

EIR

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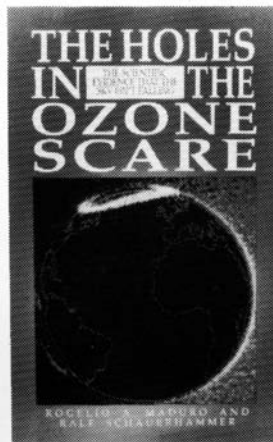
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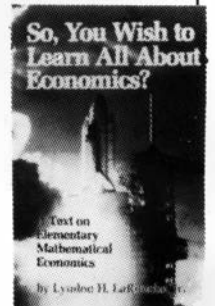
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From the Editor

One nasty irony of the 1992 presidential campaign was President George Bush's repeated affirmation that the threat of nuclear war had been banished from the fears of American children, thanks to his administration's "success" in presiding over the fall of communism. The assertion was not challenged by his opponents. The danger is that Bill Clinton will continue the same foreign policy, or make it worse.

This issue of *EIR* has been designed to counter the myth of the "death of communism" with a sharp dose of reality. Communism has not been exorcised—especially not the Maoist model embodied in the holocaust of the Pol Pot regime in Cambodia. Communism is killing countless victims in the world's most populous nation, China. In former Yugoslavia, it is the creed of Greater Serbian aggression against its hapless neighbors Croatia and Bosnia. In South America it is spreading from Peru throughout the Andean Spine, thanks to U.S. backing for "democracy" for terrorists and against the national militaries.

In the *Feature*, our investigators document how the communist-dominated leadership of the African National Congress is pushing South Africa toward a war that will make all Africa into a hecatomb. Who is behind the ANC's drive to power? The culprits include, prominently, Prof. Samuel Huntington of the Trilateral Commission and Harvard University's Center for International Affairs. Huntington was a top National Security Council official under Jimmy Carter, and his influence has persisted via the bipartisan National Endowment for Democracy.

The NED's notion of "democracy" includes backing for Pol Pot-modeled mass murder, by methods more savage than most of us can even imagine. It is coherent with a world-outlook that envisions reducing the population at all costs, to save the "ecology."

In this transition period, responsible citizens must put up front the need for a U-turn in U.S. foreign policy. To the extent there was a mandate in the Nov. 3 vote, it was manifested in Washington, D.C., where voters trounced the death penalty referendum, under the courageous leadership of the LaRouche-Bevel campaign; and in California, with the defeat of Nazi-modeled euthanasia in Prop 161. The unfinished business of the election is to turn these rejections of death into a mass movement for the affirmation and defense of life.

Nora Hamerman

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AIDS breakthrough gets nod from U.S. government

by Dr. Ernest Schapiro

A major breakthrough in the fight against AIDS occurred on Oct. 26, as a conference in Washington, D.C. to evaluate low-dose, orally administered interferon as AIDS therapy was jointly sponsored by the Division of AIDS, National Institute on Allergy and Infectious Diseases, a division of the National Institutes of Health (NIH), and by the National Medical Association (NMA), a group which represents black physicians across the United States. This means that, despite heavy resistance, the U.S. government has been forced to recognize that there is now powerful independent evidence confirming the original report from Kenya in 1990 that low-dosage, oral interferon can rapidly restore AIDS sufferers to normal life functioning and halt the progression of the disease.

Recognition of a new AIDS therapy is welcome news, as the rate of AIDS spread is drastically outpacing all estimates except those developed by *EIR*. A study released in August by the Global AIDS Policy Coalition based at Harvard University, for example, estimated that by the year 2000, up to 120 million people will be HIV-infected and 24 million adults and several million children will develop AIDS—10 times as many as today.

Interferon consists of a mixture of proteins which are produced by certain cells in response to viral infection. It is believed that, in addition to certain direct anti-viral actions, interferon also acts on the immune system so as to improve its functioning. Interferon can now be produced commercially in laboratories from living cells in a number of ways. The different preparations are not equivalent, however, and therefore not equally potent. They are being used to treat infectious diseases and cancers in humans and animals, for example, certain forms of chronic viral hepatitis and certain kidney cancers.

