

EIR

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OAS gets LaRouche human rights complaint
Sachs mania in Poland—a tragic lesson
How debt, refugees are used to push genocide

**LaRouche interviewed: What
is real political leadership?**



WHY

The British Establishment Fears Lyndon LaRouche

Books authored by Lyndon LaRouche and associates

In Defense of Common Sense, by Lyndon H. LaRouche, Jr., Schiller Institute, 1989, 110 pages, \$5. Order number SIB 89-001.

The Power of Reason: 1988, an autobiography by Lyndon H. LaRouche Jr., *Executive Intelligence Review*, 1987, 331 pages, \$10. Order number EIB 87-001.

So, You Wish to Learn All About Economics? by Lyndon H. LaRouche, Jr., New Benjamin Franklin House, 1984, \$9.95. Order number BFB 84-003.

How the Nation Was Won, America's Untold Story 1630-1754, by H. Graham Lowry, *Executive Intelligence Review*, 1988, 497 pages. Order number EIB 88-001.

Derivative Assassination, Who Killed Indira Gandhi? by the editors of *Executive Intelligence Review*, New Benjamin Franklin House, 1985, 266 pages, \$4.95. Order number BFB 85-007.

"We Americans, in our majority, are now caught asleep, unprepared for the terrible crisis now assaulting the very existence of our nation. . . . To where do we turn, on very short notice, for a different political perspective, a different philosophy of policy-shaping? All we Americans have immediately at hand is the sleeping nationalist heritage embedded in our bones over more than twenty generations—the heritage of the eighteenth-century, worldwide American Revolution, and of the proximate predecessor, the Golden Renaissance. . . . I am the voice of the Golden Renaissance, in my role as a defender of our American Revolution. It is time for all true patriots to awaken and to join me."

—Lyndon H. LaRouche, Jr.,

from "The Great Crisis of 1989-1992, The LaRouche Congressional Campaign Platform."

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DEFENSE
OF
COMMON
SENSE

by Lyndon H. LaRouche, Jr.

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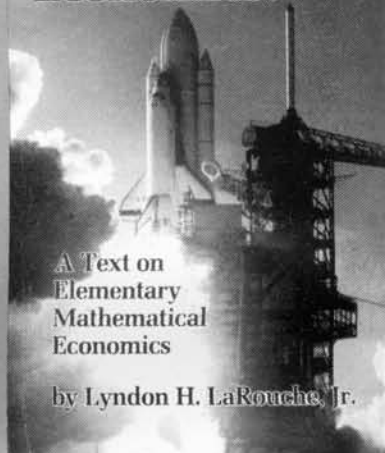


The
Power of
Reason: 1988

an autobiography by Lyndon H.
LaRouche, Jr.



So, You Wish to
Learn All About
Economics?



A Text on
Elementary
Mathematical
Economics

by Lyndon H. LaRouche, Jr.

HOW THE
NATION
WAS WON

AMERICA'S UNTOLD STORY
Volume I
1630-1754

H. Graham Lowry

Derivative
Assassination



Who
Killed
Indira
Gandhi?

By the Editors of Executive Intelligence Review

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From the Editor

At the risk of seeming a little pretentious, I invite you to think of our three featured packages in this issue as three movements in a musical composition.

First, our *Feature* reports excerpts of an exclusive interview with statesman Lyndon LaRouche which was conducted by a journalist from the Dominican Republic and aired over television in that country. I believe that the natural response of any human being to this dialogue will be to say, "This man should not be in prison. He should not only be free, he should be in a position to guide the policies of the world's governments at close range."

The second "movement" is the text of a complaint which has just been filed with the Organization of American States by LaRouche and five of the co-defendants who were imprisoned with him in January 1989, presenting the gross violations of human rights committed by the U.S. government in this case. It is one of several political and legal initiatives currently being undertaken to achieve Lyndon LaRouche's release.

The third "movement" appears as our *Investigation*: two articles exposing the plans to expand genocide in the Third World, by the same government which is persecuting LaRouche and his associates. In the first article, Gretchen Small shows that the U.S. Agency for International Development, a division of the State Department, has drawn up a program in which Central American countries' debt will be used as blackmail to force those nations to welcome more "family planning" programs. In the second article, Leo Scanlon gives a hair-raising account of the latest program of a private institute which has great influence in the U.S. government, FAIR, to use refugee and asylum programs as a means of forcing zero population growth. In short, the misfortunes of a debt which was foisted unlawfully upon these countries, and of economic deprivation which has been brought about by debt collection and looting, will now be used to justify the "mercy killing" not merely of individuals but of entire peoples.

LaRouche in his interview poses the criminal stupidity of this depopulation policy in a new way. In our "composition," there is a crucial fourth movement—a grand finale which is missing. It will be completed only when Lyndon LaRouche is freed.

Nora Hamerman

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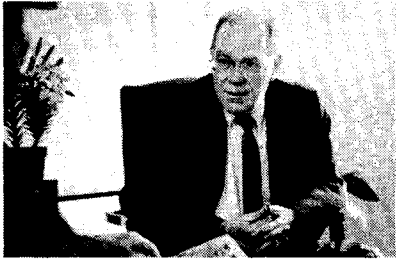
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From an interview with Lyndon LaRouche conducted by Dominican Republic television journalist Dr. Julio Hazim. Why is LaRouche in prison, and what are the chances of his getting out? Should the Third World pay its debt? Aren't there too many people in the world? What does the Anglo-American establishment really want anyway, with its "new world order"? These, and many other questions are discussed in this wide-ranging dialogue with the Democratic precandidate for the presidency of the United States in 1992.

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Sachs mania runs wild in Poland: a tragic lesson

by Konstantin George

The Polish economic crisis, caused by the government's adherence to the "shock" austerity policies of Harvard economist Jeffrey Sachs and the International Monetary Fund (IMF), has turned a fatal corner with the bankruptcy, announced July 22, of the giant Ursus tractor plant, the largest producer of tractors in eastern Europe and the largest employer in the Warsaw area. On July 30, the fate of Ursus was sealed with a Polish government announcement laying off 9,000 of the 15,000 workers in the Warsaw main plant, and a further 3,000 at the Ursus plant in Lublin, in southeast Poland. Ursus employed more than 20,000 as of two years ago.

An accompanying statement underlined that no subsidies would be provided to allow the continued operation of what is left of the plant. Ursus is incapable of paying part of the salaries for the month of June and for all of July, because all revenues from tractor sales were taken by Finance Minister Leszek Balcerowicz to pay the firm's old debt—the equivalent of about \$83 million—dating from the communist period.

Thus, by sometime in August, all of Ursus, which does not even have enough money to stop a shutoff of its electricity on Aug. 4, will close down. The toll of jobless, including as a result of many plants and firms dependent on the Ursus complex, will reach 80,000-100,000. Many of these are skilled operatives.

The Sachs policies have already resulted in 1.6 million unemployed in the country. There are at least 1,600 industrial enterprises which are in the same category of bankruptcy or near-bankruptcy as the Ursus complex, all facing either massive work force reductions or closure.

Poland is facing the twin evils of mass disorders and chaos and the real threat of President Lech Walesa imposing some form of dictatorial rule. The point is quickly being

reached where the ever-tougher austerity mandated by Sachs and the IMF are politically unenforceable by non-dictatorial means.

Who inside Poland is to blame for this catastrophe? At the top of the list is the executor in the Polish government for Sachs's policies and the IMF austerity conditionalities, Finance Minister Balcerowicz. Callous as always to the human suffering in Poland, he has turned down plant management requests that the government provide a bridge loan equivalent to \$35-55 million to keep the plant operating. Pursuing IMF "guidelines," oblivious to Poland's national interest and welfare, Balcerowicz and the government of Prime Minister Jan Bielecki have killed Ursus, and thus set a precedent for an across-the-board demolition of Polish industrial giants.

Prime Minister Bielecki himself visited the plant on July 22 and told the press that he was deeply shocked at what he had seen: "There are cases here of grave incompetence, economic incompetence to an extent that justifies even speaking of sabotage. . . . If this is the result of our reforms, one may pose the question what these reforms are good for at all."

While such words are well and good, the policy has not changed since he spoke them. After a round of crisis consultations, Bielecki decided on July 23 to fire part of the Ursus management. Yet one of the chief culprits, Balcerowicz, is being kept in office—at least for the time being.

The enormity of the crime committed by the Sachs maniacs extends far beyond the borders of Poland. The developing sector, wracked by hunger, has been deprived of even the possibility of receiving desperately needed agricultural equipment from the largest source for such equipment in eastern Europe.

Political crisis builds

The Ursus closure has triggered what threatens to become the worst social and political crisis in Poland since the 1980-81 mass strike wave. How close Poland has come to the abyss was revealed in a report to the cabinet, July 30, by Labor Minister Michael Boni. He called Ursus, where mass sitdown strikes are expected to begin in the first days of August, just the start of a coming wave of social unrest. Boni warned that "dramatic developments in the neighboring U.S.S.R." could be "accompanied by outbreaks of riots" in Poland and other eastern European countries. He noted the absurd situation caused by the government's austerity policies, where the average industrial worker is "better off" being unemployed than working. Unemployed industrial workers receive 700,000 zlotys per month (roughly \$61.50) from the state, while many industrial workers in the capital goods sector earn only 600,000 zlotys (\$53) per month. "All of these things lead to a loss of the citizens' feeling of security," said Boni. "Nobody knows where the limit to social stress is. The map of labor strikes for economic motives documents that this state is coming close to the limits."

Ample warnings to this effect appeared in the Polish press in the last days of July. Opinion polls conducted by the Center for Opinion Research showed that 72% see the economic situation as "very bad," only 6% see it as "good," and 91% see a mood of unrest in the population. Seventy-five percent of those polled expect that popular dissatisfaction will lead to mass unrest, and 52% stated that they would take part in coming mass protests.

The July 30 cabinet proceedings show that the Bielecki government has responded to the crisis by inflaming it in the most provocative and arrogant manner possible. Its decision to kill Ursus was accompanied by replacing Industry Minister Andrzej Zamislak with Henryka Bochniarz, a Sachs devotee, who has achieved notoriety as what Poles call a "crash privatizer." Mrs. Bochniarz is the chairman of Nikom Consulting, Inc., which in July had just finished a study calling for the "rapid privatization" of 400 select companies in Poland's state sector industry. Her background includes three years (1985-87) as guest lecturer at the University of Minnesota.

Toward a dictatorship

The tragedy of Poland provides a lesson for leaders and citizens around the world. It proves that Sachs-IMF economics and Bolshevism are twin evils. The imposition of either one on a nation subjects that nation to ruin. The former communist bosses of Poland responded to the ruin of Poland they had caused by imposing martial law in December 1981, as the only means by which they could continue to rule. The Sachs mafia is now contemplating exactly the same "solution" as the means to continue looting Poland.

The martial law "solution" to enforce further IMF looting of Poland is being promoted by the Bush administration. It was first publicly mooted the week of July 22, after talks in

Washington, by the state secretary in Walesa's Presidential Office, Maciej Zalewski. He remarked that to continue with the policies, if not with the actual person of Finance Minister Balcerowicz, it may be necessary to dump the Bielecki government and establish an emergency regime.

Zalewski was in Washington on a secret visit to sound out IMF and Bush administration reactions to imposing emergency rule in Poland. These talks were scheduled to continue at the end of July and first days of August, when an IMF delegation was to arrive in Warsaw. Right after the Zalewski-IMF meetings, President Walesa himself warned on July 24: "If I have to deal with anarchy, with a large strike wave. . . . I will use force to save the country." He stressed that he would have "no fear" to "impose martial law," and rule Poland, "not as a dictator but as a regulator."

By July 30, in a move perfectly timed with the callous and arrogant behavior of the Bielecki cabinet, Walesa went into a frontal offensive against the government, starting what he called a "meet the people" campaign, "to get Poland moving." Holding a press conference at the gardens of the Belvedere Presidential Palace, Walesa denounced the government for having "lost touch with the people."

A sweeping broadside against the government's economic policies appeared in an interview the same day in the leading daily *Zycie Warszawy*, by Jaroslaw Kaczynski, head of the pro-Walesa political party, the Center Alliance: "We do not agree with the current state of our country. We do not agree with the economic policy which is leading the country toward destruction. With the agricultural policy, thanks to which millions of farmers cannot sell their harvest. With the domestic policy, with the attacks on the Church and values dear to us."

Parliamentary elections, the first totally free ones in postwar Polish history, are scheduled for October. This is certainly one reason why the Walesa camp, whose popularity has suffered immensely because of the disastrous economic policies, has now begun to attack these policies, at least in words. If past experience is any guide, the Walesa camp will escalate these attacks and move toward dumping the Bielecki government. Walesa has done this kind of maneuver once before, when last year he broke with the government of Tadeusz Mazowiecki, correctly denouncing it for its economic policies, but only to continue these policies through the Bielecki government.

This time around, the scope of crisis will mean not merely an exchange of governments, but some form of authoritarian presidential rule by decree. What Walesa chooses to do at that juncture will be decisive in determining how history will judge him. Walesa can choose to implement by decree the next chapters of Polish economic ruin, dictated by the IMF and the Sachs maniacs, or he can employ his presidential powers to issue decrees that protect and build up Polish industry and agriculture, to act wisely in the spirit of a Charles de Gaulle, to reverse the decline of Poland. The decision will have enormous repercussions for all of Europe for many years to come.

Vienna, at crossroads of Europe, gets report on LaRouche 'Triangle' plan

by EIR Staff

On July 25, the Schiller Institute held a seminar at the Concordia Press Club in Vienna on the economic development of eastern Europe. Vienna is the third vertex of a "Productive Triangle" in central Europe, whose other corners would be Paris and Berlin (see box).

Among those who attended the two and one-half-hour seminar were representatives from the embassies of Bulgaria and Turkey, two big Austrian banks, the Croatian-Austrian society, an economic research institute, and several print media and radio. A delegation of the Croatian Democratic Party of President Franjo Tudjman had come specially from Zagreb for the occasion. The Austrian President, Kurt Waldheim, sent his wishes for the success of the deliberations.

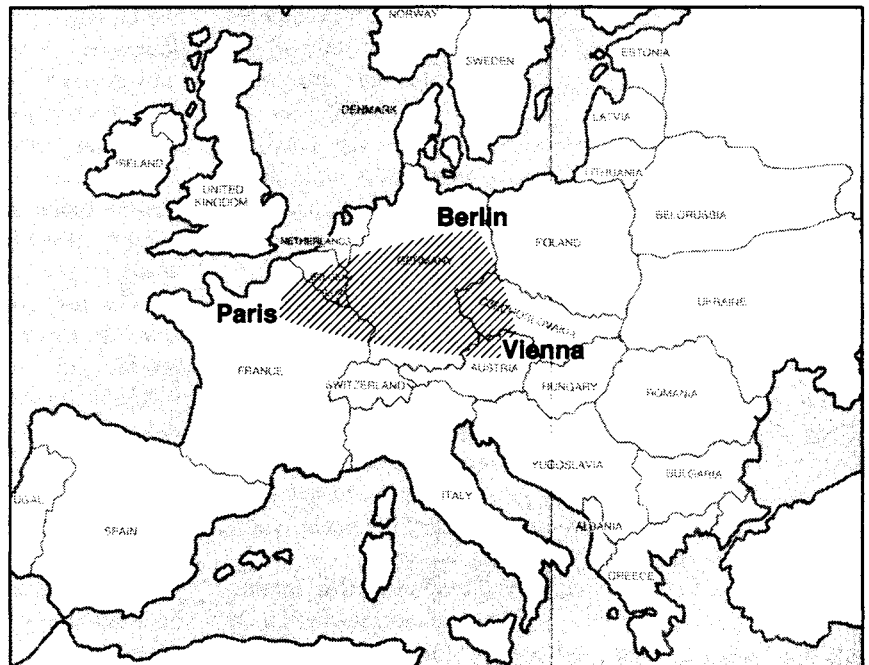
Each of the three panels took up the question of war avoidance, stressing LaRouche's role, particularly as exemplified by the Triangle proposal. The destruction of the region which was formerly the Yugoslav confederation, and the ruthless austerity being imposed on all of the former Captive Nations by the International Monetary Fund, are already having a bad effect on the economies of the other European countries.

No summer doldrums in Vienna

On account of Austria's geography, the mood in Vienna had by no means entered the summer doldrums, despite the summer break in government activity. The aggressions of the Yugoslav Federal Army and the Serbian Chetnik terrorists against Croatia are occurring right next door. Austrian media are constantly reporting on the battles, and it certainly gets under people's skins when they hear radio interviews with citizens from the strife-torn villages of eastern Croatia describing the horrors, while machine-gun fire is constantly heard in the background.

Moreover, attacks by foreign media and politicians on Austria's realistic attitude toward Croatia and Slovenia, the Serbian-British-French propaganda against an alleged "Fourth Reich," and the role of the United States in Yugoslavia, have greatly sharpened Austrians' overview of the international constellation. As well, the proximity of Hungary on the east, and the Czech and Slovak Federated Republic to the north, brings it home that the extreme free-market remedies of the IMF are having a destabilizing impact that grows by

The European Productive Triangle



The European Triangle: heartland of civilization

Lyndon LaRouche gave this description of his concept of the "Productive Triangle" on July 16:

This Triangle from Paris down to Vienna, up to Berlin, and then back to Paris by way of covering the German Ruhr district and the Lille district in France, harbors 110 million people in the order of magnitude of the total area of Japan. Although, of course, it contains a much larger usable land area, with a population significantly less than that of Japan, which represents the highest concentration of productivity and productive power in the world.

That's the significance of the Triangle. Its historic significance is that this was the essence of Christian civilization. Charlemagne, in setting forth his prosperous Christian civilization, together with conducting a census as a basis for coordinating the administration of the great expansion of productivity, was at the center of the construction of the system of canals, linking waterways, and so forth—the Rhein-Danube Canal was one, not yet completed. Following this Charlemagne matrix, all Europe developed, essentially, around this Triangle, in which Vienna was the *Ostmark* for Christian civilization facing eastern Europe on the south, and Berlin emerged later as the *Ostmark* capital in the Mark-Brandenburg, which was, of course, part of the apparatus including the Christian

state of Poland, and so forth, and the northern base as the Christian frontier into eastern Europe from the north.

So, from Paris to Vienna, Paris to Berlin, the links from Berlin to Vienna, established a march of civilization, so the fact that this triangular area has this great concentration of productivity is a reflection of more than a thousand years of history embodied in the positive developments which have occurred cumulatively in this region. The development of the canal system is exemplary of that process.

Now, the point is that the equivalent of a dollar's worth of investment in that Triangle, will generate a higher rate of return on the same technology, than an investment of a dollar in any other part of the world. Of course, it doesn't work to just keep investing in there, so how does it work?

It works on the basis of developing high-productive-density spiral arms centered on rail, water, and power distribution, from the Triangle to other parts of the world. So therefore, we have in the Triangle the engine, the power station, the generator, of the radiation of technology, to other parts of the world. Only by maintaining the Triangle, can you get that kind of leverage in terms of technological progress. It's not in good shape today, but it's in less bad shape than the other parts of the world, Japan included. Japan cannot do this. It does not have the potential of the Triangle.

Central Europe, centered on Germany, is the heartland of civilization, and unless German civilization, or the German heartland, progresses now successfully without destabilization by the British, Israelis, and others, you can write off most of the human race.

the day.

Nuclear energy is key

In the first presentation at the seminar, Jonathan Tennenbaum of the Fusion Energy Forum stressed that there can be no island of prosperity—that Germany, too, will be doomed if it does not act to implement the LaRouche proposal for massive, rapid infrastructure development, based upon frontier technologies. He cited the instance of the German machine-tool industry, which is now facing economic problems. He also pointed out that countries such as Serbia, Poland, and the Czech and Slovak Federated Republic, are needed as a skilled labor pool for the rest of Europe. Skilled labor was the basis for the German economic miracle, and that potential still exists today if we do not let it be destroyed by the crowd of Jeffrey Sachs, the Harvard economist who is now destroying Poland (article, p. 4). Tennenbaum pointed out that, with the LaRouche policies in effect, we should see a rapid rise in productivity as the rate of new inventions escalates.

Dr. Tennenbaum presented the new study of the EIR News Agency of Germany on "Infrastructure for a Free Europe." He sketched out the most important programmatic points, especially underlining the need for nuclear energy. Without it, there is no chance of building functional transportation infrastructure and industrial productive capacity in eastern Europe. The High-Temperature Gas-Cooled Reactor offers itself as an excellent solution, which is inherently far safer than the present eastern European nuclear plants.

The strategic context

Mrs. Helga Zepp-LaRouche, co-founder of the Schiller Institute and chairman of its international advisory board, drew the attention of participants to the kind of satanic brain-child the Anglo-Americans have generated, in a policy which unfortunately France has joined.

She discussed the recent history of Germany, giving credit to the Kohl government for acting decisively to bring about the reunification, but at the same time pointing to the failure

to implement the Triangle proposal as a serious blunder. She said that the Triangle is subsumed within the broader philosophic concepts embodied in Christian economics, which provides the conceptual basis for the generation of such proposals. Kohl's real problem is his unwillingness to take on the Anglo-Americans.

She reminded the audience of the constant attacks and attempts at sabotage from the British, during the process of German reunification, and the destabilization attempt simultaneously launched against Europe. One purpose of the Iraq war, Mrs. Zepp-LaRouche explained, was to force continental Europe into "toeing the line." The policy of the United States is to prevent a true economic reconstruction of eastern Europe by fostering maximum instability in Europe, including through trade war.

This is the background against which the Yugoslavian civil war must be seen, as well. Mrs. LaRouche described in detail the role of the former American ambassador to Yugoslavia, Lawrence Eagleburger, a friend of the Serbian dictator Milosevic, who, through the firm Kissinger Associates, bled Yugoslavia dry in order to enrich himself and his cronies.

Elke Fimmen, the local leader of the Schiller Institute in Munich, Germany described the brutality of IMF conditionalities and counterposed to that the 19th-century German-American economist Friedrich List's concept of "planting of productive powers." This pivots on the development of the intellectual capital of the population and the buildup of a national industrial and transportation infrastructure, protected, when necessary, by import tariffs. List's concepts were used at the end of the last century by Count Sergei Witte in Russia, by Prime Minister Aurelian in Romania, and by Hungarian patriots of that era as the framework for the industrial development of their nations. This could be done again today, said Mrs. Fimmen.

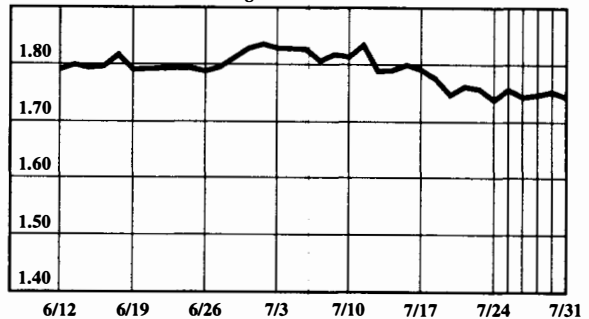
In the ensuing discussion, the leader of the Croatian delegation directed a passionate appeal to the participants to support the courageous struggle for freedom of the Croatian people. This was received with unanimous applause.

The widening influence of the Schiller Institute on circles in Austria was attested the next day when a private Viennese radio channel, CD-International, broadcast an extensive interview with Helga Zepp-LaRouche during its stock market report. The Vienna stock market's quotations had recently taken a deep plunge, after the British banking house Morgan Stanley put out the word that Austrian stocks are an insecure investment. Only days earlier, the leading newspaper of Vienna, *Die Presse*, had scored the policies of Adam Smith and his modern epigone, Milton Friedman, as destabilizing, and promoted in contrast the orientation laid out in the principles of the May 1991 papal encyclical, *Centesimus Annus*. It was Helga Zepp-LaRouche who had made exactly this point in an international appeal issued shortly after the encyclical was first released.

Currency Rates

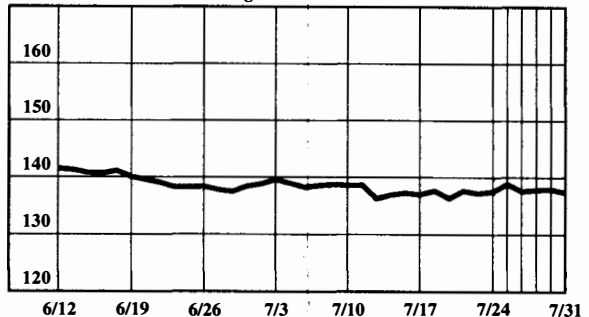
The dollar in deutschemarks

New York late afternoon fixing



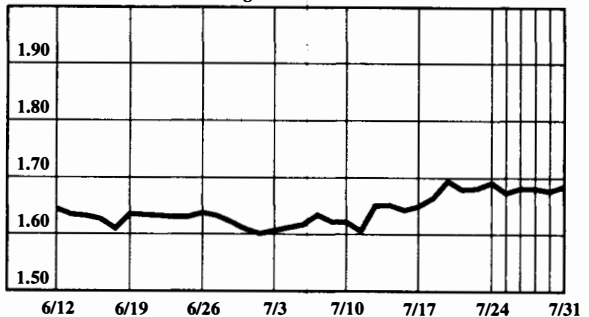
The dollar in yen

New York late afternoon fixing



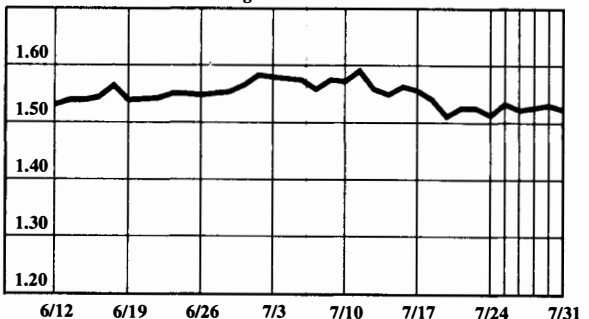
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



BCCI: The truth, but nowhere near the whole truth, comes out

by Jeffrey Steinberg

In December 1982, the editors of *Investigative Leads*, the counterintelligence newsletter published by *EIR*, circulated a series of memoranda to every U.S. government law enforcement and intelligence agency detailing the involvement of the Bank of Credit and Commerce International in international dope and weapons trafficking, terrorism, and rogue covert operations. The memoranda catalogued BCCI's takeover of the Washington, D.C.-area First American Bank Corp. (formerly Financial General Bankshares), underscored its role in the burgeoning Golden Crescent heroin trade in the Middle East, and detailed the role of the bank's founder, Aga Hassan Abedi, in sponsoring Muslim Brotherhood activities throughout the Arab world and in Africa.

BCCI was linked in the memos to Israeli intelligence and organized crime elements via the bank's drug-money laundering, and even the efforts of Pakistan to obtain the "Islamic [atomic] bomb" with the aid of Israel's Dr. Yuval Ne'eman. The bank's extensive ties to the People's Republic of China were revealed as well.

To put it bluntly: *EIR* "wrote the book" on BCCI beginning over a decade ago, when the bank first surfaced as an integral part of "Billygate" (involving President Jimmy Carter's brother and Libyan dictator Muammar Qaddafi), and later emerged as a component of the arms-to-the-ayatollahs network of the late Cyrus Hashemi. As *EIR* has recently reported, the banking operations of Hashemi were set up by many of the same individuals who bankrolled BCCI. The probe of BCCI could provide critical new evidence about the "October Surprise" scandal, in which Hashemi is accused of having been a "double agent" for the Reagan-Bush 1980 campaign who helped block the release of American hostages in Teheran until after the electoral defeat of Jimmy Carter.

Nothing of substance has been revealed in recent weeks by the Bank of England, Manhattan District Attorney Robert Morgenthau, Sen. John Kerry (D-Mass.), *Time* magazine, ABC's Ted Koppel, the *Financial Times*, the Federal Reserve Board, or the Department of Justice (DoJ) that was not known for the past dozen years. Indeed, critical elements of the bank's shady history have been downplayed in recent exposés—especially its links to the Israeli mafia.

As *EIR* reported in December 1988, following the indict-

ment of the Tampa, Florida branch of BCCI on drug-money laundering charges, bank records from 41 other banks doing business in the United States were subpoenaed by the DoJ. Among those banks were such suspected "Kosher Nostra" money washing outfits as Bank Leumi, Republic National Bank, Israel Discount Bank, Barnet Bank, and Florida National Bank of Miami (where the funds of the Anti-Defamation League Foundation are managed). Published reports suggest that BCCI was involved in the Israeli covert arming and training of Medellín Cartel death squads by Col. Yair Klein. Those Israeli-trained killers assassinated a Colombian presidential candidate in August 1989, in what proved to be a death blow to any serious anti-drug effort in Colombia.

Who is doing what to whom?

Given these facts, what is the significance of the recent moves by the Bank of England, Morgenthau, and the Fed to shut down BCCI and seize its assets?

Since the Bank of England and six other central banks moved simultaneously to sink BCCI on July 5, a slew of contradictory answers to that question have surfaced.

- According to some sources linked to the CIA, the shutdown of BCCI on the eve of the Bush-Gorbachov summit was aimed at showing Moscow that the old Cold War institutions are being dismantled. BCCI, according to this version, was integral to the Kissinger-era containment strategy against the Soviet Union, financing arms to the Afghan rebels, the Nicaraguan Contras, and the Angolan UNITA freedom fighters, and providing the covert financial channels for the Nixon-Kissinger-Bush "China card." Its destruction by the Anglo-American circles that set the bank up in the first place, is supposed to be "proof" that the Cold War is over and Bush's "new world order" is moving ahead.

- According to a prominent Arab businessman quoted in *Time* magazine July 29, the people out to wreck BCCI "are the same people who were involved in the coalition during the Gulf war, mainly America, Britain, and France." These power-hungry states, he argued, "are not satisfied with now controlling the Middle East militarily. Through this action against BCCI, the coalition is also seeking to control us financially and economically."

● Other accounts portray BCCI as a “Muslim” or a “Third World” bank that aided some poor nations in accessing cash outside the draconian framework imposed by the International Monetary Fund and the World Bank. In this version, BCCI and some of its major Third World beneficiaries, like former Peruvian President Alan García, are being punished for their opposition to the IMF.

● Still other accounts suggest that in the wake of the recent Persian Gulf war, Saudi Arabia, Britain, and the United States have all run into serious cash flow problems—much worse than anything anticipated before the war—and that the shutdown of BCCI is part of an effort to plug up the holes in the world financial structure. Purveyors of this version say that BCCI’s skimming operations interfered with Saudi Arabian covert efforts to bail out the American Express Corp., and that this nearly blew out the Anglo-American financial system, causing panic at the Bank of England and the U.S. Fed, prompting the emergency seizure.

Each of these stories contains some kernel of truth, however small. Yet none sheds sufficient light on the dramatic events of the past weeks. It may be months before the full story of the shutdown of BCCI is understood. However, some basic facts are certain, which can provide guidelines for evaluating events.

A British Commonwealth project

From the available information on BCCI and Aga Hassan Abedi, it is certain that the bank was, from the outset, a project of the British Commonwealth. Headquartered in London and operating principally in Hong Kong, the Cayman Islands, and in the former British colonies of the Indian subcontinent and Africa, it is obvious to those familiar with the *modus operandi* of the British monarchy that the bank was a British crown-run facility. According to several sources interviewed by *EIR*, Abedi was a British intelligence agent at the time the bank was first established in 1972.

In typical British fashion, BCCI was to function principally as an intelligence operation, making its services available to a broad-based array of clientele, while operating as a conduit for Anglo-American and Israeli covert gun- and drug-trafficking operations. According to unpublished accounts of the bank’s activities, its “banking” functions involved commercial transactions in which BCCI would arrange end user certificates, letters of credit, escrow accounts, etc. While most banks charge no more than 0.5% fees, BCCI typically charged as much as 8% for its services.

BCCI did make funds available to debt-strapped Third World countries that were otherwise cut off from international lending agencies. However, it would be a mistake to view this as the bank’s principal function.

Given BCCI’s involvement in many of the nastiest British, American, and Israeli covert operations of the past two decades, it is also clear that the trashing of BCCI has set off a mad coverup by, among others, sections of the Bush

administration, the CIA, the Defense Intelligence Agency. Already British Labour Party parliamentarians have raised a stink about the role of Britain’s Prime Minister John Major, who as Chancellor of the Exchequer under the Thatcher regime, was privy to some details of the BCCI mess.

While it is too early to say how damaging these revelations will be, one insider in the affair, former Senate investigator Jack Blum, told a Gannett newspaper on July 30 that he now feels the scandal could bring down George Bush. One of the yet-to-surface features of the BCCI scandal in the U.S. apparently involves the Miami savings and loan institution CenTrust, which went belly up last year at a cost to taxpayers of an estimated \$2 billion. CenTrust was secretly owned by BCCI through its proxy, Saudi banker Ghaith Pharaon, according to court documents submitted by Morgenthau and attorneys for the Fed. CenTrust founder David Paul reportedly functioned as a conduit for BCCI payoffs to prominent American politicians from both the Democratic and Republican parties. According to Blum, some of the funds are believed to have gone to George Bush’s 1988 presidential campaign.

One other crucial fact is certain. The crashing of BCCI comes in the midst of an accelerating global financial crisis, which is leading toward an overall collapse of the world monetary system. As the financial crisis accelerates, any delusions on the part of the Bush administration and others about the Gulf war leading to greater monetary stability have gone out the window. It is in the context of these changes that the BCCI affair will ultimately be judged.

For now, there are more questions than answers:

● Was the BCCI shutdown a premeditated decision by the British crown to jettison one of its own operations in order to accelerate a global monetary crisis that had already gone too far to contain?

● Does the BCCI move reflect a rift between Washington and Anglo-Dutch financial interests over the shape of the new financial structures that will necessarily follow the full-blown financial collapse?

If the full truth about the BCCI scandal is to be known, several critical points must be pursued.

First, the Cyrus Hashemi file must be fully opened, and that means that the DoJ must release the full documentation of the October 1980-January 1981 wiretaps on the phones of Hashemi’s First Gulf Bank and Trust Co. in New York, including the so-called “missing” tapes of Hashemi’s conversations with his attorney, Stanley Pottinger. It may be that any progress on this front will necessitate the firing of Attorney General Richard Thornburgh and Assistant Attorney General and Criminal Division chief Robert Mueller. Both men have staked their careers on covering up these and other crucial details of the Hashemi and BCCI scandals.

Second, the role of the Israeli intelligence services in the international guns-for-drugs trade must be thoroughly explored, beyond the question of Mossad use of BCCI convenience accounts.

Harvard shock troops storm Mongolia

by Michael Billington

U.S. Secretary of State James Baker has made only three trips to Asia during his tenure. Yet, on two of those visits he stopped in Mongolia, a desolate nation of 2 million people spread out over a territory three times as large as France, landlocked between the communist land masses of China and Russia. Mongolia is a beautiful place, and some reports say that Baker's special attachment derives from his enjoyment of the famous hunts for long-horned sheep. Whatever the cause for this special concern, he and a team of seven Harvard whiz kids have driven the once Soviet-dominated nation into a devastating spiral of collapse through the same methods of free market "shock treatment" used to destroy the potential development of Poland (see p. 4). Some have labeled this a Mongolian Sachs-ually transmitted disease.

