng predicts that national unity for China could come within as little as two to three years.

More important than the precise timing, is peaceful reunification, avoiding war. General Teng says that the problem is best understood by the oldest living generation of Chinese statesmen, such as Deng Xiaoping and himself. This generation is concerned with restoring unity before they depart from the scene. General Teng notes that while the R.O.C. is looking for areas of agreement with the P.R.C., there are still evident areas of conflict. Chief among these are Beijing's "four insists" or four cardinal principals: the socialist road, the dictatorship of the proletariat, Marxism-Leninism-Mao Zedong thought, and Communist Party leadership. In General Teng's view, these "four insists" must yield to the principle of multi-party democracy on the mainland. At the age of 87, General Teng is reaching out to the younger generation in Taiwan with a new movement of education and political action designed to familiarize youth with the teachings of Dr. Sun Yat-sen and Chiang Kai-shek. His goal is to recruit one person in a hundred, and ultimately to carry the new organization to the mainland.

Two figures provide a basis for the new unification dialogue: The first is Confucius himself, who wrote of the need to create "a great commonwealth" in that spirit of benevolence which informs all his thought. Confucius is honored in Taiwan and also in the P.R.C., where he has been mobilized to help fill the void left by the dwindling credibility of Marxism-Leninism-Mao Zedong thought. The second unifying figure is Dr. Sun Yat-sen, the great revolutionary and father of modern China who has always been honored on both sides of the Taiwan Strait. There is a large memorial to him in eastern Taipei, which is matched by an even larger memorial hall in Canton, which was built with the contributions of the overseas Chinese at the beginning of the 1930s.

Extraordinary participation

It is thus a sign of the times that the Hong Kong University, where Dr. Sun Yat-sen studied medicine, joined with the

Taiwan Normal University to co-sponsor an international conference on "The Thought of Dr. Sun Yat-sen and the Twenty-First Century," which was held in Hong Kong from April 25-27. The conference was chaired by Prof. L.L. Chao of Taiwan Normal University and by Prof. Chiu Ling-yeong of Hong Kong University. One extraordinary aspect of the conference was its participation. During the 1980s in Hong Kong, it has not been exceptional to witness academic conferences involving both Hong Kong and the P.R.C. But this conference was remarkable because it was one of the very first to bring together the P.R.C., the R.O.C., Hong Kong, Macao—in short, the components into which China has been divided over the past four centuries. Inviting R.O.C. scholars to come to Hong Kong has its own symbolic content: Both for P.R.C. reasons and for British reasons, R.O.C. citizens have had to tread very lightly in the colony, and R.O.C. officials risk becoming *persona non grata* under certain circumstances even today. Participants came from Beijing, Shanghai, Canton, and other parts of the mainland, along with all of the leading R.O.C. universities. Other scholars came from Japan, the Republic of Korea, Singapore, and Australia. From Europe came Prof. Paolo Santangelo of the Istituto Universitario Orientale of Naples and Prof. I-Chuan Wu-Beyens of Belgium's Louvain University. In an American delegation that included professors from Berkeley, University of California at Los Angeles (UCLA), and the University of Maryland, the Schiller Institute was represented by its U.S. president, Webster G. Tarpley, and by Mrs. Leni Rubinstein, of the Schiller Institute China Bureau.

The atmosphere of the conference would have been inconceivable a few short years ago. It must be remembered that in contrast to divided Germany, where the two German states had established virtually normal relations by the early 1970s, visits and dialogue between the P.R.C. and the R.O.C. were prohibitively difficult until last year. The conference was therefore remarkable for its overall positive and constructive tone: As General Teng had suggested, today's Chinese are seeking areas of common ground and dialogue. Among the scholars taking part, there was general acceptance of the idea that Dr. Sun Yat-sen, his writings, his economics, and his political ideas, are of primary importance for the future reunification of China.

Dr. Sun's method appropriate for today

An example is the paper presented on the first day by Prof. Lin Chia-yeou, of the Canton (P.R.C.) Sun Yat-sen University, on "Thought and Ideas of Dr. Sun's Railroad Program." Referring to Dr. Sun's economic development plan for China published in the early 1920s, Professor Lin pointed out the centrality of the railroad to all of Sun's economic writings, where it functions as a symbol for modernization and industrialization. It is the railroad that allows goods to be freely distributed to producers and consumers. The railroad must be combined with the construction of ocean

ports and inland waterways so as to create a three-dimensional transportation network. Dr. Sun, to save China, was working for a political revolution and then an economic recovery pivoted on railroad building. This is because transportation was in his view the foundation of industry, and railroads are the basis of transportation. Because China is such a huge country, border lands like Sinkiang, Tibet, Mongolia, and Manchuria exist which are vast and have a tremendous potential for agricultural abundance, and the only reason that they are underdeveloped is because of the lack of railroads. Professor Lin pointed out that according to Sun, San Francisco is an example of an American city that was underdeveloped until the railroad was built. More broadly, the economic prosperity of the U.S. was based on the transcontinental railway linking the east coast with the west coast, which made possible immigration and the settling of the west. Dr. Sun's conclusion to apply the American experience for the benefit of China meant to concentrate on building port cities, railroads, canals, and water projects for irrigation.

Prof. Chen XiQi, also of the Canton Sun Yat-sen University (and the chairman of the Guangdong Province Society of Sun Yat-sen Studies), spoke on the relevance of Dr. Sun's ideas for the world of the future. According to Sun, revolution and economic development were the ingredients necessary to make China a most progressive nation in a very short time. To do this, China must learn to separate the good from the bad in Western models. An independent, strong, unified China, cooperating with the nations of the world on an equal basis, would be a factor promoting world peace. Other P.R.C. speakers included Prof. Chieu Chieh of the Canton Sun Yat-sen University, who spoke about the 1912-13 Canton republican newspaper, *Min Sheng Ri Bao*, which was important for the movement that Dr. Sun led. Prof. Ge Rong-jin, of the Department of Philosophy of the People's University of Beijing and an official of the China Confucius Society, presented a paper on cosmological and epistemological aspects of Dr. Sun.

Nationalism and reunification

Professor Jang of the Canton Sun Yat-sen University observed that for Sun, the content of nationalism was very strongly anti-Manchism and anti-feudalism. While Sun was not a socialist, there are socialist elements in his thinking. Sun, he stressed, is seen on the mainland as a progressive, especially in his later phases when his anti-imperialist pronouncements became more explicit. There is therefore broad agreement in favor of Sun Yat-sen in both P.R.C. and R.O.C., but there are also differences of evaluation, including differences inside the P.R.C. One point that must be borne in mind is that the P.R.C. is a socialist society, although at a comparatively early stage of socialism. Further merits of socialism are still destined to emerge, said Jang, who expressed the view that the reunified China will maintain the socialist choice.

Another P.R.C. speaker, Professor Ding of Shanghai, recalled Dr. Sun's years of effort to break the power of the warlords that emerged in China after 1911. Ding was emphatic that reunification must be achieved by peaceful means. Taking note of the R.O.C. reunification guidelines, he proposed that the two sides of the Taiwan Strait learn from one another so as to fulfill Dr. Sun's perspective of nationalism. According to Ding, Deng Xiaoping after 1949 had proposed that the mainland society be democratized, but this proposal was not adopted, leading to a situation where during the early 1980s centralized control was excessive. According to Ding, too much scattering of power can also be a problem, and Dr. Sun would not have been happy with U.S.-style federalism. Professor Ding expressed agreement with recent remarks of Gen. Chiang Wego of the R.O.C. (the younger son of the late Generalissimo Chiang Kai-shek) to the effect that Dr. Sun's real message is autonomy not at the provincial level, but at the lower or county level. The P.R.C. is seeking to improve the quality of management by enlarging the private sector, although some areas will remain in the state sector. A central point will be to normalize the state of Chinese society, which implies a reliance on Confucius.

Certain areas of disagreement had become obvious. A number of R.O.C. speakers rejected the idea that a future China would continue to respect the socialist choice of 1949. Most R.O.C. speakers tended to criticize the P.R.C.'s "four insists" as a genuine stumbling block to the progress of national dialogue. Professor Kao of the R.O.C. challenged the P.R.C. concept of modernization: What does it mean when Deng Xiaoping says that his plan is to make the P.R.C. a modern society by the year 2050? Does this mean the fulfillment of the four modernizations decided by the P.R.C. XIII National Assembly? The P.R.C. wants to reach a per capita income of \$2,000 by the end of the century? That is not an ambitious goal, but, is it feasible? An R.O.C. speaker recalled Deng's pragmatic remark that it does not matter what color a cat is, as long as the cat can catch mice. The cat that catches all the mice on the mainland is precisely the socialist system, he said, and this is what must be changed.

Unequal relations with U.S.

An insightful R.O.C. speaker was Fu Kuen-chen, Associate Professor of Law at the National Taiwan University. Fu, who has published on issues of international law and who hosts a weekly discussion program on one of the three R.O.C. networks, presented a paper on "A Re-Unified China with Multi-Jurisdiction." Fu pointed out that the division of China has allowed the nation to be victimized in important ways, including by the United States. The U.S. approach to Taiwan is to consider the island a part of China when that suits U.S. interests, and to consider Taiwan an independent country when that favors the United States. This is possible because Taiwan has been on the one hand de-recognized by the United States Executive branch through the Carter China card of

1979, but at the same time recognized de facto by the U.S. Congress through the Taiwan Relations Act! One example cited by Fu is the August 1989 exchange of notes extorted by the Bush administration from Taipei, according to which the U.S. arrogates to itself the right to board Taiwanese fishing vessels and other ships in the north Pacific to monitor their salmon catch and other results of drift-net fishing. This bullying, imperialist policy is justified by Washington with the argument that since many of the salmon come from U.S. rivers, the United States retains, if not sovereignty over the salmon, at least a responsibility for the well-being of the species!

Fu also showed how the 1982 United Nations Law of the Sea treaty defines the ocean floor as part of the "Common Heritage of Mankind," but excludes Taiwan from participating in the management or exploitation of these resources. According to Fu, if the U.S.S.R. can have three votes in the U.N. General Assembly (with Belorussia and the Ukraine), why can't 1.22 billion Chinese have at least two votes, Beijing and Taiwan? The transitional solution offered by Fu is that "Taiwan should be simply treated as a part of a divided China—one China, divided into two parts. The situation is not that different from that of the formerly divided Germany, or the divided Korea." To meet the needs of Taiwan, Tibet, Macao, Hong Kong, and perhaps Outer Mongolia, Fu proposed "federalism with multi-jurisdiction," with due process and other clauses similar to those of the U.S. federal Constitution.

Another important R.O.C. contribution came from Prof. Richard H. Yang of the Sun Yat-sen University in Kaoshiung, who quoted from Dr. Martin Luther King to advocate a government of laws, and not of the caprice of persons, however powerful. According to Professor Yang, the R.O.C. must live up to this ideal by instituting a process of judicial review through the Council of Grand Justice, which could decide such matters as the terms of members of the National Assembly. Professor Mu of the R.O.C. talked about the reform of higher education in the spirit of Dr. Sun. Debate was wide-ranging, with one questioner asking if the problem of stable democracy in Latin America could be solved through the application of Dr. Sun's ideas.

Threat of the 'new world order'

The dialogue for Chinese-Chinese rapprochement and cooperation does not occur in a vacuum. Obstacles that cannot be neglected are the new and virulent phase of Anglo-American aggressivity ushered in by the new world order and the Gulf war. At the same time, much of the world is in the throes of an economic breakdown crisis centering on the Anglo-American world, but which is also very severe in the P.R.C., where 100,000,000 persons are now thought to be unemployed, homeless, or otherwise "redundant" under present economic arrangements. These points were touched on in the remarks of Webster G. Tarpley of the Schiller

Institute, who spoke on the morning of the final day of the conference proceedings on a panel chaired by Prof. John Wong of the Institute of East Asian Philosophies of the National University of Singapore. The title of Tarpley's paper was "Dr. Sun Yat-sen's 'International Development of China' and the Economics of Asian Infrastructure Today." Tarpley began by noting that all persons of good will, be they motivated by Confucian benevolence or by Plato's concept of the Good, must support the perspective of Chinese unification as a factor for world peace and development. Since it has been stressed that the reunification must be peaceful, we must recall that Germany had accomplished peaceful reunification only to be faced by a war in the Middle East with the U.S. and U.K. taking the leading role in aggression and genocide. Therefore China must be alert to such outside threats.