Present at the conference were representatives of some divisions of the NIH, the president and several other officials of the NMA, and the head of the federal Food and Drug Administration (FDA). District of Columbia Health Commissioner Dr. Mohammad N. Akhter was present and made some remarks. Also in attendance were infectious disease specialists from some of the area teaching hospitals such as Howard University and Johns Hopkins. Notable was the absence of the Atlanta, Georgia Centers for Disease Control. Also absent was Dr. David Koech from Kenya who had conducted the original study. Koech was informed of the conference only a few days in advance. Speakers said this was typical of the sabotage of the work in progress.

Small dosages effective

The first medical presentation was given by Dr. Joseph Cummins, Ph.D., a veterinarian and chairman of the board of Amarillo Cell Culture Co., Inc. in Amarillo, Texas. His company produces human interferon, which is used to treat acute viral and protozoan infections in a number of mammals, and he described its successful use in one chronic disease, feline (cat) leukemia. Cummins stressed two points. First, the dose which is effective is very tiny compared to the dosage given by injection for the human diseases for which the FDA has approved its use. Moreover, he said, the effective dose falls within a narrow range, and exceeding the range results in a falloff of benefit. Second, the interferon must be given by mouth. With animals, this means either that its mouth is forced open and the medicine squirted in, or, in certain situations, it is added to the feed. If the dose is injected under the skin or if is placed directly into the stomach or rumen, there is no benefit.

Dr. Abdul Alim Muhammad and Dr. Barbara Justice, both of whom are medical doctors, presented data for the course of treatment over three months in 50 patients treated in New York City and Washington, D.C. All patients received oral interferon in low dosage, and the medication was allowed to dissolve in the mouth. Patients were instructed not to eat or drink for 30 minutes before taking the medication, which was taken an hour before bedtime. After three months, 82% had improved symptom scores, 10% stayed the same, and only 8% declined. All of the patients' sign scores improved, 78% no longer exhibiting any signs, 82% gained weight, and only 18% lost weight. Most striking, during this period there were no opportunistic infections. Opportunistic infections are a host of viral, fungal, parasitic, and bacterial infections which attack immune-deficient people.

Dr. Muhammad, a neurosurgeon who practiced in Washington and opened an AIDS treatment clinic after learning of the successful AIDS treatment pioneered in Kenya (his medical practice is now limited to the Abundant Life Clinic), prefaced his medical report with some pointed comments. The holding of this meeting represents a thrust by the black community. We as a group, he said, pay taxes and are entitled to medical benefits. Yet, where AIDS is concerned, all we get is condoms, free needles, and a few highly toxic AIDS drugs. We would be remiss, he said, if we did not mention "the 'G' word," i.e., genocide. He told the audience that there is a widespread perception in the black community that AIDS is being used as a way of exterminating black people, and he reminded them that black people remember the Tuskegee syphilis experiments. He called attention to an insert in the conference packet written by the NIH, entitled "Interim Report: Low-Dose Oral Interferon Alpha as a Therapy for Human Immunodeficiency Virus Infection (HIV-1): Completed and On-Going Clinical Trials." It included summaries of interferon trials for AIDS in different countries, and most of them reported negative results. The report concluded: "Pending the availability of definitive data from the ongoing WHO/GPA [World Health Organization/Global Policy on AIDS]-sponsored study and other recent clinical trials, HIV-infected patients should be encouraged to use therapies whose efficacies have been clearly demonstrated in properly conducted, controlled clinical trials."

The report, he said, cast doubt on the very premise of all of the successes to date by saying: "Interferons are generally not believed to be orally bioavailable, and are rapidly denatured [inactivated] upon contact with gastric [stomach] secretions since they are proteins. According to Amarillo Cell Culture representatives, an oral receptor [cell surface component which selectively binds a molecule] for Interferon Alpha has not been isolated to date, although further research is anticipated in this area."