Mongolia was dropped from the Soviets' circle of client states in the wake of the revolutions in Eastern Europe in 1989, but is still ruled by the Communist Party. Under Soviet control, nearly all trade was directed toward the Soviet Union, and the Soviets built what little there is of Mongolian industry and infrastructure. All Soviet trade and assistance was cut off at the beginning of this year, and all Soviet troops are being pulled out by the end of this year.

Mongolia has now virtually turned its economy over to the Harvard boys, several of whom came fresh from peddling their wares in Poland. All but the most essential industries are being auctioned off to a "free market," which is in fact controlled by these "advisers," allowing 100% foreign ownership. The budget was slashed by 30%, and the currency was devalued by 600%. Harvard economist Peter Boone, now an adviser to the Mongolian central bank, told the *Washington Post*: "No one has done it so fast. The shock here is far greater than anywhere else in the former socialist world. It's as bad as a war."

Among the nearly unavailable goods are newsprint, fruit, spare parts, toilet paper, and most foods except rationed sugar, flour, and butter. Even basic medicines like penicillin and aspirin are out of supply. Mongolia has 22 million head of livestock and has always been a net meat exporter, but now meat is rationed at one-third the previous average rate of consumption. Some 300,000 fewer animals were born this year than last, as the farmers slaughter herds that are too expensive to either keep or take to market. Trade has collapsed by 63%.

The current breakdown comes as no surprise to the United

States. Baker visited Mongolia in 1989, promising full support for the "positive developments" in their decision to "move in the direction of a more market-oriented economy," as his State Department associate Desaix Anderson told the U.S. Congress. Mongolia needed assistance of about \$600 million per year and massive infrastructure investments to open up its resource potential. In two years, the U.S. has invested nothing, given \$2 million in aid, and sent them Harvard economists.

Under Harvard's direction, Mongolia sent a team to observe the Chinese free trade zones along the Chinese coast, and announced that six such zones will be set up along their border, with even fewer restrictions for foreign investors than those in China. These Chinese coastal zones have functioned as a structure for the virtual recolonization of China, as foreign investors use the cheap labor to produce export goods, launder drug money, and protect the bloody regime of Deng Xiaoping while the rest of the country has collapsed

The Kazakhstan connection

Another neighboring republic is closely observing the same model of the Chinese free trade zones—the Soviet Republic of Kazakhstan, which stretches from Europe to Mongolia. Kazakhstan recently sent a team to visit the Chinese coastal free trade zones, with the intention of setting up similar operations at home.

Baker has also taken a "special interest" in Kazakh Communist Party chief Nazarbayev, who is being groomed, with Baker's support, to play a key role in the Anglo-American vision of a fractured Soviet Union. Nazarbayev will be attending the summit meetings between Bush and Soviet leader Mikhail Gorbachov. A look at a map will explain the strategic significance of an Anglo-American interest in maintaining an economically weak Kazakhstan and Mongolia, spanning the area dividing Europe from Asia.

Clearer heads, even within the Washington establishment, can see that these policies toward the newly freed Soviet satrapies are courting disaster both in eastern Europe and in Mongolia. A Brookings Institution China specialist who has watched the destruction of Poland by the Harvard "shock treatment" crowd around Jeffrey Sachs—"those orthodox economists who are so proud and so bloody confident that they're right about everything"—is worried that the world will soon see that the U.S. has given these nations fundamentally bad advice. "Sachs would tell you that it's too soon to judge the results of the shock treatment, but at the same time we're telling Poland that the best they can hope for under our advice over the next 10 years is a zero percent rate of growth," he said. "Do these guys really know what we are doing to them?"

Unfortunately, the answer is "Yes." Harvard's Clifford Zinnes brags that it is only the Mongolians who don't know what is going to hit them. "It's going to be grim," he told the *Washington Post*.

Organized crime's hostile takeover of the U.S. economy

by Harley Schlanger

Junk Bonds: How High Yield Securities Restructured Corporate America

by Glenn Yago

Oxford University Press, New York, 1991
249 pages, hardbound, \$21.95

The Money Machine: How KKR Manufactured Power and Profits

by Sarah Bartlett

Warner Books, New York, 1991
347 pages, hardbound, \$24.95

With a wave of mergers beginning in U.S. banking, and a consolidation, through mergers and acquisitions, likely in the teetering U.S. insurance industry, there is an attempt under way to rehabilitate the image of junk bonds and the huge leveraged buyouts (LBOs) they financed. The *New York Times* touted the "revival" of junk bonds in a page 1 story on June 26, while the *Wall Street Journal* persistently proclaims their virtues at the same time that it decries the harsh punishment meted out to the guru of junk, the jailed financier Michael Milken.

The journalistic and academic promoters of the explosion of takeover activity in the 1980s, which was fueled by "creative financing" (the preferred euphemism for the junk economy), blame the downturn in the junk markets in the late 1980s on regulatory "overreaction."

One such propagandist, with a Nobel Prize in economics, Merton H. Miller, has declared that the end-of-the-decade collapse of junk bond markets was not due to inflating corporate debt nearly tenfold during the 1980s, while dismantling infrastructure, industry, and slashing research and development programs to pay it down. Instead, he blames a "sequence of government initiatives," including the criminal indictments of leading investment bankers and stricter regulations on leveraged lending by

commercial banks, for the collapse.

This argument is further justified in *Junk Bonds*, by Glenn Yago, a professor of management at the State University of New York at Stony Brook. Yago says that junk bonds were essential to overcome the stagnation of the 1970s, due in part, he says, to lack of access to credit and capital. The "economic boom" of the 1980s, with its "robust economy and low unemployment," the professor opines, required an innovation to "democratize capital." "The primary tool to capital access was the high-yield bond" (junk bond), says Yago, repeating the party line of the free market fanatics. "Far from undermining our economy, junk bonds promoted the economic objectives Americans value: efficiency, productivity and growth." He proclaims that junk bonds have created a "new economic order."

The new order: post-industrial society

Yago says this new order has been realized in a manner consistent with such changes in the past. "In each period of entrepreneurial expansion, new financial technologies were created that yielded higher returns and promoted capital access to industrial innovators. . . . The rise of the junk bond market is only the most recent episode of the ongoing evolution of financial markets that reflects structural economic changes, business requirements for financing, and investor needs for higher returns on investment."

What Yago never gets around to answering is a simple question: What happened to the economy which required structural changes and higher returns? The answer is found in the nature of his "new economic order": It is a post-industrial order. The financial requirements of a post-industrial economy are far different from those of an industrial economy. He does admit that the debate is over "industrial policy versus supply-side economics." And, a chart he provides to show a net increase in jobs between 1980 and 1986, shows that the jobs gained due to mergers financed by junk bonds were all in the service sector, while manufacturing as a whole had a net loss in jobs.

Thus, one major effect of the "innovative" financing pioneered by Milken at Drexel was to help to transform the U.S. into a post-industrial economy, saddled with staggering amounts of uncollectible debt. Instead of enhancing U.S. "competitiveness" as Yago claims, the policies of the '80s have put the U.S. further behind Germany, Japan, and other industrialized nations, in the rate of growth of industrial productivity.

Yago offers a solution to that. Rather than admit the failure of this new financial paradigm, he says the U.S. must demand that nations of the Third World and eastern Europe apply the same "pattern of decentralization, deconglomeration, and democratization of the economy" as has the U.S.! Other free trade ideologues, such as Special Trade Representative Carla Hills, demand that western Europe and Japan adopt "democratization" of their financial markets.

Junk bonds and organized crime

There is a more pernicious facet of the transformation of the 1980s. As the economy was restructured, there was a basic shift in who controlled wealth and financial power in the U.S. This goes beyond the oft-repeated, yet accurate maxim that “the rich got richer, and the poor got poorer.” The essence of the “democratization” of capital praised by Yago and his ilk is that, through LBOs and Milken’s launching of the junk bond pyramid, financial power was increasingly centralized in the hands of organized crime, especially the network associated with the Anti-Defamation League (ADL). This network of takeover artists, corporate raiders, and wild speculators, was named “Milken’s Monsters” by one of its charter members, Meshulam Riklis, and its actions are described in *The Predators’ Ball* by Connie Bruck (see *EIR*, May 11, 1990, p. 18).

The “monsters” include Carl Icahn, Nelson Peltz, Lawrence Tisch, Carl Lindner (whose protégé is Charles Keating of Lincoln S&L), Saul Steinberg, Victor Posner, Ronald Perelman, and the Belzbergs. Their assaults on corporate America were aided by the ADL-linked law firm of Skadden Arps, present home of former ADL National Chairman Kenneth Bialkin, who also was the lawyer for money launderer and fugitive Robert Vesco. Using methods pioneered by Meyer Lansky (and, in some cases, starting with fortunes created by Lansky and his criminal cohorts), these are the “captains of industry” and the “innovators” so loved by the “free traders.”

According to Riklis—Israeli Housing Minister Ariel Sharon’s financial godfather—Milken and Drexel needed a crew to disperse the billions of dollars they could raise from the sale of junk bonds to deregulated S&Ls and commercial banks, as well as to insurance companies and pension funds. Milken and Drexel “have to find the one, two, three, four guys who are ambitious, and they’re gonna give them the money, and they make the bids for companies, and they use these companies to make bids for other companies. . . . That’s what they’re doing, and they’re gonna have to do it more and more. They have to create—I call these guys the monsters” (quoted from *Predators’ Ball*).

George Bush’s friend, Henry Kravis

One of the more prominent “monsters,” Henry Kravis of Kohlberg, Kravis and Roberts (KKR), is the central focus of an interesting, but limited book, *The Money Machine*, by *New York Times* reporter Sarah Bartlett. This is the story of how KKR rose from its beginnings in 1976, when it was launched with a fund of \$120,000, to its present status as the undisputed leaders in LBOs. Bartlett explains how, from 1976 until 1990, KKR “convinced enough banks, pension funds, and insurance companies to lend them over \$58 billion to buy 36 companies.”

One of Bartlett’s themes is that the LBO was changed for the worse by the mid-1980s by Kravis and his cousin, George

Roberts, causing Kohlberg to leave the company. Between 1987 and 1989, KKR bought eight companies with a price tag of \$43.9 billion. Said Bartlett of this growing plunder, “It is clear that they became quite unhinged from the values and business practices the firm was founded on and to which they continued to pay lip service.”

Bartlett describes the enormous growth in the size of the deals, from their first \$300 million-plus deal in 1978 (Houdaille) to the unbelievable RJR Nabisco takeover, for more than \$26 billion. She chronicles some of the questionable practices employed, especially potential conflicts of interest in winning support from state pension funds, which invested hundreds of millions of dollars with KKR, and how they justified such actions: “To them, truth is adaptable.” She also identifies a simple truth about KKR’s relationship to the 1980s, saying KKR “consistently put short-term profit considerations ahead of long-term business interests,” which she said was “right in synch with the times.”

It should be no surprise to learn that Henry Kravis is a strong backer of President Bush. Kravis’s father, Ray, made a fortune through his discovery in the 1920s of tax shelters in oil investments. Among those who entrusted him with their money was Bostonian Joseph P. Kennedy, who had surplus cash from his bootlegging during Prohibition. Prescott Bush, George Bush’s father, and a partner in the Wall Street investment house Brown Brothers Harriman, was another friend of Ray Kravis. When George graduated from Yale in 1948, his father prevailed upon Kravis to give George a job in Tulsa. At the last minute, the young Bush declined the offer, moving instead to Texas.

As Henry Kravis became a heavy hitter on Wall Street, he turned his attention to politics, with an eye to stopping any laws to restrict hostile takeovers. He hosted a fundraising luncheon for Bush during the 1988 campaign, raising \$550,000, and later became a member of the Republican National Committee’s Team 100 after he and Roberts each gave it \$100,000. Henry was selected to be co-chair of Bush’s inaugural dinner.

Kravis told Bartlett that, though he would not characterize his relationship with Bush as close, “he writes me handwritten notes all the time and he calls me and stuff, and we talk. We talked on corporate debt . . . and what that meant to the private sector.” As Bush has supported the deregulation and free market slant which has allowed KKR and the LBO bandits free rein to loot the economy, it is clear that they are in agreement; Bush is in league with the monsters.

Speculating on whether KKR violated th“My own view is that it would be difficult to prove in court,” she concludes—Bartlett misses the point. Her subjects have profited enormously, looting the economy at will, using, and losing, other people’s money (much of the losses are yet to come—watch the shake-out in the insurance companies), while their actions have hastened the collapse of the U.S. into a new depression. For this, they and their co-monsters should be held accountable.

Mergers help Bush's Texas buddies

It appears that in the President's jungle, where might makes right, some beasts are more equal than others.

The wave of consolidations now sweeping the U.S. banking system means that some financial networks will survive—at least for a while—and others will not. As a result, erstwhile allies in the financial system have begun fighting among themselves like a pack of starving beasts fighting over a small kill.

In the jungle of might makes right, where George Bush has spent his entire adult life, it should come as no surprise that the President is using his power to protect his own financial interests and those of his friends.

The recently announced Chemical Banking Corp.-Manufacturers Hanover Corp. and NCNB-C&S/Sovran mergers, the two largest in U.S. banking history, both involve banks directly tied to George Bush and his buddies.

These mergers are being orchestrated by the Federal Reserve as part of a de facto nationalization of the top 25 U.S. banks. Wall Street sources have told *EIR*. The connection between Bush's recent reappointment of Fed chairman Alan Greenspan, and Greenspan's moves to save Bush's banks, seems more than coincidental.

In 1986, Chemical purchased Texas Commerce Bancshares, a bank historically associated with the families of Secretary of State James A. Baker III and Commerce Secretary Robert Mosbacher. At the time of the sale, Baker, whose family law firm Baker & Botts was intimately involved in the creation of Texas Commerce, owned a significant amount of Texas Commerce stock. After the merger, that was replaced by Chemical stock.

Bush's Texas Yankee buddy Mosbacher was at the time a director of Texas Commerce. His brother, Emil Mosbacher, Jr., was a director of Chemical.

George Bush's financial holdings are currently in a supposedly blind trust administered by his friend William Stamps Farish III, an heir of the Humble Oil (now Exxon) fortune and the Queen of England's favorite American horse breeder. As of 1985, Farish was a director of Pogo Producing, a Houston company owned in part by Chemical. Also on the Pogo board were Baker & Botts attorney George Jewell (who was also a director of Schlumberger, which owned a chunk of Pogo). Other significant Pogo stockholders included Pennzoil, Manufacturers Hanover Venture Capital Corp., American General Corp. and the Texas Commerce Shareholders Co.

Pogo is a spinoff of Pennzoil. The then-chairman of Pogo, William Leidtke, was the brother of Pennzoil chairman J. Hugh Leidtke. The Leidtke brothers were the source of the infamous cash found in the safe of the Committee to Re-Elect the President (CREEP) during the Nixon Watergate era.

The Liedtkes and Bush founded Zapata Corp., an oil-service firm with multiple links to the Texas establishment, including Baker & Botts, which supplied a lawyer to run the company. In April 1969, according to Moody's financial Services, Zapata was raising funds for an attempted takeover of United Fruit, the notorious dope-running organized crime company now known as United Brands. Zapata and

United Fruit also had interlocking directorships during the period.

Pennzoil and other elements of this Texas network, such as Halliburton and Texas Eastern, were also among the first companies to do business in the People's Republic of China. Bush was the U.S. ambassador to China in 1975, and continues to this day to defend the Butchers of Beijing—and his friends' business dealings with those butchers. Chemical, the bank of the Roosevelt family, has long been involved in operations in China.

Bush is also linked to NCNB, through its 1988 acquisition of First Republic Bank Corp., which was itself a combination of Republic Bank Corp. and InterFirst. Bush had been a director of First International Bank of Houston, which later became InterFirst Bank Houston.

First Republic Bank Corp. failed in 1988, the most expensive bank failure in the U.S. to date. The bank, although insolvent, was kept open until after the 1988 Texas primary, to protect then-Vice President Bush. After it was closed, the remains of the bank were sold in a sweetheart deal to NCNB of North Carolina, a bank associated with the networks of White House counsel C. Boyden Gray.

These mergers raise a number of critical questions about the Bush administration. First, while the President is clearly guilty of substantial conflict of interest in these mergers, is he also guilty of using his office to protect his own pocketbook? Second, are the President's ties to this Texas-China financial network responsible for his continued defense of the Butchers of Beijing? Finally, do the President's ties to Dope Inc.'s United Fruit, like his control of Oliver North's dope-running Iran-Contra operations, reveal something about why his administration has been so ineffectual in the war on drugs?

Iraq has no food reserves

George Bush and John Major talk of Saddam Hussein's secret food reserves, but even the USDA admits Iraq has no grain.

They will probably make it through August, but they are definitely headed for big trouble later in the year," was the evaluation of Iraq's food supply situation by John Parker, the Iraq specialist at the U.S. Department of Agriculture (USDA), quoted in a widely circulated Knight-Ridder Financial News wire in July.

This is also the evaluation of the London-based World Wheat Council and other grain trade experts. Yet, at the very same time that these reports were being made known, the White House and 10 Downing Street were proclaiming the view that Iraq had secret food reserves, or that it had the means to readily acquire food.

If this baseless view is allowed to prevail, and food is not made available to Iraq, then the death toll from malnutrition and hunger will be far greater than from bombing—even without the lethal effects of bad water, disease, and lack of electric power.

The facts of the Iraq grain situation are readily available from the USDA and the Rome-based U.N. Food and Agriculture Organization, which continuously monitor world food supplies. In addition, June is the last month of the world "wheat year," and in July, the World Wheat Council issued estimates of the Iraq wheat crop, wheat import needs, and recent consumption trends. Estimates of all these sources directly counter the White House suggestions that secret food stockpiles may exist in Iraq.

George Bush repeatedly made snide remarks about secret food stores in Iraq during the week of July 22,

when the U.N. was to vote on lifting sanctions—a vote now put off until late August.

In recent years, a good wheat harvest in Iraq is around 1 million tons, which is substantially less than one-third of the country's annual requirements of 3.5 million tons of wheat. Therefore, yearly wheat imports into the country have averaged over 2 million tons, to meet annual consumption and carryover needs.

The International Wheat Council (IWC) estimates that this summer's wheat harvest in Iraq was 1 million tons. But this follows depletion of wheat stocks in the country, and destruction of storage facilities. Last year, in the 1990-91 period (now ended as of June), Iraq produced only 800,000 tons of wheat, and, because of the embargo, imported only 500,000 tons. Though in the year prior to that (1989-90), Iraq imported 3.4 million tons of wheat, this is long gone.

"Bumper Harvest Won't Feed Iraq," was the headline of a front-page story in the July 15 *Agweek*, a weekly farm news journal published in North Dakota, part of the wheat belt. The story, based on the Knight-Ridder wire report, states: "The experts say reports about Iraq's wheat crop this year are confusing, with some suggesting the wheat yield in the northern Dohuk area may have been above average because of heavy rainfall in March. . . . But the experts say a 1 million ton crop, if it materializes, won't be enough to satisfy the country's needs. Even if it is a bumper crop, let us say, 1.1 million tons of

wheat, it will not be enough."

The *Agweek* story reports that sources in Amman, Jordan, the base from which Iraq is negotiating grain imports, say that Baghdad had signed a deal to buy 1 million tons of Australian wheat and 500,000 tons of Canadian wheat earlier this year. But Canadian and Australian officials have not confirmed this, although the IWC says that it was told June 20 that 100,000 tons of Australian wheat were sold to Iraq.

Iraq has petitioned the U.N. for permission to sell \$1.5 billion worth of crude oil in order to buy food and medicine, but so far there has been no response. Iraqi assets abroad are frozen, so grain import deals based on payments from these assets are stalled.

Despite the horrors of the bombing, Iraq's population mobilized to bring in this summer's wheat harvest. The wheat belt is in the north—whose bright green growth was visible on American television screens when the TV networks showed footage of U.S. troops in northern Iraq in March and April. At harvest time, non-farm people went to this region to help bring in the crop.

But besides the need for more grain, there is also an acute shortage of heavy equipment, fuel, and storage capacity to move and handle the grain.

In early July, the British daily the *Independent* reported that the "hard-nosed" position of the United States and the United Kingdom against food for Iraq was causing consternation even in the U.N. Security Council, and was feeding a backlash in Britain. Several British Members of Parliament have been lobbying the Foreign Office to ease sanctions against food, since they were briefed July 9 by Unicef on the malnutrition in Iraq. In late July, French Foreign Minister Roland Dumas also stated that some way must be found to get food into Iraq.

Salinas betrays Foreign Investment Law

Carla Hills and Mexico's oligarchs conspire to deliver a coup d'état against Mexico's nationalist past.

The Mexican team that is negotiating the Free Trade Agreement with the United States and Canada has suddenly found itself in a credibility crisis. It not only promised, but *pledged*, that Mexican oil would not be included in the treaty. Now, we learn, oil will be included as one more raw material under the rubric of "trade flows," while the petrochemical industry will undergo "reclassification." No longer considered strategic, it too will be offered as ripe pickings for foreign investors.

The same has occurred with Mexico's Foreign Investment Law. The Carlos Salinas de Gortari government's pledge to the Mexican people to treat the law as inviolable was rapidly abandoned when U.S. Trade Representative Carla Hills declared that the U.S. government "is ready to frankly and openly discuss" the matter—Bush-speak for insisting that the Mexican law be placed on the negotiating table, along with everything else. Thus, the Foreign Investment Law suddenly went from being "untouchable," to being "susceptible of revision," to ending up as "obsolete legislation" whose alteration was "inevitable."

Hills's statement also destroyed the Salinas government's presumption that Mexico is now "the world's best investment opportunity." Yet more concessions are demanded. And so, the calculations of Foreign Investment director Jorge Amigo that \$12 billion has already entered Mexico so far this year, "half of what was expected during [President Salinas's] six-year term," are useless. Useless too is the \$6 billion

investment package Salinas negotiated on his recent tour of Europe.

Also useless is the fact that foreign investment will now be permitted on the Mexican stock market (for "non-resident investors" who needn't change their dollars for the national currency); that foreign investment in banks and insurance, in highway construction, and even in electricity generation and oil exploration and drilling (so-called "service contracts") is now allowed. If Mexico is to "integrate" with its northern neighbors, it must give still more.

To this picture can be added the recent signing of the new Mexico-U.S. Textile Agreement, the first treaty signed within the framework of the North American Free Trade Agreement. Mexico's textile industrialists are still trying to figure out why government trade officials "yielded unconditionally" on the terms of the treaty. The fact is that the Salinas government conceded to view Mexico as a "textile exporter," when in reality it is a *net importer*. Mexico has a trade deficit of \$600 million, similar to the entire manufacturing sector, which has a trade deficit of more than \$4 billion.

If this has already occurred with the textile sector, one can imagine the panic of Mexico's other productive sectors. It is no accident that Trade Secretary Jaime Serra Puche has prohibited publication of the text of the textile agreement.

The truth behind the controversy over the Foreign Investment Law is that both the U.S. negotiators advised by Henry Kissinger's gang, and the

oligarchs, who are the real force behind the Mexican negotiating team (the fathers, uncles, and in-laws of the *jovencitos* (young technocrats of the Salinas generation who make up Mexico's official representatives), are determined to make a coup d'état against the heritage of former President Luis Echeverría Alvarez, whose 1970-76 government imposed a prohibition on foreign capital owning more than 49% of Mexican businesses.

On July 22, the Mexican press reported warnings by Alan Stoga, managing director of the consulting firm Kissinger Associates, that with regard to foreign investment, Mexico should "bring its legislation in line with reality," a reference to the standing restriction of 49% applied to foreign investors.

Susan Kaufman, vice president of the Society of the Americas, similarly declared that "the current situation is unsatisfactory, and it is a question of elementary logic to make reality and the law one and the same thing." John Purcell of Salomon Brothers joined the chorus, insisting that the draft of a new foreign investment law already exists in Mexico.

It is no accident that government and legislative circles linked to the ruling PRI party are maintaining an absolute silence on the matter, according to commentaries in the Mexican press.

Indeed, it will not be long before it becomes clear that the "frank and open discussion" Carla Hills is proposing, is that the Salinas government deliver the heritage of former President Luis Echeverría on a silver platter.

The problem will not be whether the *jovencitos* want to do so, but whether Luis Echeverría Alvarez, one of Mexico's three surviving former Presidents, and other nationalists will allow it.

Can Germany escape a deep recession?

The decline of exports, trade war, and home-made problems are alarming signs.

On July 27, a passenger train loaded with weekend travelers and a freight train carrying gasoline tanks collided head-on near Oebisfelde, near the east German city of Magdeburg. The ensuing explosion killed three train engineers and injured more than 20 passengers—great luck prevented a giant catastrophe with many more deaths. Rescue and removal work blocked the station for more than a day. But how could two trains with opposite assignments—one for passengers, the other for highly explosive cargo—collide anyway?

The key transport routes of the Germany railway grid are “dual-used,” for goods as well as passengers. This is due to lack of infrastructure investments in both Germanys before unification. Bottlenecks are worst on the east-west routes between the two formerly divided parts.

The Oebisfelde station is one of the bottlenecks faced with massively increased traffic since unification last October. But construction on the rail routes is slow, due to the German government’s fiscal austerity policy. Construction is going slowly as well in western Germany, because the government shifted funds for transport infrastructure projects in the west, to eastern German projects.

This inner-budgetary robbery has led to such absurd decisions as not funding, next fiscal year, the Theodor Heuss Bridge in Mainz—one of two bridges for traffic crossing the Rhine river in the entire Frankfurt-Mainz-Wiesbaden region, with a population of more than 3 million. The bridge

may have to be closed entirely this fall—leaving only one bridge open for all car traffic across the Rhine there.

These problems in the road-rail sector originate in the austerity-minded Bonn government. It’s an investment problem in the first place: a giant sum—DM 140 billion this fiscal year—is spent by the state for programs to meet the economic crisis in eastern Germany. But 70% of that money is spent on administrative measures and on unemployment support for the 2 million jobless and another 1.8 million on short-work in eastern Germany; 30% is available for investments in infrastructure and industry, but only a minor portion has been mobilized so far, because of bureaucratic obstacles and the lack of a “grand design,” of one or two giant investment projects.

Slowed-down industrial activity in the East is also cutting the tax flow to about 20% of the revenue needs of the five eastern states and the municipalities. So, public budgets in the East are heavily subsidized by the West.

For most west German taxpayers, the financial burden and slow recovery in the East have become a source of outrage against Chancellor Helmut Kohl, who pledged in the last elections that there would be “no major problem with the unification.” Industry management is angry at Kohl too, because the export controls the government applied during the Anglo-American propaganda campaign around “German poison gas for Saddam” are adding to the problems the export sector faces abroad. Of Third World client nations, 54 are on a black

list for exports requiring special permits, which may take months to get. Most clients won’t wait if they can sign contracts faster with firms from other countries.

Yet the main drop in foreign orders occurred among Germany’s main trade partners in the industrialized nations. Economic recession and the ensuing “contraction” on key export markets for German machines like the U.S., Britain, France, Italy, and Sweden, but also Gulf crisis effects on OPEC clients of German industry, have caused a 30% drop of foreign orders in the first six months of 1991.

Domestic orders are up, because of “German unification effects,” but as industrial recovery in east Germany moves at a snail’s pace, domestic orders cannot possibly balance losses in foreign orders. Potential export markets are developing, such as Iran, a leading client of German industry in the 1960s and 1970s which declined during the 11 Khomeini years, and only developed more exchange with Germany in the past two years. But German exports to the Soviet Union and eastern Europe have plummeted.

Germany needs to strike out on a path of concerted investments, domestically and on the export markets. It would have to be a low-interest credit policy, to create new credit on a large scale, breaking with fiscal austerity; it would have to be carried out in a dirigistic way, focusing on vital industrial interests of the German economy where they fit with vital development interests of trade partners abroad, especially in the East.

Germany should do what the Bush team fears most—as U.S. trade envoy Carla Hills put it: “Extended trade links between the European Community and the Soviet Union must be prevented as they pose the danger of creating a zone from which the U.S. is locked out.”

Business Briefs

Soviet Union

The harvest looks bad, imports needed

Prospects for the Soviet harvest look bad, state complementary articles in the July 23 London *Times* and the Italian daily *Corriere Della Sera*, both written from Moscow.

The net harvest is likely to be about 190 million tons at best. There has been severe drought in western Siberia, Kazakhstan, and southern Russia, bringing yields down by a quarter in areas harvested to date.

Other problems include: Foreign currency is lacking to buy pesticides from abroad; the disruption of trade with eastern Europe has cut the supply of farm machinery and spare parts (155,000 combine harvesters have broken down); the system providing "volunteers" from the factories to work on the harvest has broken down; collective farms are increasingly reluctant to part with the food they produce to central grain assembling agencies; individual republics, such as Ukraine, are not supplying their quotas to the central authorities; and the food industry is in a disastrous financial situation, with rapid debt accumulation.

"The Soviet Union has lost the battle of the harvest," *Corriere della Sera* headlined. The U.S.S.R. is preparing to double its purchases of grain on the international markets. Farmers are refusing to give up their products to the state. Only 3.7 million tons of a quota of 25.5 million tons have been sold to the state. Should that ratio hold for the year, the state will only receive 10 million tons of a quota-mandated 77 million tons.

The Armed Forces' effort to gather the harvest is foundering, both because of military budget cuts and a lack of drivers for the 40,000 trucks allotted.

Energy

South Korea designs its own nuclear system

The Korean Atomic Energy Research Institute has signed with Korean Heavy Industries and Construction Co. to design a nuclear steam sup-

ply system for the Uljin nuclear power reactors, No. 3 and No. 4, located southeast of Seoul.

A spokesman for the institute told the South Korean news service Yonhap: "This marks the first time for Korean technicians to design the system without the help of foreign technology, which is currently owned by a handful of science powers such as the United States, France, and the Soviet Union."

In a related item, the Korean Electric Power Co. awarded ABB Combustion Engineering Nuclear Power of Windsor, Connecticut a contract for two pressurized-water reactors. Shelby Brewer, president of the firm, in a telephone interview with the *Journal of Commerce* from Korea, noted: "We expect to continue our relationship with the Koreans during the rest of the decade. They have plans to add more power to their grid, because they have a very large growth rate in electricity demand with very little reserve margins."

Labor

Gap between rich and poor in U.S. widens

The richest 1% of U.S. households more than doubled their income, while the poor wound up with less than ever under the Reagan and Bush administrations, according to a recent study by the Center on Budget and Policy Priorities.

From 1977-87, as valued in today's dollars, the top 1% of households had after-tax income gains averaging 122%—from \$203,000 in 1977, to \$451,000 in 1987. The top 5% gained an average of 60%. The top one-fifth gained 34%.

By contrast, the bottom quintile saw their after-tax income fall by 10%; the next-to-poor-most quintile lost 3%; the middle quintile gained a meager 4%, and the second-highest quintile improved 9%.

The report estimates that by 1992, the percentage of income paid in federal taxes by the richest 1% will fall 18% from 1977 levels.

Besides the obvious economic decline that has hurt all but the richest, who have made a bundle on speculative "free market" investments, under Reagan-Bush the tax laws were

rigged to penalize most wage-earners while giving enormous breaks to the wealthiest.

The free-marketeers at the Heritage Foundation and elsewhere castigated the report for not including "non-cash" transfer payments to the needy, like food stamps, Medicaid, and housing subsidies.

Industry

Need tangible goods, not aerobics instructors

Manufacturing holds the key to U.S. international competitiveness, a chemical industry economist told a House Ways and Means Committee hearing in mid-July. In unusually feisty testimony, Allen J. Lenz told the hearing, "We cannot and will not become [a nation] of insurance salesmen, hair stylists, and aerobics instructors. Somebody has to make real, tangible goods. Goods production still drives the U.S. economy and always will."

Lenz noted that while the U.S. chemical industry is a "prime example of an internationally competitive industry," the rest of U.S. manufacturing "has been taking a beating," both at home and abroad. Lenz insisted that Americans cannot continue "to be net importers of a major portion of our manufactured goods, because we would have no way to pay for them."

Invisible Hand

'Keep free marketeers out of eastern Europe'

Eastern Europe's transformation is a matter too serious to be left to people like Harvard "free market" economist Jeffrey Sachs, wrote Viktor Meier, Balkans correspondent for the German daily *Frankfurter Allgemeine Zeitung*, in an article July 23.

Reporting on an experts' meeting at the European Bank for Reconstruction and Development (EBRD) in London a few days earlier, Meier said, "Among western experts who are to provide their governments with recommen-

Briefly

dations for policies toward eastern Europe, dogmatic and partly unrealistic views prevail." Meier quotes a Hungarian cabinet minister, "The dogmas have changed, but the dogmatists are still there."

The sort of "genuine experts" in eastern Europe who "worship extreme liberalist theories" are "especially widespread in Poland," Meier observed, to the delight of the U.S. and the International Monetary Fund, which believe that Poland is the show-case model of a neo-liberal economy.

Many east Europeans are astonished, Meier writes, that "even European experts submit totally to the liberalist extremism of the Americans, which is mostly . . . associated with the name of Prof. Jeffrey Sachs." He notes that several European "western" and "capitalist" states like France, Austria, and Italy have a longstanding policy of state intervention.

In the same vein, the July 22 issue of the Vienna daily *Die Presse* charged the "new elites" in eastern Europe with plans for replacing the vulgar Marxism of the past communist regimes with a "primitive ideology of neo-liberalism."

In the minds of most east European government officials, the "idea of the invisible hand and the vision of a liberal, profit-centered order of society prevail," the article stated. This is producing the most severe social results: "millions of jobless, no funds for public institutions, emigration."

Trade

U.S.-Britain tensions rise over sales to Iran

Trade tensions between Washington and London have risen sharply since the U.S. blocked a sale of British Aerospace civilian 120-seat passenger jets to Iran under the argument that Iran is "subject to U.S.A. export controls as a country on the list of state supporters of terrorism," in the words of the *International Herald Tribune*.

London sources report that since the Gulf war, tensions between the U.S. and British aerospace and arms companies have risen to

unprecedented heights, with British claims that the U.S. is using its Iraq "success" to push competitors out of traditional markets around the world.

The U.S. claim is that the British plane contains vital U.S.-made parts from Textron, and thus it can control export sales. The British Foreign Office has said it would "strongly support British Aerospace," a member of the European Airbus consortium, calling the U.S. decision "disappointing and inexplicable" in light of U.S. approval for the recent sale of Dutch Fokker passenger jets Iran.

Malthusianism

Plan for 'technological apartheid' moves forward

High-level circles in the United States, Britain, and France are now involved in creating a "Cocom-Two," or "North-South Cocom," after the treaty which restricted western technology exports to the Soviet Union. This one would restrict transfer of important technologies to Third World nations.