Sun's infrastructure plan still valid

Tarpley showed that not only the method, but many of the specific conclusions of Dr. Sun's 1921 infrastructure plan retained their validity for today. Noting Sun's rejection of Marx and Adam Smith, Tarpley placed Dr. Sun in relation to the Leibniz-Hamilton-Lincoln school of economics as a branch of physics, represented by LaRouche today. All the great continental states owe their national unity and development to railroads and related infrastructure, Tarpley showed, citing Lincoln and the transcontinental railroad, Cavour in Italy, Friedrich List in Germany and Austria, and the Trans-Siberian railroad. By contrast, underdevelopment in Latin America and Africa is closely related to the lack of a continental railroad grid. Sun is right in stressing the need for railroads, irrigation, and related infrastructure in such areas as Sinkiang, for it is here that China can increase her arable land for the purpose of increasing food production on the model of California's Imperial Valley. Today, the railways built should be magnetic levitation railways. If we judge from France, the U.S., and Taiwan, the P.R.C., with 1.2 billion people, would require between 240 and 600 nuclear reactors to attain full development. This would give China the economic power of ten Japans, which explains why the Anglo-Americans, who are already hysterical about one Japan, do all they can to block China's development.

'Productive Triangle' option reviewed

Reviewing the past ten years of P.R.C. economic reforms, Tarpley showed how the P.R.C. emphasis on coastal development alone must leave vast areas of the Chinese hinterland in underdevelopment. The coastal Special Economic Zones, like the Texas-Mexico border-area *maquiladoras*, are based on the premise of cheap labor, meaning low skills, low productivity, and low real profits. In fact, the productivity of mainland labor has probably declined since 1949.

By contrast, Dr. Sun's method of building continental infrastructure in depth is the surest route toward increasing

the productivity of labor. Quoting a recent study by LaRouche, Tarpley showed how the Special Economic Zones add a new Wall Street-Adam Smith primitive accumulation on top of several decades of communist primitive accumulation, guaranteeing a bad result. In this regard, the R.O.C. unification guidelines, which also refer solely to cooperation in the economic development of southeastern coastal areas of China, need to be broadened.

But, it might be argued, where in today's world of economic depression could the P.R.C. hope to obtain the modern capital goods necessary for real development in the spirit of Dr. Sun. Reviewing the crisis of the Anglo-American financial structures, Tarpley directed the attention of the scholars to the potential of united Germany and of the newly emerging nations of central and eastern Europe, with reference to the U.S.S.R. Tarpley illustrated in detail the LaRouche Paris-Berlin-Vienna "Productive Triangle" proposal for investment in magnetic rail, nuclear power, canals, telecommunications, and small and medium-size companies, along with Japan, as the potential source of the capital goods a unified China will require in order to be viable. Such a Eurasian development perspective is coherent with repeated references by Dr. Sun to the Indo-European, Euro-African, and Eurasian scope that serious railroad building must attain.

In conclusion, Tarpley also addressed the question of population. Dr. Sun was an opponent of Malthus, since he looked forward to a doubling of the Chinese population under conditions of technological modernization, and this emphasis is also to be found in Chiang Kai-shek. Today, about half of the P.R.C. territory is virtually empty, with only about 50 million people. Taiwan and Hong Kong have both gone from underdevelopment to a labor shortage in less than two generations, showing what would happen on the mainland under conditions of in-depth development. So if there are not enough hats to go around, it is better to get more hats than to start chopping off heads.

According to one scholar, Beijing now says that its repeated references to the option of reunification of China by force of arms are to be understood not as a threat to the R.O.C., but rather as a warning to various nations outside of China who might seek to seize or annex Taiwan.

This conference was a significant international event in East Asia. Mrs. Rubinstein was interviewed by the *Central Daily News* and the *United Daily News*, two of Taipei's largest news organizations, as well as by the China Television Service of the R.O.C. The Hong Kong and Taiwan press and other media carried detailed accounts of the exchanges among the scholars. This conference was therefore a step forward in the Chinese national dialogue leading to a new phase of rapprochement and pacification in which the economic and strategic ideas of LaRouche are destined to play an important role. The conference organizers, and especially Prof. Chiu Ling-yeong of Hong Kong, deserve a vote of thanks.

Sino-Soviet summit: troubled giants embrace

by Mary Burdman

Both China and the Soviet Union treated the first Sino-Soviet summit in Moscow in 34 years as a "major event." Chinese Communist Party General Secretary Jiang Zemin was treated as if he were a head of state. Jiang was accompanied by Chinese Foreign Minister Qian Qichen and Defense Minister Qin Jiwei, who conducted talks with their Soviet counterparts. Soviet CP head Mikhail Gorbachov emphasized Jiang's status by sending both Soviet Vice President Gennady Yanayev and party Deputy General Secretary Vladimir Ivashko to greet Jiang at the airport. Ivashko had visited Beijing in March to arrange the trip.

During the visit, Jiang, who speaks Russian, met with Gorbachov at least twice, Prime Minister Valentin Pavlov, and parliament chairman Anatoly Lukyanov.

Mutual support for each other's stability was the basic theme of the summit. As Ivashko had said on his visit to Beijing, the critical issue for both nations is to "secure their rear" in a tumultuous world. In an interview with the Soviet daily *Pravda* just before the trip, Jiang emphasized both peaceful coexistence and economic cooperation. China and the Soviet Union, Jiang said, have mutually complementary needs and favorable geographic conditions for cooperation. Gorbachov and Jiang both agreed, Radio Moscow reported May 17, that threats to stability in the U.S.S.R. and in China are "of great importance for the stability of Asia and Europe, and thus for the rest of the world."

Jiang's visit was useful to Gorbachov for internal consumption, allowing him to emphasize to conservatives the importance of the Communist Party and socialism. By paying so much attention to the leader of China's CP, he emphasized that the party is at the helm in China and that the Soviet Union still has ties to external CPs.

Both leaders emphasized that their renewed friendship was not aimed at anyone, and that this was not a return to the alliance of the 1950s. However, Radio Moscow commented May 20, the two sides agreed in their opposition to "hegemonism" and both opposed any form of international domination—a swipe at George Bush's new world order.

Soviets can still stand up to U.S.

The question is what the U.S., in its industrial collapse, could possibly offer China. Washington would do well to take note of a recent comment by Chinese Foreign Minister Qian Qichen. "The Soviet Union faces layer upon layer of

domestic contradictions and its national power is declining, but militarily it is still the only power capable of standing up to the United States," Qian said.

The fact that Defense Minister Qin Jiwei went to Moscow to meet again with Soviet Defense Minister Dmitri Yazov so soon after Yazov's five-day visit to Beijing May 3-8, indicates that a sale of advanced Soviet SU-27 fighters to China is in the works. China, cut off by the U.S. from arms sales after the Tiananmen Square massacre in 1989, could become a major Soviet market.

A partial solution to the disputes over the eastern section of the Sino-Soviet border along the Amur River, the site of battles in the 1960s, has been worked out on the basis of "mutual concessions," one Chinese official said. The Chinese conceded the largest of the disputed border islands in the Amur River to the Soviets, and the Soviets agreed in principle that the border runs down the middle of the river, which means that most disputed territory will revert to China.

The potential for broader economic cooperation exists. Mutual trade is minuscule in international terms, but, as Radio Moscow said in its sum-up of the summit May 20, the two economies "complement one another" and there is potential for expansion. About 40% of Soviet sales to China are of machinery and equipment that the Soviets could not market in the West because they are sub-standard, but are cheap enough to be attractive to the Chinese. The Chinese can supply the Soviets with needed consumer goods, particularly textiles. Moscow also needs Chinese labor to develop the mineral resources of Siberia. Tens of thousands of Chinese already work in the Soviet Far East, which has a population of only 2 million people.

But what could become the most important element of Sino-Soviet rapprochement is the potential for infrastructure development in the vast eastern region of Eurasia. This can only happen if Europe consolidates its economic potential along the lines of Lyndon LaRouche's Berlin-Paris-Vienna "Productive Triangle" policy. There are some aspects of the Sino-Soviet discussions which could, with an "economic engine" in Europe, at some point contribute to Eurasian development.

On the eve of Jiang's visit, the Soviet paper *Nezavisimaya Gazeta* stressed the "importance of our joint efforts to develop infrastructure along a vast zone" including the Soviet Far East, Manchuria, and Mongolia. The Soviets look forward to cooperation with small and medium-size Chinese enterprises, the paper wrote. China badly needs Soviet industrial and transport technology, including trucks, rail engines and cars, and machinery building technology, the article reported.

In addition, the last section of a rail link between the Central Asian republic of Kazakhstan and Xinjiang in China will now be completed even more rapidly than planned, probably by the end of this year. This link will greatly shorten the European-southern China rail route. These developments are a far cry from what both nations, and the rest of Eurasia, need, but they are a start.

Frankfurt drug lobby hollers against ADC

by Volker Hassman

Frankfurt-on-Main, sometimes referred to as Europe's capital of crime and drugs, is faced with a major scandal. Only three days after the inauguration of Mayor Andreas von Schöler, the First Lady of the city misused her position as a journalist for the local state radio Hessischer Rundfunk (HR) for an inflammatory libel against the Anti-Drug Coalition and its co-founder, American politician and economist Lyndon H. LaRouche. For more than 10 years, the ADC has been among the harshest critics and opponents of the liberal drug and security policies of Mrs. Ulrike von Schöler's husband.

Andreas von Schöler, a highly controversial liberal political careerist in Germany, who has switched from the Free Democratic Party (FDP) to the Social Democrats (SPD), succeeds the unfortunate Volker Hauff in the Frankfurt mayor's office. Hauff headed the city's first "red-green" magistrate, which included the radical ecologist and anarchist figure, the head of the May 1968 riots in France, Daniel Cohn-Bendit. Hauff's surprise resignation two months ago occurred in the midst of a breaking scandal that linked city officials to local organized crime figures like the Beker brothers and real estate tycoon Josef Buchmann. Buchmann, who has been named as the suspected "godfather" of organized crime in Frankfurt, acted in the background of big real estate deals in the red light district, between the city's magistrate and "bordello king" Hersh Beker, involving millions in tax revenues.

Already a decade ago, the ADC had exposed Buchmann as an asset of the Meyer Lansky mob, charges that have been ridiculed by Mrs. von Schöler as "conspiracy theories" in her frequent broadcasts, thus covering up for the structure of organized crime in Frankfurt and its connection to prostitution, drugs, money laundering, real estate speculation, and political corruption.

Even more embarrassing to Mrs. von Schöler is the fact that her husband added nothing to fully clarify the scandalous deals between the city and the mafia during his powerful position as legal administrator of the Hauff magistrate. In his inaugural speech, he did not even mention Frankfurt's role as capital of the drug trade in Europe. Among von Schöler's first acts in office were a reception for rock star Sting in the historic "emperors' chamber" in City Hall and a donation of DM 10,000 for Sting's campaign to "save the rain forests."

The skeletons in the closet

The drug lobby should be grateful to the couple. Mrs. von Schöler, a student of Teodoro Adorno and Max Horkheimer of the "Frankfurt School" and a former radical leftist who is well-known for her hate-journalism, has pursued systematic vilification against Lyndon LaRouche and the work of the ADC for fully 10 years, drawing on the dope lobby's slander networks in and around the Anti-Defamation League (ADL). The new First Lady, who prefers to work under her maiden name Holler, used the HR station for the first time in 1982 against the ADC and LaRouche, when she defended the liberal drug policy of her husband. Her vitriolic attacks against the ADC are understandable. The ADC opposes any move for legalization of drugs and has therefore attacked von Schöler since 1981, when he was a spokesman for this policy within the FDP. During the Frankfurt municipal elections in 1981, the FDP received a painful blow when it was branded the "Free Drug Party," and von Schöler's party was subsequently kicked out of the city council. One year later, the HR local TV channel stupidly slandered LaRouche as an "anti-Semite," because he described "Jewish" Meyer Lansky as a gangster.