Dr. Muhammad pointed out that oral interferon is not to be drunk or swallowed. Rather, it has to dissolve in the mouth. Also different commercial preparations of interferon

are not necessarily alike. He said that we in fact do not know how oral interferon works. So far, it does not appear to work by being absorbed into the bloodstream. We are faced with a phenomenon which requires a great deal of investigation.

He added that penicillin became an accepted therapy for streptococcus infections without controlled studies because the drug was so obviously beneficial.

Dr. Justice, who runs an AIDS clinic in New York City, gave a moving account of how, upon her discovery of a successful new AIDS treatment in Kenya in 1990, she took time out from her surgical practice to go to Kenya. There, she attended a mass meeting addressed by President Daniel arap Moi, in which he announced to the world that a dramatic breakthrough had been achieved at the Kenya Medical Research Institute, and a scientific conference. She was so moved that she decided to stay for several weeks until she had been trained in Dr. Koech's method.

Where do we go from here?

The successful treatment programs which are now ongoing in several African centers and the U.S. clinics cited, should justify a crash program to treat all afflicted people. But will this in fact be done? Many years ago, independent presidential candidate Lyndon LaRouche warned that the prevailing genocidal policy toward Africa meant that were an AIDS treatment to become available, it would not be used in Africa. This prevailing policy cannot be allowed to stand.

Once the issue of the efficacy of the treatment is settled, that of cost undoubtedly will be raised. However, interferon is already far cheaper than the highly toxic drugs such as AZT. The cost of treating all the AIDS-infected people in Africa would be only a fraction of the cost of the Persian Gulf war. It should be done in the context of putting in place a permanent health care delivery system in Africa. This must include, where possible, a full survey of the burden of infectious and nutritional diseases afflicting Africans. Such a program will force the hand of western governments. If it is worth the effort to eradicate AIDS, then it must be worth it to stop mass starvation permanently as well.

In all of his writings on Third World development, LaRouche has stressed that every country without exception must develop in at least some area of scientific research the most advanced capability in the world. The example of the Kenyan breakthrough proves that LaRouche's approach is the correct one, and puts to shame the infamous quote of the racist Sen. Daniel Patrick Moynihan (D-N.Y.), the former ambassador to India who said India's principal export is infectious diseases. We can also point to the recent development in Colombia of the first successful malaria vaccine. There are many infectious diseases in the developing sector for which good treatments remain to be found. Rather than simply hoping that western pharmaceutical companies will benevolently develop them, developing countries also should be aided to set up their own research programs.

In Asia, 'AIDS is slowly taking control of society'

by Mary Burdman

By the year 2000, a majority of the world's AIDS victims—projected by then to be 40 million AIDS-infected people and 10 million with the full-blown disease—will be Asians, the Asian Development Bank reported in its 1992 development outlook survey published this summer. The ADB survey stated that in some parts of Asia, “the population growth rate will either stagnate or fall, especially as the proportion of infected young women rises,” due to AIDS—a situation now only seen in Africa. AIDS, worst now in Thailand and India, is a disease of poverty in Asia as in Africa. “The poor, because of lack of alternative job opportunities, are over-represented in the commercial sex industry. Intravenous drug users also come mainly from low-income groups with limited education,” the ADB reported. These people are “also those who are the most ill-equipped to handle the effects of the disease once infected.” The World Health Organization (WHO) reports that developing countries account for over 90% of all new HIV infections.

Carl-Erik Wiberg, a U.N. Development Program regional representative in Kuala Lumpur, Malaysia, said that the AIDS pandemic will have a “tremendous social and economic impact” in Asia, putting big strains on family life, public health services, and economies, as increasing numbers of victims must stop work and require treatment.