The conception motivating such efforts is "technological apartheid" against the South, an idea first recommended by France's *L'Express* magazine in the weeks following Iraq's invasion of Kuwait.

According to sources involved in preparing Cocom-Two, there will be a "clear denial" of technology to "the South" in the areas of information technology, sensors, data-processing with potential military applications, satellite technology, and others. Geographically, areas of particular concern are not only Iraq and the Mideast, but also the Indian subcontinent. India is seen by these circles as a threat for the future, with allegedly ambitious plans for development of sophisticated missile and nuclear weapons technology by the late 1990s.

These sources stress that Cocom-Two should be seen in the context of the shift of NATO's area of priority toward the South, and a growing consensus in the transatlantic elites that the "new challenge" for the 1990s will be "instability in the South."

● **HELMUT KOHL**, Chancellor of Germany, called the world dope cartels a "challenge to the state and society," in a report to the cabinet in Bonn July 24. Kohl said the size of the dope trade, an estimated \$500 billion per year, demanded that extraordinary measures, such as a ban on money laundering and drug enforcement options, be considered.

● **THE GOES-7** weather satellite probably cannot be replaced in time, meaning that the U.S. faces the loss of critical hurricane-tracking capability by early 1993, congressional analysts told a House hearing. Doubts about NASA's ability to meet a December 1992 launch date imply that the National Weather Service should go ahead with alternative arrangements such as borrowing European or Japanese satellites.

● **FRENCH** Industry and Trade Minister Dominique Strauss-Kahn declared, "It would be extremely regrettable if the United States became the only granary of our planet," in a blistering attack on the GATT negotiations leading toward the conclusion of the Uruguay Round. He insisted in a white paper that Europe is making all the concessions, Washington is making none. He called an agricultural reform proposal by GATT director general Arthur Dunkel "unbalanced," and "to the detriment of Europe."

● **GENERAL ELECTRIC** Aerospace is buying satellite transistors from Japan, after U.S.-made gallium arsenide transistors in the amplifiers on the experimental NASA ACTS communications satellite failed during a duration test. Their replacements are being purchased from the Nippon Electric Co. of Japan, as the quality of any U.S. supplier is not assured.

● **'A GLOBAL** capital shortage now threatens world order," said Madis Senner, president of Sunray Securities of New York, in the July 28 *New York Times*. "Worse, there does not seem to be an end in sight."

U.S. AID to Central America: Swap debt for birth control

by Gretchen Small

The U.S. Agency for International Development (AID) is drawing up plans to transfer foreign debt titles into financing for “family planning” programs, according to a document entitled “Economic Assistance Strategy for Central America, 1991-2000,” released in January 1991. The study announces that since “expanding access” to “family planning” is one of the most important goals of its health program in Central America, AID staff members have been assigned the task of helping “explore the use of debt swap arrangements to support sustainable provision of family planning services through Non-Governmental Organizations (NGOs).” In this way, the document explains, continued funding for “family planning” can be assured even as AID’s budget is cut back because of the U.S. economic crisis.

AID’s use of “family planning” programs as a cover for genocide was revealed this year when a scandal broke out in Brazil over the fact that between 20 and 25 million women have been sterilized there in the past 20 years. More than 300,000 women *a year* are still being sterilized there, and the rate of abortions is rising. AID provides financing and resources for most of the “NGOs” involved.

The new program is modeled on already operating “debt-for-equity” and “debt-for-nature” programs. Under these schemes, developing-sector nations hand over ownership of their means of physical production (“equity”), or their territory (“nature”), in exchange for tiny reductions in their foreign debt. Now it is proposed that Third World debt be transformed into funding for mass sterilization and murder of the unborn: a “debt-for-genocide” program in which the U.S. State Department, under which AID operates, offers financial incentives to governments and private agencies which agree to kill their nation’s richest resource, its people.

Increasing mortality rates

Besides broadening “family planning” services in the area, AID’s only other objective for health services is to get Central American governments to cut health care expenditures. This, in an area where half the 25 million inhabitants lack basic health services, the average government expenditure on health in several countries is less than \$10 per capita per year, and the Pan-American Health Organization has predicted some 600,000 people may come down with cholera by the end of 1991.

One proposal for cutting expenditures, is for governments to finance “low-cost paramedical personnel” instead of costly hospitals. This is argued in the name of increasing “basic preventive health care” at the expense of “curative” care.

This program fits exactly the prescription of the anti-population fanatics for ways governments can deliberately increase the rate of deaths in their countries without being overthrown. In a September 1980 interview published by *EIR*, a leading theoretician of the population lobby, William Paddock, suggested that programs adopted in the name of decreasing birth rates can simultaneously serve to *increase the rate of deaths*. Paddock argued that if governments channel more of their limited health care budgets into birth control programs and decrease the amounts spent on other health items, such as care for the elderly or clean water systems, mortality rates will increase—but only the “budget crisis” will be blamed.

‘Maquiladora’ colonialism

AID’s vision of the future for Central America follows from an evil malthusian view: AID teams and money are

deployed in an effort to transform the region into a large “nature preserve,” in which a dwindling number of human beings are ground up in *maquiladoras*, the labor-intensive plants producing for export in order to pay foreign debts.

The emphasis placed on keeping the population uneducated and unskilled in the “Economic Assistance Strategy” report is downright fanatical. From the outset, the report states that AID’s “key premise” is that governments must remove the “exchange-rate, credit, and fiscal distortions that have made capital arbitrarily cheap,” so that “employers will place a higher value on labor.” That translates into a death warrant for any technology-intensive industry, which requires cheap credit. The report specifies that a “new model” of development is required, ending even the minimal industrial development associated with past import substitution attempts, because those accentuated “the deterioration of the region’s natural resource base that was already underway because of population growth and lack of attention to environmental concerns.”

Thus, AID’s “new model” is the oldest one in the book: a colonial economy “focusing on agriculture, small business, and export industries.” Intra-regional trade is to be encouraged only to the degree that it does not “substitute for exporting to markets outside the region, but as a complement to it.” The report demands that economic policies which “continue to discourage labor intensive production,” which foster “inappropriate technology development and transfer” and “rapid population growth,” be eliminated. Since growth in demand for labor “should particularly favor unskilled workers,” government expenditures on higher education programs—such as universities—can then be cut.

Central Americans, evidently, do not merit more than a “basic education.”

There is also a direct relationship between AID’s fanatic birth control program and the *maquiladoras*. In *maquiladoras* along the U.S.-Mexican border, women workers are warned that they will be fired immediately if they become pregnant. Women working in similar assembly plants in Honduras are forced to take birth control injections, leaders of the Workers Confederation charged on July 3. Foreign companies—mostly U.S. and South Korean—force women between the ages of 25 and 30 to receive the shots or be fired, in order to save on maternity costs and lost work-time. And the women fear that they may have been sterilized, the union reported. The Labor Ministry has opened an investigation.

Reserves for manatees and panthers

The insistence on a low-technology, low-energy economy is sold under the label of assuring “broad-based, sustainable economic growth.” Despite the fact that Central America sits near the bottom of the ladder of world energy use per capita, “Economic Assistance Strategy” argues that energy conservation is crucial. Resources should be more “appropriately concentrated on efforts other than the financ-

ing of physical infrastructure,” such as privatization, establishing a common structure of rates, and expanded use of geothermal and small hydroelectric plants. “Sustainable agricultural practices”—such as minimizing the use of pesticides through strengthened pesticide regulation—are needed. Investment is to be wasted on “integrating” into the economy the marginal economic activities of the “informal sector,” the fraudulent euphemism for street vendors, minuscule cottage-industry, and other forms of unproductive economic activity scraped together by the desperately poor to survive.

This goes hand in hand with the other major economic objective of the AID program: to encourage “management of wildlands and protection of biological diversity.” Here the idea is that governments and private sector organizations dedicate their efforts to protecting national parks and reserves, and managing “priority wildlands.”

Although the Economic Assistance Strategy report does not specify it, AID is already funding, to the tune of \$1.6 million, the project of a consortium of international environmental organizations, including the World Wildlife Fund, the Nature Conservancy, and the Wildlife Conservation International, to establish a chain of national parks from one end to the other of Central America. The project seeks, its promoters say, to “protect” the wettest rain forest in the Caribbean, the largest nesting aggregation of green turtles in the Western Hemisphere, a sizable population of manatees, and miles of coral reefs from the ravages of development, safe for the enjoyment of rich foreign tourists.

Named “Paseo Panther” (Path of the Panther), the project foresees the creation of a “vegetative corridor between the two continents” of North and South America, based on the historic migration route of the panther! The Central Americans who live in the area are to be moved out, to make way for the animals and the “ecotourism” needed to finance this “habitat protection,” according to the project’s sponsors cited by an Associated Press wire in June. Ever thoughtful, the environmental groups involved—financed by AID—are drawing up plans to create “buffer zones” around each park, which “would allow limited development and provide a home for any people moved out of the park.” They also propose that “an international tourism authority” be created to collect funds which could finance the parks.

All in the name of ‘democracy’

AID has encountered resistance to this program, from governments and private interests who insist upon a broader vision of their nations’ future, but has committed itself to eliminating that resistance by restructuring the politics and institutions of the region in the name of establishing “stable democracies.”

The AID report declares that its “Strategic Objective Number One” in Central America is to reshape the political institutions. Much of the agency’s resources and manpower

will be shifted under the direction of the "Democratic Initiatives Office," and greater emphasis will be given to coordination with the U.S. State and Justice Departments.

Chief among its efforts is to reduce the powers of the state in the region, through decentralization of government services, including the provision of health care, energy, and education. The report asserts that "the roles of municipalities, the private sector, and non-governmental organizations in development should be increased," built up in *opposition* to a centralized state. Such changes are not considered optional: "The Central Americans, with AID assistance, will strengthen democratically elected local governments through decentralization of real authority and resources," the report states.

"Administrative and financial authority of local governments, including the power to generate revenues, will be increased, while that of central bureaucracies will decrease."

A corollary of the reduction of the centralized state is the crushing of the military, denounced for its "authoritarian history" of "influence over government." Civil and human rights advocates are being trained at AID expense, while the AID trains civilian leaders on how to "decrease military involvement in conflict resolution," and sets up the programs for demobilization of the military ("the integration of former military and police force members as productive civilians in the society"). This, even as narco-terrorist insurgencies gain ground in several countries of the region.

FAIR refugee policy 'reform' would aid genocidalists

by Leo F. Scanlon

At a recent press conference, the Federation for American Immigration Reform (FAIR) presented a program for an overhaul of the refugee and asylum policies of the U.S. government which cited the population theories of Paul Ehrlich and other figures in the Zero Population Growth (ZPG) organization as the basis for a drastic reduction in refugees admitted into the United States. The group pointed to Chinese parents fleeing the "alleged" one child per family policy as a prime example of the type of refugee who should not be granted asylum, and proposed that refugee admissions should be counted as part of the limited number of immigrants allowed from each country under the U.S. quota system. Only those refugees who have a "well-founded fear of persecution," adjudicated on a case-by-case basis, should be granted political asylum, according to FAIR.

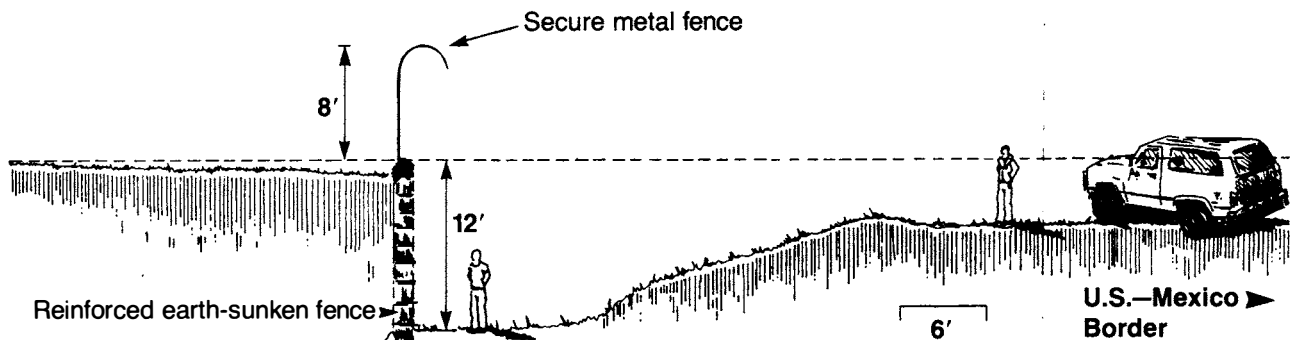
FAIR spokesman Dan Stein, who identifies himself as the grandson of Ukrainian Jewish immigrants, said that the group's assessment of the crisis in U.S. refugee policy is based squarely on the demographic theories of the zero population growth movement: "If you don't believe in population stabilization, these issues are insignificant," he said. "If you do accept the fact that there are limits, and that tough choices have to be made," then you have to accept the proposition advanced by FAIR that "the United States has no responsibility

to accept unlimited numbers of refugees fleeing" the apocalyptic disasters predicted by the group and its co-thinkers.

According to citations in the proposed reform packet, discredited over population hysteric Paul Ehrlich is the prime source for FAIR's vision of the future. Said Stein, "This is a new age in the history of the human race. There will be billions of people displaced by civil war, environmental disasters, and catastrophes. . . . The refugee issue will be on the agenda for the next two decades." This is so, he said, mostly because "world population has grown in countries with low per capita income . . . Middle East, Africa, Central America. . . ."

According to the 1991 World Refugee Report prepared by FAIR, "Population stabilization is an issue with very few advocates in the administration or on Capitol Hill. And without a comprehensive population policy that includes immigration, the U.S. will never be able to get a handle on the potential for explosive growth, and the concomitant social and economic instability that lies just around the bend."

The crisis envisioned by FAIR is global and brutal, and is in fact the real future of George Bush's new world order. "How many millions more will come from Eastern Europe, Hong Kong, central Asia, East Asia, and Latin America? It is terrifying to imagine the world refugee problem in several



An artist's conception of a fence which FAIR wants to build along the entire U.S.-Mexico border. Such advocates of immigration "reform" are infamous for their genocidal policy encapsulated in their suggestion that the United States should "close the border and let them scream."

years, when the full brunt of Mideast and East bloc instability will have borne fruit, and when the People's Republic of China (P.R.C.) will have consolidated full control over Hong Kong. Or the problem in several decades, when world population will have increased by yet another two billion."

The problem with current refugee policy is that it still reflects, however weakly, historical American attitudes toward immigration as captured by the "quaint archaisms" inscribed on the Statue of Liberty, FAIR believes. While in recent decades the U.S. has instituted tight administrative control over immigration, there are still large loopholes in the system. This is particularly upsetting to FAIR in the cases of countries like Cuba or El Salvador, which have been granted wide latitude in U.S. immigration policy. Stein (who clearly identifies with the administrators and not the victims of police states) theorized that the U.S. policy of allowing dissidents to leave Cuba in large numbers over several decades has contributed to the longevity of the Castro regime.

The FAIR spokesman, seemingly determined to prove the theory that Marxist dogma is alive and well only among American populists, speculated that in cases like Cuba, Poland, or the Baltic states, dissatisfied people should be forced to stay within their borders, since dissatisfaction will lead to revolution. Presently, the U.S. allows too many people to claim refugee status on the grounds that they wish to live in freedom, says FAIR.

Refugee policy advocates genocide

According to the FAIR report, "The U.S. creates 'refugees' by allowing persons claiming such status to settle here. The U.S., in effect, encourages cultures of emigration in such places as Hong Kong, Mexico, Cuba, and Sri Lanka. If other countries believe unlimited numbers of people will be allowed to continue to come to the U.S., either as refugees or immigrants, they will not feel compelled to do anything about their problems including explosive population growth."

China, for example, has a responsibility to lower its population growth rate, says Stein, and the U.S. should not

encourage Chinese who wish to raise families to leave the Maoist police state. The cruelty of this logic, explicated in the following quote, is the core of the FAIR argument:

"In recent years, the U.S. has expanded the mandate of the Refugee Act through the passage of laws and the issuance of directives that extend refugee status to certain non-traditional 'refugee' groups. The most blatant example of this involved a Chinese couple who were labeled 'reproductive refugees' because they claimed to have a 'well-founded fear of persecution' on account of governmental policies that allegedly [sic] force women, after the birth of one child, to undergo sterilizations or abortions against their will.

"In November 1989, President Bush issued a directive that stated that 'enhanced consideration' would be provided under the INA [Immigration and Naturalization Act] for the asylum requests of individuals from any country who fear coerced abortion or sterilization if forced to return home. This directive was, of course, aimed at China because of unproven allegations [sic] that it is the official policy of that country to compel couples with one child to undergo forced abortions or sterilizations to prevent the birth of a second child.

"The President issued his directive despite the fact that in May 1989, the INS [Immigration and Naturalization Service] Board of Immigration Appeals (BIA) denied political asylum to another Chinese couple who claimed to be persecuted by China's one-couple, one-child policy. The BIA decision followed the issuance of policy guidelines by the attorney general instructing the INS to give 'careful consideration' to Chinese nationals who apply for asylum on grounds that they may be persecuted because they oppose China's population policies.

"In this case, the BIA ruled that the applicant had not proven that China's policy was selectively applied against members of particular religious groups, or was being used to persecute persons on the impermissible bases of race, religion, or political belief. Therefore, they concluded, an application based solely on the fact that an individual is subject to a population policy should fail. The board determined that

in order to satisfy the standard of a well-founded fear of persecution, the claimant must show evidence that the government action arose for a reason other than the implementation of general population growth management policies.

“The consequences of the President’s directive, which

was an inappropriate expansion of the ‘well-founded fear of persecution’ definition, is the creation of a potential refugee pool of 20 million Chinese couples who want to leave their overpopulated homeland because of their desire to have more than one child.”

Racist kooks behind FAIR and immigration ‘reform’

The policy proposals of FAIR have to be taken seriously because they correspond to the dictates of National Security Study Memorandum 200 (NSSM 200), which prioritizes population reduction as a national security concern. This is the policy of the U.S. government (see *EIR*, May 3, 1991).

In addition, FAIR is linked, through its board of directors and other connections, to leading racists, environmentalists, and population control theorists, including associates of Henry Kissinger, who authorized NSSM 200.

The founder and original funder of FAIR is the agronomist and genocide theorist William Paddock. Paddock created FAIR as a companion organization to the Environmental Fund, which was created in 1973 and provided guidance to the *Global 2000* study. The Environmental Fund shared board members with high-level NATO planning agencies, including the Club of Rome, and received funding from the Mellon family; Patricia Mellon Scaife served on the board. The Fund, which had “no interest, no time, and no use” for voluntary family planning schemes, was dedicated to “thinking the unthinkable” about coercive population control, and advocated Chinese-style population control policies for advanced sector nations.

In 1977, Paddock proposed “that U.S. agro-scientific organizations deny research to countries that could not get their populations under control”—an early form of the technological apartheid now practiced by the Bush administration. Such measures should be accompanied, Paddock proposed, by strict controls on immigration so as to effect population reduction through disease and starvation. FAIR was created to push this goal under the slogan: “Close the borders and watch them scream.”

In a 1980 interview with *EIR*, Paddock endorsed George Bush as someone who would implement his policies. At that time he called for the U.S. population to be limited to 100 million, half its present size. The coercive measures advocated by FAIR would be necessary to keep people in, not out, of a nation pursuing such genocidal goals.

Theodore Hesburgh, a Catholic priest, wrote the introduction to the FAIR pamphlet, praising the work of the organization. Hesburgh is champion of numerous satanic causes, with global population control being one of his favorites. He serves as the unofficial “chaplain” of the Trilateral Commission, and developed a theory called “lifeboat economics,” which would sacrifice human rights in order to preserve supposedly limited natural resources.

FAIR board member Richard Lamm, former governor of Colorado, holds to the belief that euthanasia is necessary to preserve resources.

Eugenics and apartheid

Board member Dr. John Tanton, another co-thinker of Paddock, is a board member of U.S. English, a group which capitalizes on the backlash to the Ford Foundation’s multi-language program to balkanize the U.S., and a past president of Zero Population Growth. He sees immigration as an environmental threat. He caused a stir in 1986 when he wrote a memo which predicted apartheid in California by 2030 if immigration were not stopped.

Tanton arranged over \$370,000 in grant money to FAIR from the Pioneer Fund between 1982 and 1986. Pioneer finances research into eugenics, such as a study done by Phillip Rushton at the University of Western Ontario, which investigated the relationship among penis length, race, and intelligence.

The Canadian affiliate of Tanton’s U.S. English, is an organization called Alliance for the Preservation of English in Canada, which is headed by *Forbes* magazine editor Peter Brimelow, who also chairs The Northern Foundation. This foundation brings together people such as John Meyer of ZPG, and Maurice Tugwell, head of psychological operations for the British Army in Northern Ireland in 1971, who share racist beliefs. Brimelow is the author of a popular anti-immigration novel called *The Patriot Game*, which was written while he worked at the Canadian affairs division of the Americas Society in New York.

The Americas Society is chaired by Brimelow’s patron, Canadian financier Conrad Black, who is in turn a business partner at Hollinger Corp. with Henry Kissinger. The U.S. branch of the Americas Society, the Council of the Americas, is a mouthpiece for Kissinger’s policies toward Central America.

The report concludes that “for political and economic reasons, China is a country that many people want to leave and will continue to try to leave. China’s enormous population makes an exodus of even a small percentage of its population unfeasible.”

Hong Kong, which is scheduled to be put under the yoke of the communist regime, threatens to produce millions of entrepreneurs who will “disagree with the policies of the P.R.C. government,” as Stein so quaintly phrased it, and will be a “delicate” problem.

Plan will accelerate North-South conflict

The biggest problem with such “non-political” refugees, according to Stein, is that “they are unpolitical as can be” and can’t be counted on to become captives of government propaganda outfits like the National Endowment for Democracy. The goal of the FAIR reform package is to allow selective, case-by-case screening of applicants for asylum to the U.S., approving only those who meet the currently accepted criteria of political correctness. These are the “true refugees” who “will be forced to take a back seat to these ‘foreign policy refugees,’ ” in the words of the FAIR report. The select “true refugees” should be allowed into the U.S., says Stein, so that they can work to overthrow tyrannies—like Mexico, which he compared unfavorably to eastern European communist regimes.

All others should be handled by the U.N. and other international agencies which should be funded so that they can expand resettlement operations in camps adjacent to the countries or regions which “emit” refugees.

These “emitter” countries, according to FAIR, are: Afghanistan, Mozambique, Ethiopia, Iraq, Angola, Sudan, Cambodia, Somalia, Iran, Rwanda, Burundi, Cuba, Vietnam, Tibet, Sri Lanka, Nicaragua, Laos, Liberia, El Salvador, Guatemala, Zaire, Bangladesh, and the Palestinians.

Other African countries which will have refugee crises within the next decade include: Botswana, Burkina-Faso, the Central African Republic, Chad, Egypt, Equatorial Guinea, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Niger, São Tomé, Senegal, Sierra Leone, Tanzania, Togo, Uganda, Zambia, and Zimbabwe.

FAIR notes that “these countries have a combined current population of 241,527,000,” about the current population of the U.S., “and are growing by more than 3% per year.” Per capita annual income in these countries is less than \$500.

Other potential refugee situations, and FAIR’s assessment of the causes, are:

- Haiti. “Though the U.S. and other Western powers have virtually imposed a democratic experiment on Haiti, there is little reason to believe that it will take root in a society whose entire experience is so totally authoritarian and corrupt.”

- India. “By the early part of the next century, India,

geographically one-third the size of the U.S., will replace China as the world’s most populous country. . . . India’s one-year natural population growth now exceeds the entire worldwide refugee population. This one country alone holds the potential to break the back of the international refugee assistance agencies. Moreover, all the ingredients for a human disaster of unprecedented proportions exist on the Indian subcontinent.”

- Pakistan. “In a land area about the size of Texas, Pakistan has a population nearly half that of the entire U.S. . . . The treatment of Muslims in India and competition for scarce resources could potentially set off full-scale hostilities at any time, producing incalculable numbers of refugees on both sides.”

- Nigeria. “Geographically about twice the size of California, Nigeria has a population that is almost half that of the entire U.S. . . . Though it is the world’s second largest petroleum exporter, the wealth that has been produced has been largely squandered, due mainly to official corruption and ineptitude. . . . Tribal and religious conflict, which have raged for centuries, will inevitably flare up as crowding and competition for scarce resources intensify.”

- Indonesia. “With a sustained downturn in the world oil market . . . Indonesia’s problems could easily boil up and add to the flood of refugees streaming out of Southeast Asia.”

- Brazil. “Unlike people in countries that have never known anything but abject poverty, Brazilians have higher expectations. Throughout human history, unfulfilled expectations have been one of the primary impetuses for migration. As economic conditions deteriorate and population increases in Brazil, large-scale migration is likely.”

Countries where migration will be due to endemic ethnic conflict are: Yugoslavia, Bulgaria, Lebanon, the U.S.S.R., and China.

Mass murder in the service of environmentalism

“For the U.S., the moral and ethical questions are profound,” intones the FAIR report. “We cannot absorb a fraction of those who wish to come here—not if we wish to retain our domestic objectives to preserve wilderness areas, protect wildlife, reduce crowding and density,” and maintain a semblance of domestic tranquility during the ongoing depression. FAIR implies that it is time to face the fact that the United States is a failure: “The truth is, despite our historical commitment to humanitarian objectives, the U.S. simply cannot alleviate all the suffering, starvation, and unemployment in the world by allowing unlimited numbers of refugees to enter our country. To do so would undermine another important commitment, one of the many embodied in the Preamble to the Constitution: ‘We the People of the United States, in Order to form a more perfect Union . . . secure the Blessings of Liberty to ourselves and our Posterity. . . .’ Our limited resources require that we give priority to the needs of our own people.”

LaRouche interview: What is real political leadership?

We are pleased to present lengthy excerpts from a June 15 interview with Lyndon LaRouche conducted with Dominican Republic television journalist Dr. Julio Hazim, which was provided courtesy of Compañía Nacional de Televisión. Dr. Hazim's interview aired several times in the Dominican Republic in mid-July. Over the nearly two hours of their dialogue, Dr. Hazim and Mr. LaRouche discussed a wide range of Mr. LaRouche's ideas. We have tried to select those portions of the interview, in which Mr. LaRouche's strength as an American statesman toward other nations shows best, in the dialogue format that our readers rarely have access to.

The interview was videotaped at the Rochester Federal Medical Center, in Rochester, Minnesota, where LaRouche is being held as a political prisoner. In concluding his interview, Dr. Hazim expressed his thanks to the Rochester authorities, "because they have cooperated with us in every segment of this program. From the moment we traveled from the Dominican Republic to the small city of Rochester, Minnesota, they have given us every facility, every cooperation."

Dr. Hazim: Mr. LaRouche, why are you currently in this prison? How much of this is because of your political convictions, how much of this is because of the truth of the accusations against you?

LaRouche: According to the Justice Department and related official records which have been released to my legal people, to me personally, the action against me was begun by former U.S. Secretary of State Henry A. Kissinger, who had been a personal adversary of mine long prior to that point, in 1982. In January of 1983, a group of people who were members of the President's Foreign Intelligence Advisory Board directed that an action be taken against me, implicitly under the mandate of Executive Order 12333. That's the Executive Order that covers secret activities of government against countries, individuals, and so forth.



In June 1984, presidential candidate Lyndon LaRouche traveled to Argentina to discuss his policies with that country's influentials, including the new President Raúl Alfonsín, and leading members of the Peronist trade union movement, shown here. With him, acting as translator, is Dennis Small. LaRouche and Small were both jailed for their organizing to stop the Kissinger-Bush "new world order."

As a result of that, a large "Get LaRouche" task force, as it's so described in the official records, was set into motion, and the task force had the function, number one, of conducting financial warfare against organizations and persons associated with me politically, and to attempt to rid the scene of me politically. As a result of that, several efforts were made to find a pretext for imprisoning me, and finally they had the cooperation of a federal judge in this action. The charges against me are what are called smoke and mirrors. The essential thing is that the President of the United States wishes me in prison, and that is why I am in prison.

Dr. Hazim: Does the United States justice system offer any hope for a man in his late sixties who has been condemned to 15 years in jail, to leave this prison earlier, or will you have to serve the entire sentence?

LaRouche: I can answer that question in two parts. First of all, the United States, unfortunately, in this matter, is less civilized than some other countries. For example, Italy or Sweden or other countries in Europe, take a humanitarian and practical view of this matter. There are provisions, as I understand it, of the federal Bureau of Prisons—procedures and so forth, which deal with these kinds of matters.

Secondly, however, whether I remain in prison or not, is essentially at the pleasure of the President or the presidency. The legal grounds for removing me from prison, by removing the sentence, removing the conviction, exist. It could happen within a matter of time. It could happen, as we say, under

sua sponte by a federal judge; the evidence exists. Whether that evidence and that procedure will be acted upon, will be up to the political pressures acting upon the presidency.

I am here because the President wishes me here. For no other reason. If the President were to change, then the law would be allowed to release me from prison and I probably would be.

Dr. Hazim: Mr. LaRouche, many things are said about you. Some people say that you're a madman, but this is not a mental hospital, this is a prison. Some people say that you're here because you tried to subvert the established order, go against the established authorities. Some people say that you're here because you evaded taxes. We also have heard another thing said, which is that you, at one time, even collaborated with the Reagan administration, at the beginning of the Reagan administration, and that you were part of his governing team. What is true about all of these different things that are said about you?

LaRouche: . . . Essentially, what was set up against me was a task force. The task force included, according to evidence—and I refer only to evidence that's on the sworn legal record—the task force included NBC-TV News. The task force included the Anti-Defamation League of B'nai B'rith. . . .

The essential issue is, yes, the second one is the case. I did challenge the establishment effectively. For example, [the 1982 book] *Operation Juárez* is typical of what I did. To sum it up, the issue here is that, and I agree with Friedrich

People are trying to find a rational explanation for the behavior of the government of the United States. That is the mistake. If you say, "What is the irrational motivation?" then it's not very difficult at all to understand.

Schiller on this point—I think history, in my case, bears it out—that there are two tendencies in European civilization over two and a half millennia. One is typified by Solon of Athens, who banned the usurers from Athens and established a constitutional republic. The opposite view of that time was Lycurgus's Sparta, which was divided into an aristocracy, nobility, and slaves, helots.

Henry Kissinger and others who are my enemies, are my enemies because they represent this Spartan tradition. I represent the republican tradition, that is, the tradition which believes that the individual has rights. . . .

An example of the policy issue which was the motive, the actual motive, of Kissinger and others for putting me in prison, is Kissinger's policy and the policy of his faction as identified by two documents from the 1974-76 period while he was secretary of state, and while he and Brent Scowcroft were national security advisers to Presidents Nixon and then Ford. The first memorandum is National Security Study Memorandum 200, signed by Henry Kissinger. The second memorandum, which is based on the first, is National Security Decision Directive 314, signed by Brent Scowcroft in 1975. These memoranda said that developing nations are a danger to the United States because as their populations grow, they will demand technological progress and will become powers which challenge the United States, with the power to deal with their natural resources, and so forth.

I opposed that; I was on the opposite side. I agreed with [President Houari] Boumediene of Algeria in 1967. I agreed with Pope Paul VI in *Populorum Progressio*, that the developing nations have a right to technological progress, and it was in the interests of the United States, in fact, that these nations have these rights. So, there were two factions: Bush, Kissinger, others, the New York bankers, belong to one faction; I belong to another one.

I became, in the course of the late 1970s and 1980s, influential in the world, through my collaboration with certain agencies of government, including the first Reagan administration. The people in New York viewed me as a power. Kissinger viewed me as a powerful person and said, "He must be destroyed." . . .

Dr. Hazim: How many years do you think this imprisonment of yours will delay the process that you had launched as a presidential candidate, as a political activist? How many years do you think this has set it back?

LaRouche: It's impossible for me to estimate. I'm not a movement to make myself President of the United States. I campaigned for President of the United States. . . . In 1984-88, I campaigned because I was the only one, to my knowledge, qualified to be President under the conditions which the United States and the world was facing, special conditions, and that's the only reason I ran. And I ran not necessarily to win. I ran because somebody had to stand up and tell the truth.

Dr. Hazim: Mr. LaRouche, we have a situation that is unique in the world. We find ourselves before the new order. We have never had a situation where all the power, so much power, was concentrated in the hands of a single man, as we have in the present case of the President of the United States. In the Dominican Republic, we call that new order in economics, "neo-liberalism." Is there another option, another way we can go, outside of that new order?

LaRouche: Absolutely, and we must. Go back to what used to be the principles upon which Christian civilization was based, which, among other things, prohibited the practice of usury and demanded the right of every family to exist—at least, the opportunity to exist—because the production of the nation, the production of the individual, is a function of the family. And the family that cannot exist because of poverty, because of lack of opportunity, because of lack of education, misery, so forth, disease, then the person cannot exist or the person is crippled, lives a crippled existence; and the nation cannot exist.

When man is reduced to desperation, also, he tends to become a beast. When a nation's policy, such as the practice of usury such as we have today, reduces a nation to desperation, the nation may be destroyed by that desperation. We have always recognized the moral responsibility of the state to provide the conditions of life.

The one thing that is not understood is this, which I have laid special emphasis upon. Yes, individual enterprise is correct, but, the state must take responsibility for basic economic infrastructure, because basic economic infrastructure—which is water management, transportation, power generation-distribution, public education, public health and hygiene—these are matters which cannot be divided into private entrepreneurs. These are matters of the nation as a whole.

But the reason we must, as much as possible, in agricul-

ture, in industry, have private entrepreneurship, is that the ability of man to progress is based on the expression of, the development of the individual mind, which is sovereign, which cannot be divided. It's an individual. That mind gives us, for example, scientific and technological progress. The existence of man depends upon this progress.

Therefore, when we say to an individual, "Start a business, succeed," we are hoping to use his mind and the mind of his collaborators in that business to make an improvement in that production, to create employment, useful employment, for the good of the society. Therefore we need a form of society which meets those two requirements: no usury; commitment to social justice for the people as a whole; commitment of the state to foster the development of basic economic infrastructure and fostering, primarily through education, the development of entrepreneurs in successful farmers, particularly family farms, successful small businesses which may grow to larger businesses because they are good—they improve themselves.

Dr. Hazim: Mr. LaRouche, your followers—you don't call them that, you call them your collaborators—say that the people who are currently ruling the United States, are a bunch of nuts, that they are going to destroy this country. However, those neo-liberals who are in power say, no, that they are going to make the United States great: that what has happened is that for years this country has lent money and it has not been paid back; it has given food assistance to underdeveloped nations, they have not taken care of it; that they have simply wasted all assistance that they've been given; and what is being done now, is simply to impose some order, and this order which is imposed upon these Third World nations, which have been going every which way, will turn the United States into a great nation, again. . . . Why is it that you disagree with that approach?