But there is more which the von Schöler clan does not like to be exposed. During his term as state secretary in the Interior Ministry under Minister Gerhard Baum (FDP) at the end of the 1970s, von Schöler played an active role in the destruction of efficient police and intelligence systems of information. Even today, the blood pressure of anti-terror experts rises, when the names Baum or von Schöler are mentioned. The reasons for today's problems in German anti-terror efforts, as highlighted recently in the assassinations of banker Alfred Herrhausen and corporate official Detlev Rohwedder, can be traced back to these "data-protection" hysterics. Already in 1980, von Schöler campaigned against the current anti-terror legislation, and was a member of the liberal Humanistische Union, which has been pushing not only anti-police projects, but also pro-euthanasia campaigns.

The latest slander by Mrs. von Schöler was broadcast simultaneously with slanders of similar content nationally and internationally. While it is part of the attacks of the drug lobby and the Bush administration against their political opponent, 1992 Democratic presidential candidate Lyndon H. LaRouche, it is also of local political significance. The HR broadcast is an outburst of hate and lies against "the LaRouche political sect," using "psychologist" Hella Ralfs-Horeis as star witness against the LaRouche movement. Ralfs-Horeis was formerly the editor-in-chief of the ADC's magazine *War on Drugs*, but she now collaborates with the drug lobby. This new defamation is considered an attempt to silence the only remaining opposition to the methadone program which von Schöler is pushing "for ideological reasons" along with his coalition partner, the pro-dope Greek Party of pothead Cohn-Bendit.

Germans squeezed by two superpowers

Struggling against blackmail from the U.S. and U.S.S.R., Bonn's pragmatism could "hoist it on its own petard."

On May 21, the overwhelming media line here on the talks Chancellor Helmut Kohl had just concluded in Washington was that they resulted in harmony and a new start for "partnership in leadership."

On May 22, German Economics Minister Jürgen Möllemann told the press in Munich that the weeks-long controversy over the housing program for Soviet officers returning from eastern Germany, was resolved to the "satisfaction of both sides."

It seemed, therefore, that two big problems the Germans had suffered from during the past months—U.S. charges of unreliability and lack of solidarity during the war against Iraq, and Soviet blockade of relations with Germany—had been overcome.

That evaluation would be superficial and wrong. The basic issue, namely that both superpowers accept united Germany as a sovereign state, a partner on equal terms rather than a pawn that can be used against the other superpower or at least be exploited for one's own games, is not dealt with.

There certainly is more that could be done by the Germans to underline their commitment to become a fully sovereign state, to turn the formal reunification of the two German states last Oct. 3 into a process befitting the weight a modern industrial nation of 78 million people like Germany should have.

The Germans could have better resisted Anglo-American attempts to undermine the motion for a genuine European defense, grouped around a reinvented Western European Union. German foreign policy could

have been much more active during the Gulf crisis in contrasting the Anglo-American war buildup. The German government should have used the mass ferment in the streets against the war, rather than applaud its collapse under an international media libel campaign. The Germans should not have let the defection of the French into the Anglo-American war party happen.

The Bonn government decided to take a "pragmatic" road, and it got squeezed by outside factors it could not control or influence sufficiently. What the German government did was to adapt to the "all-Western consensus" defined in London and Washington. At the same time, the Germans stored away their own plans and projects, waiting for a better world political environment to present them in public again. This is a form of appeasement, a "pragmatic cleverness," which may help to take away some of the outside pressure, but it doesn't eliminate the source of the trouble.

Membership in NATO is a cage for the Germans. The NATO treaty which also speaks of harmony of mutual economic values among alliance members, has always been interpreted by the Americans as an instrument to control the West German economy. The addition of eastern Germany has not changed the U.S. views on the matter. NATO is seen as one of the main instruments to keep the economic power of united Germany under control.

The domestic decline of the U.S. economy has added aggressiveness to the American approach to Germany. One can be sure that the interpretation

Bush has of the newly proclaimed U.S. "partnership in leadership" with the Germans, translates into "more German monetary support to the U.S. than ever before." This is also seen by many in German politics, but not admitted in public. There is little illusion here that the Bush administration will cease attacking German monetary and interest rate policies, or German state subsidies for the aerospace and telecommunications sectors, to shipbuilding, coal mining, and agricultural production.

It seemed, at least for some time, that there is more immediate potential for German progress with the other superpower, the Soviets—also to the advantage of the unstable Soviet Union.

Slow progress in implementation had already disillusioned many on the near-term prospects of German relations with the Soviets, but deep disappointment emerged here when both superpowers began actively preparing for another Bush-Gorbachov summit. The superpowers reestablished the special, exclusive relationship that is typical of pre-summit periods.

As already evident in the late phase of the Gulf crisis, shortly before war began, the Soviets adopted a utilitarian approach to relations with the Germans. Intense contacts to Washington developed at the expense of Moscow contacts to Bonn.

Moscow tolerated a decline in diplomatic contacts with Bonn and the collapse of its trade with eastern German firms, and let the conflict over the joint project to find housing for troops—although Germany is funding the project with DM 7.8 billion.

German concessions saved at least part of the contracts for construction firms in Germany, this time. But there is the impression in Germany, again, that the Soviets are incalculable as ever.

A glimpse of Australian powerbrokers

One investigation into financial misdeeds has already forced Prime Minister Bob Hawke to fire a confidant.

An ongoing investigation before the Western Australia Inc. Royal Commission has forced Prime Minister Bob Hawke to sack one of his "mates," the current ambassador to Ireland and former West Australian premier, Brian Burke. Hawke had insisted that there was no basis for the dismissal; other Labour Party officials, however, had maintained that Hawke's inaction had caused untold political damage to the government, and Hawke finally gave in. Burke is now being grilled for financial misdealings when he was premier, a post which he kept up until two years ago when he was offered a new job by Hawke, sources say, to get him out of the country, though apparently not soon enough.

Burke has been questioned at length in the Royal Commission hearings that began in mid-April; so has Laurie Connell, the former head of the collapsed merchant bank Rothwells, who faces 78 charges of corporate malfeasance and has let it be known he will drag more than a few down with him. Connell, according to one of the hearings' witnesses, has a photograph of himself with Queen Elizabeth hanging on one wall in his office. The witness alluded to the high level of protection Connell enjoys when he told the commission: "What I'm telling you is, it wouldn't have surprised me who I saw there."

Already Connell's testimony has forced a humiliated Prime Minister Hawke to admit that he had misled Parliament about the timing of his 1987 announcement rejecting a gold tax. Corporate high-flyer Alan Bond

has also been called to testify in an investigation that revolves around Burke's use of a multimillion-dollar account which may have been used in paybacks, tax avoidance schemes, and money laundering.

Another party in the investigation is Perth businessman Yosse Golberg, who is closely associated with the influential Leibler family in Melbourne (one of Prime Minister Hawke's best friends, by his own account, is World Jewish Congress Vice President Isi Leibler). Golberg fled Australia several months ago and was last seen in mid-May in Madrid.

The Australian weekly the *Jewish News* charged in mid-May that "anti-Semites" have targeted Golberg.

It is unclear how far this investigation will lead into the Hawke-Leibler-Sir Peter Abeles circle, where some Australian sources think it is headed. (Abeles is an Australian transport magnate.) These sources, however, note that numerous inquiries over the last decade had seemed to be headed in this same direction but were shut down, through one legalistic means or another.

Numerous investigative reporters, as well as other Australian observers, are convinced that were any of these investigations to be carried out fully, they would lead to the narcotics trade, in particular the transshipment of illegal drugs coming out of the People's Republic of China.

A second, seemingly very important investigation surfaced in the Australian press very briefly in mid-April. This investigation was stimulated apparently by the findings of Barbara

Smith, a Melbourne academic at the Phillip Institute of Technology. Speaking on April 18, Miss Smith charged that from her public accounts inquiry, she was convinced that "there are extremely powerful and privileged people favored [in tax avoidance] who may have some sort of control over governments in as far as they provide political funding."

She demanded that the names of those who devised and benefited from schemes to withhold taxes be made public.

Smith's allegations then led the House Standing Committee on Finance and Public Administration to extend its investigation of international profit shifting into an examination into the use of withholding tax schemes. Also coming to light through a parliamentary report, were multimillion-dollar schemes involving the use of offshore tax havens, which are thought to be used by organized crime syndicates.

One day after the Melbourne *Age* reported on Smith's charges, another friend of Prime Minister Hawke's and the brother of Isi Leibler, Mark Leibler, publicly blasted her. Miss Smith's "diatribes directed against non-existent powerful and privileged people who allegedly control governments and cleverly deceive the ATO [Australian Tax Office] are totally without foundation," he said.

Mark Leibler is a senior partner in the law firm Arnold Block and Leibler and an adviser to the tax commissioner. He is on the National Tax Liaison Group and is the chairman of the Law Council of Australia's Taxation Committee.

He went on to say that Smith's claims that huge amounts of taxes were being avoided through the use of withholding tax provisions were "stupid, outrageous, and without foundation."

The case of the Negroponte cable

A confidential memo from the U.S. ambassador has been made public, which points to Washington's true plans for NAFTA.

On May 13, the Mexican weekly *Proceso* created an uproar here when it published a confidential memorandum by U.S. Ambassador to Mexico John Negroponte, which was sent to his immediate superior at the State Department, Assistant Secretary of State for Inter-American Affairs Bernard Aronson.

In the memorandum, Negroponte discusses the significance of the North American Free Trade Agreement (NAFTA), the orientation of the Salinas de Gortari government, and the future of Mexico's future.

In point number four of the document, the U.S. ambassador asserts that "Mexico is in the process of dramatically changing both the substance and image of its foreign policy. It has gone from a nationalist and protectionist ideological viewpoint, to a more pragmatic, competitive, and outward view of world problems."

Point number six says, that "From a foreign policy standpoint, the Free Trade Agreement would institutionalize acceptance of a North American orientation in Mexican foreign relations."

And in point number seven, Negroponte asserts that the U.S.'s intention is to consolidate the economic model of the Salinas government. "On the economic front, a Free Trade Agreement could be viewed as an instrument for promoting, consolidating, and guaranteeing the continuity of Mexico's economic reform policies, beyond the Salinas administration. I think it is reasonable to assume that the FTA negotiations will be a

useful lever, in continuing to pressure for a still greater opening of the Mexican economy."

The memorandum gives added weight to the arguments of Mexico's many critics of the trade agreement, since Negroponte in fact admits precisely what these opponents have been charging, that the Salinas government has capitulated to the pressures, insinuations, and "friendly proposals" of the Bush government.

Despite the fact that the memorandum was written with a certain *objective* tone, Foreign Affairs Secretary Fernando Solana called the U.S. ambassador to his office on May 13, to request an explanation of the *Proceso* exposé. The diplomat's response was apparently less than satisfactory, with the result that Secretary Solana's office issued a communiqué on May 14, stating that the confidential memorandum "has not been denied," and would require clarifications.

The communiqué added: "The Mexican government considers absurd any presumption that the possible negotiation of a free trade treaty with the United States could alter the orientation and fundamental goals of this policy. . . . Under no circumstances will Mexico allow its foreign policy to be negotiated."

While all this is going on in the upper layers of the government, neither the Mexican Senate nor House has taken up the issue. Neither has the ruling PRI party, nor its affiliated unions and other organizations. Equally oblivious was Trade Secre-

tary Jaime Serra Puche, who on May 14 indulged in a drunken binge in Washington, to celebrate the approval of "fast track authorization" of the NAFTA negotiations by several congressional committees. The "fast track" vote was scheduled to go to the full floor of the U.S. Congress during the week of May 20.

Notwithstanding this weak-kneed self-censorship, many Mexicans are asking questions. Chief among them is, who leaked the memorandum to *Proceso*? There are some who insist that Negroponte never imagined his confidential memo would be released to the Mexican public. Others suggest, however, that Negroponte—hardly an *ingénu* in these matters—was well aware that the embassy's fax line could be monitored from points *inside Mexico*, apart from the U.S. State Department. This latter hypothesis continues that it was therefore Negroponte himself who wanted his memorandum leaked. Why?