In Washington this summer, Dr. Michael Merson, director of the AIDS program for the WHO, said that now “the pandemic is spreading as fast” in South and Southeast Asia “as it was a decade ago in sub-Saharan Africa.” With the speed at which AIDS is spreading in Asia, and the population density there, “we are expecting that some time in the mid-to late-1990s, more Asians will be newly infected each year than Africans.” Africa has 6.5 million people AIDS infected, followed by North America and South America, each continent with over 1 million infected.

Reports of the current number of AIDS infected in Asia vary. A.N. Malaviya, the head of the All India Institute of Medical Science, told United News of India on Oct. 29 that some 1.5 million people in the Asia-Pacific region are AIDS-infected, and approximately 2,000 more are contracting it every day. “Unless the AIDS epidemic is controlled immediately, this region will suffer more than any other part of the world,” Malaviya stated.

The WHO reported in February that at least 1 million

Asians are already AIDS-infected, and that, of the over 1 million adults newly infected with HIV in the past 10 months, one-quarter are in the Asia-Pacific region, most in South and Southeast Asia. There is “mounting apprehension about the growing pandemic in South and Southeast Asia,” WHO reported. The Asian region has over twice as many adults as sub-Saharan Africa, and “an even bigger potential for epidemic spread.”

AIDS was first detected in the Pacific in 1982 in Australia. WHO reported at its September Western Pacific regional conference that there are two factors causing alarm: the “extremely high rate of sexually transmitted diseases” in Asia, and the expansion of drug use. HIV infection has “exploded” in Thailand, spreading from drug users and female prostitutes to the general population in the last year. In 1987, less than 1% of drug users and female prostitutes were infected; by mid-1990, over 50% of drug users and 30-40% of female prostitutes were infected. In the city of Chiangmai, the infection rate among poorer prostitutes is over 70%.

The epidemic is spilling over to the rest of the region. Malaysia now has a high percentage of infected intravenous drug users in the states bordering Thailand, and the infection is spreading. Already two years ago, the Malaysian government began putting up huge signs on the border warning of the dangers of AIDS.

The trail of drugs from the opium-producing “Golden Triangle” in the Southeast Asian highlands is also now becoming a trail for AIDS infection. In the province of Yunnan, China, which borders Burma, Laos, and Vietnam, the government has already detected over 500 AIDS-infected people among drug users. The AIDS trail follows the two drug trails out of the Golden Triangle: one through southern China to Hong Kong, the other through Burma to Thailand and Malaysia.

Disaster in Thailand

The epicenter of AIDS in Asia, Thailand, could have 10% of its population (55 million people) AIDS infected by the year 2000, *Newsweek International* reported in its June 30 issue. AIDS experts at a U.N. Development Program-sponsored conference on AIDS in Kunming, China in late September, described Thailand as a country where, like Uganda, “AIDS is slowly taking control of society,” Reuters reported. The WHO estimates that 2-4 million Thais will be

infected by 2000, over 50% of them women, but a study by the Harvard University International AIDS Center says these figures are too low. A report by Rep. Jim McDermott (D-Wash.) to the U. S. Congress, entitled "On the AIDS Epidemic in Asia," said the figure by 2000 will be 3-6 million.

While AIDS was only first diagnosed in Thailand in 1984, the number now HIV-infected is put at 200-400,000 by official sources. Non-official estimates put current infection at 500,000, almost 1% of the population. Little is being done to halt its spread. The already-troubled Thai economy is heavily dependent on tourism, its biggest "industry" and foreign exchange earner, in which nominally illegal prostitution plays a big role. While the government reports the number of prostitutes in Thailand at 80,000, other reports say the number of female and male prostitutes is approximately 300,000. Sanphasit Koompraphant, executive director of the Thai Foundation for Children, puts the number of those employed in the entire "sex industry" at 800,000, which is close to 3% of the *total* Thai work force.