LaRouche: First of all, the so-called success of the U.S. economy under what you call the neo-liberals is the greatest lie on this planet, today. We have over 30 million people who are in desperate poverty in the United States. That's about 12-15% of the population. We have 30% of the population, at least, living in misery. We are losing most of our farms. We do not have a food surplus. We sometimes have a grain surplus, because we have stopped growing cattle, and stopped feeding cattle. . . .

Our bridges? Forty percent of our bridges in the United States are collapsing. Our railroad system is almost nonexistent. Our highway system is collapsing. Our manufacturing is collapsing. As a matter of fact, in the chain of production, the United States could not sustain itself, and has sustained itself for about 8-10 years only by looting, especially Central and South America.

From my calculations—which we've gone over again and again, which we've compared with what we see physically in Mexico, in Colombia, in Venezuela, in Brazil, in Argen-

tina, in Peru, and so forth—what we see, is that the United States has been looting Central and South America by hundreds of billions of dollars a year, largely through the aid of International Monetary Fund conditionalities.

If the IMF comes in and says—as they did to Mexico in 1982-83—drop your currency, drop the peso, [there are] many problems, terrible problems. The peso was about 26 pesos to the dollar for many years. The country, in 1982, was a very good country—with problems—but a good country. Look at it today: It's ruined. Why is it ruined? Because the United States said, "Pay your debts"

Dr. Hazim: Now, I know you have written about this extensively over the years, and I really would like your assistance with the question I'm posing now: What is it that the people who rule the United States today want? What is it that they're seeking in the long term? What is their aim?

LaRouche: One has the impression that people are trying to find a rational explanation for the behavior of the government of the United States. That is the mistake, to seek a rational explanation. If you say, "What is the irrational motivation?" then you can see, ah, it's not very difficult at all to understand. You have a President who's run by some funny woman in England who flies between London and Washington on her broomstick—Margaret Thatcher. She comes to George Bush. George Bush says, "I'm not going to go into a war in the Middle East." She says, "George, you're going to go to war." He says, "Yes, I'm going to go to war."

What we're dealing with is ideologues who have utopian ideas, who believe that they must make these utopian ideas come true. They don't care about reality. They say, if we have enough power, we can make anything happen that we wish. We wish to have a one-world order which the Anglo-Americans rule. We wish to have the population reduced. We wish to turn Central and South America and Africa and most of Asia into helots, slaves. We like that. We like it! . . .

Dr. Hazim: So, it isn't true then, that this Enterprise for the Americas is an integration of Latin America and the United States, free trade, a North American common market, integration in the sense you understand it?

LaRouche: Let me put it in this ironic fashion. I eat a meal. I have a salad before the meal. I have a meat course. If I'm Italian, I have a pasta course before that. I have an after course, a meat course, then I have maybe one or two different desserts. I have integrated all of these elements into my stomach. That is the kind of integration of which these gentlemen speak.

Dr. Hazim: Regarding the three blocs that seem to be developing in the world: You have one with the Soviet Union, one with European integration; the Japanese and the economies of South Asia; and the United States with Mexico and eventually the rest of Latin America. What does this mean? What

is convenient to the United States' interests? What is not convenient to the United States' interests? How do they see it? How do you see it?

LaRouche: Well, if George Bush succeeds, for example, in what he says he wishes—he calls that U.S. interests—that will be a disaster for the United States. That is *not* the interests of the United States. We are facing the worst financial and economic disaster in this century, right now, in the United States and elsewhere. What we're looking at is the danger of chaos.

Take the case of the Soviet Union. Everyone says that the Soviet Union is a junior partner of London and New York. Not quite true. The Soviet Union still has an integral military capability; and although the Soviets have been frightening people in the West with talk about the danger of chaos, a nuclear power in chaos, that's not an entirely artificial situation. That's not an empty threat.

The United States and Britain are among the worst economies in all of the industrialized sector. They're on the edge of collapse. . . . We're in the danger of a global collapse, and what is happening with the danger in this period, is not who is going to win. The danger is when we all go down to a common catastrophe for lack of a rational approach to global politics. We can solve problems with a global approach, the right global approach. This approach of bloc fights leads to chaos, and when the United States and Britain collapse, as they will, the Soviets will stabilize one way or the other, perhaps as a dictatorship, and then we're back in danger again, of that type.

Dr. Hazim: Mr. LaRouche, in your writings, you have pointed out several times that United States society, the way it is run right now cannot be a lasting one, and that it has been deteriorating for a very long time. How long do you give it before it collapses?

LaRouche: That's hard to say. We're at the collapse now, physically, as an economy. We're in a relatively worse condition than we were in the early part of the Depression of the 1930s. We have been collapsing for about 25 years.

Go back to, say, the Kennedy years: Whatever criticisms you make of Kennedy, his economic program was relatively successful and was the only successful policy program which the United States has had in the entire postwar period. The United States came out of the war a great power. We grew a little bit, but we didn't have a sound policy. Kennedy had the space program, a correct policy. That gave us technology. He had a policy of infrastructure acceleration that gave us growth and gave us strength and gave us employment. He had a policy of the investment tax credit to give special tax preference to investments in agriculture and industry and infrastructure which benefited the economy. Then we had a great rate of growth from 1962 to 1966. Then, it's gone: For 25 years it's been downhill.

Dr. Hazim: If you were President, or you were the chief

policy adviser for a President, how and what would you propose be done, or what would you do to ensure that the government were a good government . . . a great nation, but not a great nation at the expense of other nations, but in collaboration with other nations, in all areas?

LaRouche: The secret of government is in large degree divided into two areas. One is policy and the other is personality. There's a tendency, for the sake of the misuse of the term democracy, to undervalue the importance of leading personalities.

For example, they say, "Ah, de Gaulle! *Grandeur!*" Perón, the same thing, no? The President of your own country has a certain distinction. The key of leadership is, on the one hand, comprehension. A true national leader in a crisis such as this one, whether it's the President or he's behind the scenes as adviser to Presidents, is as a courageous personality.

For example, here is an anecdote which I think is worth telling. A few years before he died, I met [in 1975-76] with Jacques Rueff of France, who had been the man who reorganized the French franc to create the heavy franc under de Gaulle. . . . We were discussing the prospects for reorganization of the world monetary system, then. And I said, "Well you went through this before, with de Gaulle"; I was referring to the heavy franc, the reorganization of the monetary system. He said, "Yes. Here's how it happened: I presented my plan to de Gaulle. Other people said it was crazy. De Gaulle turned to me and said, 'What do you say?' " Rueff said, "I stake my life's reputation on the success of the plan." That's what Rueff said to de Gaulle. De Gaulle said, "Therefore, I do it."

The essence of leadership is the combination of workable ideas—not necessarily perfect ideas, there's no man who can have perfect ideas, but valid ideas—and personal action. For example, if people in Mexico, Brazil, Peru, Colombia, Venezuela, Argentina, Nigeria, South Africa, Algeria, Egypt, and certain European countries, Japan, Southeast Asia know that I am a power in the United States government, the relationship of the United States with those nations will change, because I think to these people my policies are clear. They know exactly where I stand. If I am there, they say, "ah," as they did when I was advising Reagan on what became known as the SDI. We had cooperation because they trusted me as a personality, to represent and defend and take a courageous leading position in committing myself to these ideas.

Dr. Hazim: You have written often in the past about monetary policy. During the time Nixon got into trouble with the dollar, you spoke about the need for a gold standard. Again, when the stock market collapsed, you touched upon this area. Do you think a gold standard versus a dollar standard is the way to go about these things?

LaRouche: I think neither is correct. What you need is two

things. First of all, we have a national banking system which is, in fact, bankrupt, and must be reorganized. Therefore, the institutional integrity of existing banking and monetary institutions is not sacred. We must bankrupt them, and when I say bankrupt, I use as a model of reference what we have in the United States called Chapter 11 bankruptcy, which is a voluntary reorganization of an entity, where you reorganize its debts, its structure and so forth, with the purpose of keeping the entity alive.

The world will need an international monetary facility, but we must bankrupt the IMF, the World Bank, and we must put most of the U.S. banking system through bankruptcy. It's bankrupt and the taxpayer cannot simply pay for this forever in the United States. We must bankrupt it and reorganize it, which means we must write off a lot of the debt, which on examination is not legitimate debt; it was created artificially as usurious debt.

We must create a system which is then based upon what [first U.S. Treasury Secretary Alexander] Hamilton defined as national banking. That is, the government of each nation must create its own credit, pretty much under the same mechanism used by the United States under George Washington which is provided under Article I of our Constitution. The President of the country sends to the Congress a bill saying, for example, the United States wishes to issue so much currency. The Congress approves it. The treasurer of the United States can then print that currency, because he has not loaned directly: It is put into a national bank. The national bank then loans that money to local banks. The local banks loan the money, at low interest, to approved categories of priorities of national investment—industry, agriculture, export, and so forth.

Every country must do that. We must then ensure that all of these countries can have a low interest rate investment and trade across their borders. To do that, we must have a standard, a gold reserve standard—not a gold standard, but a gold reserve standard. This means that we agree to price gold at so many dollars, so many pesos and so forth, a fixed standard which we may adjust, but we don't allow chaotic movements, free market movements. Then we can keep low interest rates. If I were President of the United States, and could guarantee, together with Presidents of other countries, a 1% basic interest rate in international lending for purposes of investments in capital goods and trade, I can have an explosion in international trade and prosperity, even today, under today's conditions. If countries have the same policy, it'll work.

So what we need is a national banking system, cooperation among national banking systems of governments, and a gold reserve system where we agree to settle our differences among each other, among nations, in gold.

Dr. Hazim: However, one thing that is said, is that the American banks need to continue with the present policy,

because they must collect the money that is owed to them by Argentina, by Poland, by Brazil. Otherwise they're going to go down the drain, and that's going to destroy the economy; therefore they must proceed with this policy in order to survive, to keep the system alive.

LaRouche: At the present interest rates, that can never happen. At the present interest rates, the present financial structures, the debts cannot be paid.

What we have is a situation in which to collect the debt, or to attempt to collect the debt, Mexico is going to be put through an Auschwitz program.

For example, if I pay Mexican labor in *maquiladoras* at 50¢ an hour, if they have to pay virtually U.S. prices for food, which is what they do in these *maquiladoras*, they cannot even support themselves; therefore they can't support a family. You have people who are working at 57¢ an hour, who are receiving charity in the form of . . . a pound of tortillas, and so forth, a week from charitable organizations. They have no sanitation.

What happens? Remember, this is like Auschwitz—that's no exaggeration. In Auschwitz, the SS took the able-bodied people, they rented them to a private corporation such as IG Farben. IG Farben fed them 1,000-1,100 calories a day food. They did 3,000 calories a day work. In three months, they came back a corpse. In the *maquiladoras*, the conditions are not yet that bad, but maybe they have two years of labor, maybe a year of labor before they are in a similar condition. You are going to recycle the worn workers out, and process new people in.

The purpose of these *maquiladoras* is one thing: to extract payment for debt to U.S. banks. That's the only purpose. What are you going to do? Reprocess the entire population of Mexico? Are you going to do the same thing as proposed now with Chile? Are you going to do the same thing with Peru? With Brazil? With Argentina? How many hundreds of millions of people are we going to kill?

I've examined the debt. I examined it extensively in 1980-82. I've examined it since. My friends have examined it in the same way, recently. Most of this debt is not legitimate debt: That is, the countries receive nothing for the increase in the debt. It is simply, they rewrote the debt, wrote it up. If you calculate what the countries received from the United States banks since 1982 and what they have paid, they owe nothing, or virtually nothing.

It is true: The United States banks, if they don't receive this debt, will go bankrupt, but they are already bankrupt—not really because of this, but because of domestic lending as well.

Dr. Hazim: Mr. LaRouche, some people in the Dominican Republic have commented on your [1982] visit to Mexico where you met with advisers to President López Portillo, and a few months later President López Portillo nationalized the banks; and also a similar visit you made [in June 1984] to

The interest of my nation, is that the United States must become again a technology-exporting nation. To be an exporting nation, you must have customers. Our immediate customers are to the south of our borders. Therefore, the debt must be reorganized on an equitable basis.

Argentina where you met with President Raúl Alfonsín and discussed the economic situation.

They say that those things may have contributed to your finding yourself . . . in jail. And they further say that perhaps it is not a bad idea that Mexico is no longer governed by López Portillo but by President Salinas de Gortari, and that this integration between the two countries, despite the problems, in the long run would mean prosperity for Mexico and for the United States.

LaRouche: I would say, first of all, of course it was, that we were working with President López Portillo before I met with him personally in 1982. When he acted as he did, he acted correctly. I can say something, now, I think, that has not been said publicly so much before: President López Portillo acted [to nationalize Mexico's banks], because he had an agreement from the President of Brazil and from the head of the junta of Argentina. We had, in the United States and in Europe at the same time, and in the Non-Aligned nations group, international support, factional support, for what I had proposed in *Operation Juárez*. This policy was on the desk of the Reagan White House and was discussed thoroughly with a faction of the U.S. government. We had a factional division in Washington on this issue. If the President of Brazil and the head of the junta in Argentina had not deserted López Portillo, we would not have the mess we're in today.

When people discuss what happened between the middle of August 1982 and the end of October, people around the world, including bankers, to this day, tremble. And that is absolutely true; the reason I'm in prison is because we came *that close* in 1982.

What I can say is that I'm convinced it was the right thing to do. I'm convinced by the events that have happened since, that it was the last hope for sanity for the United States, as well as these countries, at that time. There is no possibility that the program which the United States has imposed upon Mexico will succeed for Mexico. There's no possibility. People who think so are not thinking carefully.

I may say, I understand the situation for these countries, because I was there in 1982. President López Portillo was a very courageous, very patriotic President, who was trying to leave a heritage of security for his own country. He was a very intelligent President. I was very impressed with him, as I was with Luis Echeverría before him. But I think people in the Dominican Republic, which is a small republic of the

hemisphere, recognize that what is necessary and what is possible will not always coincide. Sometimes you do not have the forces needed to do what is right, so maybe you have to make a compromise, because that's all you can do. Mexico was put in that position. But the idea that there's any possibility that today's program in Mexico could succeed—no, there's none whatsoever.

Dr. Hazim: Should the countries pay the debt or should they not pay the debt? . . . What would you recommend that would be good for those countries, the poor countries, that would not go against the interests of your own country. . . ?

LaRouche: Well, the interest of my nation, the United States, in my view, is that the United States must become again a technology-exporting nation.

To be an exporting nation, you must have customers. Our immediate customers are to the south of our borders, and in places such as Africa, but especially the south, below our borders. For those customers to be customers, they must be able to buy. They must have opportunities for investment in their own countries. Therefore, we must say: This debt must be reorganized on an equitable basis with a schedule of whatever payments are to be made, on an equitable basis, a basis which will ensure the ability of these countries to develop. If they develop and increase in prosperity, they will buy more from the United States, and that is in the interests of the United States. I just have a different perception of the interests of the United States than some of these fellows do. . . .

Dr. Hazim: Mr. LaRouche, I want to spend a segment talking about my country, the Dominican Republic. Four years ago, we signed a bridge agreement with the International Monetary Fund. However, our current President, President Balaguer, has refused to sign, for the past few years, with the IMF. Unfortunately, next month, July, he will be signing a deal with the IMF. I would like for you to comment on this situation, because we're concerned about what we are going to get from it. . . .

During the past five years he has refused to sign with the IMF, our President has been issuing what we call in the Dominican Republic "inorganic money," that is to say, currency without backing. This money is specifically for the purpose of investment in building highways, in building housing for the middle class and the poor, in building water

projects, and so forth. Some people complain that this is worthless money. Is that your opinion, or do you think that it's better to do it this way than to spend the money, say, in paying the banks?

LaRouche: President Balaguer's critics do not know the history of the United States, that the American System began in the seventeenth century in Massachusetts, when the Massachusetts Colony issued exactly such kinds of money in order to cause the prosperity of the colony, which continued until the British shut it down in 1689, with Governor Andros. After that, Cotton Mather campaigned for the restoration of money.

And the critics of the President should read a famous paper by Benjamin Franklin called "On the Subject of a Paper Money," paper currency. Then, if you look at Article I of the U.S. Constitution and read the writings, particularly, of Treasury Secretary Alexander Hamilton, when he was George Washington's treasury secretary, you'll find that exactly the prosperity of the United States was based upon this kind of use of so-called paper currency. . . .

Dr. Hazim: One of the policies that they have imposed on us is a policy of establishing prices that represent what is the true price. They have eliminated subsidies. They have forced us to give up subsidies on flour, subsidies on gasoline, subsidies on foodstuffs. Do you agree with this kind of a policy, where things have to be at the true price which is, you know, high?

LaRouche: It's not a true price. . . .

Let me just step back and say one thing: First of all, in the IMF or other agencies, you're dealing with very young people, bureaucrats, who actually may come from Harvard of all places, or some place like that. They don't know anything about economics. They are ideological. They are accountants trained with ideology. They say, "Ah, we say this"; as if by saying it, they make it true. It doesn't make it true. It really indicates two problems for a small country. Here, you're looking at a man across the desk from you. He's an official of such an agency. You know he's an idiot, but he has a tremendous amount of power behind him. So, you have to deal with this problem.

The price of anything, essentially, is determined by the price of reproduction. For example, let's take the case of a farmer. We have a long history of that. In American agriculture, to this day, unless the American farmer gets about 90% of parity, the agriculture system is not going to work. . . . What happened? We didn't have parity prices in the United States; they call it subsidies. Eliminate the subsidy. First down to 82%, then down, we're way down, now. The farmers go bankrupt. We say there's a food surplus, but we have hungry people. No, the price is based on 90% farm parity.

Now, the same thing is true of your country: You can increase the wages to pay a higher price; or you maintain the current level of wages, and you pay a certain amount to even out the grains, or food, or flour. It's perfectly rational; this

is not a subsidy. But you have big powerful companies, which have influence with these agencies, which wish to dump grain on your country and other countries.

Dr. Hazim: There are a number of conditions which we still have to work out with the IMF before the agreement becomes final, and we want your comments on some of these. The first one is: Why do they want us to make monthly payments to the IMF in dollars, with a payment that is larger than they know we are capable of paying? Why this demand?

LaRouche: Well, if you have to pay in dollars, then you turn around and find that your currency is debased after you make the agreement. That's the thing to worry about. That's what happened with Mexico. That's what happened with all these countries that made these agreements. They made the agreement to pay in dollars, then someone comes in and says, "We're devaluing your currency"; or they cause a devaluation. . . . The reason they want to do it, is they wish to loot.

Dr. Hazim: Why are they demanding that we give up our traditional crops, tobacco, cocoa, coffee, sugar cane, and demanding, instead, that we dedicate ourselves to building industrial free zones, free trade zones, promote tourism, and agro-industry for export—stuff that we would not consume in the country, but is strictly for export: fruits, pineapple, for example, which we cannot possibly consume?

LaRouche: This is all over the world. For example, there's a friend of ours, who was, at one time, head of Nippon Steel. He became the founder of the Pacific Basin Cooperation Group, years ago. And every year the Americans come into these meetings, talking about development of the Pacific basin, which is the greatest market in the entire world, the Pacific and Indian Ocean basin. They talk about developing tourism. What good does it do? It's useless. You spend a great deal of money to support a tourism infrastructure. You put a segment of the population in service of the tourism sector; sometimes it means prostitution. It also means, you get tourists and you get AIDS.

Your farmers know how to produce these traditional crops. The world needs them. It's an export market, because they need it. Without an educational program in agriculture to enable farmers to go to different kinds of diversified crops, no change in agriculture is possible, except by causing confusion and chaos and bankruptcy. You've destroyed your country's self-sufficiency. Food and infrastructure are the basis for the self-sufficiency of the country and the possibility of doing other things comes under self-sufficiency.

What are your tourists going to come to see? The poverty? It makes no sense. . . . We had the same thing in Thailand. We had the same thing in Indonesia. We had the same thing in every developing country that faces the same kind of proposals from these same people. . . .

Dr. Hazim: Do you see any use at all for free trade, even

partially? . . .

LaRouche: Use of the word free trade is itself a problem. Adam Smith was, himself, immoral, anti-Christian, and insane. The purpose of his program, as laid down in their own writings, the writings of his employers, was to destroy the economies of North America and France. That's what this policy was designed for. So therefore, if we talk about independent entrepreneurship, if we talk about rational markets, which are perfectly legitimate policies, if we use the word free trade, then these people come in and say, "Ah, you agree with free trade, then you must do this and you must do this." No, I think it's better not to use the word free trade. . . .

We have populations. The populations know almost nothing about economics. They may know little things, practical things, but economics, the economics of a nation, they don't understand anything of it. So, someone comes in and uses words ("Ah, big man"), important words, and they believe these things. They don't understand. It's better to give the population an explanation, to educate them as to what economics is. For example, we can say that the United States has good sides, good parts of its history. The United States fought against the British for its independence. The United States at that time expressed ideas which every patriot of Ibero-American countries has shared since. When the United States was expressing these good ideas—which all sane countries, patriots, have in common—we had an economic policy. We called it the American System of Political-Economy. Well, at the same time, the Americans, who were establishing this policy, were fighting against the British, who were oppressors, who had a policy of free trade. I say: It's good that we prefer the American System to the British system of free trade. Now that the Americans have abandoned the American System for the British system, we see the United States is going bankrupt. Maybe it would be better for us, if the United States were to go back to the American System. That's the way I would answer it.

Dr. Hazim: Yes, it is true what you say, but the United States has a 200-year history, and when people were saying it was going to disappear, that the Russians were going to take over, precisely at that moment, the Russians went down, and the United States remained the biggest power in the world. Is it possible, then, that it may not be as bad off as you believe, that things may be better than you believe?

LaRouche: I think that things are much worse than I presume to say. My best estimate and what I say are two different things. My best estimate is that things are much worse than I'm willing to say.

Dr. Hazim: Mr. LaRouche, you are known as a student of world history, of world affairs: We're interested in the momentous changes now taking place in the Soviet Union, the Soviet bloc, to the extent now that President Bush is asking the Soviet Union to adopt a free trade economy, a free

market economy. Did these momentous changes take place over a long process of evolution; or was this a sudden thing, some kind of agreement that was made between the two superpowers? How did this come about?

LaRouche: It did come about through a long process. . . . I think . . . there were two things crucial in it. One was what we did with the SDI, what became known as the SDI. The Soviets became paranoid, tried to match the United States in that area, and that put pressure on the Soviet economy which accelerated many of their problems. On that basis, I forecast back in '83 that I thought the Soviet economy would collapse in about five years, and it did. This was a simple economic calculation. At the same time, in '82, we had the appearance of a very important, strange fellow called Yuri Andropov, who came to power as the successor to Brezhnev in the Soviet Union. Andropov had a master plan; and he had a chosen heir, and the chosen heir was Gorbachov. These fellows thought they had an agreement with the West, establishing a global power-sharing arrangement where the Soviets, China to a lesser degree, [and] the Anglo-Americans would rule the world as a joint stock company.

Well, reality intervened.

We're dealing, on the one hand, with absolutely irrational ideologues. . . . I've met many Soviet people. Some of them are very intelligent, in certain areas, but when they are talking ideologically, they are impenetrably insane. They believe in their ideology. They don't think. When they think, that's another compartment. The Americans, Anglo-Americans: the same thing. . . . So what you have, is two blocs of insanity, the Anglo-American and the Russian, trying to make an arrangement, and also trying to cheat with each other; and with the Chinese coming up, cheating also, and they're trying to cheat on the Chinese.

In the meantime, reality is moving.

What this reminds me of—I always use this image—we have the famous Aeschylus, the famous Greek tragedian from the time before Plato, who wrote the famous three-part tragedy, of which only one part survived: the Prometheus tragedy. We have the picture of Prometheus attached to the rock as victim of the gods of Olympus. And the gods of Olympus are these men who think they are above God—the gods, the men who are gods, sitting on Olympus. They say, "We have the power. These are nothing but people, and the nations will do as we please." And Prometheus says, "No. There's a power greater than you, you gods of Olympus, and you are defying it; and you will be destroyed for that reason."

What Bush and his friends think must happen, cannot happen. They are like the man standing on a 20-story building who says, "I don't believe in gravity, and I will jump, and I will not die." But they cannot defy gravity in that way. They are defying gravity and the laws of nature in the economy—both the Soviets and the Americans. Now, what we come to, is the Anglo-Americans, totally ideological, with no thought

to the future, just would-be gods, like Roman emperors, who think they're gods, saying, "The Soviets will do this. Why? Because we want it." But it won't work. Nonetheless, they will do it, because they want it.

And the Soviets are saying, "No, we won't do it." The Soviets will not accept the Jeffrey Sachs/Polish model. You have this little fellow from Harvard—35, 36 years old—Jeffrey Sachs, an absolute idiot, who, because of this arrangement, Poland accepted the Jeffrey Sachs proposal. Poland is being destroyed. The Russians have said—having seen this Polish model—"We will never tolerate the Polish model, because we don't wish to be destroyed." But the Russians haven't got sane ideas, either.

The problem here, is you've got two processes, two ideologies. The new ideology of the Gorbachov group, the ideology of the Thatcher-Bush types, trying to collaborate, cheating each other, playing games. In the meantime, there's a reality underneath: the reality of nations, the reality of nature. The United States is bankrupt. The United States is about to go down the way the Soviet economy is going down. The United States is like Italy in the last days of the Western Roman Empire. It does not produce at home. It's rich. Why? Because it loots the colonies. It loots Europe, like we did in the Gulf. The United States picked up \$100 billion to conduct a war in the Gulf.

Dr. Hazim: Well, if the Soviet Union is also facing this problem as you say, and the United States, what country is better off right now?

LaRouche: Well, the center of possibility, right now (Japan is important, but it's exaggerated in importance, because Japan is a small island), we have an area—

Dr. Hazim: But they have a lot of money—

LaRouche: Money doesn't mean much in the days of bankruptcy. Money can be wiped out like that—and money will be wiped out. Tornadoes of money can be destroyed. Money burns, but wealth and money are two different things.

Look at Europe. Look at what we call the Carolingian heartland of Europe, named after Charlemagne, because Charlemagne, when he established the empire . . . developed a system of canals and other works for the plan for the development of Europe. So, Europe became an area which is defined by the canal-building and other works of Charlemagne. This resulted in the following fact. If you go back, A.D. 800, go back . . . 1,200 years, practically, to Charlemagne, and you look at Europe: Europe is Paris, Berlin, Vienna, Paris. That is the heartland of Europe, the Carolingian heartland. It has the highest density of energy, productive energy, the highest density of productivity anywhere on this planet. It is connected down to Italy, down to southern France, down into Spain, connected north into Scandinavia—

Dr. Hazim: Well, then, what you say is that the countries,

the cities inside of that triangle that you're describing, are in better shape than the United States; today?

LaRouche: With about 110 million population, that area has greater productivity than the entire United States. That's an area about the size of Japan.

Dr. Hazim: Why, then, can you not apply those same principles to the United States: Define a section within the United States itself, where you can say, "Okay this area can do the same job"?

LaRouche: We used to have it. We used to call it the industrial heartland of the United States, and it ran from about here down to St. Louis out through Michigan, the Great Lake basin; it went to Philadelphia, which was the center, the origin of this. Philadelphia was the center of U.S. technology. It went out across the Ohio basin, the Great Lakes basin, and it was the great American industrial heartland. And it also became the great heartland, through extension by railroads, and so forth, and the Mississippi River system of agriculture and industry. This was the great American heartland. We destroyed it. We destroyed it in the past 25 years with a policy of "post-industrial society."

Europe did not go as deeply as we did. It did not become as insane. Why? Because Europe had de Gaulle. Europe had Adenauer. Europe had a number of leaders who resisted what they recognized was the British disease in economy.

The United States followed the British disease.

We were not destroyed by the Soviets. We were not destroyed by the Japanese or the Germans. We as a nation have been destroyed by nobody but ourselves, because we were fools to accept ideas which are contrary to our entire tradition. Ideas that are contrary to everything we stood for. In Europe, it's been rough.

Dr. Hazim: Is it true that those who are the architects of the new world order are planning the physical extermination of those who are not considered by them first class, racially?

LaRouche: Absolutely. You can get statements straight out of the mouth of President George Bush from the time he was a congressman—and his whole family. And they are typical, of a whole lot of people, particularly in the United States and Britain, who think that way. For example, the most evil person in the world, on this issue, in this century, was Bertrand Russell. It's written. It's obvious. It's there. How can anyone doubt it? Or the Club of Rome: That's what they are committed to. They said so. How can anyone doubt it? The World Wildlife Fund.

Dr. Hazim: But on the other hand, why, given all the other problems you, yourself, have described facing the world, why, then, do we want more population. You keep insisting, for example, the world can handle three times the amount of people than it currently has. What do you base yourself on, given the problems you have described?

Every time we make a fundamental discovery, or even an important scientific or artistic discovery that makes everything better, potentially, for every human being, we increase the power of every human being. So the more creative human beings you create, the more power you create per person.

LaRouche: Well, first of all, it says that God loves people. So do I. I think God's right. Also, I think these gods of Olympus are wrong, the Caligulas of the world.

But also, we have the technology, to me that is beauty. We are in a position, now, where we should be colonizing Mars over the next 40 years, the way I've laid out. We can do it. Why should we do it? Because we are human. Because it's useful, it's necessary, and because we're human. We don't know what human beings are supposed to do, ultimately; we don't have any final answers, but we know of what human beings are capable, so human beings should be educated to do that of which they are capable, because . . . we have a mind. We are not monkeys. We're not cows. We have a mind. We can create, if we educate our children.

Dr. Hazim: You have said, and we would like to know why, you would say: The more people there are in this world, the more creativity there is available in the world. Some other people will say there is more to consume, more mouths to feed.

LaRouche: The way economy works, people tend to be greedy, and they think in terms of objects; they like to have objects. But, you see, we as human beings have limited physical needs, really very limited. We shouldn't need too much: How much can we eat? How much can we consume? How much clothing can we wear? How many rooms can we occupy? We don't require much, not as human beings, not in terms of these things. Maybe our children require something, our families. What do we require? We require the nourishment of our mind, and the opportunity to use it.

Now, every time we make a fundamental discovery, or even an important scientific or artistic discovery that changes and makes everything better, potentially, for every human being in the world, we increase the power of every human being. So therefore, the more creative human beings you create, the more power you create per person. The consumption rises, yes. The requirement rises, but not so much. I see parts of the world, for example, Thailand: a little increase in the price of rice or more rice means a tin roof; it means shoes for the children, little things. The growth is great and the cost of the growth, in physical terms is very little. If we have dumb people, they don't create much, that's different. If we have intelligent people, which we get by educating them,

educating all our children, then we have a lot of creativity. Partly because we have been so backward, we have waiting for us in science, today, the greatest breakthroughs in technology in all human history are right there. So, why do we worry about these little things, when, only by reaching ahead, and taking some of these great discoveries which are now being made, and using them, we can solve all these problems?

Dr. Hazim: Isn't it easier to plan for humanity, if you have a smaller bunch of people instead of allowing this demographic explosion. . . ? Will it be easier, more efficient if we have less people around to plan for?

LaRouche: It doesn't work. It's a very simple problem. If you're going to have a high-quality population, you have to have a population which has a life expectancy, modally, up to 85-90 years of age, if you want a quality population. If you want a highly educated population that means you have a school-leaving age of about 25 years of age. Now, in order to have a productive society, you must have a highly educated population. That means up to 25 years of age education. Now, how many years of adult life to pay for raising one child to 25 years of age with full education? That means you require an effective modal life expectancy, working life expectancy, of up to 60, or 65, or 70 years of age. If I produce a population which is generally healthy, up to 60-70 years, from the standpoint of work, then I have a population which will live to 85 or 90 years. . . .

Now, therefore, if I reduce the birth rate, then I have a population that is demographically aged, where 50% or more of the population will become senior citizens. Now, to reduce the population, I have to go around and kill the senior citizens. This is what is happening now. People will say, "Right to Die": Cut down hospital services, cut down health insurance. You're getting to the point where if you walk out of a factory on your last day of employment at the age of 65, they shoot you in order to maintain population control.

There's a certain structure of the family in terms of children per married couple, which maintains a balance for progress. If you have fewer children, then you have a demographically aged population. If you try to lower the life expectancy below the working age of retirement, at 65 for most of the population, then you have a poorer-quality population, then

you lower the population potential. What you do is, then, you create overpopulation. You create a population which you cannot maintain; and you say, "Maintain a smaller population and all will be well"; but the things that you would have to do to reduce the population will create the problem you say you're trying to avoid.

Dr. Hazim: Mr. LaRouche, I would like to go into, at length, what you see the world looking like, starting from where we stand right now, given the framework that we have in front of us, right now.

You are in jail. Let us assume you were to remain in jail and complete your full sentence; that your organization continues as it is, right now, with some activity on the outside; that President Bush remains in office and gets reelected, which most people are currently expecting; that the current governing team remains in power in Washington; that the Soviet Union continues along the path it is on right now; that Japan will continue to invest, as it has up to now, in the United States; that Germany will continue to increase its size, its power, within the framework of a European economic system.

How do you see the next few years coming by, barring some kind of revolutionary upheaval?

LaRouche: There are periods in history which are comparable to this, particularly European history. The periods of wars, like the Thirty Years' War. The first Thirty Years' War is the Peloponnesian War, which destroyed Greek civilization from inside. We had war periods like this in the fall of the Roman Empire. We had, in the fourteenth century, the banking practices and the conditionalities, like we have today, practiced by the so-called Lombard banks, which led to wars in Europe which reduced the population of Europe by one-half, wiped out half the parishes in Europe prior to the Renaissance. Then we had the wars of the sixteenth century, which tended in that direction: the wars between France and Spain, for example, in that century, the wars of the Netherlands. Then we had the Thirty Years' War proper, in the seventeenth century. We have the Napoleonic Wars, which are a kind of Thirty Years' War. Then we had a Thirty Years' War, really, from 1912, the beginning of the Balkan Wars, until 1945.

Now, I believe we are headed in the direction—unless we change policy—of something like that. We saw this already in the period preceding World War II and during it, and following World War II: the rise of guerrilla wars. The first major event, of course, was the Russian Revolution, which was a part of this Thirty Years' War type of syndrome: a different war, a civil war coming up in the middle of a general war. The Middle East is decaying, being destroyed by the war that recently occurred, because the war created instability, and the instability is now ruling. There'll be more wars, more bloodshed, there. We are headed toward chaos: what we're doing to Mexico, what's being done to South

America, Brazil. We're headed toward war and civil war. Africa: war and civil war. Middle East: war and civil war. Violence increases, with clubs, with stones, with knives, with everything. The planet will go into chaos of that type, like a Thirty Years' War, with some regular wars, little wars, upheavals, social chaos and so forth, unless we bring order back to this business.

My view is: What I see as having to be done, must be done. We must get rid of the ideologues. We must go back to sane statesmen, of which de Gaulle is a good example; Perón was an example. Perón is much maligned in the United States, but Perón was a great statesman. . . . Mrs. Gandhi, I see as a great statesman. Her son Rajiv, before they killed him, was beginning to become a statesman after one set of problems, in his first prime ministership. So, either we do what I think has to be done (details are flexible), but the general principle of going back and saying, "Throw the New Age away, we're going back to civilization," the principles of European civilization and the rights of all people on this planet to those rights. We're going to scientific and technological progress again. We're going to an anti-usury monetary system. We're going to rebuild this planet by employing people to produce physical wealth and improvements, and we're going to reinforce the sovereign nation-state as the institution.