In point number 13 of his memorandum, the U.S. ambassador mentions what Salinas de Gortari has repeatedly stated before foreign audiences, although always in private. "Salinas made clear his view that a negative vote [on NAFTA] would play into the hands of the left and of critics of U.S.-Mexican relations. And that this, perhaps more than anything—said Salinas—would represent a lost opportunity that might not present itself again for a while. Similarly, Mexicans would be offended if the votes on the General Agreement on Tariffs and Trade (GATT) Uruguay Round and on Mexico were separated. This would be like 'spitting' on Mexico, said Salinas."

The U.S. Embassy, it would appear, has thus deftly put in the mouth of the Mexican President its own arguments for the urgency of passing the fast track authorization for NAFTA.

The Noriega papers

Court filings are showing that U.S. officials encouraged drug trafficking to finance the Contras. Did Bush know?

Gen. Manuel Noriega could yet end up being the reason for the downfall of George Bush. A 107-page memorandum filed by his attorneys before Judge William Hoever of the U.S. District Court of Southern Florida, provides strong evidence that it was the U.S. government, not Noriega, that engaged in illegal drug trafficking.

According to the documents, submitted under the Classified Information Procedures Act (CIPA), "cocaine and marijuana were flown directly into the U.S. [military] bases in South Florida" by pilots employed by the United States for the illegal Nicaraguan Contra resupply operation. "Intriguingly, the head of the South Florida Drug Task Force interdiction project during these years was none other than Vice President George Bush."

Did Bush know that drugs were being brought into the United States, by American agents, during his watch? That's the sort of question that should be posed to CIA director nominee Robert Gates during his Senate confirmation hearings. The evidence in the Noriega papers certainly suggests Bush knew or should have known about this traffic.

Besides the South Florida task force, "Bush held a variety of high-profile anti-drug positions in the Reagan administration," say the documents, which were released by the Justice Department in mid-May, after it excised extensive portions, particularly in the sections relating to Bush's contacts with Noriega. However, "the priority item on Bush's agenda was not to be drugs, but America's pro-

insurgency campaign in Nicaragua."

This campaign against the Sandinistas "was funded with drug money," the papers continue. "The U.S. was clearly involved in a 'guns for drugs' policy. Whatever it took to win in Nicaragua" (emphasis in original). "The logic of having drug money pay for the pressing needs of the Contras appealed to a number of people who became involved in the covert war. Indeed, senior U.S. policymakers were not immune to the idea that drug money was a perfect solution to the Contras' funding problems," they say.

"The State Department selected four companies owned and operated by narcotics traffickers to supply humanitarian assistance to the Contras. The companies were:

- "SETCO Air, a company established by Honduran drug trafficker Ramón Matta Ballesteros;

- "DIACSA, a Miami-based air company operated as the headquarters of a drug-trafficker enterprise for convicted drug traffickers Floyd Carlton and Alfredo Caballero;

- "Frigoríficos de Puntarenas, a firm owned and operated by Cuban-American drug traffickers who were also CIA operatives;

- "Vortex, an air service and supply company partly owned by admitted drug trafficker Michael Palmer."

The court papers also show that Drug Enforcement Administration officials testified last July before the House Judiciary Subcommittee on Crime, that "Lt. Col. Oliver North suggested to the DEA in June 1985 that \$1.5 million in drug money carried

aboard a plane piloted by DEA informant Barry Seal and generated in a sting of the Medellín Cartel and Sandinistas officials, be provided to the Contras."

Also, what does former CIA director Bush know about the charge made in the court documents, that "The Central Intelligence Agency has a long history of assistance to narcotics traffickers"? Or about the charge that "CIA agents who branched out on their own into the opium-smuggling business were protected by the Agency"?

Despite Noriega's warnings, the CIA used pilots to illegally transport weapons to the Contras, although it was aware that those same pilots "were also transporting drugs to the United States."

It was not because of his alleged drug trafficking that Noriega incurred the wrath of George Bush. In fact, "United States law enforcement agencies considered Noriega to be a friend of the United States" a view "articulated by DEA Administrator Jack Lawn, who in the past had written Noriega letters of commendation for his help in fighting the war on drugs." Noriega got in trouble because he refused to go along with the U.S. Contra policy. (It was also because of his opposition to the Contra policy that American presidential candidate Lyndon H. LaRouche, Jr. was thrown in jail by the Bush government.) "General Noriega is first and foremost a Panamanian nationalist," the court papers affirm. "In order to maintain the independence and sovereignty of Panama, General Noriega struggled to maintain in balance, American Imperialism on the right, and Cuban Expansionism on the left." To this end, he even "became the CIA's man in Panama" and, although "ultimately, this balancing act failed . . . Noriega succeeded in maintaining his country's independence longer than any other national figure since the end of the Second World War."

International Intelligence

Are changes in the wind in Egyptian policy?

Egyptian Foreign Minister Abdel Meguid was elected president of the Arab League, at a meeting of Arab foreign ministers in Cairo on May 15. This is the first time in 12 years that an Egyptian has held the top post, and may signal an enhanced role for the European Community in the Mideast, a policy with which Meguid has been associated.

There are other signs of a possible policy shift in Egypt, including the abrupt announcement on May 9 by the military command that Cairo will be pulling all of its troops out of Saudi Arabia, effective immediately. This is being widely characterized as an effort to deliver a political shock to the Gulf states and Washington.

Among the motivating factors being discussed is that the Kuwaiti emir has reneged on promises of granting Egypt 10% of all contracts for its reconstruction, and has reneged on compensating Egyptian workers for their losses in Kuwait. On May 8, the official Egyptian newspaper *Al-Ahram* denounced the Western press for an anti-Arab campaign against Algeria and Libya "now that the campaign against Saddam Hussein as a bloodthirsty Arab is nearing an end." Also in the first week of May, Egyptian police arrested Sheik Nasir al-Sabah, a relative of the Kuwaiti emir, for possessing and trafficking in narcotics.

Italy probes attempted assassination of Pope

"Ten years after Pope John Paul II was shot, the Italian government is reopening its investigation into who and what was behind the Turkish gunman Mehmet Ali Agca," reported the *New York Times* on May 19, in one of the first reports in the U.S. press to acknowledge the new activities of the Italian magistracy and religious and political leaders around the St. Peter's Square murder attempt on May 13, 1981. The *Times* article obscures, however, some of the more sig-

nificant features of the investigation.

The Bulgarian government has recently approved the request of a Washington-based policy group to search Bulgarian intelligence files, and the *Times* reports that Sofia "has made contact with foreign intelligence services including the CIA." The theme of the article is that Agca was an agent of the Bulgarian intelligence and the KGB, which wanted to kill the Pope because of the activities of Solidarnosc in Poland.

But what the *Times* does not report, is that during the previous week, some of the most authoritative Vatican leaders, including two cardinals—former "foreign minister" Achille Silvestrini and Cardinal Oddi, as well as Msgr. Angelo Rizzi, present Nuncio to Sofia—have rejected this simplistic explanation. Many Vatican-connected media are pointing to the necessity to investigate not only the Soviet Union, but also the "other superpower." Monsignor Rizzi stated at the beginning of May, "I never believed in an involvement of the Bulgarian authorities in the attempt."

The Catholic daily *Avvenire* recently pointed to the fact that Agca had been trained in Libya by former CIA undercover agent Frank Terpil. Terpil used to take orders from former CIA covert operations director Theodore Shackley, currently an informal adviser to George Bush on intelligence matters. Rome observers pointed out that the issue of the attempt against the Pope could be used today to prevent a dialogue between the Vatican and Moscow.

Archbishop scores 'grave threat' of liberalism

Not even the communists would have dared to attack the Pope as the liberals are doing now, charged the Archbishop of Cologne, Cardinal Meisner, in an interview with the journal of his diocese reported by the German Catholic publication *Deutsche Tagespost* on May 16. The cardinal responded in harsh words to a recent attack on the Pope and the population growth policy of the Catholic Church by Count Otto Lambsdorff, the na-

tional party chairman of the German liberal Free Democratic Party (FDP).

Meisner said that he had been forced to live and work under the communist SED regime of East Germany for 43 years, but never in his life had he witnessed "such impertinent attacks by any of the SED politicians on the teachings and life of the Catholic Church and the Pope." He said that the Lambsdorff affair proved that after the fall of Marxism, liberalism is a "comparably grave threat to mankind."

Defending the Church's views on population growth and abortion, Meisner questioned the moral character of a party like the FDP, which chose to make the "legalization of killing unborn human lives a central issue of its policy."

Conflict builds between Greece and Turkey

Threatening remarks by Turkish President Turgut Özal, in response to anti-Turkish protests of Greeks and Cypriots during his recent trip to Australia and New Zealand, have created an uproar in Greece.

Özal renewed Turkish claims on the Dodekanes islands—Rhodes and 11 other islands off the southern coast of Turkey, which belonged to the Ottoman Empire until 1912, were under Italian occupation for 35 years, and then were given to Greece in 1947. "Had I been in power then, I would have conquered the Dodekanes," Özal declared. "We are a nation of 56 million and you only one of 10 million, you can't match us, so be peaceful! We have pushed through the rights of the Turks in Bulgaria, and now, Greece is on the agenda."

Özal said the Greeks are afraid of the Turks: "We delivered them a blow after the First World War, then they received the 12 islands that were ours as a present from Italy, but in Cyprus, we put an end to their dreams of *Enosis*, preventing the annexation of the island by Greece, but they are still not giving up. It doesn't matter behind whose wings they may seek protection—they are no match for us."

Briefly

● **SWEDEN'S** King Karl Gustav XVI maintains that, with the unification of Europe, monarchies will play a greater role, the *Scotsman* reports. The pretender to the Romanian throne, King Michael, gave a recent radio address to the Romanian nation, and Princess Maria Louiza, sister of the pretender to the Bulgarian throne, made a visit to Bulgaria. Crown Prince Alexander of Yugoslavia has also re-emerged into public view.

● **SOUTHERN IRAQ** is in far more catastrophic condition than the northern Kurdish regions, reported a delegation of German Social Democrats after its return from a tour of the Mideast. They criticized the disinterest of the world media in southern regions of Iraq.

● **BRITAIN'S** Tory Party lost its fifth by-election in a row on May 16. In Monmouth, considered the second safest Tory seat in Wales, the party lost badly to Labour. There was a 12,000-vote swing in favor of the Labour Party.

● **THE NORTHERN** part of Somalia declared its independence on May 18, and will be known as the Somaliland Republic. Abdurahem Ahmed Ali will be the President of the new republic.

● **GERMAN POLICE** intervened at the last minute to block the escape to Moscow of several top leaders of the former communist East German regime. The four were apparently seeking to avoid trial in the reunified Germany. Former Minister President Willy Stoph, former Defense Minister Heinz Kessler, and two other senior defense ministry officials were arrested on May 21.

● **BORIS YELTSIN'S** headquarters was blown up on May 17, as the election campaign in the Russian Republic enters a "hot" phase. "We couldn't have gotten a better election present," a campaign activist told the *Washington Post*.

Greek Foreign Minister Andonis Samaras responded to these attacks in an interview with the Athens daily *To Vima*, saying that Özal's remarks were a "sign of the intention of the Turks to reinvigorate the spirit of the Ottoman Empire hegemony. But Özal has not yet declared that he also intends to conquer Belgrade and Vienna."

China's courts rule euthanasia is legal

The Hangzhong Court in the People's Republic of China (Shaanxi Province) found a man and his doctor innocent of murdering the man's mother, while judging their acts "a deliberate act to deprive a citizen of her right to life," the official news agency Xinhua reported on May 10.

The man had asked the doctor to kill his mother when she was diagnosed as having incurable liver cancer, and the doctor did so, with injections. They were arrested and charged with murder, held in jail for two years, but then released in 1989 on bail. The court has now ruled that the liver disease really caused the death, and that the injections "only accelerated" the death, describing the consequences as "minor."