The economic and social effects of the epidemic are devastating, especially for women. Many thousands of Thai peasant girls, many as young as 13, have been tricked into becoming prostitutes in the cities. Word of the dangers, including AIDS, has gotten back to the countryside, however, and fewer and fewer Thais are becoming prostitutes, *Newsweek* reported. But Burmese and Chinese girls are taking their places.

Women have a tenfold greater risk of contracting AIDS from men than vice versa. At the current rate, 1.5 million Thai women will be HIV-positive by 2000, and so will one-third of their children.

Worst-case projections say 180,000 could be sick with AIDS by the year 2000, and 160,000 could die: This will be *one-third* of the deaths in Thailand. Few Thais have health insurance, and almost all AIDS victims are dependent on government support. Current government expenditure on health per person is only \$10 per year; costs per year per AIDS victim are at least \$1,000. Since most AIDS victims are young, each death represents a loss of 25 productive working years. A government-sponsored study says that, unless there is a drastic drop in the AIDS infection rate, Thailand's Gross Domestic Product (GDP) could fall by 10-20% over the next five years.

India next area of rapid spread

In India, where AIDS was first detected only six years ago, at least 1 million people are AIDS carriers, according to the McDermott report. A Madras expert, Dr. Jacob John, puts the level at 2.5 million. Projections for the year 2000 put the incidence of AIDS infection at 3-6 million people. This would be "only" approximately 0.6% of India's 850 million people, but the disease is spreading fast, especially, as in Thailand, among prostitutes and drug users. In 1986, only 1% of Bombay's 100,000 prostitutes were infected; now

it is 35%. In the state of Manipur, about 25% of some 40,000 drug addicts are infected. AIDS is also spread by the health system. Many laboratories routinely re-use needles when collecting blood. Impoverished Indians regularly sell their blood to earn money; in a random test of blood supplies in New Delhi last year, 499 units were found HIV-infected.

AIDS and drugs

In late September, the WHO and U.N. Development Program sponsored a conference on AIDS in Kunming, China, an indication of the Chinese government's concern about the situation. Despite claims of having eradicated drug addiction during the Maoist period, China now admits a rapidly growing drug problem, and with it comes AIDS. The official *China Daily* reported on Oct. 29 that the number of drug abusers in China has doubled since 1990. The Ministry of Public Health reported that China had registered 148,000 drug abusers by last June, twice the 1990 figure. The most widely used drugs are heroin and opium from southwestern regions which border the Golden Triangle. AIDS is spreading in the same region.

Dr. Georg Petersen, a WHO regional adviser on communicable diseases in the Asia-Pacific, said at the Kunming conference that "the percentage of new infections in Asia is probably going to be higher than Africa within the next several years. What is new now is that people within the Golden Triangle itself are using heroin, leaving a trail of HIV infection along the main drug transport lines to the outside world. It can spread very, very fast in this area. Asia is facing a very serious problem that is increasing rapidly."

China now has 932 confirmed cases of HIV infection, two-thirds of whom are drug addicts in southwestern Yunnan province—but this is the only region where the government has done much HIV screening. The rise is rapid: As of June 1, the reported number of cases was 708, with six deaths from AIDS. Health Ministry drugs officer Pan Xuetian has called for a new drive to increase public awareness of the dangers of drug abuse, with special attention on educating teenagers.

Other nations around the Golden Triangle are also endangered by AIDS. Burma, one of the world's poorest nations, is being infected from the Thai epidemic. Dr. Myo Thet Htoon, head of Burma's national AIDS program, said at the Kunming conference that by June 1992, Burma had identified 4,200 cases of HIV infection and 16 cases of AIDS, which he called "just the tip of the iceberg. Trade routes are having an effect on the epidemic in my country."

Laos has recorded 11 HIV carriers and one AIDS death, and Vietnam has recorded five AIDS infections. AIDS is also becoming a problem in Cambodia, due, among other things, to the presence of the U.N. "peacekeeping" forces there. WHO reports that about 0.76% of Cambodia's blood donors have tested positive for HIV this year, a tenfold increase over 1991.