Let me just emphasize that to make it clear: You have these people coming up with these ideas, which are called in the Bible, the Tower of Babel. We have people, they're going to build a one-world system: "We're going to take all the people, and we're going to stick them in one big tower called the New World Order." What happens? What happened to the Tower of Babel?

The essence of life, the individual, is an individual. He lives a short time, he dies. His span of physical influence is small. How does he function, this individual? How does his family function? It functions through a state, through a government, through a society. The society functions through the state. How does the society function? You have a state which speaks the same language as the people. The people and the state deliberate together. This deliberation is sovereign. This is the essence of a people. What you need is a world which is based on a collection of mutually cooperating sovereign republics, all committed to the rights of each and all to the benefits of scientific and technological progress and to elementary principles of natural law, which are based upon the sacredness of the human individual.

If we say we're going to do that and get rid of these ideologues, we can survive. It will be difficult, but we'll survive.

Dr. Hazim: One final question! Why, since you are not a Catholic, do you base yourself so much on, sound so much like the social doctrine of the Catholic Church?

LaRouche: It's scientifically correct.

Moscow summit pact was sealed in blood

by Chris White

The real agenda of the July 30-31 Moscow summit between U.S. President George Bush and Soviet President Mikhail Gorbachov was written in blood on a Lithuanian customs house, and in the towns and villages of Croatia.

Over the weekend before the summit, military partisans of Greater Serbia and allied paramilitary so-called "Chetnik" forces initiated a bloodbath on behalf of carving up the territory of Croatia for the reestablishment of a Greater Serbia, as if to parody the eve of World War I. As the summit drew to a close, the bodies of eight brutally murdered Lithuanian customs officials were found in their station on the Byelorussia border. The murders were one of the subjects addressed in the Bush-Gorbachov concluding press conference.

For the record, Bush aligned himself with Gorbachov and apportioned equal blame for recent violence in Lithuania on both Moscow and the Lithuanian leadership. Asked by a journalist about their views of the massacre, Gorbachov spoke first, saying that Soviet KGB head Gen. Vladimir Kryuchkov had "offered his assistance" to investigate the incident and deal with the perpetrators. He said that both sides should "avoid excesses" and resort to "discussions" to resolve problems peacefully. Bush chimed in saying he "regretted the violence," and endorsed Gorbachov's call for "discussions." Said Bush: "We clearly favor negotiations, and a reduction of cross-border violence on both sides." He praised Gorbachov's promise that there would be an investigation on the matter, and said the U.S. supported "cooperation between the two sides."

Regional crises the main agenda

The concordance betrays the real agenda of the summit. Contrary to the elaborate propaganda about the conclusion of a strategic arms control agreement (START), the main agenda of the summit was the extensive regional crises, in-

cluding Yugoslavia and the Balkans, Cyprus, the Israeli-Arab conflict, Iraq and the Persian Gulf, Afghanistan, and Cuba. The signing of the START treaty provided publicity for the "conclusion of the Cold War" arms control agenda. In reality, it hardly figured as an item on the business agenda. The "spheres-of-influence" type of regional agreements under negotiation ought rather to be seen as containing the seeds of conflicts to come.

The summit sessions focused on attempting to reach secret, and not-so-secret, U.S.-Soviet "sharing-of-influence" or "spheres-of-influence" arrangements for the Balkans, West Asia, and other regions under discussion. Both sides are actively exploring the possibility of future *joint* or parallel deployment of military forces to jointly police these areas.

Such a joint military operation is perhaps being shaped up for Yugoslavia, as a pre-summit briefing by U.S. National Security Adviser Brent Scowcroft revealed. Scowcroft hailed the U.S.-Soviet cooperation in the Iraq war as a model for "what we need in other crisis spots," citing Yugoslavia and the Balkans.

The possibility of joint military deployments also emerged during the just-concluded one-week tour of the U.S.S.R. by Gen. Colin Powell, chairman of the Joint Chiefs of Staff. This was Powell's third round of meetings in two months with Soviet Chief of the General Staff Gen. Mikhail Moiseyev, and other military leaders. Appearing with Moiseyev at the end of his Moscow talks, Powell said he could envision future American-Soviet "joint military exercises," and Moiseyev responded by stressing that Soviet-American relations are "the best since the spring of 1945," when the Allied U.S. and Soviet troops met on the Elbe during World War II.

Such spheres-of-influence agreements include areas defined as the internal interests of either party, and areas of competition.

The bloody-handed butchery outlines part of the area which the Russians are claiming as theirs. On July 30, as the summit began, Soviet Ambassador to Prague Deryabin underlined this in a note to German Foreign Minister Hans-Dietrich Genscher, the current chairman of the recently established Crisis Group of the Conference on Security and Cooperation in Europe (CSCE). In the note, Deryabin protested the role of the European Community (EC) in the Yugoslav crisis. The Russian ambassador emphasized that the June 18 Berlin CSCE formula on Yugoslavia had to be "observed in all its elements." This involved, Deryabin wrote, the preservation of Yugoslavian unity and territorial integrity.

As the letter arrived, Serbia's parliament resolved that Germany should be excluded from EC mediation efforts. And Yugoslavia's Prime Minister Ante Markovic, it was announced, would be heading to Moscow for a two-day visit beginning Aug. 1. The visit had been arranged during a mid-July visit to Belgrade by Yuli Kvitsinsky, the Soviet Foreign Ministry coordinator for CSCE affairs.

Bush's behavior at the final press conference is as heinous as what he did in June 1989 after the brutal massacre of China's democracy movement in Tiananmen Square. It is a sellout of those seeking freedom in eastern Europe and the Soviet Union, more monstrous than the sellouts of 1953 or 1956 or 1967. This has not been missed in Lithuania or Ukraine. Lithuanian President Vytautas Landsbergis, blaming the massacre on Soviet leaders, pointed out that Bush was making such atrocities possible. The Ukrainian democracy movement, Rukh, the day before Bush's arrival in Kiev, was stating that the U.S. President would not be welcome if he came as a "messenger of Gorbachov." Rukh attacked Bush's belief in the importance of maintaining "stability" in Moscow.

New 'international security system'

Radio Moscow broadcasts in the days prior to the summit were more frank than their western counterparts in discussing what was to go on. On July 29, Radio Moscow reported that "ways of settling conflicts in the Balkans and Mideast through joint efforts" would be a featured subject of discussion at the summit. Such discussions, the broadcast went on, would be central to achieving "a new international security system."

In Moscow, Bush took up the theme. "We stood together, for the first time in 50 years, to face down aggression in the Persian Gulf," stated Bush in his speech to the Moscow State Institute for International Relations July 30. He said that Soviet support for the U.S.-led coalition against Iraq was "crowning proof" that the U.S. and Soviets were overcoming hostilities.

Bush referred to a number of Third World crisis spots where the U.S. and Soviets have shown their ability to cooperate, including Angola, Namibia, Nicaragua, Afghanistan, Cambodia, and the Horn of Africa.

What Radio Moscow called the "new international security system," is the context for the other headline-grabbing development at the summit, the joint announcement on July 31 that both countries will convene a conference in October, ostensibly on Mideast peace. This was also a subject of the final Bush-Gorbachov press conference. To this end, both U.S. Secretary of State James Baker III and Soviet Foreign Minister Aleksandr Bessmertnykh will be making visits, albeit separately, to the region. Baker left Moscow for Israel immediately after the summit; Bessmertnykh will also soon be going to Israel, and will reportedly arrange for Soviet resumption of diplomatic relations with Israel, but tied to certain Israeli diplomatic concessions.

Bush called this an "historic opportunity right now" for a "just and enduring peace" and to achieve a "comprehensive settlement." He said "the historic opportunity must not be lost." Gorbachov said the U.S.-Soviet joint initiative for the Middle East was an "extremely important step."

'Growing strategic cooperation'

BBC's correspondent characterized the "joint Soviet-American initiative" on the Middle East as a sign of "growing strategic cooperation" between the two countries. Here, it is the Palestinians and the people of Lebanon who are again slated to become the blood sacrifices to this new Moloch.

The Russians have been pushing for similar such "cooperation in Asia and the Pacific." The Soviet weekly *Rossiya* identified the area as a prime candidate for such arrangements. Noting that the Soviet Union and the U.S., together with other powers, can "contribute greatly to the adjustment" of regional conflicts, *Rossiya* said that "Asia and the Pacific" are a prime area for such activity. "The Soviet Union and the U.S. are inclined to cooperation in Southeast Asia, as the guarantors of security. . . . Their interests in the region coincide."

Rossiya said that both the U.S. and the Soviets condemn the Khmer Rouge and Pol Pot. Beyond this, "We in Moscow used to tease Washington, that we would offer to leave Cam Ranh Bay in Vietnam, if the U.S. [would] leave Subic Bay and Clark in the Philippines. But now the U.S. and the Philippines are discussing the end of the U.S. military presence. The Soviets are reducing forces in Europe. The level of confrontation is lessening." And more people are dying.

In this area, Bush put the U.S. forward as mediator in Japan's dispute with the Soviet Union over the Northern (Kurile) Islands, seized by Russia at the end of World War II. Bush offered "to do whatever we can to help. . . . The United States is working to open doors to Soviet entry into the economic mainstream."

The language of "new international security arrangements" and "regional guarantors" ought to provide chilling reminders of the parallels to the period before World War I. The slaughter which underlines such language is the omen of where such agreements lead.

'Greater Serbians' seeking to 'restore' 1915 Balkan borders

by Mark Burdman

Emboldened by the bankrupt diplomacy of the European Community and the evident resolve of both sides at the U.S.-Soviet summit in Moscow to impose a balance of power arrangement in the Balkans to the detriment of political freedom and independence, the proponents of a Greater Serbia are moving to "restore the boundaries" of Serbia which existed in 1915. That year was the high point of the Serbian offensive in World War I against the Austrians, during which Serbia significantly expanded its geographical perimeters.

This design is being carried out by combined actions of the Greater Serbian "Chetnik" militias and the Serb-dominated Yugoslav federal military. Over July 26-28, these forces left some bloody examples of their intentions, with massacres of Croatian police and civilians in the strategic towns of Glina and Struga. In Glina, corpses were found strewn along fields, while in the case of Struga, civilians were used as "live shields," while butcheries were committed against police forces. Some 200 died, at least half of them Croatian police, in the fighting in these and other Croatians towns. As of this writing, fighting is continuing in Croatia, and the federal Air Force has been brought in to bomb Croatian targets.

Following the weekend fighting, Colonel Dragan, commander of the Chetniks for the "Serbian autonomous region of Krajina" in southern Croatia, appeared on Serbian television, to announce that the Croats had been "cleaned out" of the region around Glina. As he spoke, he smiled and held a skull in his hand.

The military goal of the Greater Serbians is very simple: All Chetnik military deployments are subordinated to taking over a Croatian region encompassed by the three points extending from Karlobag on the northwest Adriatic coast, eastward toward Slavonia through Karlovac and Virovitica. These three cities were formerly part of the Serbian "borders of 1915." With the help of the federal armed forces and given the relative military weakness of the Croats, it is possible that the aim could be achieved within the coming period. According to France's *Le Monde* July 30, a leading Chetnik stated on Belgrade television on July 27: "Only two more villages, and we will have the Serbian borders of 1915. It is only a matter of days." Said one informed Austrian military source: "The Greater Serbians believe that this is their historical moment. They appreciate now that Yugoslavia can't be reconstructed, and they want to get the best arrangement they

can in what follows."

Chetnik head Vojislav Seselj, whose nickname is "The Red Duke," told the London *Independent* July 30 that "the Croats must either move or die. . . . We want no one else on our territory, and we will fight for our true borders." He said that Croatia could be "independent," as long as it "amputated" its arm along the Dalmatian coast, and relinquished all of Slavonia in the east, and those parts of the center that should belong to a "Greater Serbia." Seselj stated that Serbian strongman Slobodan Milosevic, formerly an opponent of the Chetniks, is "moving closer and closer to our position."

On July 29, a Chetnik chieftain named Milan Martić, self-professed "Interior Minister of the Serbian Autonomous Region" inside Croatia, declared that after the fall of Glina, the towns of Petrijna and Kost will be "taken in a few days," and then his forces would move to take Karlovac. His comments were widely reported in the Serbian media. One day later, the Yugoslav Air Force bombed Petrijna and Kost.

Martić also raved that the Croats had built "concentration camps" for Serbs in areas of the Adriatic coast, implying these would be next to be militarily targeted by the Chetniks. Such deployments raise the question of the future fate of the Dalmatian "arm" of Croatia, which Seselj wants "amputated." Reports have begun to circulate in Europe, of the sudden emergence of a new "Dalmatian autonomy movement."

In the aftermath of the July 26-28 bloodletting, Croatian sources are concerned that 150-200,000 federal soldiers and 700 tanks, many of them put into action in early July by the Belgrade authorities ostensibly for action against Slovenia, are positioned against Croatia. In addition, there are 15,000 reservists, predominantly Serbian, mobilized along the Danube. Newly appointed Croatian Defense Minister Sime Džodan countered on July 30 with a warning: "If Serbia wants war, then we have about 200,000 Croats abroad who have volunteered to fight. We will buy guns, anti-tank, and anti-aircraft weapons from Hungary, Italy, and France, because there are many Croats abroad who are prepared to give a lot of money to help Croats." Speaking to the closed session of the Yugoslav presidency during the week of July 22, Yugoslav Prime Minister Ante Marković warned that "a critical mass is being concentrated for a catastrophic civil war," which could result in "a few thousand, perhaps millions of victims," destabilizing all of Europe in the process.

World War I started at Fashoda, not Sarajevo

When most people think of how World War I started, they think of Sarajevo, of the assassination of Archduke Ferdinand. But although the Balkans were the starting point, the stage was set long before that, in a place called Fashoda, on the Upper White Nile (now in Sudan).

During the late 1800s, France was a battleground between two political forces. On the one side were those who desired to see France in alliance with her greatest historic enemy, England, as a means of recovering the lost provinces of Alsace and Lorraine, annexed by Germany following the Franco-Prussian War of 1870. Recovering the lost provinces became a simmering psychosis in the French population known as *revanche*, or revenge.

On the other side were figures like Gabriel Hanotaux, foreign minister during most of the period 1894-98. Hanotaux sought a rapprochement with Germany, and the establishment of a powerful continental alliance to neutralize England diplomatically and economically. London was determined to prevent that.

Against the Hanotaux faction, Minister of Colonies Théophile Delcassé, a buffoon character with a huge mus-

tache and lifts in his shoes, promoted the Marchand expedition to Fashoda, to plant a French flag under the nose of the British, who had also embarked on a mission to Fashoda. Instead of allowing Hanotaux's "flanking maneuvers" (as he liked to call them) to reestablish France's influence in Egypt and the Nile Valley, Delcassé sent a numerically inferior force to confront a British contingent—a move which could only spark a military confrontation between France and England. And the British Navy outnumbered the French two to one.

When the two contingents met at Fashoda in September 1898, the two countries were on the brink of war. The crisis was only resolved when, under the threat of attack on French soil by London, and amid a severe government crisis provoked by the London-manipulated Dreyfus Affair, Delcassé ordered the Marchand expedition to retreat.

Only months after Hanotaux left office, the results of his diplomacy lay in ruins. Delcassé—now foreign affairs minister—immediately began negotiating a secret "entente" with England, Perfidious Albion, the country that had just handed it a humiliating defeat. The Entente Cordiale between France and England became the core of a reorganization of alliances in Europe into a hostile encirclement of Germany. By 1904, the stage was set: All of Europe would dance to the tune orchestrated by London in its grand concert of nations.—*Dana S. Scanlon*

Greater Israel meets Greater Serbia

Making matters worse, certain parties, both inside and outside Yugoslavia, are putting forward extremely provocative proposals for mass transfers of population between Serbia and Croatia, as a "solution" to the crisis. On July 25, the *Jerusalem Post* (owned by the Hollinger Corp. on whose board of directors sits Henry Kissinger) published a commentary on Yugoslavia by Shlomo Tadmor, former director general of the Jewish Agency. Tadmor wrote: "If the crisis is over three-quarters of a million Serbs living in a would-be independent Croatia, the solution is obviously transfer. . . . It is not such an unthinkable thing to transfer 750,000 Serbs, or to incorporate the area in Croatia where they live into Serbia, in exchange for compensating land from Serbia."

Tadmor stressed: "Some thorny problems have been solved this way. A million Greeks were transferred from Turkey to Greece in 1921. Millions of Muslims and Hindus were transferred across the new borders when India and Pakistan became independent in 1947. The only solution in Algiers was the transfer of 1 million Pieds Noirs to France. This sensible solution was also suggested by the Peel Commission in 1937, recommending not only partition, but also transfer as the solution to the evidently irreconcilable co-existence of Arabs and Jews in Palestine."

In fact, the partition of India and Pakistan, created and overseen by Britain's Lord Mountbatten, resulted in the deaths of millions of Hindus and Muslims. Equally amazing is the citation of the precedent of the 1937 British Peel Commission. Although mass transfers didn't occur in Palestine along the lines of the 1937 British proposal, Tadmor's characterization of the idea as "sensible" aligns him with the Israeli influentials who see mass transfers as a "final solution" for the Palestinian problem, and as a means to achieve a "Greater Israel." Otherwise, Tadmor's pro-Serbian article would suggest a potential emergence of a Greater Israel-Greater Serbia axis in the Balkans-Mediterranean-Near East region.

Sources familiar with the Balkans stress that Serbian-Zionist ties have important historical and ideological roots and are being reinforced today. One obvious point of convergence is animosity to German diplomacy in the Balkans region. In Serbia, propaganda against a new "Fourth Reich," including repeated comparisons of German Chancellor Helmut Kohl to Adolf Hitler, is reaching fever pitch. In a similar vein, Tadmor's article lambasts Croatian President Franjo Tudjman as a pro-Nazi anti-Semite.

The mess is made worse by the idiocy of European Commission diplomacy, under the direction of the Netherlands, current president of the EC, with backing from Britain and



On the left, the Balkans in 1911. Turkey still has much land under its control. On the right, the Balkans in 1914. Montenegro and Serbia have expanded at Turkey's expense, while the corridor between them, a potential rail route from Vienna to Salonica, has disappeared.

France. The meetings in Brussels July 29 between EC representatives and Yugoslav Prime Minister Markovic, Foreign Minister Loncar, and other senior Yugoslav politicians, excluded representation from Slovenia and Croatia. Worse yet, Dutch Foreign Minister Hans van der Broek put forward an unworkable proposal for "joint peacekeeping patrols" of Croatian national guard and Yugoslav Army units.

The sabotage of European efforts from the inside may be to discredit continental Europe's ability to deal with such crises and to replace European efforts by a "balance of power" or "spheres of influence" approach, involving the Soviets, the U.S., the British, the French, and the Turks. Radio Moscow reported July 29 that "ways of settling conflicts in the Balkans and the Middle East through joint efforts" would feature prominently in the Bush-Gorbachov summit discussions. On the same day, the *Financial Times* reported that the Bush administration had, up to now, allowed the EC to take command of diplomatic efforts for Yugoslavia, but that senior administration advisers were "skeptical" about EC efforts.

Not much light is being shed on what the superpowers are discussing substantively about Yugoslavia, but a "Balkans appendix" to the summit is occurring Aug. 1-2, with the

arrival of Yugoslav Prime Minister Ante Markovic in Moscow.

The monarchy restoration project

The U.S. and Soviets may both be supporting a British-orchestrated scheme for the restoration of the Serbian monarchy in Belgrade. In the days leading up to the Moscow summit, Yugoslav Crown Prince Alexander, whose headquarters is in London, was in the U.S., including attendance at the exclusive Bohemia Grove, California conclave of American and European elites. In mid-June, the Soviet magazine *New Times* published a feature on Prince Alexander, which stated: "As it searches for new forms of statehood, Yugoslavia's nation cannot help recalling 'the good old days,' which necessarily includes monarchy. Half a century of anti-monarchist propaganda has not been enough to rout the popular sympathy (or at least interest for monarchy). The slogan 'We want a king!' is very often heard at meetings and demonstrations in Belgrade." The accompanying photo bore the caption, "Monarchists' rally in Serbia."

The Chetniks are among those who lobby for a king to head a new Greater Serbia; the name Chetnik derives from the World War II units who supported the royalist cause.

Why Croatia wants national independence

Mr. Golem is the new official representative of the Republic of Croatia in the United States and Canada, and has just registered his office in Washington with the Justice Department. It is not yet an embassy, he explains, but "an office for trade, culture, information, and so on. Like Quebec, which has offices all over the world."

Before his appointment to his current post, Mr. Golem was foreign minister of Croatia, and he is still a cabinet minister. He left Zagreb for the United States in order to take over one of the most delicate positions in the leadership of his country at the present time. But, he insists, "my occupation is specialist in abdominal surgery."

He was interviewed by Umberto Pascali on July 9.

Golem: I want to tell you an historical truth. In 1776, after the Declaration of Independence of the United States, only three or four states recognized the new independent republic immediately. Among them was Croatia, at that time known as the Republic of Dubrovnik. This means that 215 years ago Croatia recognized U.S. independence. Isn't now the time to return that gift and to recognize Croatia? I think President Bush doesn't know that. But ask any historian, they will tell you. It is very important to have a sense of the meaning of history.

EIR: You say that the U.S. does not want to recognize this historical debt toward Croatia?

Golem: It is a question of understanding history. Some people in the United States believe, because it is easier to believe it, that what is going on in my country is just some violence between ethnic groups, because of race or territorial reasons. It is really simple to think like this. So up to one year ago, in the U.S. everybody was thinking in terms of a unified Yugoslavia, but then there were all the changes in eastern Europe.

Now, if you think historically, you see that those changes took place mostly on the western side of the line that goes from the Baltic to the Adriatic coast. It is not an ethnic issue, but a cultural one. On the western side, there are the republics that are mostly Roman Catholic and western-oriented by culture, by the arts, and by way of life. On the eastern side there

is the Orthodox religion, a different culture that came from Byzantium. You will see on the western side Estonia, Latvia, Lithuania, Finland, Poland, Hungary, the former East Germany, the Czech and Slovakian Federation, Slovenia, and Croatia. And on the eastern side, you have Soviet Union, Bulgaria, Serbia, Montenegro, and so on. Again if you think historically, you will find on the western side a tradition of democracy, free common market, human and civil rights, freedom. On the eastern side you will see a marxist-like totalitarian ideology, with abuse of human rights, a socialistic economy, and lots of trials and prisoners.

In Croatia, we have already closed three prisons since the fall of the communist regime. We intend not to have a single political prisoner. In Croatia and Slovenia, we received our religion in the seventh and eighth centuries, which means we have been Catholic for 13 or 14 centuries, and this religion tells us that it is love that is most important in your life. On the eastern side, unfortunately, is different.

EIR: How did the Croatians and Slovenians receive the position of Secretary James Baker, who spoke in Belgrade as representative of the United States?

Golem: You can see how from an oversimplistic conception of history, you can arrive at the point that people accept a certain policy. In the U.S. now, everything is simple. They tell them that Serbians and Croatians are fighting for some piece of land, but it's deeper and to understand it you have to study books and to think hard.

You see the terrible irony: The U.S., with the free western countries, has been trying to fight Marxism for 70 or 80 years, and now they are helping the federal central government of Belgrade! This means they are exactly helping and encouraging the communist regime of Serbia.

You saw what happened after Mr. Baker issued his statement in support of a unified Yugoslavia. He was encouraging the federal Army, and the Army started to fight against democracy, because the communist hardliners in Yugoslavia are in the Army. They have a new party, they call it the New Communist Party. Every officer is pressured to join.

EIR: How do you see the process toward independence?

Golem: At this point, we hope to be an independent country. We had a referendum, and on the basis of the Constitution, our Parliament declared the independence of the Croatian Republic. It was the will of the people. But immediately after that, the violence started, caused by the federal Army. So we had to declare a three-month moratorium. That means we are not going to take any step further toward our independence, but we cannot stop independence, because that belongs to the Croatian people, not to the President or the government. Only the Croatian Parliament can change that declaration, and we have to follow it. We tried again and again to reach an agreement and to negotiate with other republics and to preserve Yugoslavia as a union of equal sovereign republics,

but we couldn't make it.

EIR: What do you think is going to happen?

Golem: It will get worse and worse. I think the duty of the free world, which knows what democracy is, is to solve that problem *now*, not after we lose hundreds and hundreds of young lives. We would like to have everyone alive. We don't like to have dead people.

EIR: You have seen the campaign launched against Germany and Austria using the slogan of the "Fourth Reich"?

Golem: Yes, they are trying to stop any European country that is going to recognize the independence of Slovenia and Croatia. I don't think it is really important. I don't think it will change much. What is important is that Germany or Austria or Great Britain or France are going to recognize the independence of these two republics.

We did have big problems during the spring, and no statement of support came from Bonn, because Foreign Minister Hans Dietrich Genscher is a left liberal and a good friend of the foreign minister of Yugoslavia, Budimir Loncar. But then Chancellor Kohl said, if the German people have the right to unify themselves, we cannot say anything against the independence of the people of Croatia or Slovenia or even Serbia; I think that is justice. Then, Genscher had to change. The point is: It doesn't matter if it is 250 million Americans or 3.5 million Albanians or 5 million Croats, independence and freedom belong to every nation, and we have six states in Europe smaller than Croatia by population and territory—Norway, Denmark, Belgium, the Netherlands, Albania, and Luxembourg—but still they are doing very well.

The Croatian economy is very strong. First of all, we have tourism. Millions and millions of tourists come to our Adriatic coast every summer. The second most important sector is shipbuilding. Croatia is in the third or fourth place in the world for shipbuilding. We build ships for the Soviet Union, Sweden, Japan, Korea, China, Monrovia, South America—especially big tanker ships, and we are really good at that. We have really good agriculture. We can produce as much food as we need and sell three times as much to Europe—we produce four times what we ourselves need. We export 55% of all meat consumed in Italy. And we are not worried about our future or economy. The Croatian people are very well-educated people.

We have now in the diaspora more than 55,000 Croats graduated from universities. In Canada there are 1,000 Croats who graduated in Zagreb, a 350-year-old university in a 900-year-old city.

EIR: How can your diplomatic activity change the situation in the United States?

Golem: We ask and we pray for everyone in the world to understand our situation, our position. It is time to change

the policy for those small states of Croatia and Slovenia. Furthermore, the 1992 integration of Europe is coming soon, and we will join Europe. We belong to Europe and we will be in Europe by any means.

Even if the U.S. or anybody else doesn't want to recognize Croatia, we will still try to get our independence, because we don't want to risk going back to a communist system in Croatia. We know what that means.

EIR: What do you think about the proposal for a European development Triangle?

Golem: It is the right idea, because, for example, the Soviet Union has really been destroyed economically. If Europe is economically strong, then Europe will help the Soviet Union—export goods, make loans, and everything else.

EIR: Can this also save Serbia?

Golem: I will tell you one thing: They will like to fight. Serbian President [Slobodan] Milosevic said once that Serbians do not know how to work, but they know how to fight. Then, he said, let's fight.

We ask God and the free world: Give us 10 years to work in peace. We shall show everyone how industrious we are.

Interview: Josip Svitani

'Baker is to blame for Croatian crisis'

Mr. Svitani is the vice president of the Croatian Democratic Party, the second largest party of Croatia. A civil engineer, he returned recently from Germany, where he was politically close to the Christian Democratic Union of Chancellor Helmut Kohl.

Two men in uniform are constantly on patrol in front of his home in Zagreb. Like many other Croats and Croatian-Americans, he is aware of the bitter irony of being forced to attack the leaders of the United States, the country that has been seen as the land of freedom, fighting against the communist dictatorships.

He was interviewed by Umberto Pascali on July 8 by telephone from Zagreb. Pascali asked for his comment on the observation of Lyndon LaRouche of June 27, that had it not been for the "ham-handed and foolish meddling" of U.S.

Secretary of State James Baker, the Serbian-dominated government of Yugoslavia would not have dared to conduct its brutal military operations against Croatia and Slovenia at the end of June.

Svitan: I must agree totally with Mr. LaRouche when he attacks the role of Mr. Baker. LaRouche is right. At the end of June, I was in Stuttgart, Germany. I was the keynote speaker at a rally organized by the Croatian cultural institute. Thirty-five thousand people were there—Slovenians, Croats, Albanians, and others. I said to them: What happened in Croatia and Slovenia is Baker's fault. He encouraged the Serbian military. Without those statements by Baker, the Army would never have dared to attack. Baker showed himself to be an enemy of Slovenia and Croatia.

While I am giving this interview, I see on television the atrocious images of a man killed in the street by the Army. I know what they can do. I know what the Army-sponsored Serbian gangs can do. Every day people are killed. They began attacking villages and farms. But we are ready to die rather than to give up.

We have been part of Europe for more than 800 years. We want to establish free agreements with other European countries. We want to be able to develop the potentialities of our people. The U.S. and Europe must help our fight for freedom and independence.

EIR: Probably you know of the proposal made by Mr. LaRouche for a Productive Triangle aimed to guarantee the economic recovery of Europe and, as a consequence, the end of the Depression worldwide.

Cvitan: This is a very interesting and important proposal. We are in a war now, but we must find the way to discuss this proposal and to work on it concretely. Our party must find the way to familiarize itself with this project as soon as possible.

EIR: What do you expect from Europe?

Cvitan: I think that Germany and Austria are with us, although maybe not in an open way. I regret to have to say that we were disappointed by the role of Italian Foreign Minister Gianni de Michelis. Prime Minister Giulio Andreotti does not say anything, so the policy remains in the hands of Mr. De Michelis. Why does he pursue a policy that seems to help the Serbians? Maybe he thinks that he could gain something through a deal with the Serbians? Maybe territorial gains in Dalmatia?

Also I know that in France there is a powerful anti-Croatian lobby. We must be very careful. It could be that, through the economic triangle proposal you were talking about, Paris could take a more appropriate position. As you see, I like to speak very openly. I am known as the most outspoken politician in Croatia. I think this is a quality that we must cultivate in Croatia and all over Europe.

Bridge Across Jordan

by Amelia Platts Boynton Robinson

From the civil rights struggle in the South in the 1930s, to the Edmund Pettus Bridge at Selma, Alabama in 1965, to the liberation of East Germany in 1989-90: the new edition of the classic account by an American heroine who struggled at the side of Dr. Martin Luther King and today is fighting for the cause of Lyndon LaRouche.

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Iraq's greatest antiquities were also targets of Desert Storm war

by Nicholas Powell

Nicholas Powell, Paris correspondent for the Glasgow Herald and the English weekly the Observer, visited the antiquities of Iraq before the war. Many of the sites and objects he saw then have now been destroyed. This article, which originally appeared in the Glasgow Herald and the Paris review L'Idiot International, is reprinted here with the kind permission of its author.

During the Gulf war, coalition planes destroyed a vast panoramic painting entitled "Qadissiya" near the ruins of Ctesiphon, a few miles South of Baghdad. Complete with sound effects, the panorama had supplied the Iraqi public with an ideologically sound view of the battle of the same name, which, in 637 A.D., had assured Arab dominance of the country.

Qadissiya is only one of a large number of cultural casualties which Iraqi authorities, with their telephone communications still unoperational and their road system seriously damaged, are only just beginning to count. A Unesco team of experts from Paris is waiting for a Security Council go-ahead to leave on a mission to Iraq to make a full assessment of war damage to museums, ancient monuments, archeological sites, and religious buildings. Baghdad has already put in a provisional claim to Unesco for \$3 million to help with repairs and has asked that an international fund-raising committee be set up within the organization.

Destruction of artifacts

According to Iraqi reports, 20 mosques, six churches and many of the country's 10,000 archeological sites were damaged in the air raids of Desert Storm. The ensuing civil war, they say, has seen large-scale plundering and destruction of artifacts and art works evacuated from Baghdad last year to provincial museums to escape allied bombing.

Provisional details recently published by the Department of Antiquities in Baghdad confirm that 150,000 items ranging from Paleolithic objects to art of the great Islamic dynasties were taken from the city's National Museum in November last year, and distributed to other museums. Ten of the latter sustained damage in air raids and five were "pillaged and completely destroyed" during fighting between Kurds, Shiites, and troops faithful to Saddam Hussein.

Those in Basrah in the South, and Kirkuk and Dohuk in the North, had all their objects looted and removed—mainly

to Iran, Iraqi authorities claim. Baghdad has asked to help trace the objects when they turn up on commercial art market circuits.

The Museum of Antiquities in Baghdad was damaged, six staff were killed, and 10 injured by bombs aimed at a nearby telecommunications center two days into the war. Two monumental pieces of Assyrian sculpture, the winged Khorsabad Bull and Shalmaneser's Throne, weighing over 70 tons each, and impossible to move, sustained blast damage despite sandbagging.

Damage in the world's oldest city

According to wartime British press reports out of Baghdad, the remains of the city of Ur in the south of Iraq, which was used to house empty aircraft batteries, was unscathed. But the Department of Antiquities now says Ur, the world's oldest city, was hit by bombs and rockets which damaged the famous Ziggurat, a baked brick pyramid built around 2135 B.C., on its northern and eastern sides. Baghdad has also accused French and U.S. troops who occupied the site, of looting pottery and stones bearing cuneiform inscriptions. Some have been returned after Iraqi complaints to the U.N.

Iraqi authorities have also confirmed details of war damage reported to Federico Mayor, director general of Unesco, by Aziz Haidar, the organization's Iraqi ambassador in Paris, as early as Jan. 28. They include severe damage to the castle of Arbil in the North of Iraq, the oldest church in the country, St. Thomas at Nineveh, the Abassid Mosque of Al Dur in the Governorate of Saladin, and the 13th-century Abassid Palace situated next to Ministry of Defense buildings in Baghdad.

The finely restored Mustansiriya University buildings, built between 1226 and 1242, in the center of the city, suffered damage from bombs which destroyed nearby bridges, as did the Khan Murjan, a 14th-century caravanserai.

Iraqi reports, however, are incomplete as regards both the exact extent of damage, and the number of monuments and sites affected. The early 16th-century gold-domed Shiite Khadhimain Shrine just outside Baghdad is reportedly intact. But no mention has been made of the fate of the third-century arch of Ctesiphon just south of the capital, of the ninth-century Abu Duluf Mosque and its famous spiral minaret at Samarra to the north, or the damaged sustained by the site of Babylon.

Somalia asks for peace and development

by Marco Fanini

In July, a conference on the pacification of Somalia was held in Djibouti, thanks to the mediation of various countries and organizations, including Italy, Egypt, the United States, the Arab League, the Organization of Africa Unity, the European Community, and the United Nations, all of which sent observers. One hundred and fifty delegates participated, from the four movements of the south of Somalia and two from the north. The Presidents of Kenya and Uganda were also there.