China's endorsement of euthanasia places it in the ranks of those U.S. states that have already accepted this Nazi policy. There is currently a bill before the state of Washington which would allow "physician-assisted suicide," and in three recent cases (Connecticut, New York, and Michigan), cases similar to that in China were not even prosecuted, and the murderers got off scot-free.

Angola's Savimbi vows to rebuild infrastructure

"Our program will be based on an infrastructure plan to rebuild Angola," said Jonas Savimbi, the head of the UNITA anti-communist resistance movement, in an interview with the Italian daily *Corriere della Sera* on May 14.

Savimbi is on a European tour, and will

be in Lisbon at the end of May to sign the political agreement for a cease-fire with the communist-dominated MPLA. As part of the deal, the total army of Angola will be limited to 50,000 soldiers. "This means that one main priority would be to create new jobs for 250,000 people who are going to put down their weapons on both sides," said Savimbi.

"It took 16 years to destroy," he said, "and we will need many years also to rebuild. But we have a plan centered on infrastructure, such as transport, energy, trade, agriculture, and the formations of cadres in two to three years. . . . We have plans to build dams on the rivers, to reorganize the railway system. This cannot be done in one day. From the foreign countries we do not ask only for investments; we also ask for technology and help in training new technicians."

Savimbi wants to form a regional cooperation zone with South Africa, Namibia, Zambia, Zaire, and other nations.

LaRouche case covered by human rights magazine

La Voix des Sans Voix, a new magazine published by the International Committee for the Respect and Application of the Human Rights Charter, has a two-page report in its current issue on the political frameup of Lyndon LaRouche and associates, entitled "The LaRouche Case: America's Dreyfus Affair." The organization is based in Geneva and Paris.

"The trial is the biggest political scandal in the U.S. in the past years," the report concludes. "Mr. LaRouche and his co-thinkers were jailed because of their ideas. Their case proves that any dissident voice which defends justice, the humiliated, and the oppressed, is muzzled today by an administration using the Justice Department to political ends. . . ."

"Mr. LaRouche, in the footsteps of Lincoln, Martin Luther King, and Leibniz, is the American Establishment's enemy number one, a man who represents the 'power of those without power.'"

House capitulates to fast track, but fight expands

by Nancy Primack and Ronald Kokinda

The U.S. House of Representatives put its stamp of approval on a policy that will destroy the work forces of Mexico and the United States on May 23, by supporting a "fast track" for a North American Free Trade Agreement (NAFTA) which George Bush will negotiate with Mexico. The House defeated House Resolution 101, sponsored by Rep. Byron Dorgan (D-N.D.), which would have denied the fast track negotiating authority, by a vote of 192-231.

Although the Senate could still act to stop the fast track, opposition there has been assumed to be weaker than in the House. As a result, George Bush now has a free hand to push through a trade agreement which is estimated will cost as many as 40% of the jobs of American workers in key industries such as auto and textiles, and spread abysmal living and working conditions in Mexico, as seen in the *maquiladoras* along the U.S.-Mexico border. These conditions, where pay is 59¢ an hour, are so horrendous that Lyndon LaRouche, economist and presidential candidate for 1992, has called it the "Auschwitz below the border." In adopting the fast track, once Bush submits a treaty, Congress will not be able to amend it, but can still reject it in its entirety in an up or down vote.

LaRouche leads the opposition

The political movement associated with political prisoner LaRouche has been leading the opposition to NAFTA, exposing the slave labor that exists in the *maquiladora* plants, detailing the genocidal consequences of Bush's free trade policies, providing the policy alternative to a "free trade" bailout of the major banks, and mobilizing public opposition. LaRouche sent a taped message to a conference held on the final weekend before the House vote, stressing the unique role which he and his associates have played over the last 25 years in exposing the genocidal policies of the Anglo-American establishment. He urged participants, "Get out there and fight!"

At the conference, speakers presented the results of an *EIR* study entitled "Auschwitz below the border," which had been released at press conferences in Washington, D.C. and Mexico City on May 7, which shocked the audience. Over 200 activists including farmers, trade unionists, civil rights leaders, and others, also heard first-hand reports from Mexico and Canada on the devastating effects NAFTA would have on these economies.

Rubén Cota, an executive member of the Ibero-American Solidarity Movement, and Alberto Vizcarra, a state congressman from Sonora, Mexico spoke on "Why Mexicans Are Against NAFTA." Cota explained that Mexican President Salinas de Gortari is cooperating with Bush in the "free trade" destruction of Mexico. He described the factional fight in Mexico over the last decade, reporting on Lyndon LaRouche's meeting with then-Mexican President López Portillo, and on LaRouche's subsequent Operation Juárez proposal for reorganization of Ibero-America's foreign debt.

Vizcarra presented the details of the horrifying effects of free trade on Mexico already. He showed how the pattern of illnesses has spread from the poorer areas of southern Mexico to areas in the north where the *maquiladoras* are. Vizcarra said that in many areas, 25-30% of the population has no clean drinking water, and no sewage treatment. Cholera, hepatitis, and AIDS are spreading. The projects for industrial development have been axed by the International Monetary Fund and instead the "free trade" system of slave labor is the norm.

Over 100 activists then lobbied Congress to stop the fast track and NAFTA. Over 125 congressional offices were visited where aides, and several congressmen personally, were put on notice that the free trade bill with Mexico would create a slave labor economy. Many were shaken by the charges as the lobbyists talked about the conditions that already exist in Mexico. Several aides had read parts of the *EIR* Special Report already

or had heard about it through the Capitol Hill grapevine. Others promised to get their congressmen to read it. Although some shouting matches erupted, most offices welcomed the information; some congressmen were particularly grateful to get a Mexican perspective, others that issues which they hadn't considered, such as the spread of disease which will result from NAFTA, were brought to their attention.

Bush Democrats

The choice in the fight over NAFTA is between development and genocide. That the House opted for the latter resulted largely because the House Democratic leadership—the Bush Democrats—were Bush's *loyal* opposition. Rep. Dan Rostenkowski (D-Ill.), chairman of the House Ways and Means Committee, came out and supported fast track on May 1. House Majority Leader Rep. Richard Gephardt (D-Mo.) backed the fast track about a week later. They accepted Bush's assurances that the agreement will protect human rights, and that labor, environmental, and safety standards would be met by the Mexican government.

Gephardt, who based his 1988 presidential bid on a platform of Jap-bashing, has no problem with slave labor. The conditions that exist in the runaway U.S. factories, just over the Mexican border, are well known to Gephardt who was sent three times by his labor backers on fact-finding tours of these *maquiladoras*. On one tour, his wife vomited at seeing raw sewage puddles outside the cardboard shacks where Mexican workers live.

As the House leadership led the betrayal, the national offices of the AFL-CIO put out the word that opposing the fast track was a "lost cause." Except for constituents activated by the LaRouche movement, there was no grassroots mobilization. These constituents were told by congressional offices that they were the *only* ones who had pressured them all along. The May 23 *Washington Post* reported, "Other fast track opponents have complained privately that lobbyists for the AFL-CIO, the main component of the anti-fast track coalition, conceded defeat several weeks ago and left the nuts and bolts of knocking on congressional doors to others."

The other reason the fast track passed was the failure to offer an alternative to free trade. The most impassioned speakers against slave labor and labor exploitation could only say, "I'm for Americans having jobs. I support the middle class against the multinationals." No one attacked free trade. They said, "We want fair trade. If we're going to open up our markets, they had better open up theirs," and so forth. Dorgan, the sponsor of the anti-fast track resolution, questioned the worth of a promise from Bush, but wrote in a commentary in the May 20 *Washington Post*, "I am not opposed to negotiating a free trade agreement with Mexico, and I am not opposed to continuing negotiating in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). I strongly support free trade."

AFL-CIO President Lane Kirkland has nominally op-

posed both the fast track and free trade although it is an open secret that Kirkland is a member of the grouping that developed the free trade policy—the Trilateral Commission. He is a director and member, as is David Rockefeller, of the Citizens Network for Foreign Affairs. The National Agriculture Advisory Committee, a subsidiary of this group, has come out strongly in favor of the fast track and has lobbied and testified in favor of NAFTA.

Anglophile armtwisting

Several congressmen have commented privately that they have never seen such White House pressure as on this issue. The Establishment has mobilized its assets, and on May 14, Queen Elizabeth II addressed the issue in her speech to a joint session of Congress, promising that Britain would ensure that continental Europe did not oppose free trade. Bush is anxious to push through NAFTA because the Establishment strategy for keeping its bankrupt financial system afloat rests on the free trade looting arrangements. The pressure is also intense because the opposition at the grassroots level is real. Many of Gephardt's, Dorgan's, and Kirkland's constituents have expanded their fight against the fast track to a fight against NAFTA and free trade.

The United Auto Workers Local 31 of Kansas and Missouri has succeeded in getting several city and county councils to pass resolutions against the fast track, and the resolutions expand the concept to a fight against the free trade agreement. The resolution warns that the NAFTA agreement "will have a long-lasting, unprecedented and enormous effect on our respective economies and every community in North America. . . . We are concerned about the social and economic impact a trade agreement among Mexico, Canada, and the United States will mean to our citizens."

Labor leaders representing thousands of workers from the Northeast have also issued a statement to Congress stating that "we wish to express our wholehearted and unanimous disapproval of the North American Free Trade Agreement, soon to be presented to Congress. . . . It is abundantly clear that the free trade policy is really protectionism for the banks and 'runaway shops.'"

Canadian labor leaders representing over 500,000 workers have also endorsed a still stronger statement to the U.S. Congress: "Canada's loss of 285,000 jobs to 'free trade' should be convincing proof that it does not work. . . . Mexican workers and their families can never hope to rise out of poverty if the slave labor conditions contemplated by the FTA are implemented."

Agriculture groups have joined in the fight, with over 125 publicly opposing the fast track, including the National Farm Organization, the National Farmers Union, the American Agriculture Movement, the National Milk Producers Federation, and the National Peanut Growers. The California Women in Agriculture, representing thousands, voted to oppose the fast track.

Queen Elizabeth visit celebrates Anglo-American imperial alliance

by Kathleen Klenetsky

As *EIR* predicted she would in its May 10 issue, Queen Elizabeth II used her first official visit to the United States in 15 years to celebrate the revival of the Anglo-American "special relationship" through the savage imperialist adventure in the Mideast called Operation Desert Storm.

While millions of Iraqi women and children were facing death by starvation and disease as a direct result of the Gulf war and the continued economic sanctions, the Queen and her host, President George Bush, took every opportunity to praise the Anglo-American collaboration that brought about this catastrophe.

As you will see from her address to Congress, which we print below, the Queen could hardly restrain herself from gloating about how, once again, the British were able to manipulate the United States into fighting a war whose objectives ran completely counter to the republican principles upon which the United States was founded. When a Kuwaiti court sentences some poor wretch to 13 years in prison for the "crime" of wearing a Saddam Hussein tee shirt, you know that Operation Desert Storm had nothing to do with protecting democracy.

The Queen set the tone in her remarks at the official White House welcoming ceremony May 14. "It gives me particular pleasure that this visit comes so soon after a vivid and effective demonstration of the long-standing alliance between our two countries," the Queen asserted. Eager to show his allegiance to the Crown, Bush began his remarks at the ceremony with a gushing reference to Great Britain as "this mother country"—a designation which must have come as news to the tens of millions of Americans who thought their mother countries were Germany, Ireland, Italy, Mexico, China, or Nigeria—further compounding the insult by claiming that the American people as whole "revere" Britain.

Bush then proceeded to trash the American colonists' fight for independence from British rule by stocking his speech with obsequious references to the "special relationship," particularly as evidenced in the Gulf war, and declaring the U.S. and Britain to be "inseparable." Topping off this orgy of Anglo-American imperial ascendancy, the Queen also inducted Norman Schwarzkopf, commander of the U.S. forces in the Gulf, as a knight in the Order of the Bath, one of the honors dispensed to those who further the interests of the British monarchy.

One can well imagine what George Washington or John Quincy Adams would say about the spectacle of the President

of the United States colluding with a direct descendant of American independence's archenemy, King George III, to destroy another country in order to reassert Anglo-American imperial dominance over the entire developing sector. Had the American colonies lost their fight to free themselves, they would have faced the same grim future that now faces Iraq.