IMF policy kills Argentine retirees

by Gerardo Terán Canal

On Oct. 27, the Buenos Aires daily *El Clarín* published the shocking report that during the previous 60 days, over 26 retirees had committed suicide. Of those 26, nine had occurred in the previous 10 days. These grisly statistics bring to over 500 the number of retirees who have committed suicide in Argentina during the past year, out of desperation over the economic conditions in which they were forced to live. Twenty of the last 26 were men, six were women, and most of them were over 80 years old.

Clarín reported that "some shot themselves in the head, others threw themselves in front of trains or subway cars; four hanged themselves with sheets and ropes, and two jumped off buildings. . . . Several left written notes and others died holding their last pension check stub." Neighbors of one man who had killed himself told the paper, "There's nothing to investigate in Don Felipe's death. He killed himself before hunger and sadness killed him. He didn't even have money to buy an aspirin."

Suit charges Menem and Cavallo with murder

The cause of this rash of suicides—more accurately, genocide—is found in the economic austerity policies of the International Monetary Fund (IMF), which the government of President Carlos Menem and his Finance Minister Domingo Cavallo have so mercilessly applied over the past three years.

The government's cold-blooded manner of dealing with pensioners has driven Dr. Walter Beveraggi Allende, a prominent lawyer and nationalist, to file a criminal suit against President Menem and Finance Minister Cavallo for what he defines as "*preter-intentional homicide*"—that is, homicide resulting from application of their economic policy regardless of stated intentions. The suit was filed on behalf of an Army non-commissioned officer who killed his six children, his wife, and then himself, and 17 retirees who, "in acts of desperation, ended their lives."

According to the Oct. 27 *La Prensa*, Dr. Beveraggi charges in his suit that "the basis for my accusation consists in the fact that the government, led by Menem and Cavallo, lacking the fitness required by the national Constitution, has

formulated an economic 'adjustment' policy which translates into desperation, misery, hunger, and unemployment for millions of people; and, because of its permanence and acuteness, causes mental perturbations which cause its victims to make fatal decisions, such as suicide, often accompanied by elimination of their families, as a complement to that tragic decision."

As one retiree commented to *Clarín* during a protest demonstration, "You don't have to be a psychologist to realize that people kill themselves because the President has betrayed them." Pedro Furtivo, vice president of the Republican Confederation Representing Retiree Organizations, stated on Sept. 11 that "there are many people on the verge of suicide. . . . Many retired couples can't even pay for a shack in a slum. . . . *Many more people are dying than what the press reports.*"

A deliberate policy

There are two key aspects to the pensioner problem in Argentina. One is an enormous accumulated debt of the pension system built up over the last several years, which now amounts to \$7 billion; second, the average pension amounts to \$150 in a country where the average monthly market basket costs \$900.

As it has done in all other areas of social policy, the government has subordinated pensioner needs to conditionalities set by foreign creditors. In December 1991, it postponed bonus payments that were supposed to go to some 3.2 million pensioners, in order to "balance the books" and guarantee the budget surplus which the IMF had demanded.

In January of this year, the government promised to pay some of the accumulated debt through issuance of special state bonds known by the term Bocon, to mature in five years. Many pensioners would be long buried before they could cash in the bonds, and today, these are negotiated in the market at less than 50% of their nominal value.

In April, the government decided to deal with the problem by promising to take 15% of the budgeted funds which the central government shares with the provinces, and increase monthly pension payments by an average of 70-80%. In August, the provincial governments decided to impose the necessary austerity to make the 15% available. But then the Menem government suddenly announced that only 1.2 million pensioners of the total 3.2 million would be eligible for the increase, callously excluding the remaining 2.1 million.