The decision was made to set up a national unity government right away, to hold democratic elections, and to return to the constitutional and parliamentary form which had prevailed until 1969, i.e., until the advent of the dictator Siad Barre. The conference also decided that Siad Barre had to be driven out of the country, and it offered the northern secessionists, the Isaak, considerable regional autonomy, provided they return to being part of unified Somalia.

Obstacles are serious

This is an important accord and a first step toward pacification, but some grave problems remain in the way of the implementation of the Djibouti accords: the stubbornness of the northern secessionists; defining what military force gets the job of driving Siad Barre and his followers out of Somalia; and finally, handling the cumbersome presence of the leader of the Hawiye, General Aidyd, a bizarre and quarrelsome figure who has shown little inclination to accept diplomacy and mediation.

As to the problem of the Isaak secessionists in the north, it should be observed that since their organization, the National Somali Movement (MNS), was first set up, they have been aiming at secession and at reviving Somaliland, the old British colony. They took the unilateral moves of the United Somali Congress (USC), the political and military organization of the Hawiye clan which, after Siad Barre was overthrown, established a new government without consulting the other clans, as a pretext to formally secede. The USC was taken by surprise by this move by the Isaak, because a close alliance had existed between the two organizations.

The National Somali Movement was founded about 10 years ago in London, and several observers say that the British government is indirectly supporting it. In short, London would look favorably, if not on the creation of a new state in northern Somalia, at least on a return of former Somaliland

into the British sphere of influence, with the hope of reappropriating the port of Djibouti, currently in the hands of the Americans, who have made it known they do not consider it strategically crucial.

Another problem in implementing the Djibouti accords arises from the fact that the "militarist" faction, headed by the shady and ferocious General Aidyd, has taken over the USC, and Aidyd has become its president. The question is whether Aidyd will accept the Djibouti resolutions. So far, he scorned the conference, refused to go to Djibouti, and stated over Mogadishu radio that the Djibouti resolutions are not valid. Anyone who wanted to negotiate seriously, he said, should go to Mogadishu. Yet, more moderate representatives of the USC did go to Djibouti.

The USC is probably playing a double game: leaving power in the hands of the intransigent Aidyd but, when need be, parading some conciliatory leaders. This tactic has to be kept in mind considering that General Aidyd is disliked in Italy, and the political role of the Italian government in Somalian affairs is enormous, because Somalia is a former Italian colony. (The general sued the leaders of the Italian Socialist Party, Craxi and Pillitteri, in the Milan Tribunal, for not having given him commissions he was owed in the past, when the general was still one of the loyal followers of Siad Barre.)

Aidyd imposed himself following a brutal battle in the streets of Mogadishu in June between the two factions of the USC, which was almost more intense than the battle to chase out Siad Barre. Despite the 600 dead and thousands of wounded, the international press has almost remained totally silent about it. In fact, the Hawiyas had revolted against Siad Barre not so much for political reasons, but as a struggle by their clan against the hated Darod clan, to which Siad Barre's sub-clan, the Marehan, belong. The intention of uprooting the Darod from Somalia appears rather ingenuous: the Darod are very numerous in the center and south of the country, perhaps even more than the Hawiye themselves.

The other problem is driving out Siad Barre: Who will take on the military task of fulfilling this specific mandate of the Conference of Djibouti?

What ought to be formed is a unified command among the various organizations, especially those which represent the Hawiye and Darod clans. But the Hawiye, as mentioned, see the Darod as mortal enemies, and the Darod in turn declare themselves disposed to forming an alliance to fight Siad Barre, but on condition that the collaborators of Siad Barre, who have today become members of the USC executive committee (ex-vice presidents, finance and defense ministers, etc.), would be ousted.

Resolving these problems will determine the possibility for Somalia to end the civil war which currently prevents even the sending of urgent food and medical aid, and hence of providing for reconstruction, on a new basis, of an economy which was extremely poor before the war, and now is simply nonexistent.

Asean strives to keep independence

by Lydia Cherry

The foreign ministers of the six countries of the Association of Southeast Asian Nations (Asean) expressed support for the East Asia Economic Grouping at their meeting in Kuala Lumpur, Malaysia the last week in July. Though details still have to be worked out and it is not expected to be formalized until at least January, it was clear by the end of the deliberations that the EAEG plan initially proposed by Malaysia has now become the initiative of the six member states—Indonesia, Thailand, Malaysia, the Philippines, Singapore, and Brunei.

A second economic proposal introduced by Thailand also drew unanimous consent. This plan calls for the creation of a “free trade group” among these countries, which would involve comprehensive, cooperative tariff removal. The goal of this “common market” approach is to stimulate intra-regional trade flow. The shift is no small task, in that Asean countries now compete with each other for the same export markets, as well as competing for capital investment and technology from the same sources.

Nevertheless, as a Thai official explained in an interview with the London *Financial Times*, the six have a head start because there is already growing cooperation in vital areas. The official said that by promoting joint-venture industrial production, Asean plans to pool its capital, land, and labor so that goods will be able to flow into each other’s markets freely. He pointed to the idea of “growth triangles,” which are an extension of the idea of pooling resources and sharing markets. The first of such triangles now covers the southern Malaysian peninsula, Singapore, and the Indonesian island of Batam.

Asean spokesmen said the two plans would be complementary, with the EAEG—which would also involve Japan, Korea, China, Taiwan, and Hong Kong—envisioned as the “talking group.” U.S. Secretary of State James Baker, in Kuala Lumpur for the larger post-ministerial conference that followed the Asean meet, conveyed the U.S. position on the EAEG to Malaysian Prime Minister Dr. Mahathir Mohamad in a “frank, low-key” manner, a senior U.S. official said, noting that the U.S. remains opposed to it. A Japanese spokesman at the meetings said Japan was interested in the idea but was waiting for it to be formally voted up by Asean.

The focus on economic collaboration was a notable departure from Asean’s 24-year life as a political bloc. Also a departure was that the six issued a joint communiqué urging a solution of the debt crisis for the developing world, and

that a coordinated tripartite approach should be undertaken to speed up debt relief for debtor countries. It made clear that even the relatively economically successful Asean nations are beginning to feel the depression. Four Asean countries—Indonesia, Malaysia, the Philippines, and Thailand—“have huge foreign debts,” Malaysian news service Bernama noted.

Soviets and Chinese attend

The meeting also was unusual because it was the first in which both the Soviet Union and China were present as observers. This had been sought by both Moscow and Beijing. According to the *International Herald Tribune*, both the U.S. and Japan expressed private reservations about the presence of Yuri Maslyukov, deputy prime minister of the U.S.S.R., and Chinese Foreign Minister Qian Qichen. The U.S. and Japanese concern is that Asean may make the Soviets and Chinese full partners in Asean, to increase its leverage with the West. Before the meeting was over, Asean officials invited the U.S.S.R. to attend the next Asean ministers meeting in Manila in 1992. A similar invitation is expected to be extended to China.

During the followup meeting between Asean and its dialogue partners—the U.S., Japan, the European Community, Canada, Australia, New Zealand, and South Korea—there was extensive discussion about a possible need for a security alliance. In a meeting in Manila last March, U.S. and Philippine officials attempted to put into place a security doctrine termed “cooperative vigilance.” The argument is that Asean should be turned into a military bloc to police the region. But Asean officials turned it down flat.

The U.S. tried to get Asean’s backing to take action against Burma for “human rights violations,” but was not successful. During the first day of the post-ministerial meetings on July 23, the U.S. officially imposed economic sanctions against Burma. Undersecretary of State Robert Zoellick, speaking in Kuala Lumpur, attacked Burma for “poisoning the region with narcotics,” and attempted to force Asean to follow suit. Asean officials responded that they would instead engage in a policy of “constructive engagement” with Burma’s military leaders.

Japanese Foreign Minister Nakayama reiterated in his speech that “the most important issue for the stability of countries in this region is economic development,” and that Japan would continue to “do the best it can” to expand cooperation toward this goal. Nakayama suggested that Asean and its major trading partners consider using the annual conference “as a process of political discussions designed to improve the sense of security among us.” He added that “it might also be advisable” to organize a meeting of senior officials in order to make these discussions effective.

Malaysian Foreign Minister Datuk Abdullah Ahmad Badawi told newsmen July 23 that, although Japan’s idea on security collaboration would be looked into further, “Asean disagrees with it.”

Bush's policy under fire in Denmark

Sparks flew between the U.S. ambassador and a guest speaker at the annual celebration of Danish-American friendship.

The largest July Fourth celebration outside the United States is held in Denmark. Since 1912, thousands of Danes and Americans have gathered every year in the hills of the beautiful Rebild National Park just south of the city of Aalborg, to celebrate American independence and strengthen Danish-American relations.

The theme of this year's festival was "cultural exchange." Fifteen thousand people heard speeches by the Danish Minister of Education Bertel Haarder, and the invited American guest speaker, author and radio personality Garrison Keillor.

In his speech, Keillor reflected upon the popular perception of the "American way of life":

"Immigrants brought their dreams to America and America was a more humane society when we were more influenced by foreigners—by 'them.' The immigrants had a public spirit and a love of America and the American dream, but when we left them behind, we began to turn inward, mesmerized by advertising, by movies, plastic images of an Americanism that never existed—fairly tales that led us in the wrong direction. Foreigners have always done us good. We are a nation of foreigners. And it is through foreigners, that my country, the nation of foreigners, struggles continually to save its own soul. That is why we need international exchange—for the good of our soul. We may not like foreigners—we see them as strangers, but God above does not see them as strangers. God expects us to see them as human beings. It's only through

contact that we can do that."

Then Keillor added the following comments on the U.S. conduct during the Gulf war:

"If America had had any contact with the Arab world, and with Muslims, any common culture, any understanding of their language or religion, which we do not, would we have done what we did? Would we have poured such destruction on them in the Gulf war? Would we then celebrate it like a football victory? Would we have killed 100,000 with so little feeling? We did not care about them because we do not see them as human, but God does. And God have mercy on us.

"The American soul is an idea. We are not a people. We are many peoples. We are a land and our soul is borrowed. We take our soul from all of those who believed in the American idea from the immigrants who came. They gave us our soul. America is one international exchange. . . ."

Keillor received warm applause for his comments, but U.S. Ambassador to Denmark Keith L. Brown was not amused. On July 7, the Danish daily *Politiken* published an angry letter from the ambassador. Brown was extremely displeased with Keillor's comments about the Gulf war, and he was equally displeased with the prominent coverage of these comments by the Danish newspapers and television. The ambassador wrote that he is "sorry that he [Keillor] had such bad taste as to use this occasion to air his personal prejudices. . . ." He ended his letter with the following tirade: "Mr. Keillor does not speak for the people

of my country, and neither on behalf of the Danish people, I think. No one ought to give Mr. Keillor's bad judgment any unwarranted emphasis."

Politiken did not let Brown's criticism stand by itself. The paper asked Keillor to respond to the attack, and he said: "Out of a three-minute speech, three sentences expressed sorrow about our war against Iraq, but this poor man apparently can't stand to hear even the least disagreement. It is foolish of him to say that I don't speak on behalf of my countrymen. Of course I don't, and neither does he. Ambassador Brown spoke for the war. I expressed sorrow about it. I was a little embarrassed about his speech, and that, after three years in Denmark, he cannot say even a few words in Danish. . . . His letter shows a lack of respect for exactly that freedom we celebrate on the Fourth of July."

Politiken also asked the festival's chairman, Eric Palsgaard, to comment on Brown's letter. Palsgaard said: "The podium in Rebild is free, non-political, and uncensored, and this is how it will continue to be." When asked if the Rebild Association regretted inviting Keillor, he responded, "No."

In the following days, *Politiken's* letters-to-the-editor page turned into a full debate of the merits of Keillor's speech, and the breach of freedom of speech represented by Brown's statement that Keillor should not have spoken as he did. The debate also included a personal letter from Michelle Rasmussen, the American co-author of this article, supporting Keillor's speech and calling for the U.S. to refrain from continuing the war against the civilians of Iraq, by lifting the sanctions. Many Danes, who are normally very pro-American, were shocked by the hypocrisy of Brown's attempt to intimidate Keillor on the occasion of the celebration of the freedom of America.

Greenies only need apply

International financiers are offering the Third World money for "environmental preservation," not development.

In preparation for the international conference on Environment and Development, "Eco-92," to be held next June in Rio de Janeiro, agencies of the Anglo-American oligarchy are channeling millions of dollars to their green creations to secure their malthusian objectives. While the usurious world banking system is shutting off the flow of capital to the Third World, ecological funding has become virtually the only fresh money the international financial community is willing to offer.

The list of donors is headed by British magnate Sir James Goldsmith, a partner of former U.S. Secretary of State Henry Kissinger, at the Hollinger Corp. Also the owner of the French daily *L'Express*, Goldsmith has used his enormous economic power to launch propaganda campaigns against modern industry, particularly nuclear power.

Interviewed May 22 by the Brazilian magazine *Istoe-Senhor*, Goldsmith announced that he would shortly become director of the Goldsmith Foundation, which "will receive abundant funds" to finance environmental projects throughout the world, with Brazil its top priority.

For example, he said, we have \$2 million allocated to lobbying groups promoting "sustainable" agriculture; a pilot project of this variety has already been established in Mexico. If this kind of farming, which is so admired by Britain's Prince Charles, whose yields are so minuscule, were the method to be adopted worldwide, it would kill off the human species by starvation in short order. The idea, said Goldsmith, is to overturn the belief that "large land areas

[cultivated by] mechanized methods produce cheap food."

Goldsmith headed the campaign against nuclear energy in France, and his money has funded the activities of the most varied ecological groups, among them Friends of the Earth. In the preparations for Eco-92 and the enormous pressure on the Brazilian nation to limit its sovereignty over the Amazon, Friends of the Earth has played a key role through fostering the European campaign for the creation of "Indian nations."

For example, in 1990, Friends of the Earth joined with British businesswoman Anita Roddick, owner of a chain of stores selling "natural products" from the Brazilian Amazon, to raise a hue and cry against the construction of hydroelectric plants in the Amazon. They argued that the energy plants would be an assault against the Indians' "natural" life style.

To the list of funders of ecological movements must of course be added the Rockefeller Foundation, which has created an international committee for the ecological cause, including members Jimmy Carter and David Rockefeller. On June 11, the Foundation announced plans to invest more than \$28 million in a program to train environmental leaders who would operate in such Third World countries as Brazil, Mexico, Nigeria, and Pakistan. The Brazilian Committee, which will administer the funds, is made up of Science and Technology Minister José Goldemberg; various Zionist lobbyists from within the Brazilian business community; and numerous fanatic leaders

of the Brazilian ecology movement.

The group's objective is to provide scholarships to continue the work begun more than two decades ago by the malthusian Club of Rome, whose fallacious "limits to growth" propaganda has tainted the thinking of an entire generation with terrifying images of resource shortages and a starving, overcrowded world. Within a few years, according to the Rockefeller project, the goal is to have university deans and even ministers of state committed to their anti-people environmentalist bias.

Naturally, the banks are hitching a ride on the "green" train. Bank of America, for example, plans to donate \$6 million worth of Ibero-American foreign debt, to be exchanged for investment projects in environmental preservation. According to the June 12 *Jornal do Brasil*, two U.S. ecologist organizations very active in the preparations for the Eco-92 conference—Conservation International and the World Wildlife Fund—will be directly benefited by these donations. Also coming in for a piece of the pie is the Smithsonian Institution, which serves as a consultant to the bank on environmental affairs, and which has distinguished itself for its aggressive defense of Yanomami "Indian territories."

Prominent Anglo-American establishment figures have made it clear to the Third World that funds for economic development are no longer available. The Aspen Institute's Harlan Cleveland, speaking before the 12th annual meeting of the Humphrey Institute's North-South program, told a delegation of Third World leaders that they must ensure the payment of their foreign debt by any and all means. One of these means, he suggested, could be the employment of debt-for-nature swaps that would bring the mineral-rich Amazon within the creditors' reach.

Still more drugs

The latest report from Congress's GAO is proof that Bush's invasion was a war for drugs, not war on drugs.

The U.S. General Accounting Office issued a report in late July that further confirms what our readers already know: Drug activity in Panama has been on the rise since George Bush invaded that country "to fight drugs" in 1989. "U.S. officials believe that drug trafficking may be increasing," says the report put out by the GAO, a watchdog agency for Congress. In fact, "a Drug Enforcement Administration agent believes that trafficking may have doubled since Operation Just Cause," as the invasion was called.

The GAO report says that "U.S. officials believe that money laundering is Panama's most serious narcotics-related problem" and that there has also been an increase of drug-money laundering since the U.S. installed Guillermo Endara and his cohorts as the government.

"Once the traffickers became aware of the government's inability to detect and deter drug activity, money laundering flourished," says the GAO report, quoting an official of the U.S. Embassy in Panama.

The report does not touch on the use of drugs inside Panama, virtually nonexistent before the invasion, but which has now become a significant problem. According to a UPI report, "It's cheaper to snort a fine line of cocaine in Panama these days than to go to the movies. Cocaine use in Panama has soared in the 18 months" since the U.S. invaded the country to oust Gen. Manuel Noriega.

So, who is responsible for this increased drug activity? Panama's waters are patrolled by the U.S. Coast Guard. All of the country's police

forces are trained and controlled by the U.S., down to the level of the cops on the beat. "The crime situation is so bad that joint U.S.-Panamanian police patrols have been resumed in recent months," said University of Southern Illinois Prof. Richard Millet, in remarks he made at hearings of the Subcommittee on Western Hemisphere Affairs of the House Foreign Affairs Committee held on July 17 by Rep. Robert Torricelli (D-N.J.).

Policy is dictated by the American proconsul, Ambassador Deane Hinton, or by an official of the U.S. Southern Command, usually operations chief Col. James Steele, who ran part of Oliver North's Contra resupply operation. Under their leadership, the Noriega-led Panama Defense Forces—which even their detractors admit kept the flow of drugs down—have been destroyed. The police forces that replaced them have no anti-drug capabilities, according to the GAO report. For example, after the invasion, Panama's coast guard "vessels were stripped of all electronics and other equipment and have received no maintenance since then. As a result they are no longer operational." The GAO quotes a Drug Enforcement Administration (DEA) official saying that the police anti-narcotics unit's "ability to conduct operations is limited because it has no aircraft and only five cars, which the Panamanian government limits to a total of 10 gallons of gasoline per day."

U.S. officials insist that money which Panama could otherwise use to fight drugs and to alleviate the worsening economic situation that leads to high crime rates, must be used instead

to pay the debt to U.S. banks. The officials also have forced Panama to use methods which have proven to be utterly ineffective in the U.S. The GAO reports that, over a year ago, Panama, pressured by the U.S., adopted a regulation to curtail drug-money laundering that is modeled on the U.S. law which requires banks to report all transactions of \$10,000 or more. The results were predictable: After a year, says the GAO report, "A political adviser at the U.S. Embassy believes that Panama is experiencing an increase in money laundering."

The Bush administration was outraged by the report. Assistant Secretary of State for Inter-American Affairs Bernard Aronson claimed that the increase in drug activity was due to a crackdown by the Colombian government; he is apparently unaware that the Colombians have surrendered to the cartels. Aronson said there was no need to worry about money laundering, as the U.S. has been reassured by Panama's Second Vice President Guillermo Ford that strong action will be taken against drug-money laundering banks.

Even Aronson can't be that naive. As our readers know, Guillermo Ford is himself tied to drug-money laundering institutions, notably Dadeland Bank of Florida, of which he was a co-owner. The ties to the drug cartels of U.S.-installed Panamanian President Endara are also well known to U.S. law enforcement agencies, as are those of his Treasury Minister Mario Galindo; Supreme Court Chief Justice Carlos Lucas López, and Attorney General Rogelio Cruz, to name a few. All of this leads one to believe that Aronson's disingenuous remarks are intended to continue covering up the fact that one of the reasons Bush ordered the invasion of Panama was to advance the war for drugs, rather than the other way around.

International Intelligence

Israel gives Jews Palestinian land

The Israeli government is giving away West Bank land to Jewish settlers for free, in an effort to encourage settlement, the Israeli Defense Ministry admitted on July 26. The program, previously secret, was exposed in the Israeli daily *Davar*. The total amount of land given away under the program is not known.

Since 1967, Israel has seized direct control of 52% of the land on the West Bank, and 49% of the land in Gaza. Since 1967, more than 100,000 Jews have moved into the territories; the Israeli government plans to house some 500,000 more over the next five years. The West Bank Palestinian population is 1.7 million. The government seized 1,577 acres of Palestinian land in 1988; 18,224 acres in 1989; and 18,732 in 1990. More than 20,000 acres have already been confiscated in 1991. Even where land is purchased by Jews, rather than given to them, Jewish settlers receive other benefits, such as state mortgages with low interest payments.

Italy turns down euthanasia proposal

The Environmental Committee of the European Parliament has approved, on the initiative of the French former physician Leon Schwartzberg, a document which provides not only for the interruption of treatment of so-called terminal diseases, but also for an active intervention of the doctor to bring death to a patient who asks for it.

Schwartzberg was suspended from the French medical association, but was then elected as a Socialist Party deputy to the European Parliament.

The proposal is intended for debate in the European Parliament and then adoption by member countries.

The first decisive rejection came from Italy, which, with a document approved by the National Bioethics Committee, rejected the resolution of the Environmental Committee. According to Prof. Corrado Manni,

chairman of the Medical Faculty of Italy's Catholic University and a member of the committee, the resolution contains two unacceptable assumptions. One is that "cortex death" is irreversible, whereas in fact this has never been ascertained. The committee maintains that death has to be identified with total brain death.

Second, the document states that the doctor "must" help the sick person who asks to die, which presupposes an actual obligation to help murder him. According to Professor Manni, this is unacceptable, because you can never ask a doctor to help a person to die.

An Italian epigone of Schwartzberg, Giorgio Conciani, said on Italian television that he had helped people to die by giving them heavy doses of analgesics, but also recommends opiates. "I find that a heroin overdose is a lot more civilized than forcing someone to shoot himself with a pistol."

Slovakian leader moots breakup of federation

Slovakian Prime Minister Jan Carnogursky, in an interview with the French daily *Libération* published on July 24, suggested that the Czech and Slovak Federated Republic (C.S.F.R.) may not survive in its present form. "We want to enter the European Community as a completely sovereign state," he said.

Carnogursky, however, went out of his way to distance himself from radical Slovak nationalists: "My position is more progressive, more European. I am no ally of the Slovak nationalists. I would like to be an ally of the nations which are fighting for their national identity in the framework of the future Europe."

The interview shows Carnogursky's conviction that a process of Slovakia separating to achieve some form of independence is unstoppable. He discounts polls showing that only 16% of Slovaks now favor independence, saying that this is not a rejection of secession, but "the fear of an insecure majority" over the risks: "To demand inde-

pendence means to enter unknown territory. The Slovaks don't have the courage to take this step. They are afraid of acts of violence like they see today in Yugoslavia."

The shift toward a policy of secession which Carnogursky's statement reflects, is a result of the fact that the austerity policies of Finance Minister Vaclav Klaus have hit the republic of Slovakia especially hard. The official unemployment rate has passed 6%, in contrast to the Czech provinces of Bohemia and Moravia, where the rate is 2.6%.

Soviet generals see national 'disaster'

Soviet Deputy Interior Minister Gen. Boris Gromov and Soviet Deputy Defense Minister Gen. Valentin Varennikov are among 12 signers of a document entitled "A Word to the People," published on July 24 in the Russian newspaper *Sovetskaya Rossiya* and the Armed Forces daily *Krasnaya Zvezda*. It invokes the role of Soviet patriots and the Armed Forces in preventing the "betrayal" of the U.S.S.R. to foreigners and the destruction of the country.

Their statement denounces Soviet party leaders who "rush into the enemy's camp, treacherously betraying and demanding the gallows for their former comrades. . . . How did it happen that we put in power those who do not love the country, who enslave themselves to foreign patrons, and seek advice and blessing from across the seas?"

The signers warn: "A huge unprecedented disaster has occurred. The motherland, the country, our great power—passed down to us for preservation by history, nature, and our great ancestors—is dying, falling apart, and sinking into darkness and nothingness."

Calling for the creation of a "popular patriotic movement for the salvation of the fatherland," the signers state: "We are convinced that the warriors of the Army and Navy, true to their sacred duty, will not permit a fratricidal war or the destruction of the fatherland, but will come forward as the guarantors of security and the bulwarks of

all healthy forces of society. . . . There are statesmen among the Russian people who are ready to lead the country into a sovereign future without humiliation."

Other signers include Great Russian writers Yuri Bondarev and Valentin Rasputin, Soyuz bloc leader Yuri Blokhin, and Peasants Union head Vasily Starodubtsev.

Islamic Jihad threatens Germany with terrorism

The Islamic Jihad guerrilla group in Beirut has threatened Germany with terrorist attacks, if the German authorities do not come up with "convincing information on the status of the Hamadi brothers."

The two Hamadi brothers are jailed in Germany, serving sentences on various counts of terrorism. One of the brothers was mysteriously stabbed in jail by another Arab inmate at the end of July, apparently in a staged incident carried out to provide a pretext for Islamic Jihad to resume phony charges against the German authorities of alleged torture and human rights violations against the Hamadis.

The group, which claims to hold two Germans hostages in or near Beirut, threatened to kill the two in retaliation for the "tortures" the Hamadis were "suffering in German jails."

The threat appears within a pattern, in recent weeks, of escalating acts of "leftist" terrorism against German representations throughout the Mediterranean—primarily in Greece and Turkey, but also in Spain and (French) Corsica.

Aga Khan: Sanctions will strengthen Saddam

A starving Iraqi population will rally behind the regime rather than attempt to overthrow it, insisted U.N. Commissioner Prince Sadruddin Aga Khan and his French assistant Dr. Thierry Brun, in interviews with *Le Monde* published July 25. The two had recently returned from a visit to Iraq.

"The policy of sanctions is in the process of creating a sentiment of solidarity with the regime rather than the opposite," stated Aga Khan, while Dr. Brun goes further: "Famished, the Iraqi people would help Saddam Hussein. According to what I have seen on site, the Iraqi people hold the West responsible for its misery and would regroup around the regime."

The Tunisian ambassador to Unesco, Hamadi Essid, in an interview with the French daily *Libération* of July 25, underlined the danger of starvation as a result of the U.N. embargo. "What concerns us, is avoiding famine among the Iraqi people," he said. Stressing that the embargo as it is now applied "conforms neither to the spirit nor to the letter of the United Nations resolution," he added: "It must not be, that some day, people will find themselves deploring hundreds of thousands of deaths in Iraq caused by an embargo that was badly or excessively interpreted. We must avoid a situation in which they say, five years from now, 'I didn't know.' Everybody must know."

Arafat: No peace without the PLO

Palestine Liberation Organization chairman Yasser Arafat, in an interview with the London *Independent* published on July 23, warned that no real peace is possible in the Middle East, without the Palestinians being involved.

The United States is trying to arrange "other Camp Davids," Arafat charged, but while denying even the right of self-determination to the Palestinians. "Unbelievable! Unbelievable!" But, Arafat warned, "We are not dealing with phantoms. No one can push us around, since we are the most important element in the whole Middle East equation."

The PLO leader added that little attention is being paid to the "real situation of starvation" among Palestinians in the Gaza Strip. "The Americans parachuted food to the Kurds, but what about for Gaza, where there is starvation and no one helps?"

● **GENES** of Brazil's Yanomami Indians will be frozen and stored in the new Human Genetic Museum in London, reported the Brazilian newspaper *O Globo* on July 23. The museum is said to be involved in an effort to catalogue blood samples of at least 500 extinct peoples. The genes of the Yanomamis have been chosen to inaugurate the museum because of the rapidity with which they are becoming extinct, according to Sir Walter Bodmer of the Human Genome Organization.

● **MUAMMAR QADDAFI** has warned that Spain's military bases are a threat to Libya, and that he may retaliate with terrorism. He said that should Spain or Italy serve as "platforms for an attack against Libya," they will be hit, without regard for women or children. He demanded that the military bases be closed.

● **PAKISTAN'S** Army Chief of Staff Gen. Mirza Aslam Beg warned his troops in Sialkot near the Kashmir border on July 21, that "events are fast changing in the region and shadows of war have started appearing."

● **SOVIET ADMIRAL** Konstantin Makarov, naval chief of staff, told *Sovetskaya Rossiya* newspaper on July 27 that the Soviet Union faces a threat from Western naval forces that more than offsets gains from arms reduction treaties. The threat by cruise missiles has almost doubled with "massive deployment" of sea-based cruise missiles, he said, adding that arms reduction has not been extended to the high seas.

● **SPAIN** has agreed to close two-thirds of all Civil Guard centers in the Basque provinces, and half of all national police headquarters, by the summer of 1992. Madrid has effectively acknowledged defeat in the battle against the Basque terrorists. On July 25, two attacks on Civil Guard installations in the Basque town of Irun injured 16 people.

LaRouche files human rights complaint with the OAS

Jailed American political dissident Lyndon H. LaRouche on July 30 filed a complaint with the Inter-American Commission on Human Rights of the Organization of American States (OAS). It charges the United States government with major human rights violations over the course of a decade, "to silence the voice of presidential candidate and economist Lyndon H. LaRouche, and to bankrupt, through financial warfare, the political movement associated with him."

The complaint was personally delivered to the office of the Inter-American Commission on Human Rights at OAS headquarters in Washington, D.C. by Dennis Small, who was convicted along with LaRouche by a U.S. federal court in Alexandria, Virginia, in December 1988. Besides Mr. LaRouche, the signators of the complaint are William Wertz, Edward Spannaus, Michael Billington, Joyce Rubinstein, and Dennis Small—all originally convicted with LaRouche in the 1988 Alexandria case. The Complainants urged the OAS Commission members to promptly take up the LaRouche case at their September 1991 meeting.

We publish the complaint here, excluding introductory sections and exhibits.

III. Alleged human rights violations

The violations charged in this Complaint result from a decade-long campaign by former and present U.S. government officials to silence the voice of presidential candidate and economist Lyndon H. LaRouche, and to bankrupt, through financial warfare, the political movement associated with him. These efforts have caused the jailing of LaRouche and others—including all the signators of this Complaint—through the use of contrived evidence as well as a government coverup of exculpatory evidence, and have stopped the publi-

cation of a national newspaper and scientific journal associated with LaRouche, via illegal government seizure of the companies which published them.

From 1986 to the present, fifty (50) political activists with the LaRouche political movement across the United States have been indicted on criminal charges, in every case for "administrative" or "financial" infractions which were of a civil (not criminal) nature. The philosophical association founded by Mr. LaRouche, as well as five (5) companies associated with the LaRouche movement were similarly indicted. Of the 50 persons indicted, 18 have been convicted, and 11 have been jailed—including all of the signators of this Complaint.

This consort of illegal action continues today, with continuing deprivation of the most fundamental human rights: the freedom to have and disseminate one's political beliefs and ideas without fear of government persecution.

The specific, most essential violations of the American Declaration of the Rights and Duties of Man, and the American Convention of Human Rights, are two:

FIRST: Article IV of the American Declaration of the Rights and Duties of Man, of which the United States is a signator, guarantees every person:

the right to freedom of investigation, of opinion, and of the expression and dissemination of ideas, by any medium whatsoever. This same "right to freedom of thought and expression" is codified in Article 13-1 of the American Convention on Human Rights, of which the United States is also a signator. The right to freely associate is similarly at issue and is found at Article XXII of the Declaration and Article 16 of the Convention.

Likewise, Article XVIII of the American Declaration of



Complainant Dennis Small and paralegal Mary Jane Freeman deliver LaRouche's complaint of human rights violations to the Organization of American States headquarters in Washington.

Stuart Lewis

the Rights and Duties of Man, proclaims for every person that:

the courts will protect him from acts of authority that, to his prejudice, violate any fundamental constitutional rights.

Article 25 of the American Convention on Human Rights similarly explains that all individuals are entitled to:

protection against acts that violate his fundamental rights recognized by the constitution . . . even though such violation may have been committed by persons acting in the course of their official duties.

SECOND: Article XXVI of the American Declaration of the Rights and Duties of Man states that every person has the right:

not to receive cruel, infamous or unusual punishment.

Mr. LaRouche has been in jail for the last 2.5 years and is almost 69 years old, was given a 15-year sentence on Jan. 27, 1989, and has an official release date from prison of May 1999—for alleged crimes which are essentially “administrative” in nature. This can only be characterized as a “slow death sentence,” “cruel,” “infamous,” and “unusual” by any standards of civilized justice. Other political associates of LaRouche, men and women mostly in their forties, have received similarly barbaric virtual life sentences in a series of related Virginia state prosecutions: 77 years (Michael Billington); 39 years (Anita Gallagher); 38 years (Paul Gallagher); 34 years (Laurence Hecht); 25 years (Donald Phau); among others.

In the case of LaRouche and his collaborators, we have a classical instance of political prisoners, in a country which denies there are any such cases within its borders.

It is particularly important that the Inter-American Commission on Human Rights investigate this complaint promptly, given the fact that the government accused, that of the United States of America, has anointed itself guardian of “human rights” and “democracy” in nations in every corner of the globe, including in our hemisphere, and has been more than willing to use deadly military force at its whim—as the people of Panama and Iraq, among others, can well attest. The U.S. government must be held accountable to the same high standards of human rights protection that it so vocally demands of others.

Because of the political nature of the violations charged herein, we present the facts of the case in three steps:

- 1) the specifics of the trial violations as such, which led to the incarceration of LaRouche et al.;
- 2) the evidence regarding the government’s coverup of its own illegal actions in this case; and
- 3) the nature of the political beliefs espoused by LaRouche, which triggered the government’s decision to silence him.

1. The facts of the trial

On October 14, 1988 LaRouche and the other Complainants listed above were indicted in Alexandria, Virginia, and falsely charged with conspiring to solicit loans from political supporters which they never intended to repay. LaRouche was additionally accused of conspiring to conceal his income sources from the Internal Revenue Service (IRS).

The fact is that the government itself manufactured these economic “crimes,” the antecedents of which are as follows:

The prime initiator of the illegal consort of action against the LaRouche movement is former U.S. Secretary of State Henry Kissinger. On August 19, 1982, Kissinger, then a private citizen, wrote a “Dear Bill” letter to then-FBI Director William Webster, asking him to look into initiating some kind of action against the bothersome LaRouche. After a further exchange of letters among Webster, FBI Assistant

Director Oliver Revell, and Kissinger, the FBI determined on January 31, 1983 that the "investigation" of LaRouche "is warranted. We are, therefore, initiating an investigation and the investigating Agents will be in contact with you."

A period of intense public defamation and financial warfare against the LaRouche movement followed, which reached its peak when two LaRouche Democrats won the Democratic Party nomination for Lt. Governor and Secretary of State in the state of Illinois on March 18, 1986. Over the next four months, 23,000 hostile news articles appeared across the U.S., many of them based on an anti-LaRouche pamphlet circulated by the Anti-Defamation League of B'nai B'rith (ADL), which has documented links to the CIA.