When the Queen visited George Washington's home, Mount Vernon, a band played "Dixie," the marching tune of the British-backed Confederate troops in the Civil War. But the Queen doesn't need Rebel music to convince her that, after 200-odd years, the United States is firmly back under British control. With Operation Desert Storm, Bush has effectively declared that the U.S. is at the service of British imperialism. The recolonization of the United States is underscored by new revelations of just how much of this country the British now own.

According to an advertisement placed in the *Washington Post* by the British government May 14, British investments in the U.S. "are roughly double the size of Japanese investments." Last year, the ad noted, "the Brits [sic] increased their lead of almost \$21 billion to \$122.8 billion—a staggering figure by any yardstick, especially considering that British investment in the U.S. in the early '80s totaled just \$9.8 billion, not even a tenth of last year's figure."

Documentation

Text of the Queen's address to Congress

Address by Britain's Queen Elizabeth II to a joint meeting of the U.S. Congress on May 16, 1991.

Mr. Speaker, Mr. President, Distinguished Members of Congress,

I know what a rare privilege it is to address a joint meeting of your two Houses. Thank you for inviting me.

The concept, so simply described by Abraham Lincoln as "government by the people, of the people, for the people," is fundamental to our two nations. Your Congress and our Parliament are the twin pillars of our civilizations and the

chief among the many treasures that we have inherited from our predecessors.

We, like you, are staunch believers in the freedom of the individual and the rule of a fair and just law. These principles are shared with our European partners and with the wider Atlantic community. They are the bedrock of the Western world.

Some people believe that power grows from the barrel of a gun. So it can, but history shows that it never grows well nor for very long. Force, in the end, is sterile. We have gone a better way; our societies rest on mutual agreement, on contract and on consensus. A significant part of your Social Contract is written down in your Constitution. Ours rests on custom and will. The spirit behind both, however, is precisely the same. It is the spirit of democracy.

These ideals are clear enough, but they must never be taken for granted. They have to be protected and nurtured through every change and fluctuation. I want to take this opportunity to express the gratitude of the British people to the people of the United States of America for their steadfast loyalty to our common enterprise throughout this turbulent century. The future is, as ever, obscure. The only certainty is that it will present the world with new and daunting problems, but if we continue to stick to our fundamental ideals, I have every confidence that we can resolve them.

Recent events in the Gulf have proved that it is possible to do just that. Both our countries saw the invasion of Kuwait in just the same terms; an outrage to be reversed, both for the people of Kuwait and for the sake of the principle that naked aggression should not prevail. Our views were identical and so were our responses. That response was not without risk, but we have both learned from history that we must not allow aggression to succeed.

I salute the outstanding leadership of your President, and the courage and prowess of the armed forces of the United States. I know that the servicemen and women of Britain, and of all the members of the Coalition, were proud to act in a just cause alongside their American comrades.

Unfortunately, experience shows that great enterprises seldom end with a tidy and satisfactory flourish. Together, we are doing our best to reestablish peace and civil order in the region, and to help those members of ethnic and religious minorities who continue to suffer through no fault of their own. If we succeed, our military success will have achieved its true objective.

For all that uncertainty, it would be a mistake to make the picture look too gloomy. The swift and dramatic changes in Eastern Europe in the last decade have opened up great opportunities for the people of those countries. They are finding their own paths to freedom. But the paths would have been blocked if the Atlantic Alliance had not stood together—if your country and mine had not stood together. Let us never forget that lesson.

Britain is at the heart of a growing movement towards greater cohesion within Europe, and within the European

Community in particular. This is going to mean radical economic, social and political evolution. NATO, too, is adapting to the new realities in Eastern Europe and the Soviet Union, and to changing attitudes in the West. It is Britain's prime concern to ensure that the new Europe is open and liberal and that it works in growing harmony with the United States and the other members of the Atlantic community. All our history in this and earlier centuries underlines the basic point that the best progress is made when Europeans and Americans act in concert. We must not allow ourselves to be enticed into a form of continental insularity.

I believe this is particularly important now, at a time of major social, environmental and economic changes in your continent, and in Asia and Africa. We must make sure that those changes do not become convulsions. For the primary interest of our societies is not domination but stability; stability so that ordinary men and women everywhere can get on with their lives in confidence.

Our two countries have a special advantage in seeking to guide the process of change because of the rich ethnic and cultural diversity of both our societies. Stability in our own countries depends on tolerance and understanding between different communities. Perhaps we can, together, build on our experience to spread the message we have learned at home to those regions where it has yet to be absorbed.

Whether we will be able to realize our hopes will depend on the maintenance of an acceptable degree of international order. In this we see the United Nations as the essential instrument in the promotion of peace and cooperation. We look to its Charter as the guardian of civilized conduct between nations.

In 1941 President Roosevelt spoke of "Freedom of speech and expression—everywhere in the world . . . freedom of every person to worship God in their own way—everywhere in the world. . . . Freedom from want and . . . Freedom from fear." Just as our societies have prospered through their reliance on contract, not force, so too will the world be a better place for the spread of that mutual respect and good faith which are so fundamental to our way of life. Freedom under the rule of law is an international, as well as a national concern.

That thought might be in the minds of those of you attending the Fiftieth Anniversary Meeting of the British-American Parliamentary Group in July. Both our Houses are eager to greet you. They will, I know, tell you that our aim, as Britons and Europeans, is to celebrate and nurture our long-standing friendship with the people of the United States. We want to build on that foundation and to do better. And, if the going gets rough, I hope you can still agree with your poet Emerson, who wrote in 1847 "I feel, in regard to this aged England, with a kind of instinct, that she sees a little better on a cloudy day, and that, in storm of battle and calamity, she has a secret vigour and a pulse like a cannon." You will find us worthy partners, and we are proud to have you as our friends.

May God bless America.

U.S. markets being flooded with heroin

by Jeffrey Steinberg

A 25-page Drug Enforcement Administration (DEA) report is circulating among U.S. law enforcement and intelligence agencies warning that the United States is being flooded with high-grade heroin. In an introduction to the report—which is embargoed from release to the general public—the DEA administrator Robert C. Bonner wrote that “heroin now poses a greater threat to the U.S. than at any other time in the recent past. This increased threat arises from the precipitous increase in opium production in the Golden Triangle and elsewhere, the emergence of new and aggressive heroin-trafficking organizations such as the Nigerians, as well as the alarming rise in the purity of street-level heroin in the East Coast of the United States.”

This blunt assessment by the recently appointed DEA chief underscores the fact that the White House has been lying about its “victories” in the war on drugs. In February, just one month before the DEA study on “Worldwide Heroin Situation 1990” was completed, President Bush issued the annual National Drug Control Strategy report which proclaimed that the federal anti-drug effort had surpassed all its objectives and that there had been a marked decline in drug use in America. At the time *EIR* pointed to massive increases in domestic marijuana production (generating \$50 billion in black market revenues in 1990) as just one example of the Bush administration’s “cooking” of its war on drugs statistics. Now, the heroin survey reveals the following staggering facts:

- The urban centers of the East Coast are being flooded with Golden Triangle heroin. Whereas in 1985, Golden Triangle (Southeast Asian) heroin accounted for approximately 14% of the heroin that reached U.S. streets, by 1989, that figure had jumped to 56%, where it remained in 1990. New York, Baltimore, Washington, D.C., Detroit and Atlanta are dominated by the Southeast Asian product, which is readily available and sells for half the average price of the Southwest Asian (Golden Crescent) and Mexican/Guatemalan heroin.

- According to the DEA study, the Southeast Asian heroin is averaging over 40% purity at the street level. This compares to averages of 14% purity and 13% purity for the Golden Crescent and Mexican/Guatemalan heroin respectively.

- The DEA study indicates that heroin production in Mexico and Guatemala has also doubled in recent years. The Mexican/Guatemalan dope is primarily distributed in

the Southwest, including California. Golden Crescent heroin dominated the markets in Chicago and Puerto Rico, reflecting larger concentrations of South and Southwest Asian populations.

- Western and Eastern Europe have been also targeted for massive expansion. One of the most alarming new developments is the greater integration of drug-trafficking networks from different parts of the world. The DEA study indicates that large quantities of Golden Triangle and Golden Crescent heroin are being “bartered” for Colombian cartel cocaine. As the result, Medellín and Cali Cartel traffickers are now smuggling Asian heroin into the United States, while Chinese and Nigerian drug organizations are now providing Colombian cocaine to a growing continental European market.

The study draws a picture of anything but a “victory” in the war on drugs.

Kissinger’s 20-year lie

Even though the embargoed DEA study presents a far more frank assessment of the continuing growth of the international dope cartel than the flagrant lies coming out of the White House, the report also contains one outrageous piece of disinformation—which *EIR* and the authors of the book *Dope, Inc.* exposed as early as 1978.

At that time, the authors of the *Dope, Inc.* study, commissioned by Lyndon LaRouche, wrote that, as part of the Nixon administration 1972 détente with the People’s Republic of China, then-Secretary of State and National Security Adviser Henry A. Kissinger had suppressed DEA and CIA field reports which contained the original maps of the Golden Triangle opium-producing area. Those maps proved that Communist China was a major source of Southeast Asian opium and heroin—a fact that would have made it hard to square the nominally anti-drug Nixon White House’s diplomatic embrace of Beijing. Ever since 1972, official U.S. government reports have lied about the P.R.C.’s dominant role in the world heroin trade.

Clearly, that coverup has continued. According to the DEA report: “The primary opium production areas of Southeast Asia are located in the Golden Triangle region formed by the conjunction of Burma, Laos and Thailand. . . . In addition, there are countries where opium poppy cultivation is just emerging, such as China, and other locations where growing conditions are ideal, and therefore of potential concern.”

President Bush did not say a word about China’s heroin trafficking when he recently asked Congress to renew Beijing’s Most Favored Nation status for another year. Nor did President Bush condemn “coalition partner” Syria’s role as the major transshipment and processing hub for Southwest Asian heroin when he sent Secretary of State James Baker III off to Damascus for his fourth consultation in less than two months with President Hafez al-Assad.

Nebraska courts still shield pedophile ring

by Alan R. Ogden

"My guy is getting the shaft," said attorney John DeCamp during a hearing in District Court in Omaha, Nebraska May 14. DeCamp represents Paul Bonacci, the young pedophilia victim who was indicted on three counts of perjury for testimony he gave to a grand jury in which he detailed his having been held in sexual slavery for years by a powerful politically connected Nebraska based pedophile ring involving former Franklin Credit Union chairman Larry King, former *Omaha World Herald* publisher Harold Anderson, and others.

Judge J. Patrick Mullen has consistently refused, over a six-month period, every motion by DeCamp to depose potential witnesses. The judge frequently turns to prosecutor Gerald Moran to comment, "I don't think we can prevent him from getting this," but then rules, "I'll take it under advisement." By this method, Mullen has blocked any possibility of defense for Bonacci.

Moran is orchestrating, in two courtrooms, another phase of the continuing conspiracy to cover up the facts about the Nebraska pedophile ring initially exposed by Bonacci, Alisha Owens, and other pedophilia victims to both the Nebraska Senate's Franklin Committee, and the Douglas County Grand Jury. Moran is also prosecuting Owens, who—like Bonacci—has steadfastly refused to recant her testimony. Moran's strategy seems to be to discredit Owens, and to deny Bonacci his day in court. In an unusual move, the state has tried to have Bonacci declared incompetent to stand trial.

Internationally recognized specialist in the satanic abuse of children Dr. Judianne Densen-Gerber recently called Bonacci an extraordinarily valuable witness regarding ritual murders and the fate of missing children, because he has a "computer-chip memory." He recounted to her events with which she was independently familiar, she said, in exact detail. For two years, the FBI, the *World Herald* and others have worked overtime to impede investigations into the pedophile ring, which has allegedly taken Nebraska children to the nation's capital for use in sex parties.

Moran has told the judge that DeCamp should not have access to the evidence he seeks, because he has also filed a federal civil suit charging 16 defendants with conspiracy to violate Bonacci's civil rights. Legal observers point out that as a prosecutor, Moran should not mind if the civil suit is successful, unless he is trying to protect those named in that

suit, who include King, Anderson, and former Omaha police chief Robert Wadman.