- Oct. 6, 1986: The government executed a pre-dawn, 400-man armed raid on the Leesburg, Virginia offices of publishing companies associated with LaRouche, in the presence of the national media. Six people were hauled out of their homes at gun-point and arrested pursuant to an indictment issued out of Boston, Massachusetts. The raid resulted in all of the companies' records being seized, disrupting business for a significant period of time, and the eventual indictment of 50 political activists.

- April 21, 1987: In another early-dawn raid, the U.S. government seized two publishing companies and a scientific foundation associated with the LaRouche movement, using involuntary bankruptcy laws. The companies were closed permanently by the government's action, making it impossible for them to repay any of their loans. A nationwide dragnet of FBI, Secret Service and IRS agents began interviewing, pressuring and intimidating former financial supporters of the three firms. They were told that if they wanted to get their loans back, their only hope was to assist the government in prosecuting LaRouche et al.

The Boston trial ended in a mistrial in May 1988. So on October 14, 1988, three weeks before the November 1988 presidential elections in which LaRouche was a registered presidential candidate, LaRouche was again indicted, this time in Alexandria, Virginia, along with the other Complainants.

Despite the fact that the Complainants were charged with intentional non-repayment of political loans, trial judge Albert V. Bryan, Jr. ruled that the facts of the April 1987 involuntary bankruptcy seizure of the three research and publishing companies could not be told to the jury. Judge Bryan was the incorporating attorney for Interarms, one of the largest weapons exporting companies in the U.S., with special links to the U.S. intelligence community. Moreover, for many years Bryan sat on the U.S. equivalent of a special state secrets court known as the Foreign Intelligence Surveillance Court, with supervision over highly explosive "national security" cases.

With no right to present a defense; with a rush to trial that led all seven defense attorneys to protest to the court that they were unprepared to try the case; with a jury selected hastily

in a prejudiced environment of pervasive, hostile news coverage of LaRouche; and with a jury foreman who is not only a government employee with the U.S. Department of Agriculture but (it was later learned) has national security duties for Emergency Planning and Continuity of Government functions along with Lt. Col. Oliver North, a vehement opponent of LaRouche; it was a foregone conclusion that the Complainants would be railroaded into jail. They were sentenced and jailed on January 27, 1989.

On October 25, 1989, nine months after these Complainants began their jail sentences, Federal Bankruptcy Chief Judge Martin V.B. Bostetter issued a 106-page opinion declaring that the government's bankruptcy seizure of the three companies which held the loans charged in the indictment of the Complainants, had been illegal. In *Re Caucus Distributors, Inc., et al.*, 106 B.R. 890 (Bankr.E.D.Va., 1989). He specifically found that the government had acted "in bad faith" in bringing the action, and did so by engaging in a "constructive fraud on the court" to obtain the original court order. Judge Bostetter furthermore pointed to the directly political nature of the case, noting that the evidence "has led this Court to conclude that the debtors strived more to expose the world to its political viewpoint than attain private monetary gain." Judge Bostetter's finding was upheld on appeal. The Bostetter decision, however, has not led to reversal of the Complainants' convictions, nor to a reopening of the case.

The Complainants appealed the convictions to the Fourth Circuit which denied it on January 22, 1990, and the Supreme Court of the United States declined to even review the case on June 11, 1990. The violation of the human rights of the Complainants, and of other members of the LaRouche movement, continues to the present.

Numerous internationally prominent jurists and others have voiced their concern and protest. Former U.S. Attorney General Ramsey Clark, who joined the LaRouche defense team throughout the appeal process, expressed his shock at the blatantly political timing of the LaRouche indictments—three weeks before the November 1988 presidential elections. In a June 19, 1990 speech before the Parallel Activities of the CSCE conference in Copenhagen, Denmark, Clark said:

I was in the Department of Justice for eight years—I never indicted a political figure before an election. . . . [LaRouche] was on the ballot in twenty states. What's going to happen to his campaign? Nobody says he was going to get elected, but he had a right to run! He had a right to get as many votes as he could. He could have gotten quite a few votes—a million, two million, who knows.

Similarly, numerous prominent international jurists presented *Amici Curiae* briefs in support of the LaRouche appeal, and urged that justice be done. These *Amici* included:

Professor Dr. Hans Richard Klecatsky, the former Minister of Justice for the Federal Republic of Austria; Professor Dr. Albert Bleckmann of Muenster, Germany, a noted author on international law; and Jean-Marc Varaut of Paris, France, Commission Reporter of the Universal Declaration of the Rights of Defense adopted in 1987 by the bar associations of the countries of the Free World. Their briefs were reprinted in the book, *Railroad!*

In Latin America, the LaRouche appeal also drew prominent attention and support. Over 100 Senators and Congressmen from seven different countries signed a statement, published as a paid advertisement in the *Washington Post* on April 28, 1989, which read:

The undersigned, legislators from the nations of Latin America, express the hope that the Democratic politician, Lyndon H. LaRouche, known for his defense of the national sovereignty of the nations of Latin America, for his fight against drug trafficking, and in favor of the creation of a new international economic order to eliminate the International Monetary Fund's unjust policies, may immediately regain his freedom, as an expression of the justice which must characterize the government of the United States, and in observance of the principles and human rights consecrated in that nation's Constitution. We trust that North American justice, defender of human rights, will take practical steps to right the injustice of the political proceedings against LaRouche.

2. The coverup

It is the contention of the Complainants that a principal reason that justice has not been done in this case, is that the Bush Administration in Washington, D.C. is directly and personally involved in an ongoing coverup of the facts about the LaRouche case. The U.S. government is hiding behind the fig leaf of "national security" classification—as it has in the Watergate and Iran/Contra cases—in order to avoid releasing documents which prove LaRouche et al.'s innocence and the government's illegal persecution of political opponents.

Government coverup became the dominant feature in the 1987 trial of LaRouche and others, in Boston, Massachusetts, which ended in a mistrial and the eventual dropping of all charges by the U.S. government—after the convictions in Alexandria had been obtained. In the course of the Boston trial, a document surfaced which had been found in the safe of Lt. Col. Oliver North, consisting of a confidential telex, dated May 5, 1986, from Richard Secord to North, then at the National Security Council, which established beyond a doubt that LaRouche and his movement had been under surveillance, and probably targeted for infiltration and disruption as well. The now-famous telex stated, in part:

Lewis has met with FMI and other agency reps and is

apparently meeting again today. Our man here claims Lewis has collected info against Larouche [sic]—let's see how polygraph goes. Rgds, Dick.

Shortly after this document was placed on the record in the Boston case, the judge ordered George Bush, then Vice President of the United States, to search all his files for similar, possibly exculpatory material. Within two months, a mistrial was declared.

The odor of illegal government activity against LaRouche was already so prevalent in the courtroom, however, that one of the jurors told the Boston press: "We would have acquitted everybody at this point. . . . There was too much question of government misconduct in what was happening in the LaRouche campaign."

In the subsequent Alexandria prosecution of the Complainants, the government took steps to insure that all evidence of government wrongdoing was covered up. Judge Bryan was instrumental in this, denying all defense discovery motions, while ridiculing the very idea that the government might have something to cover up—despite the clear evidence from the earlier Boston trial.

The evidence which could exculpate LaRouche and his associates is currently protected by government officials' assertions of "national security" privilege. More than 56,000 pages of documents have now been acknowledged by different branches of the government to exist concerning LaRouche, Wertz, Spannaus, Small and other LaRouche associates. Specifically, the Central Intelligence Agency has admitted to reviewing an undisclosed number of documents "originated" by the CIA and found in FBI files, regarding Complainant Dennis Small and the activities of the LaRouche movement in Latin America. Although the government initially denied the Complainants' assertion that they had been falsely investigated on the pretext of Executive Order 12333's "national security" provisions, the government subsequently admitted that they have such a file but refuse to release many documents, claiming "national security" privilege.

President George Bush has the authority to declassify these documents, and what are thought to be tens if not hundreds of thousands of pages of other documents not yet identified. President Bush has been formally requested to declassify and release this "LaRouche File." To date, he has refused to do so.

3. LaRouche's political views

Over nearly ten years, Kissinger and others associated with him in the U.S. government joined in a "secret" public/private conspiracy, using government financial and law enforcement resources and media outlets, to target LaRouche, his associates and supporters for harassment, persecution, and infiltration. At Kissinger's personal instigation in an August 19, 1982 letter to then-Federal Bureau of Investigation

(FBI) director William Webster, investigations were opened against LaRouche and his collaborators, and continued under the cover of Presidential Executive Order 12333. A pretext was established by labeling LaRouche a potential "national security" threat, and these forces then employed legal and other means to attempt to obliterate an entire political movement tied to presidential candidate LaRouche.

In fact, the so-called "national security threat" consisted of the growing policy influence among the nations of Latin America and in Washington, D.C., of LaRouche's views, which collided head-on with those of Kissinger and his allies in the banking community, on issues such as:

(1) rejection of the austerity policies of the International Monetary Fund, and promotion of Third World industrial development instead;

(2) debt moratorium for developing sector nations;

(3) total war on the drug trade, targeting its financial controllers;

(4) development of the Strategic Defense Initiative; and

(5) halting U.S. support for the Contras.

The sharpest policy battle occurred over the issue of the Latin American debt crisis, and LaRouche's proposed solutions, presented in his August 1982 book-length study, *Operation Juárez*, which called for:

- the formation of a Latin American Debtors Club and Common Market to unilaterally proclaim debt moratoria on the continent's unpayable debt;

- great infrastructural development projects to quickly develop the region's physical economy;

- the replacement of the IMF and the entire Bretton Woods monetary system, with a just New International Economic Order.

Operation Juárez circulated widely among leading political layers throughout the Americas. LaRouche also discussed these ideas personally with various Third World heads of state, including Mexico's José López Portillo (1982), India's Indira Gandhi (1982), and Argentina's Raúl Alfonsín (1984).

LaRouche and his associates also presented these policies for sweeping financial reform to high level representatives of the Reagan Administration in Washington, D.C., urging their adoption on the grounds that they represented the only way to salvage the West's own banking structure, while assuring the security and stability of the U.S.'s neighbors to the South.

Some within the Reagan Administration listened to LaRouche. For example, Richard Morris, the Executive Assistant to the Advisor to the President for National Security Affairs, met repeatedly with LaRouche and a number of his associates, to receive briefings and reports on these and related subjects.

The opposing view—that of the Wall Street bankers—was represented in Washington largely by Henry Kissinger and individuals closely associated with him, such as Roy Godson, Walter Raymond, Kenneth deGraffenreid, and Lt.

Col. Oliver North. According to court testimony of Richard Morris, Godson, Raymond, and deGraffenreid repeatedly slandered LaRouche within the National Security Council, in an effort to insure that his policies were not considered:

Kenneth deGraffenreid . . . was the senior member on the Intelligence Staff [at the NSC—ed.], and he spoke to me several times about the impropriety of entertaining input from Mr. LaRouche and/or Mr. LaRouche's representatives. He was supported by a consultant for intelligence purposes, Roy Godson. . . . They described him [LaRouche—ed.] as many things. As a socialist, as a communist, as a member of the KGB, as a fascist, and always he was an extremist. Whatever he was, he was an extremist.

In July 1983, President Reagan named Henry Kissinger to head the so-called Kissinger Commission on Central America. Kissinger used this position to lock in the Reagan Administration's adoption of Wall Street's solution to the debt crisis: pay, no matter what the cost.

In October 1983, Lt. Col. North was assigned to personally escort the members of the Kissinger Commission on a tour of Central America. On March 15, 1984, he was also involved in blocking LaRouche's access to the Reagan administration, filing a National Security Memorandum recommending that a letter from Lyndon LaRouche to President Reagan on the subject of the Kissinger Commission Report on Central America, "should *not* be answered."

Ultimately, the views and interests of Wall Street prevailed. U.S. national interest was equated with whatever U.S. banks needed to collect on every penny of their debt. And U.S. national security was defined as providing for the security of these banking operations. The results are evident in the history of the 1980s. Over the course of the decade, Latin America paid the banks \$321 billion in interest payments alone, more than 177% of the total foreign debt in 1980. And yet that debt grew from \$243 billion in 1980, to \$429 billion in 1990. As a result of this looting, elementary nutrition, sanitation, and health requirements have gone unmet in every country in Latin America, and the cholera epidemic today sweeping the continent is one of the consequences.

IV. Articles of the declaration or convention which have been violated

American Declaration of the Rights and Duties of Man

Article IV. Right to freedom of expression. (See above for details.)

Article XVIII. Right to a fair trial. (See above for details.)

Article XXII. Right of association. (See above for details.)

Article XXV. Right of protection from deprivation of liberty for nonfulfillment of obligations of a civil nature.

Late repayment on loans due is a purely civil matter to be negotiated and/or litigated by the two contracting parties. Furthermore, in this case the untimely repayments were principally due to U.S. government interference, not willful deception on the part of the Complainants.

Article XXVI.—Right to due process of law. (See above for details.)

American Convention on Human Rights

Article 5.2. No person shall be subjected to cruel or inhuman punishment. (See above for details.)

Articles 8.1 and 8.2.c and d. Right to a fair trial.

8.1 Every person has the right to a hearing with due guarantees and within a reasonable time, by a competent, independent, and impartial tribunal.

The impartiality and independence of the jurors who sat on the jury which found these Complainants guilty, was not assured prior to the trial as required by U.S. law. The judge refused to ask any detailed questions of these persons prior to selection, despite an avalanche of vicious and hostile news coverage about LaRouche and his associates. In addition, the jury pool for the area consists predominantly of U.S. government employees and/or persons whose livelihood depends on government contracts.

More importantly, the man who became the foreman of the jury, Buster Horton, is a high-ranking U.S. Department of Agriculture official with top-level assignments on security issues and emergency preparedness. The Complainants did not become aware of these facts until after the trial was completed. Mr. Horton is a member of an elite one hundred person team responsible for “continuity in government” in the event of a national security threat. His activities, coordinated through the Federal Emergency Management Administration (FEMA), interface with numerous federal law enforcement agencies. In this capacity he had contact with the FBI, Justice Department and CIA officials, among others—a fact he failed to disclose during jury questioning.

It is of note that Horton sat on FEMA’s interagency coordinating body at the same period of time that Lt. Col. Oliver North sat on it for the National Security Council (NSC), whose antagonistic role at the NSC against LaRouche’s policy input is documented above.

8.2.c Right to adequate time and means for the preparation of his defense.

As Ramsey Clark wrote in the Complainants’ petition to the U.S. Supreme Court:

... seven defendants were denied their rights to a fair trial, to due process of law . . . where they were forced to trial over vigorous protest 38 days after the return of a 52-page, two conspiracy, 13-count indictment which resulted from an extensive four-and-one-half year nationwide investigation and which alleged 121 overt acts citing 14 unindicted co-conspirators, and where the government listed 53 trial witnesses and turned over a massive quantity of discovery materials during the time between indictment and trial.

8.2.d Right to defend oneself or to be assisted by legal counsel of one’s own choosing.

In a related Virginia state “securities” trial of Complainant Billington, the right to counsel was totally abrogated when, on the eve of trial, his own attorney accused him of being “incompetent” and demanded a psychiatric examination of his client by the court. Billington, who faces 77 years incarceration, filed a *habeas corpus* petition with the Virginia Court of Appeals, which states in part:

There was such a complete and total breakdown in communications between me and my attorney, Brian P. Gettings . . . that I was denied my constitutionally guaranteed right to effective assistance of counsel; [e]ven though Gettings abandoned me on the eve of trial, [and] there was another attorney who would have undertaken to represent me . . . [t]he court denied my motion to substitute counsel. . . . My counsel and the court, through its rulings, barred me from participating in the trial, thus rendering meaningless my constitutional right to be present during and participate in the [trial].

Article 9. Freedom from Ex Post Facto Laws.

No one shall be convicted of any act or omission that did not constitute a criminal offense, at the time it was committed.

Complainant Billington, along with 15 other political activists with the LaRouche movement, were rounded up and arrested February 17, 1987 on charges of having violated state of Virginia securities laws by soliciting political loans from supporters. However, at the time of the arrest (as well as the time period when the alleged crimes occurred) the Virginia State Corporation Commission had not determined that the letters-of-indebtedness given to these political supporters were in fact “securities.” Eight of these 15 individuals, including Mr. Billington, have been tried and found guilty of these “crimes.” Barbaric sentences have been handed out (77 years, 39 years, 38 years, 34 years, 25 years) and

stringent bond-on-appeal conditions have been imposed.

Article 13.1. Freedom of Thought and Expression. (See above for details.)

Article 14.1. Right to Reply

The vilification of Mr. LaRouche, his political associates and the movement they have created by news media, aided by a highly coordinated government/private apparatus (see above for details), has clearly injured the ability of their ideas to be presented before the public, free from the taint of inaccurate and offensive statements. The dissemination of these hateful characterizations of LaRouche has been widespread throughout many member states of the OAS, by aid of U.S. State Department officials.

Article 16.1. Freedom of Association. (See above for details.)

Article 25. Right to Judicial Protection. (See above for details.)

V. Names and titles of persons who committed the violation

The following list is by no means a comprehensive list of all of the public officials and/or private members who participated in the U.S. government sponsored "Get LaRouche" task force. The actions of the individuals listed below, have in some way been referenced in the text of this Complaint.

1. Mira Boland—Fact Finding Director of the Washington, D.C. Office of the Anti-Defamation League of B'nai B'rith.

2. Albert V. Bryan, Jr.—Chief Judge, U.S. District Court for the Eastern District of Virginia (Alexandria Division).

3. Charles Bryant—Virginia State Police Case Agent and Investigator on Virginia "securities" case.

4. Kenneth deGraffenreid—Senior Member of the Intelligence Staff of the National Security Council (NSC) and assistant to Walter Raymond (see below), who spread defamatory information about LaRouche within the NSC.

5. Edward Gibson—FBI Agent who was responsible for conducting most of the interrogations of political supporters of the LaRouche movement.

6. Roy Godson—A consultant to the National Security Council and the President's Foreign Intelligence Advisory Board, who participated in initial meetings in 1983-84, called to discuss actions to counteract the political influence of the LaRouche movement. He also spread slanders concerning LaRouche at the NSC. Godson was instrumental in obtaining private funding for Project Democracy's public diplomacy efforts to target opponents of the "secret" Iran/Contra efforts. (Cited in *Report of the Congressional Com-*

mittees Investigating the Iran/Contra Affair, November 7, Chapter 4, p. 97).

7. Henry Hudson—U.S. Attorney in the Eastern District of Virginia. He headed the criminal prosecution against the Complainants and oversaw and authorized the bringing of the involuntary bankruptcy against the three firms.

8. Henry Kissinger—Former U.S. Secretary of State and head of President Reagan's Kissinger Commission on Central America, who was the prime instigator in causing governmental investigations against LaRouche as an alleged threat to national security.

9. Timothy Klund—FBI Agent, Alexandria, Virginia. Lead case agent directing the Alexandria investigation against the Complainants. He also was the liaison agent between the Boston and Alexandria investigations against LaRouche.

10. John Markham—Former Assistant U.S. Attorney. Lead prosecutor for the government on the Boston case. After the mistrial there, he was assigned to the Alexandria prosecution team.

11. Donald Moore—Loudoun County Virginia Deputy Sheriff, who coordinated with both law enforcement and private members of the "Get LaRouche" task force.

12. Oliver North—Former Assistant Deputy Director for Political-Military Affairs at the NSC, who oversaw the illegal Iran/Contra operations. (See above.)

13. Mark Rasch—Attorney with the Department of Justice, Fraud Section who was assigned to both the Boston and Alexandria prosecutions against the Complainants.

14. Walter Raymond—Senior Director for Intelligence Programs at the NSC, later becoming the Special Assistant to the President, with responsibility for diplomatically promoting the initiatives of Project Democracy, including support for the Contras. He was also the author of Executive Order 12333.

15. Oliver Revell—Former Assistant Director of the FBI.

16. Kent Robinson—Assistant U.S. Attorney. Led the prosecution team and directed the investigation in Alexandria, Virginia against the Complainants.

17. S. David Schiller—Assistant U.S. Attorney. The prosecutor who designed and filed the involuntary bankruptcy petitions which illegally seized the three companies described above.

18. William Webster—Director of the CIA; and former Director of the FBI.

19. William Weld—Former U.S. Attorney for Boston, Massachusetts. Initiated the first investigation and prosecution of LaRouche and his collaborators. He later became the head of the Criminal Division for the Department of Justice and approved U.S. Attorney Henry Hudson's criminal prosecution of LaRouche et al., as well as the bankruptcy action.

Editor's note: Omitted here are Section VI, "Witnesses to the violation," and Section VII, "Addresses and telephone

numbers of witnesses," since these are not applicable to this Complaint. Also omitted is Section VIII, the documentary exhibits.

IX. Domestic legal remedies pursued

In the Fourth Circuit Court of Appeals
Petition for Bail Pending Appeal
Filed: 1/31/89 Denied: 2/07/89

In the Fourth Circuit Court of Appeals
Motion for Bond Pending Appeal Before a Three-Judge Panel
Filed: 4/05/89 Denied: 4/14/89

In the Fourth Circuit Court of Appeals
Motion for Reconsideration of Order Denying Motion for Bond Pending Appeal
Filed: 4/21/89 Denied: 4/25/89

In the U.S. Supreme Court of the United States
Application For Release Pending Appeal in the Fourth Circuit
Filed: 5/05/89 Denied: 5/11/89

In the Fourth Circuit Court of Appeals
Appeal to the Fourth Circuit
Filed: 5/25/89 Denied: 1/22/90

In the U.S. Supreme Court of the United States
Application for Release Pending Disposition of Joint Petitions for Writs of Habeas Corpus
Filed: 6/02/89 Denied: 7/89

In the Fourth Circuit Court of Appeals
Petition for En Banc Rehearing
Filed: 2/05/90 Denied: 2/16/90

In the U.S. Supreme Court of the United States
Petition for Writ of Certiorari
Filed: 5/17/90 Denied: 6/11/90

In the U.S. District Court for the Eastern District of Virginia
Wertz Motion for Modification of Sentence
Filed: 4/26/90 Denied: 5/3/90

In the U.S. District Court for the Eastern District of Virginia
Spannaus Motion for Reduction of Sentence
Filed: 9/10/90 Denied: 9/11/90

In the U.S. District Court for the Eastern District of Virginia
LaRouche Motion for Reduction of Sentence
Filed: 9/90 Denied: 9/28/90

Although the date of the most recent denial of a remedy sought by these Complainants is beyond the normal "six-month exhaustion" requirement cited in Article 38 of the Regulations of the Commission, the continuing deprivation of rights which persists in this case strongly mandates that the Commission

motu proprio take into consideration . . . information that it considers pertinent and which . . . in its opinion fulfills the requirements. (Article 26.2, Regulations.)

Complainants believe that due to the political rights and freedoms being denied both themselves and many others in the United States as a result of the abuse of government power and resources detailed herein, the Complaint warrants the Commission's attention.

The most compelling reason for the Commission to take up this Complaint is the continuing violations of human rights which exist in this case. Those continuing violations and/or deprivations are:

1. that there is an ongoing effort at this time to silence and annihilate an entire political movement, not only by the jailing and indicting of political activists, but also by (1) the denial of the right to freedom of ideas to hundreds of thousands of subscribers to publications which were illegally seized by the government, and (2) to the millions of voters who have expressed their preference to vote for LaRouche Democrats;

2. three of the Complainants (LaRouche, Wertz and Spannaus) remain incarcerated, while 10 others have been convicted and are out of jail pending the outcome of their appeals, and eight individuals and five corporations are awaiting trial;

3. one of the Complainants' parole conditions deny her the right to be a journalist for any LaRouche-associated publication;

4. one other Complainant has been denied his rights to associate with his former political collaborators; and

5. the Complainants continue to be deprived of access to potentially exculpatory evidence which could overturn their convictions because the Bush Administration has invoked claims of "national security" on documents in the possession of agencies such as the CIA, FBI, NSC, among others.

For all of the above reasons, Complainants respectfully urge the Organization of American States' Inter-American Commission on Human Rights to investigate the charges detailed herein.

Bush Democrats begin to make their move

by Nancy Spannaus

President Bush may not know it yet, but the 1992 electoral campaign has indeed begun. And the President himself, despite his nominal popularity, is very likely to be replaced.

Bush's backers in the financial establishment have made it abundantly clear, at least in their private journals, what they think the domestic program of the United States has to be. From that standpoint, George Bush comes up wanting, not the least for the fact that he is a frenetic, unstable, raging maniac. He can do a lot of damage in the time he has left, but his days are numbered.

Just as this becomes painfully obvious, a number of Democrats in the establishment's stable have begun to threaten to announce their candidacies after Labor Day. At the top of the list seems to be Sen. John D. Rockefeller IV, molded in the unlikely guise of a pro-labor West Virginia Democrat. Then come Sen. Albert Gore of Tennessee, former Sen. Paul Tsongas of Massachusetts, Sen. Tom Harkin of Iowa, Gov. Bill Clinton of Arkansas, and the ever-looming New York Gov. Mario Cuomo.

Should anyone be surprised that the programs of these "Democrats" are a variant on the same kind of fiscal austerity that has been the rallying cry of Bush Republicans? The Democrats are no more a "grass-roots" party than the Republicans these days, and the programs of these characters prove it. Unless there is a move by constituency organizations to "take back" the party with a program that rejects every aspect of the programs of the last 25 years, even the removal of Bush might usher in a worse regime of fascist austerity and police-state rule.

Council on Foreign Relations speaks again

Leading establishment spokesmen have not minced any words in criticizing the Bush administration's performance

on what they call the "domestic agenda." First there was William Hyland, editor of the Council on Foreign Relations' quarterly, *Foreign Affairs*; then Peter Peterson, the investment banker who has taken the point in calling for budget and social security austerity and who now heads the CFR. The same theme was struck in the Summer 1991 issue of *Foreign Affairs*, in an article by Robert Hormats.

Hormats, a former assistant secretary of state who is now vice chairman of Goldman, Sachs International, entitles his piece "The Roots of American Power." He argues:

"It is an ominous sign for the future, then, that today U.S. domestic savings are close to a historical low and that investment in education, industry, infrastructure and vanguard technologies is inadequate. While the United States is likely to maintain military preeminence for years to come, savings and investment shortfalls raise concerns about America's future capacity to produce the resources, technologies, and trained people necessary to maintain its current overwhelming military edge. Consequently, there is reason for alarm about this country's ability a decade or two from now to fight a Gulf-type war—or any other war—so successfully and with so few casualties. Without this confidence, the United States could become reluctant to act decisively, and other nations might become more willing to challenge American interests."

What is Hormats's solution? Primarily to break the "special interest groups" who are allegedly preventing the effective mobilization of "human resources." This will mean "making the controversial decisions needed to change course." In particular, like Peterson, Hormats wants to take on the powerful voting strength of the elderly which helps them resist large cuts in their benefits, and impose other "savings" that are supposed to allow the rebuilding of the real economy.

The Bush Democrats echo

With the Hormats and Peterson arguments in mind, it is difficult not to hear the words of the aspiring Democratic candidates as echoes of their masters' voices. While Democrats have not made a major move in Congress on economic policy, their rhetoric is inching in that direction.

The first salvo of the Democrats against Bush's economic Achilles' heel was the bill to extend unemployment benefits in states with official unemployment rates of over 8%. While it looks as though this bill will pass, Republicans are moving to adapt it as an administration bill and take away its political steam. It's a minimal step, given the collapse in the number of unemployed who are currently eligible for benefits, in contrast to the 1960s.

The second is oriented around a so-called comprehensive health plan, something that every working person and businessman in this country would like to see. So far, however, the guts of this plan is nothing more than "cost-cutting," and not against the insurance companies. Any extension of coverage for health care is going to be linked with rationing proposals based implicitly on the Nazi idea that someone (i.e., the government) will have to decide whom we have the resources to keep alive, and whom we'll condemn to die. It will be Peterson's idea of sacrificing the elderly, allegedly for the sake of the young.

The third prong of the Democratic program, if it can be so dignified, is a push for an infrastructure program. And what is the cutting edge of this proposal but a 5¢ per gallon gasoline tax. That's not going to accomplish much, but it is recognizable as a prominent aspect of Peterson's domestic austerity program.

The fact is that the Democrats are stuck with trying to score economic points against Bush at the same time that they want to maintain Bush's fiscally austere approach. They even aspire to be tougher in their austerity approach. One Northern Virginia congressman, for example, gave a speech July 26 in which he argued that the Democrats' program had to be to tie eligibility for *all* welfare, housing, and health care assistance to job and education programs. Talk about slave labor!

Of course, the Democrats are also going to try to score points by talking about the scandalous savings and loan crisis, and other dramatic speculative excesses of the Reagan-Bush years, as well as "bashing" Germany and Japan. But, rather than putting forward an alternative directed credit policy, they are saying "trust us, our austerity program will be better than theirs."

On the scandal front

What the Democrats lack in economic clarity, of course, they make up for in righteous indignation. There is no question but that they have Bush in a very tough spot on a number of scandals—ranging from the Iran-Contra drug-running mess, to the police-state actions of the Justice Department,

to the October Surprise. And they are beginning to play these matters to the hilt.

At present, the administration is facing a barrage of hearings in September and October, which could blow up in its face. These are broadly seen as kicking off the 1992 election campaign, as in fact they are.

The problem is, that every single one of these scandals has been subject to coverup by the Democrats as well, because of their own participation. Leading Democrats knew about the drug running by Oliver North, were complicit in the police-state measures against leading Democrats like Lyndon LaRouche, and took their own payoffs from corrupt arms dealers and bankers like the Bank of Credit and Commerce International (BCCI). Unless they are willing to clean house totally, they cannot pursue these scandals fully. The Bush side will have the blackmail to stymie them.

The LaRouche alternative

Given the financial and political instability into which the incompetent and immoral economics of the last 25 years has thrown the United States and the world, there is every possibility that the controlled game which the establishment is planning will fall apart. With major cities and states going into bankruptcy, the chance of all incumbent politicians losing their political futures is not inconceivable. Bush could be out of office by Christmas; John D. Rockefeller and Al Gore could be spurned as the establishment politicians which they are.

But where is there an actual alternative to the anti-progress, anti-human austerity policies of the last 20 to 25 years? Someone who does not simply indulge in rhetoric about the "good old days," but understands the need to use national credit to reverse the global depression? Such an alternative policy is only available in the person of, and Democratic Party grouping around imprisoned economist Lyndon LaRouche.

The fact that LaRouche's candidacy, already registered with the Federal Election Commission, is seen as "impractical," is a testament to the continued unwillingness of constituency leaders to understand how radical a shift is required in national policy. The disaster of the last 25 years was the lawful result of the axioms of the post-industrial society, whose advocates were Republicans and Democrats, liberals and conservatives. To reverse it will require junking all the programs that resulted, and re-adopting the approach of Alexander Hamilton, Abraham Lincoln, and Friedrich List. Under that approach, credit was guided by the need to increase the creative potential of the population, in ways that varied from infrastructure construction to fostering projects on the frontiers of science.

George Bush, the quintessential representative of the Anglo-American establishment in the U.S., must be politically destroyed. But if a Bush Democrat gets into office, we will still be kissing our freedoms and our future good-bye.

Showdown looms over Thornburgh Doctrine

by Leo Scanlon

The Bush administration has put the Congress on notice that it intends to stonewall an ongoing investigation into the origins of the Bush administration policy of kidnaping foreigners who are indicted in U.S. courts. The action could subject Attorney General Richard Thornburgh to contempt of Congress charges as early as September, when the legislature comes back in session. The controversy goes to the heart of the "Thornburgh Doctrine," which asserts that sovereign states have no legitimacy in the face of U.S. criminal laws. The Bush administration has based its "war on drugs" and its war on Panama on this outlaw philosophy, which is overdue for examination.

The showdown between the Congress and the Department of Justice (DoJ) erupted into a public brawl on July 19, when Attorney General Thornburgh and 21 of his top deputies boycotted the House Judiciary Committee hearing which had been scheduled to review the department's \$10 billion budget request for the coming year. New York Republican Hamilton Fish told the committee that he had advised the Attorney General to take the unprecedented step because the hearing was going to turn into a political "circus."

Committee chairman Jack Brooks (D-Tex.) had thrown down the gauntlet by announcing that the hearings would call Thornburgh to account for a variety of arrogant and illegal actions taken by the Department in recent years. In his opening statement he said, "The empty chair, the unanswered request, the delayed response are becoming the symbols of an increasingly remote and self-centered Justice Department bent on expanding the accepted boundaries of Executive Branch power and prerogatives. This disturbing view of government has served as the department's rationale for denying access to the committee of documents under a vaguely worded notion of 'executive privilege'; unilaterally declaring acts of Congress unconstitutional without adjudication by the courts; and by arrogating unto itself the discretion to ignore congressional inquiries short of compulsory process."

Brooks and his fellow Democrats are initiating a confrontation with the administration, for as Brooks observed, "It appears that the only function that Congress plays in this scheme of government is to appropriate funds for the operation of government. If that, indeed, is how the Justice Depart-

ment views our constitutional form of government, then it may well be time to get their attention by using that process decisively." In addition to the potential charges against Thornburgh, the House has yet to agree to any version of the Senate's Crime Bill, and can hold that, as well as the DoJ budget, hostage to this dispute.

Subpoenas rejected in Inslaw case

There are other issues which have come to a head between the committee and the DoJ, especially involving the case of the Inslaw computer software company. Thornburgh has been subpoenaed to produce 490 documents held by the Justice Department and denied to Congress. The DoJ has refused, claiming a novel interpretation of the attorney-client privilege to shield inter-department communications in the matter. This interpretation views a congressional oversight committee investigatory request as if it were a criminal investigation, treating the committee as if it were a grand jury, and categorizing Congress as an adversary institution.

Justice Department officials claim that they complied with a second subpoena from Representative Brooks for documents in the case. However, sources close to the probe say that the DoJ has admitted privately that many of the most critical documents were missing from the delivery. According to one senior Justice official, there was a break-in at department headquarters in June, in which files were removed and computer disks relating to Inslaw were copied. Supposedly, at the end of July, copies of some of these "pilfered" memos appeared at the offices of the House and Senate Judiciary committees and at the DoJ—with an anonymous cover letter saying that the documents were removed and secured in order to prevent their destruction.

The kidnaping policy

The committee has demanded, and been refused, documents prepared by the Office of Legal Counsel which formed the basis of the President's Executive Directive that the FBI had authority to kidnap or detain persons overseas without the permission or knowledge of the host government.

The administration is claiming that a release of the documents which define the controversial policy would threaten the prosecution of Manuel Noriega and others who were arrested under its authority, because the documents contain a discussion of the strengths and weaknesses of the government's case.

There are similar issues involving communications within the Executive Branch, with Thornburgh claiming "executive privilege" in each case as the basis of his refusal to release documents. Democrats point out that the DoJ has no power to assert the claim, which is the legal privilege of the "client" in the proceeding. If the President wishes to claim executive privilege, his attorney, C. Boyden Gray, must assert it for him. The DoJ's "client" is the U.S. government, which includes Congress.

Kimmitt confirmed as ambassador to Germany

by Scott Thompson

Sen. Joseph Biden (D-Del.), who chairs the European subcommittee of the Senate Foreign Relations Committee, ran a blatant coverup in July 29 hearings to rush through Robert Kimmitt's confirmation as U.S. ambassador to Germany. Senator Biden's deliberate bungling of questions that dealt with Kimmitt's involvement with the Iran-Contra affair, and with former U.S. Ambassador to Iraq April Glaspie's perjured testimony to the committee on how war with Iraq had been rigged, set a new low for that Senate committee.

There was no excuse for Senator Biden's waffling, since, as even the senator acknowledged, a lot more documents had been released on Kimmitt's role in Iran-Contra since his last confirmation appearance in 1989, when he was seeking to become undersecretary of state for political affairs. These documents reveal that Kimmitt's actions rivaled those of National Security Council deputy director Robert Gates, whose confirmation hearings for Director of Central Intelligence have been postponed until September by the Senate Intelligence Committee. The new documents detail Kimmitt's collusion with the CIA architect of the "public diplomacy" program, Walter Raymond, to raise private funds for the Contras, despite a congressional ban. This has been a litmus test of Iran-Contra crimes in other cases.

The evidence is ignored

The stench of coverup was there right from the start of Biden's questioning, as the senator quipped that Kimmitt's sponsorship by former Senate Majority Leader Mike Mansfield meant that "I guess we can close these hearings, and ask for your confirmation now."

On Iran-Contra, Senator Biden said that questions remained on only one set of documents, even though more had surfaced since Kimmitt's 1989 hearings, where he only admitted that as executive secretary of the National Security Council he knew the broad outlines and had seen some of the paperwork relating to that scandal.

Senator Biden focused on a Jan. 22, 1985 request from Kimmitt to White House Counsel Fred Fielding, asking whether it would be all right (despite the congressional ban) to host top corporate executives at the White House, where they would be asked to fund a Nicaraguan Refugee Fund. When Fielding said this would contravene all White House policy, Kimmitt wrote a second request offering a compromise: The briefing would be in the White House, but the fundraising

pitch would be made at a separate event at a hotel. Finally, Fielding agreed.

Under questioning, Kimmitt revealed he had written these memos in consultation with CIA agent Walter Raymond, the architect of the "public diplomacy" effort. Although Kimmitt had just been caught in an attempt to bypass the congressional ban upon funding the Contras, Biden, who should have immediately referred the matter to Special Prosecutor Lawrence Walsh, said it was his view and that of the Senate Foreign Relations Committee's general counsel that Kimmitt had merely been a waterboy for Raymond. This, despite the fact that Kimmitt was far higher up in the NSC hierarchy than Raymond.

That was the only question Senator Biden asked Kimmitt about his role in Iran-Contra, despite the fact that one week earlier, *EIR* had given the committee's general counsel, Mike Epstein, a dozen newly declassified NSC documents that implicated Kimmitt in Iran-Contra wrongdoing. These documents ranged from extensive correspondence with Oliver North, to planning "public diplomacy" campaigns to trick European supporters of the Contra policy, to requests for approval from Kimmitt for accelerating shipments of heavy weapons (from active U.S. military stocks if need be) to Honduras.

The most damning of these new documents detailed a joint operation by Kimmitt and North to keep Congress ignorant of illegal Contra support actions during confirmation hearings of then-U.S. Ambassador to Honduras John Negroponte to be an assistant secretary of state. In one Feb. 20, 1985 "secret" memo, North told Kimmitt that "we" must give "protection against unauthorized disclosure" to Congress, and Kimmitt then wrote guidelines for Negroponte's testimony. All of these documents were ignored by Senator Biden.

April Glaspie's lies

Senator Biden also buried the story of Kimmitt's involvement in the now-infamous testimony of April Glaspie, when she denied that she had told Saddam Hussein that the United States would be indifferent if he invaded Kuwait. According to the Jan. 3, 1991 *New York Times*, Kimmitt was Secretary of State James Baker's right-hand man during the Gulf war. During July, the *New Republic* printed a report that Kimmitt had handled Glaspie upon her recall, when she is known to have been placed under virtual State Department house arrest. Although the article predicted an explosion over the Glaspie issue at Kimmitt's hearings, no such thing was allowed to occur. No sooner had Kimmitt admitted having seen early versions of Glaspie's testimony, which were written for her by others, than Biden cut off questions, saying: "There's no need to ask more about this here. It's all been gone through by our general counsel and chief investigator in private questioning of you."

Kimmitt was voted up to be the new ambassador to Germany by the full Senate later that same day.

Judge rules Medicaid payment system illegal

by Linda Everett

On July 3, a federal judge threw out Washington State's Medicaid payment system, calling it "arbitrary and capricious" and a violation of federal law, because it inadequately paid hospitals for costs incurred for treating Medicaid patients. The decision comes at a point when federal mandates to states to provide broader Medicaid benefits, combined with growing numbers of unemployed and massive state budget deficits, have led legislators to order brutal rate cuts to hospitals.

Until recently, the state of Oregon, for example, paid hospitals only 59¢ for every dollar spent for providing services. Hospitals in 21 states responded by suing for higher rates. While each of the eight suits settled so far was resolved in favor of the hospital, U.S. District Judge Thomas Zilly's ruling has national implications and may force states to re-examine how they pay hospitals for treating the poor.

In his 129-page decision, Judge Zilly explains how the state of Washington does not abide by the 1981 Boren Amendment to the Medicaid Act. The Medicaid program is a cooperative federal-state program in which the federal government matches what states pay hospitals that provide care to Medicaid recipients. From 1972 to 1981, Congress required that state reimbursements to providers reflect the cost necessary to provide services of adequate quality. In 1981, Congress amended the Medicaid law and no longer required that hospital payments be linked to the *actual* costs of treating a Medicaid patient. Instead, the Boren Amendment said states must assure that their payment rates are "reasonable and adequate" to cover the costs incurred by "efficiently and economically operated" hospitals for treating Medicaid recipients. The "reasonable rates" assurance is the central issue in the Washington hospital suit challenging state payment plans.

Hospitals being cheated

Judge Zilly painstakingly analyzed each tortuous turn in Washington State's rate-cutting methodologies since 1985, in 173 separate Findings of Fact and 63 Conclusions of Law. Suffice it to say that the state, with the help of Peat Marwick Main and Co. consultants, spewed out so many convoluted schemes of ratio juggling in an effort to chisel ever larger chunks out of hospital payments, that they reduced themselves to the level of con-artists.

In 1985, Washington State's Department of Social and Health Services (DSHS) adopted a prospective payment system for reimbursing inpatient hospital services. The state used diagnosis related groupings (DRGs), in which they paid a facility a flat rate based on a patient's diagnosis, not on the cost of treatment or the length of stay. Within a year, DSHS cut these low hospital rates by 23.7% across the board. Although this cut was voided in court in May 1987, the governor called for another cut to Medicaid of \$25.8 million in early 1987. To appease demands for more Medicaid cuts, DSHS adopted a ghastly second generation of DRGs which utilized methodologies appropriate to a bunch of flim-flam men.

Here's one example. To cut the base year costs used to set the hospitals' second generation DRG payment rate, DSHS removed the costs of hospitals' caring for "outliers." These are cases with extraordinarily high costs. This resulted in a substantial understatement of total hospital costs and a significantly reduced average cost, thereby severely lowering the rate of reimbursement to hospitals.

DSHS also implemented new payment schemes more than a year before the Health Care Financing Administration (HCFA) which oversees Medicaid, reviewed and rejected them—hospitals never recovered the millions they were short-changed each time. Judge Zilly repeatedly found that DSHS never investigated to "find" or ensure that its payment rates were adequate to meet costs as the law required or were within *any* "zone of reasonableness."

In fact, according to one estimate, 1988 DRG payments to hospitals were less than their 1985 actual Medicaid costs. Hospitals receive only about 79% of the actual costs they incur. The state only fully pays the costs involved about 12% of the time.

Washington State claims all of the hospitals in the state are not efficient, so the state reduced 1988 hospital payments to "encourage cost-containment." The judge dismissed the claim as "not credible," saying rate changes were driven by budgetary considerations. The state "proved" hospitals were not efficient because they had 33% "excess" beds, costing over \$164 million in 1985. Their study showed that one hospital had 43 excess beds out of 176 beds, resulting in costs of \$2.8 million for that hospital in 1988. In fact, that hospital converted those 43 beds to outpatient and other uses, and even more remarkable, its total operating expenses for 1988 were less than \$2.8 million.

Low state-reimbursement rates force hospitals to shift the costs of caring for Medicaid patients to private paying patients, and forces providers to borrow, both contributing to increased health care costs. Moreover, state and federal leaders have reduced the fundamental role of health care, from one upholding the inviolability of human life, to a budget item. While the U.S. Supreme Court ruled last year that hospitals have the right to sue states for decent Medicaid reimbursement, Judge Zilly's ruling defines the procedural requirements to make sure states provide adequate care.

'Cult Awareness' gang gets press 'exposure'

by Herbert Quinde

Leaders of the Cult Awareness Network (CAN), the professional hate group which has targeted the political movement associated with presidential candidate Lyndon LaRouche, have been garnering a bit of press exposure recently.

Cynthia Kissler, executive director of CAN, was in a previous professional incarnation a topless dancer, reports the July issue of the *Religious Freedom Alert*. Recently, Kissler has been receiving media coverage as the self-appointed spokesperson for a political vigilante group, the so-called "LaRouche Victims' Support Group." CAN sponsored the creation of the phony "Support Group" as part of a black propaganda campaign of slander and libel against LaRouche and his associates.

"Self-styled 'cult expert' Cynthia Kissler . . . and de facto 'Godmother' of the larger 'family' of deprogrammers, exit-counselors and their assorted aiders and abettors . . . has been notably silent in explaining exactly what qualifications entitle her to decide what religions are acceptable and which are not," reports the article entitled "CAN Godmother's Qualifications Revealed."

An "affidavit circulating among groups victimized by CAN indicates that Cynthia has not always been so reluctant to reveal her qualifications.

"According to the affidavit, Ms. Kissler formerly worked as a topless dancer at the Blue Note Lounge in Tucson, Arizona. The affidavit, which was sworn by one of Ms. Kissler's professional colleagues at the Blue Note, goes on to report that Ms. Kissler was fired due to her inability to get along with co-workers and customers."

A CAN of deviants

Observers of the hate group point to a pattern of deviant-behavior character traits among top leaders and members of CAN. The *Alert* comments, "Rumors of Ms. Kissler's exotic qualifications first surfaced last year when CAN president Michael Rokos was exposed as a convicted sex-offender with a taste for young boys."

EIR has also confirmed that CAN activist and LaRouche-hater John Overington introduced a bill in the West Virginia State Assembly, where he is a legislator, proposing that lavatories be installed in peep-show parlors so patrons can wash themselves off after their heated activities. Overington's concern for his peep-show constituency has earned him the nick-

name of "Pee-Wee." The reference is to Pee-Wee Herman, the stage name of the hyperactive nerd actor Paul Reubens, well-known among young children, who was recently arrested for masturbating in public at a triple X-rated movie theater.

But Virginia Lamp Thomas, a Washington, D.C. CAN activist and Deputy Assistant Secretary of Labor for Congressional and Intergovernmental Affairs, has by far received the most media attention in recent weeks. Ginny, as she is known by her friends, is the wife of President Bush's nominee to the U.S. Supreme Court, Judge Clarence Thomas. She has been profiled by the *Washington Times*, *New York Post*, and *Washington Post*, which have highlighted her "cultist" past. The *Washington Times* carried two articles on July 16 entitled "Thomas: Different Roads, Same Destination" and "Black Community Looks Askance at Judge Thomas' White Wife."

The *Times* reported, "Mrs. Thomas's decade in Washington has taken some twists she couldn't have imagined as she made her way east from Omaha.

"She would become involved with Lifespring, a motivational training group she now condemns as a cult."

Most people who make a mistake in life usually resolve their problems by taking stock of themselves, putting the experience behind them, and getting on with their lives. But hard-core CAN members allegedly are characterized as individuals who refuse to accept responsibility for their decisions and develop a paranoid obsession for blaming others—i.e., the cult—for their personal problems, say disaffected CAN members.

Commenting on Mrs. Thomas's cult encounter, the *Times* writes, "Mrs. Thomas didn't exactly put the experience in a closet and forget about it.

"Since 1985 she has been an active public advocate against cults and sects she claims brainwash their members. As a staff member with the U.S. Chamber of Commerce in 1986, Mrs. Thomas led anti-cult workshops for congressional staffers. She has been a featured speaker in several discussions sponsored by" CAN.

"During a March 1985 American Bar Association session on cults and tort lawsuits against them, Mrs. Thomas said she was brainwashed by Lifespring.

"But if Lifespring is controversial, the group Mrs. Thomas joined to condemn it is not without taint.

"Last year the Cult Awareness Network's national president, the Rev. Michael Rokos, resigned after reports surfaced that he had been arrested in Baltimore in 1982 for soliciting sex from an undercover officer disguised as a male prostitute.

"The network is involved with deprogrammers, who are hired by parents to detach their family members from religious groups," reports the *Times*. CAN promotes the kidnaping of persons from groups it targets as "cults."

"Some religious rights advocates," the paper comments, "believe that Mrs. Thomas's apparent bitterness toward Lifespring may complicate her husband's handling of religious-liberty cases if he is confirmed for the high court."

Whitten prepares fight for relief for farmers

Rep. Jamie Whitten (D-Miss.), the 81-year-old chairman of the House Appropriations Committee, is preparing to take on the Bush administration in his most important area of responsibility—agriculture. Whitten is seeking increased farm spending for fiscal year 1992, and has advanced a proposal which would grant \$1.75 billion in emergency relief for farmers suffering from floods in the South and Midwest, and drought in the West. Farmers who have lost more than 35% of their crops due to “damaging weather or a related condition” would be eligible.

Whitten is locking horns with Senate Appropriations Committee chairman Robert Byrd (D-W. Va.), Office of Management and Budget Director Richard Darman, and with George Bush. Darman has angered Whitten by calling Whitten’s relief proposal “unwarranted” and threatening a presidential veto.

Whitten and Byrd came into conflict over the 1992 spending bill for agriculture and rural development when Byrd presented a Senate bill which was \$422 million less than the House version and which shifted funds to pay for public works and law enforcement programs. In retaliation, Whitten has refused to expedite House-Senate conference action on the federal pay raise which Byrd pushed through the Senate in mid-July.

Helms ties Soviet aid to aid cutoff to Cuba

The Senate approved on July 24 as a part of the Foreign Aid bill, an amendment by Sen. Jesse Helms (R-N.C.) which would deny any U.S. aid to the Soviet government until it cuts off all

direct and indirect military and economic aid to Cuba. The amendment was tacked on to the Senate foreign aid bill, despite the fact that the bill itself contains no aid to the Soviet Union. The Helms amendment would prohibit aid until the President has certified for the Congress that the Soviet Union has ceased such assistance.

A more far-ranging amendment, sponsored by Sen. Larry Pressler (R-S.D.) and passed the same day on a voice vote, placed 20 conditions on any aid package to the Soviet Union, including cuts in military spending, “terminating modernization of its strategic forces,” and providing “full transparency” with respect to “data necessary for the United States to determine the creditworthiness of the Soviet Union and its ability to repay debt.” The Pressler amendment would also make any aid to the Soviets contingent on them taking concrete steps towards a market economy.

The Pressler amendment would not be enforced if the President declared that such aid to the Soviet Union were in the national interest.

Bush wins Senate vote on China MFN status

The Senate voted 55-44 on July 24 to place major restrictions on the continued issuance of Most Favored Nation status to the People’s Republic of China, far short of the two-thirds majority needed to override a certain veto by President Bush. In an attempt to appease the Chinese leadership, Bush has demanded that no restrictions be placed on China MFN status.

The Senate bill makes the MFN status conditional on changes in Chinese policy in the areas of human rights, trade, missile exports, and other issues.

The House passed a similar bill earlier in July with more than the two-thirds majority needed to override a presidential veto.

The Chinese Foreign Ministry immediately criticized the Senate vote, although a Foreign Ministry spokesman expressed his pleasure that the vote was passed without the majority needed to override a veto.

The bill included an amendment sponsored by Sen. Barbara Mikulski (D-Md.) and Sen. Tim Wirth (D-Colo.), which required that the President certify that the Chinese government does not support or participate in the management of a program of coercive abortion or involuntary sterilization.

Senate restores funding for U.N. Population Fund

The Senate on July 26 approved an amendment which authorizes a renewal of U.S. funding for the United Nations Population Fund (UNFPA), and authorizes a payment of \$20 million to the agency.

Sen. Paul Simon (D-Ill.) introduced the amendment on July 25 with the stipulation, designed to assuage opponents of the amendment, that none of the funds would go to the People’s Republic of China. U.S. funding to the UNFPA was cut off in 1985 by the Reagan administration because of its financing of programs through which the Chinese government promoted forced abortions and sterilizations as a method of “family planning.”

The Senate voted to end debate on the Simon amendment 63-33, thus averting threatened filibusters against the measure. The measure was then approved by voice vote.

The Simon amendment was

strongly pushed by population control advocates such as Sen. Tim Wirth (D-Colo.). Aware of the tremendous opposition to the bill, especially by right-to-life advocates on Capitol Hill, backers of the amendment have tried to obfuscate the relationship between the UNFPA program and the coercive sterilizations in China.

Sen. Jesse Helms (R-N.C.), an opponent of the bill, refuted some of these attempts in his floor comments shortly before the vote on July 26. Helms called any contribution to the UNFPA "a contribution to programs of coercion. . . . The UNFPA has long had a hidden agenda as a strong advocate of coercive state population control," said Helms, calling it not simply a "contributor" to the Chinese population program. Helms cited the comments in 1981 of UNFPA executive director Rafael Salas, where Salas called the Chinese model "a superb example of integrating population programs with the national goals of development."

Although President Bush has been a long-time advocate of such population control measures, he has threatened to veto the bill in an effort to maintain his cover in the right-to-life movement. But Bush associate Sen. Mitch McConnell (R-Ky.) in fact helped Sen. Paul Sarbanes (D-Md.) in pushing the measure through. He assured Congress that he was "optimistic" that Bush would sign the bill if it were "modified" to meet some of his "objections."

Dems move to extend unemployment benefits

Senate and House Democrats moved on July 25 to extend unemployment benefits for up to 20 more weeks for states with unemployment rates over

8%. The Democrats want President Bush to declare the additional funding an "emergency" to avoid having to make equal spending cuts or tax increases.

The Bush administration has threatened to veto any extension as unnecessary, since it claims the "recession" is ending.

Sen. Don Riegle (D-Mich.), noting Bush's foreign adventures and string of foreign aid requests, declared, "The administration is quite prepared to find these emergencies all over the world. But they're not willing to see the emergency here at home and provide the money for our own people."

Armed Services Committee revises SDI program

Aborting the original version of a multi-layered Strategic Defense Initiative (SDI), the Senate Armed Services Committee, chaired by Sam Nunn (D-Ga.), endorsed the deployment within five years of a ground-based anti-missile system, ostensibly aimed at defending the U.S. population against a small-scale or accidental missile attack.

While the administration has praised some aspects of the decision, it has withheld its direct support.

Although the committee's proposal virtually eliminates the SDI as formulated by President Reagan in March 1983, it nevertheless aroused the ire of arms control advocates who claim that even the miniature anti-missile system would tend to undercut the controversial Anti-Ballistic Missile (ABM) treaty and cause problems for ratification of the freshly signed Strategic Arms (START) Treaty.

Under the committee's plan, a limited missile defense with 100 interceptors would be deployed at Grand Forks,

North Dakota by 1996. The ABM Treaty already permits such a limited system to be deployed, as the Soviets have already done at a site near Moscow. But the committee legislation also calls for renegotiation of the ABM Treaty to allow similar systems to be deployed at other sites, and to permit the deployment of sensors in space, now prohibited by the ABM Treaty.

Opposition to the proposal from within the committee was expressed by Albert Gore (D-Tenn.) and three other Democrats.

Rep. John Kyl (R-Ariz.), an advocate of a space-based program, expressed concern that the committee's proposal could lead to a deal with the Soviets which would allow ground-based missile defenses but rule out space weapons. "Not including an opening for a space-based interceptor at this point in time will set a dangerous precedent," said Kyl, addressing a seminar of the Institute for Foreign Policy Analysis in mid-July.

Panel picked by Congress proposes cut in logging

An "independent panel" picked by the Congress has proposed reducing federal timber sales from 5 billion to 1.7 billion board-feet annually in order to protect the spotted owl, the July 25 *Washington Post* reported. The 66% cut in logging in the national forests is expected to cost 38,000 jobs and \$1.8 billion a year in personal income.

The scientists on the panel are: John Gordon, dean of Forestry and Environmental Resources at Yale University; Jerry Franklin of the University of Washington; K. Norman Johnson of the College of Forestry at Oregon State University; and Jack Ward Thomas, chief research wildlife biologist at the U.S. Forest Service.

National News

Bush wants MIA issue buried, says paper

George Bush, the CIA chief in 1976-77 when clandestine operations were still being run in Vietnam, has shown "no eagerness" to reopen the issue of the MIAs in Vietnam, the July 22 London *Sunday Telegraph* reported. Photos recently released by MIA families, allegedly of Americans still held captive in Indochina, have rekindled the controversy.

Many of those taken captive were involved in covert actions after 1973 that have never been reported to Congress, and figures who cropped up in the Iran-Contra scandal had already emerged in these operations in Indochina, sometimes combining drug-running with intelligence, the paper reported. This is why the Pentagon and administration have no interest in looking into possible cases of MIAs, the *Sunday Telegraph* charged.

"To backtrack" on denials MIAs exist, "would be a massive confession of negligence and could open a can of worms similar to that of Iran-Contra," correspondent Xan Smiley wrote.

Court challenges Thornburgh Doctrine

The Ninth U.S. Circuit Court of Appeals (California area) has ruled that the U.S. government cannot kidnap people from foreign countries and prosecute them over the objections of that nation. The ruling challenges the so-called Thornburgh Doctrine of Attorney General Richard Thornburgh which asserts the U.S. right to kidnap foreign nationals and try them in the U.S.

The court ruled that Verdugo Urquidez was so kidnaped in Mexico by U.S. agents, and charged with being an accessory after the fact to the murder of Drug Enforcement Administration (DEA) agent Enrique Camarena. Mexico protested the kidnaping, and attorneys for Verdugo are confident that they can prove that the U.S. initiated the scheme without any approval from Mexico.

The ruling prevents the Thornburgh

Doctrine from overturning only those extradition arrangements which are secured by existing treaties.

Press accounts have taken pains to point out that the judges who wrote the opinion are appointees of the Kennedy and Carter administrations—highlighting the partisan and factional nature of the Thornburgh police state apparatus.

Bush has serious health problem, says physician

George Bush "almost certainly has a serious, systemic disorder, very possibly cancer, that is being covered up," a Northern Virginia medical doctor told *EIR* on July 23.

The President's noticeable aging and his generally haggard appearance can't be attributed solely to his thyroid and heart conditions, the doctor said. "When Bush became President, people used to refer to his wife as his mother, because there was such a discrepancy in the way they looked. Now, Bush looks older than she does. The only way I could explain this, is that Bush has a serious underlying medical condition" which is being kept secret.

Massachusetts family fights 'duty to die'

The family of Joseph Finelli of Revere, Massachusetts is fighting the recommendation of a court-appointed guardian who works for the state, that a court should order Finelli, 56, off life-sustaining medication, thereby killing him.

Finelli sustained brain damage three years ago during a heart transplant operation at Brigham and Women's Hospital in Boston. He depends on medication to prevent his body from rejecting his new heart, and on round-the-clock care. While the family is suing both the hospital and surgeon for malpractice, the hospital petitioned the court to have Finelli removed to a nursing home because of hundreds of thousands of dollars of unpaid bills. Because his medication suppresses his immune system, the

family found it impossible to keep him healthy in generally understaffed long-term care centers. Blue Cross Blue Shield refused to pay for hospital care they claimed he didn't need, and Medicare will not cover extended hospital care.

A court appointed Betty Dew, a lawyer employed by the state, to recommend who should be Finelli's guardian and where he should reside. Instead, Dew produced a 19-page report saying that it would have been his "substituted judgment" to have his immunosuppressive medication withdrawn so he could die within six weeks.

On July 11, Judge Edward S. Ginsberg rejected Dew's death "recommendation," saying it would *not* be an issue in his court. Finelli's wife, Elena, said, "We believed they were going to intentionally let Joe die." Dew apparently intends to push her "cause" up to the Supreme Court.

Greek Orthodox Church cuts ties to NCC

The Greek Orthodox Synod of Bishops approved a temporary suspension of its ties to the National Council of Churches (NCC) on June 6, and will vote in September on whether to permanently withdraw from the council. The action is part of a pattern of a backlash among U.S. denominations against the "New Age" paradigm.

Archbishop Iakovos, primate of the Greek Orthodox Churches of North and South America, stated, "We cannot play any more with 'Christianity,' . . . Christ is not a play-boy," in an interview with the *Utah Salt Lake Tribune*, the July 24 *New York Times* reported. "We cannot accept changes in the Bible which are today practiced by many Protestant sects. We cannot accept the general practice of legalization of abortion. We cannot accept ordination of lesbians and gay."

In a letter in June to the NCC, Archbishop Iakovos wrote: "The extreme liberties taken in recent years by the National Council, which identifies itself with the most liberal Protestant denominations, make our association and membership impossible." With 2 million members in the U.S. and Canada, the Greek Orthodox Church is the largest of nine Orthodox churches in the

NCC, which comprises 42 million Christians.

Iakovos has been a leader of the ecumenical movement. He headed the World Council of Churches for nine years and has established dialogues with Catholics, Anglicans, Southern Baptists, Lutherans, the black churches, and Jews, according to the *New York Times*.

Iakovos told the *Salt Lake Tribune*, "I believed very firmly in Christian unity. It was the prayer of our Lord that we would all be one. . . . Because of the new morals and the new ideas, we have some setbacks. . . . I feel and I see some signs that Christianity will rediscover its soul."

Cops returned boy to pederast who killed him

Three Milwaukee policemen were suspended on July 26 for allegedly returning a bleeding, naked, 14-year-old boy to a pederast from whom the boy was fleeing. The boy was subsequently murdered. The alleged murderer, Jeffrey L. Dahmer, is reported to have drugged, strangled, and dismembered at least 19 persons.

Similar cases of child abuse and satanic activity in Nebraska have led to the exposure of high-ranking political figures, who participated in and protected such activity.

Last May 27, according to complaining witnesses, 14-year-old Konerak Sinthasomphone was trying to escape the sodomist, and was bleeding from the buttocks. Neighbors tried to shelter him, but Dahmer reportedly convinced the police officers that the boy was of age (19), "had been drinking," and that it was "only a case of homosexuals quarreling." The police then reportedly allowed Dahmer to retake his captive.

Jonathan Bush fined for securities violations

Jonathan Bush, the brother of President George Bush, has been fined \$30,000 by the state of Massachusetts and barred from trading in securities with the general public for one year for selling securities without a license, the July 25 *Boston Globe* reported.

Bush and his firm, J. Bush & Co., engaged in 880 transactions with non-institutional customers in the state between January 1988 and the present, without being registered, according to a consent agreement reached with the Massachusetts Secretary of State's securities division.

The firm will have to offer to buy back the stocks it sold at the original selling price. The company will still be able to do business with past customers and "accredited investors" (clients with annual incomes of \$200,000 or more).

State securities chief Neal Sullivan said Bush compounded his legal problem by taking a "cavalier" attitude toward the violation of the Uniform Securities Act when he continued to carry out transactions even as state regulators were negotiating the consent decree.

"That created great concern for us," Sullivan said. "We were dismayed. Anyone who has been notified that he is violating state law and continues to do so certainly exemplifies a cavalier attitude toward the registration laws."

Bush's wetlands policy said out of control

Federal bureaucrats from the Environmental Protection Agency (EPA) and the Army Corps of Engineers have seized on George Bush's "no net loss" of wetlands policy "to pursue a fanatical enforcement campaign," the *Wall Street Journal* charged in a July 25 editorial.

The paper denounced Bush's "thing about wetlands. . . . With George Bush's swamp thing we're threatened by wetlands-policy socialism."

The paper lists some of the thousands of cases where citizens have lost their land due to the wetlands guidelines, and calls for sane policies, including compensation for those individuals who lose their properties because of the regulations. One of the cases cited is an elderly lady in Wyoming who experienced the full force of the wetlands enforcement apparatus because she wanted to plant a bed of roses. Federal enforcers said her rose bushes would lead to water pollution.

Briefly

● **THE FLINT ENQUIRER** carried a front page story entitled "On the Subject of George's Mental Health" in its July 16-22 issue. The article is a briefing by Lyndon LaRouche. The newspaper is the leading black paper in the area.

● **DR. TIMOTHY QUILL**, a teacher at the University of Rochester Medical School, has escaped indictment by a Rochester, N.Y. grand jury. Quill admitted prescribing lethal drugs for a patient and telling her how to kill herself. The patient took his prescription and died of a barbiturate overdose. He described his actions in an article for the *New England Journal of Medicine*.

● **GEORGE BUSH** was fully apprised of and approved Colombia's deal with narcotics traffickers, Colombia Foreign Minister Luis Fernando Jaramillo charged in an interview in the July 22 *El Espectador*. President Gaviria "was able to explain" his policy "to President Bush. . . . None of what has been done here has been done in secret."

● **THE U.S. SUPREME COURT** will consider staying a decision granting New York State the right to tear down the Shoreham nuclear power plant. Justice John Paul Stevens agreed to refer the matter to the entire court. The \$5.5 billion plant has been ready to operate since 1984.

● **BILLY GRAHAM**, the evangelist who played an important role in George Bush's commitment to the war on Iraq, will train 4,000 Russian Orthodox priests in "modern methods of religious propaganda," in a program that has a go-ahead from the Moscow church and the Soviet leadership.

● **WICHITA**, Kansas has been the scene of weeks-long anti-abortion demonstrations against three abortion clinics. The protests have drawn thousands of participants despite over 1,100 arrests by the end of July. The size of the demonstration has been nearly double the expectation of protest organizers.

August 15, 1971: twenty years after

August 15, 1971 was the day that Richard Nixon pulled the plug, taking the U.S. dollar off the gold standard. From that day may be marked the beginning of a new, and terrible, era in global affairs.

That criminally foolish act signalized the beginning of the domination over the world, of the *superpower condominium*, the carving-up of the world between the latter-day British imperialism which began to take root in Washington, and the revived imperialism of the Soviet Empire.

From that day, the economic policy of the Anglo-American empire began to make itself felt in the Third World. Gone was even the facade of an "alliance for progress"; in its place, the Anglo-American empire, the superpower condominium, said to the poor nations of the world: no development for you.

To make that policy stick, the power of the International Monetary Fund was brought to bear; austerity was imposed, the repayment of usurious debt became the sole economic function permitted to the Third World. And if that meant they could no longer sustain their populations? Well, the post-1971 imperialism had an answer for that, too. It was called zero population growth, the "limits to growth" of the 1972 anti-science, anti-human hoax by MIT's Forrester and Meadows; the propaganda of the Club of Rome and its *Blueprint for Survival*. It meant that the Third World populations would die, in order to conserve resources for the empires, and pay unpayable debt.

For those who were associated with Lyndon LaRouche and his ideas in 1971, Nixon's decoupling of the dollar from gold confirmed what LaRouche had been warning of: the emergence of a world economy dedicated to paper, not production; the collapse of the productive capacity of the advanced-sector nations, and the throttling of the productive capacity of the Third World. Ultimately: depression, famine, disease, and wars.

In 1972, with the publication of *Blueprint for Extinction*, LaRouche dissected the zero-growth ideology, demonstrating that its application would mean an end to the human species. He made plain—as he has done repeatedly since, in books like *There Are No Limits to Growth* and *Development Is the Name for*

Peace—that the lies of zero growth, and "limited resources," are the ideology of this new malthusian imperialism, denying technology and development, medicine and food, even the possibility of producing these things, to the masses of humanity, just as did the hideous empires of the past, from that of Rome to that of the British Crown.

Twenty years after Aug. 15, 1971, LaRouche's analysis has been confirmed many times over, in the famines wracking the Third World; in the spread of the ultimate disease of poverty, AIDS; in the resource wars, like Bush's imperial adventure in the Gulf.

And emphatically, in the depression. Now, perhaps, many Americans are waiting for "the crash," waiting for the onset of depression. No need to wait; *the depression is already here*. The power of the United States to manufacture has eroded past the point of no return, if it were left to itself to restart its economy. Just as Third World nations, in the 20 years since August 1971, have seen their standards of living collapse to below the levels they enjoyed before World War II, so too, the United States has seen its industrial might and technological edge collapse. "The crash" will not be the beginning of the depression; it will be the point at which the debt-swollen financial structures come into correspondence with the underlying reality, in the physical economy, of *depression*.

What is the solution? On Oct. 12, 1988, speaking at the Bristol-Kempinski Hotel in Berlin, LaRouche, in calling for the reunification of Germany, laid out what has come to be called the European "Productive Triangle" of production. That proposal, now sparking tremendous interest in economically devastated eastern Europe, would organize the industrial strength of Europe, pivoted on its strongest economy—Germany's—to link the economies of eastern Europe, and the Soviet Union, to an engine of production which could pull the whole world, including the United States and the dying Third World, out of depression and into an economy of growth.

The lesson of Aug. 15, 1971, is one most Americans have yet to learn; if there is to be a future for our country, it is high time—past time—to learn it now.

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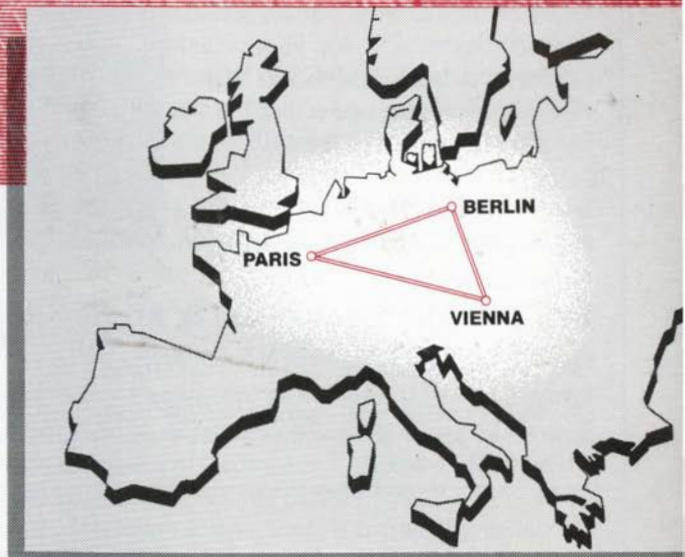
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—from the Berlin Declaration,
March 4, 1991