Although young Bonacci is a pauper and in jail, Judge Mullen refuses to pay for his legal expenses out of a state fund set up for just such cases. DeCamp has already spent over \$40,000 out of pocket, for investigation and copying tens of thousands of pages of grand jury testimony. On the other hand, the man who allegedly ran the pedophile ring, convicted embezzler Larry King, sent four lawyers to court whose tab was picked up by the state, to argue that King should not have to testify in Bonacci's case. Everyone indicted by the grand jury, except for Paul Bonacci, was given copies of the grand jury testimony "on the house," even alleged pedophile Alan Baer, a multimillionaire.

The grand jury which indicted Bonacci wildly violated judicial secrecy rules for grand juries. Not only did they publish their report which slandered Bonacci, but Michael Flanagan, the grand jury foreman, made statements about the proceedings to the *World Herald*, which were used by the newspaper to vilify Bonacci, guaranteeing that he could not have a fair trial. Judge Mullen has refused to take any action to discipline the grand jury for these acts.

Owens trial is highly irregular

The jury trial of Miss Owens, charged with eight counts of perjury, is now in progress. She has been threatened with 356 years in prison if she does not recant her testimony against the Nebraska pedophiles.

Her attorney, Henry Rosenthal, dropped a "bombshell" at the opening of the trial May 20, announcing that he had received a threatening phone call on May 18 from star prosecution witness Troy Boner. Rosenthal asked Judge Raymond Case to enter his tape of the call into the court record. Moran protested that this was irrelevant to the Owens trial, and Judge Case agreed with Moran. Moran, further, tried to impress the jury as court reconvened after lunch, walking in with five police bodyguards, and raving that "supporters of the defendant" had harassed and physically intimidated him during the break. He claimed one man asked him if he was sleeping with the grand jury foreman (Flanagan), and another man "jostled" him in the hallway. The prosecutor raved that he refuses to be intimidated by "Rosenthal's people" and said he might have them jailed.

The judge then admonished Rosenthal. Rosenthal protested that the judge was not concerned about his being threatened, yet admonished him for alleged incidents involving people he did not even know. Moran, continuing his tirade, replied that he knew who the people were, "they work for Rev. James Bevel." Bevel, a civil rights leader active in opposing the pedophiles, was in the courtroom to observe the trial, along with Nation of Islam leader Dr. Alim Abdul Muhammad, and Heisman Trophy winner Johnny Rodgers. Eyewitnesses said it was Moran himself who provocatively bumped into an associate of Dr. Muhammad in the hallway.

House committee kills space station

The House Appropriations Subcommittee on HUD and Independent Agencies voted 6-3 on May 16 to kill Space Station Freedom. The subcommittee cut all but \$100 million of the projected \$2 billion from the space station budget, which will be used to close down the project.

Supporters of the space station admit that the subcommittee vote will be very difficult to overcome when it comes to the floor of the House.

Rep. Robert Walker (R-Pa.), a strong advocate of the space station on the committee, called the vote "a serious blow." The subcommittee has redirected much of the "savings" to veterans' medical care and community development programs.

Subcommittee chairman Rep. Bob Traxler (D-Mich.) said the decision to terminate the space station "reflects the fact that our federal government's budgeting has hit a dead end."

CIA says Soviet economy continuing to decline

The Central Intelligence Agency and the Defense Intelligence Agency said in their annual report to Congress on the state of the Soviet economy, that the Soviet Union faces a decline in output of 10% and an inflation rate exceeding 100%.

In an accompanying presentation to the Technology and National Security Subcommittee of the Joint Economic Committee, DIA analyst C. Patrick Duecy said that the Soviets had made little headway in converting military industries to civilian production. Duecy noted that although the Pentagon expects the Soviet Union to continue modernizing its forces and weapons systems, they would have to make further cuts in military programs.

The report also notes a decline in productivity because of strikes, and a continued decline in oil output, following a 6% decrease last year.

Fight brewing over MFN status for China

On May 16, Senate Majority Leader George Mitchell (D-Me.) introduced legislation which would force President Bush to declare that China has discontinued its violations of civil rights if the U.S. were to continue to grant Most Favored Nation status.

The move by Mitchell was in reaction to a statement by Bush on May 15 that he would seek a one-year extension of MFN status for China. Other resolutions are expected to be considered when the issue comes to the Senate floor.

Congress makes deep cuts in SDI program

The House began debate on May 21 on the Defense Authorization Bill, and supporters of the bill were forced to withdraw an amendment which would have restored the bulk of the \$5.2 billion in funding for the Strategic Defense Initiative sought by the administration. At the same time, opponents of the SDI were defeated in their attempts to gut the SDI program by turning it into a \$1.1 billion research effort.

The House Armed Services Committee had already whittled funding down to \$3.5 billion and redirected funding away from the more technologically advanced space-based defense system, which President Ronald Reagan had put forward in his original proposal for a defense against nuclear weapons, to a ground-based system capable of protecting against

short-range missiles.

The Persian Gulf war and the present economic chaos in the Soviet Union have created the illusion that there is no longer a danger of total nuclear attack from any "superpower." A ground-based effort would be ideal for the type of U.S. military operations as seen in the war against Iraq.

House Dems give okay to Iran-Contra probe

The House Democratic leadership has approved a preliminary staff investigation into whether the 1980 Reagan-Bush campaign conspired to delay the hostage release by the Iranians until after the 1980 election in order to assure a Reagan-Bush victory.

House Speaker Thomas Foley (D-Wash.) met with Majority Leader Richard Gephardt (D-Mo.) and the chairmen of several committees during the week of May 13, to discuss the issue and authorize a review of available evidence. A group of House members conducted interviews with Richard Allen, Reagan's national security adviser, on May 16. Allen denied the allegations. They also met with former Iranian President Abol Hassan Bani-Sadr, when he was in the United States on a tour to introduce his book on the Irangate affair, *My Turn To Speak*, which was recently published in English.

These moves to revive an investigation into the Iran-Contra scandal have Republicans concerned. House Minority Leader Bob Michel (R-Ill.) has complained that they were not briefed about the General Accounting Office investigation into the allegations of a secret Reagan campaign deal. Michel sent a letter to GAO Comptroller Charles Bowsher demanding to know who requested the

investigation, when the investigation was completed, and what members of Congress had been briefed on the final report.

Move to pass banking deregulation bill

The Bush administration's attempt to deregulate the banking sector overcame its first hurdle on May 21 when the Financial Institutions Subcommittee of the House Banking Committee approved an administration-backed measure.

The bill includes provisions that would allow banks to enter the securities business for the first time in nearly 60 years. The subcommittee also left intact the measures which would permit banks to expand into the insurance business.

Other provisions of the bill would allow commercial companies such as Sears and General Motors to own banks. These provisions were not contested by the subcommittee.

The measure will now go to the full committee where the deregulation measures are expected to meet greater opposition. As was pointed out by Rep. James Moran (D-Va.), who attempted to place limitations on the merging of banking and securities functions, the banking and securities sectors were separated in 1933 because of the abuses which led to the crash of 1929.

New civil rights bill causes consternation

Congress is now preparing another civil rights bill after George Bush vetoed a civil rights bill last year, because he claimed it placed minority "quotas" on hiring by employers. The Senate failed to override the Bush veto of the

Civil Rights Act of 1990 by only one vote. The House fell 17 votes short of the two-thirds needed to override.

The Democrats, sensitive to the administration's fomenting of racial tensions by their attacks on quotas, are working overtime to find a compromise. The new bill is deemed necessary in order to reverse recent Supreme Court decisions which make it more difficult for people to bring and win discrimination lawsuits.

Part of the compromise is a \$150,000 cap on punitive damages that women and religious minorities could receive in such lawsuits. Racial minorities now can receive unlimited damages under a post-Civil War law, while women and religious minorities are protected under Title 7 of the 1964 Civil Rights Act, which does not provide for damages.

The Bush administration hopes to capitalize off racial tensions in the 1992 election campaign. The White House had sabotaged discussions between members of Congress and the Business Roundtable who were trying to work out a compromise which would be satisfactory to employers.

Senate okays loan guarantees for Soviets

The U.S. Senate voted 70-28 in favor of a "sense of the Senate" resolution sponsored by Minority Leader Bob Dole (R-Kan.) in mid-May, urging President Bush to approve an additional \$1.5 billion in loan guarantees for grain shipments to the Soviet Union, as Soviet President Mikhail Gorbachov has requested. The resolution links U.S. aid to progress on political reform and Soviet interest payments on previous loans.

The resolution is aimed at lifting congressional restrictions on credits to the Soviets, which President Bush

said a few weeks ago were impeding his ability to extend new food aid to Moscow. Dole said that Bush had expressed enthusiasm for his resolution at a lunch with Republican senators before the vote.

DoJ targets Gulf war foe for alleged fraud

The FBI has begun an investigation into the alleged failure of Sen. Mark O. Hatfield (R-Ore.) to disclose the receipt of nearly \$9,300 in gifts from the former president of the University of South Carolina. The accusation is that Hatfield received the gifts while the university was seeking committee approval for \$16.3 million in federal funds from the Appropriations Committee of which Hatfield was the chairman.

Hatfield was the only Republican Senate opponent of the Persian Gulf deployment. He was the only senator who was both against the deployment of U.S. troops to the Gulf and the policy of "strangulation" of Iraq through economic sanctions. The Justice Department inquiry began in March, two months after the critical vote on the Persian Gulf resolution. Hatfield has the reputation of being the "conscience of the Senate."

Cheney stalls on Persian Gulf withdrawal

In testimony before a House subcommittee on May 21, Secretary of Defense Richard Cheney was besieged by complaints from committee members that U.S. Army Reserve troops had not yet been brought home from the Gulf.

Cheney said that there was a timetable for bringing these troops home, but he would give no dates for their return.

National News

Lamm says he will 'autopsy' medical care

Former Colorado Gov. Richard Lamm, in Richmond, Virginia, to deliver a lecture at the Richmond Academy of Medicine's monthly meeting, said that he's been trying to conduct an "autopsy" of the U.S. medical care system, which he says costs too much. Lamm, while governor of Colorado, once said that old people should die and get out of the way because they use up too many resources.

Lamm blames the nation's health care system costs on high malpractice premiums and the fact that doctors order or perform unnecessary tests to protect themselves from being sued; excess facilities, including unused hospital beds and too many pieces of equipment such as mammography units; excess numbers of operations and procedures, not absolutely necessary; and public expectations that medical professionals can do practically anything, the May 15 *Richmond Times-Dispatch* reported.

Setback for Minnesota 'get LaRouche' effort

Philadelphia Common Pleas Court Judge John Herron on May 14 granted a motion to prevent the Office of Minnesota Attorney General Hubert "Skip" Humphrey from getting all bank records for the Constitutional Defense Fund (CDF) from May 1989 to the present. The decision comes in the ongoing fight to prevent the "Get LaRouche" task force from succeeding in its latest fishing expedition. CDF has helped coordinate the defense of supporters of Lyndon LaRouche.

Judge Herron narrowed the scope of two search warrants requested by the Philadelphia district attorney on behalf of Humphrey's office, to only those records that pertain to a CDF contributor Jane Young, one of two alleged "victims" named by a Minnesota investigator. A civil case involving Young in Minnesota was settled months

ago. Judge Herron's ruling shuts off any further attempts in Pennsylvania to obtain the names of contributors to LaRouche-associated organizations.

At the hearing, the district attorney disclosed that a Philadelphia bank, Provident National, had turned records directly over to Minnesota investigator Richard Munson on Jan. 30, 1991, bypassing his office, despite the fact that the issue of producing records was still being litigated. Munson's actions, in which records were obtained in violation of Pennsylvania law, were deemed an improper search by the district attorney.

Herron ordered the district attorney to demand that the records be returned or he would consider granting a hearing on misconduct and for sanctions.

Supreme Court limits Fourth Amendment

Fourth Amendment protections against illegal search and seizure were further limited by the Supreme Court in a May 13 ruling in *County of Riverside v. McLaughlin*. The Court said police can hold persons arrested without a warrant for up to 48 hours before a probable cause hearing is held.

A dissent by Justice Antonin Scalia, who was joined by Justices Thurgood Marshall, Harry Blackmun, and John Paul Stevens, pointed out that the ruling throws out the common law basis for the Fourth Amendment in order to accommodate bureaucratic interests of the government.

Scalia, who has previously backed limiting the Fourth Amendment rights of "criminals," wrote, "Hereafter a law-abiding citizen wrongfully arrested may be compelled to await the grace of a Dickensian bureaucratic machine, as it churns its cycle for up to two days—never once given the opportunity to show a judge that there is absolutely no reason to hold him, that a mistake has been made. In my view, this is the image of a system of justice that has lost its ancient sense of priority, a system that few Americans would recognize as our own."

In 29 of 50 states, police had been obligated to present a detainee to a magistrate

for a probable cause hearing within 24 hours, and that rule is generally followed nationwide. The County of Riverside, California which routinely holds people for days without a hearing, argued that it is the convenience of the state, not the rights of the citizen, which should shape the rule.

Hostages may be Bush's Watergate

Conservative columnist Kevin Phillips asks if the delay in the release of the American hostages, allegedly engineered by the Reagan-Bush campaign until after the 1980 elections, is "Bush's Watergate?" in a commentary in the May 12 *Los Angeles Times*.

Phillips hints that choosing Quayle as his vice president was impeachment insurance for Bush: "And the biggest problem comes if Bush, a former director of the Central Intelligence Agency, was influenced by the thought that if some revelation about the Iran-Contra scandal, a Noriega drug-money link or some other possibly impeachable secret dealing ever came to light, Congress would shrink from any action to install J. Danforth Quayle."

The political victory of the Gulf war could be tainted if Hostagegate reveals that the '80s and '90s "turn out to be a seamless web of GOP secret Middle East dealings." Phillips ends, "It may be a long shot, but backstage events in the Middle East, and what Bush knew about them, could dramatically rewrite the '92 political campaign."

Sagebrush revolt aims at environmentalism

A sagebrush rebellion is erupting in the western part of the United States, which, the May 16 *Washington Post* warns, is a mass movement against the environmentalists and the greens in the U.S. government.

The *Washington Post* reports that groups such as People for the West "have struck a chord among rural westerners" by

opposing ecological fanaticism. This "was powerfully illustrated earlier this year during public hearings on the Greater Yellowstone 'vision' document, a federal effort to preserve the region's ecological integrity. 'I went to a meeting in Bozeman [Montana] and there were 700 people there,' recalled Yellowstone National Park Superintendent Robert Barbee. 'You can't imagine the virulence of the outcry. . . . I was Saddam Hussein . . . a communist, everything else you could think of. One lady got up there, jaw quivering, used her time to say the Pledge of Allegiance, then looked at me and called me a Nazi.' "

"This is a political phenomenon going on in the West and I've never seen anything like it," former Oregon state legislator William Grannel told the paper. The *Washington Post* claims the "sagebrush" rebellion "is the development of an overarching philosophy to counter what critics have dubbed the 'anti-human' bias of groups such as the Sierra Club. Industry advocates who once couched their arguments solely in economic terms now speak of 'man's place in the ecosystem' and the obligation to use natural resources for the betterment of mankind."

Carter says Bush adviser behind October Surprise

Former President Jimmy Carter said he believed that it was Donald Gregg, an adviser to George Bush, who was key in efforts by the Reagan-Bush campaign to delay the release of American hostages from Iran until after the 1980 elections, the so-called October Surprise.

In an interview in the May 16 *Village Voice*, Carter was asked who he suspects was responsible for leaking information from his administration to the Reagan-Bush campaign, as the negotiations were ongoing with the Iranians to obtain release of the hostages.

"I'm not prepared to name names, but there were some—there was one particular, key member of my National Security Council who stayed on and worked full-time for Vice President Bush." Asked if he meant Donald Gregg, who was Vice President

Bush's national security adviser and now "happens to be the current ambassador to South Korea," Carter replied, "Yes."

Carter speculated that Gregg, while still a member of his administration, joined with a number of former CIA officials who were fired by Carter's CIA director Stansfield Turner. "We tried to clean up the CIA," Carter said. "It had been shot through with people that were later involved in the Iran-Contra affair. . . . We knew that some of the former CIA officials were loyal to Bush and not particularly loyal to me and Stan Turner."

Maglev-mobile tours Pennsylvania

A "Maglev-mobile" sponsored by the Schiller Institute crossed the state of Pennsylvania May 13-16, to mobilize support behind an economic recovery program for America based on infrastructure investments. The tour followed the route of the Philadelphia to Pittsburgh magnetically levitated train line, as proposed four years ago by the Pennsylvania High Speed Rail Commission of the state legislature.

Tour organizers elaborated the "Productive Triangle" proposal of economist Lyndon LaRouche for rail-centered investments in Europe, in order to dramatize the failure of America to build basic economic infrastructure.

Elected officials, trade unionists, and businesses, were briefed, and the tour garnered media coverage, including in the *Altoona Mirror*. Officials were urged to call for 1) high tariffs to protect the internal U.S. economy, and allow our industries and farms to get back on their feet; 2) low-interest government credits, to rebuild infrastructure, including high-speed rail, and to finance a high-technology export program to developing countries; and 3) a reform of the international monetary system, including comprehensive debt reorganization and forgiveness with the U.S. and globally. It also called for pressure on the U.N. Human Rights Commission to investigate the human rights violations by U.S. government agencies in the case of LaRouche.

● **ROBERT GATES**, deputy national security adviser, was named by President Bush May 14 to replace William Webster as head of the CIA. According to press accounts, Bush made the decision after polling members of Congress and concluding that the confirmation hearings would not be turned into a partisan forum for reviving the Iran-Contra scandal.

● **INVESTIGATORS** Robert Gettlin and Len Colodny charge that the Watergate scandal was a "silent coup" against the presidency. They published their book, *Silent Coup*, simultaneously in the United States, France, Britain, and Japan and released it May 12.

● **POVERTY** and unemployment were believed by 68% of 779 Mount Pleasant residents interviewed by the *Washington Post*, to be the cause of riots in that neighborhood of Washington, D.C. in May.

● **BISHOP VACHE**, of the Episcopal Church of Richmond who has called for a halt in U.S. aid to Israel until it stops its abuse of Palestinians, told the May 13 *Richmond Times Dispatch* that modern Israel is like a person who, having been abused as a child, becomes a child abuser in maturity.

● **MASSACHUSETTS** Gov. William Weld has introduced of convict labor for construction and repair work at the capitol building in Boston, the birthplace of the American Revolution. Inmates get \$2 a day. The building trades union staged a protest rally May 15. "Slaves had jobs," Massachusetts Building Trades Council President Leo Purcell said in an interview. "Is that what we're talking about now?"

● **A \$100 FINE** was meted out to John Schuchardt, the man who embarrassed President Bush by praying aloud for peace in his Kennebunkport church on Feb. 17.

Is Bush planning a new war?

The war against Iraq saved George Bush's *posterior*, to put it politely. From rightly being low in the popular estimation, he achieved a burst of popularity through his calculated brutality against a defenseless population. Bush rightly calculated on the degradation and stupidity of the American population, which is willing to buy into the myth that the Desert Storm *victory* shows the United States to be still a strong, thriving nation. Now there are signs that he is looking for a Desert Storm II.

He is known to model himself upon the disgusting President, Teddy Roosevelt, who believed that America and the British could, and should, bully the rest of the world into submission.

A new biography by Godfrey Hodgson of a Teddy Roosevelt protégé, Henry Stimson (who was defense secretary in the Taft and Franklin Roosevelt administrations, and secretary of state for Herbert Hoover), has a revealing quotation by Teddy Roosevelt on the value of little wars. Stimson himself—a member also of the secret society, Skull and Bones, to which Bush belongs—was a mentor of George Bush. Essentially, through his years in office, Stimson prepared the groundwork for Bush's fascist new world order.

It is worth quoting Hodgson because Roosevelt's nasty assumptions then are Bush's game-plan today. Hodgson writes: "In yet another respect, young Henry Stimson followed his hero Roosevelt. Like others of their generation they were fascinated and not at all repelled by war. 'If it wasn't wrong,' Roosevelt wrote in a private letter in 1896, 'I should say that personally I would rather welcome a foreign war,' and again next year, 'in strict confidence . . . I should welcome almost any war, for I think the country needs one.' "

The Spanish-American War, now widely admitted to have been deliberately engineered by the Roosevelt crowd, including the explosion on the *Maine* which was the pretext for the U.S. *retaliation*, was just such a convenient war. It was in fact pivotal in transforming the American cultural paradigm from the kind of genuine patriotism evoked by great leaders like George Washington and Abraham Lincoln, into a nasty kind

of jingoism. Not coincidentally, the manifest destiny which Teddy Roosevelt intended the United States to live out, was in conjunction with British imperialism rather than—as in the case of Washington and Lincoln—in opposition to it.

So it is not surprising that George Bush is looking for a new war to keep his political momentum going, especially as his domestic problems on the economic front are assuming crisis proportions. This being the case, it would be wrong to dismiss signals that he may be following so closely in the footsteps of T.R., that he is actually planning a retake on the Spanish-American War.

On May 20, he made a statement, celebrating the anniversary of the liberation of Cuba, in which he asserted that the United States was committed to seeing a free Cuba. On the same day, the unofficial leakers, columnists Rowland Evans and Robert Novak, mooted a new Cuban missile crisis.

According to them, on April 25, U.S. spy satellites discovered one or more SS-20 missiles located in Cuba. They also report intelligence findings that suggest Cuba may be developing a nuclear reactor capable of producing weapons-grade fuel.

This reminds one of the buildup to the Iraq war, in which unproven claims were made by the British that the Iraqis were building new super weapons and so on.

Another, earlier signal, came from former U.S. Ambassador to the United Nations Jeane Kirkpatrick. She wrote a syndicated article in which she described Fidel Castro as so desperate because of his domestic problems that he might attack a nuclear power plant in Florida as a diversion. The scenario for a new Chernobyl, which she suggests, is certainly bizarre, but that is not the point.

John Stockwell, formerly high up in the CIA, agrees with our assessment. He has written a book, *The Praetorian Guard—The U.S. Role in the New World Order*, in which he warns that Bush is looking for a series of small wars to fight. Stockwell, like us, has a good record in anticipating Bush's moves. He too predicted the invasion of Panama.

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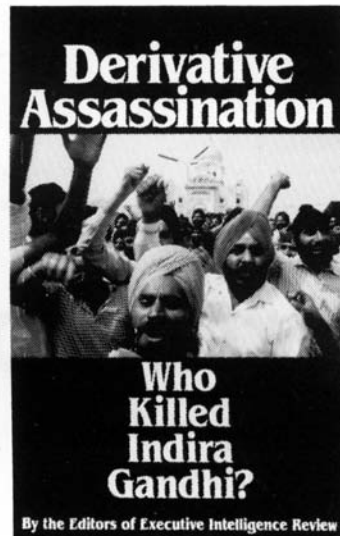
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EIR Special Report, May 1991

Auschwitz below the border: Free trade and George 'Hitler' Bush's program for Mexican genocide

Right now, your congressman may be voting to authorize the Bush administration to negotiate a treaty with Mexico that will mean slave labor, the rampant spread of cholera, and throwing hundreds of thousands of workers onto the unemployment lines—on *both* sides of the border—all for the purpose of bailing out the Wall Street and City of London banks.

Doubt it? Then you haven't looked into NAFTA, the North American Free Trade Agreement that George Bush and his banker buddies are trying to railroad through Congress on a "fast track."

In this 75-page Special Report, *EIR's* investigators tell the truth about what the Bush administration and the media have tried to sell as a once-in-a-lifetime opportunity to get economic growth started across the Americas. The Wall Street crowd—led by none other than David Rockefeller of Chase Manhattan—are going berserk to ram this policy through. Rockefeller threatened in May, "Without the fast track, the course of history will be stopped." With this report, *EIR's* editors aim to stop Rockefeller and his course of history—straight toward a banking dictatorship.

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