Sixty-nine percent of the country's pensioners are considered to be "elderly." The government reasons that the 82% increase in fact translates into an average increase of 30-50%. This means that retired state workers will only receive \$180 monthly, while retired industrial or commercial workers, whose pensions come from a separate fund, will get \$200. Organizations representing pensioner interests es-

time that a minimum of \$450 monthly is required for physical survival.

Subsequently, the government introduced legislation to privatize the state oil company Yacimientos Petroliferos Fiscales (YPF), which included a clause stating that part of the debt owed to pensioners 85 years of age and above, an amount totaling \$300 million, would be paid with a portion of funds derived from the privatization. However, after the Argentine Congress approved the legislation, President Menem vetoed that clause, alleging that "the state is in no condition to allocate \$300 million for the 240,000 pensioners above 85 years of age." The government then decided to use 30% of the funds resulting from the privatization to repurchase the Bocon bonds, and pay the retirees over 85 with these.

The State Social Security Administration, which is in charge of raising revenues for pensions, actually increased its revenues by 47% last year. Nonetheless, as reported by the Sept. 15 edition of the daily *Página 12*, the head of that entity, Arnal Cirilino, stated that "for now we've cleaned up the system financially . . . but the final stabilization will only be achieved in the year 2020." By then, today's pensioners will be dead.

'A damned dwarf'

For the past year, hundreds of retirees have gathered every Wednesday in front of the National Congress to protest this policy of genocide. Carrying drums and a huge crucifix, those people who helped build Argentina as a nation when they were working productively now confront the police with eggs, sticks, and stones. Police have cordoned off the area where the protesters gather to demand passage of legislation which could alleviate their anguished situation.

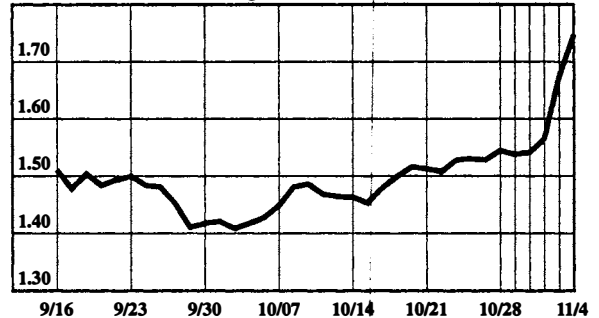
At the last demonstration on Oct. 21, over 3,000 people gathered carrying signs which read "Corrupt Menem, traitor, liar, damned dwarf. . . . Menem you're a traitor, a bastard. . . . No to genocide, we want to live with dignity. . . . Damned egomaniac, you'll never be granted mercy. . . . Caligula's [Menem's] dreams are fulfilled, the retirees are killing themselves."

This demonstration of rage has spurred the government into action, largely due to concern "over the political cost of the critical pensioner situation," according to the Oct. 28 issue of *Clarín*. Menem called an extraordinary cabinet meeting a day earlier in which he demanded "concrete answers" to what he characterized as "the government's greatest concern." However, the only solution presented thus far is the creation of a special secretariat which will deal with the problems of the "Third Age"—pensioners. A decision has been made to grant \$50—a pittance—to the poorest retirees, and pay Bocon bonds to the most elderly. Social Action Minister Julio César Araoz insisted that the President would name a person of "great social sensitivity" to run the agency.

Currency Rates

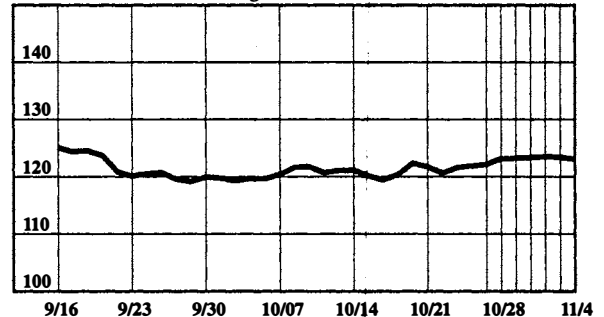
The dollar in deutschemarks

New York late afternoon fixing



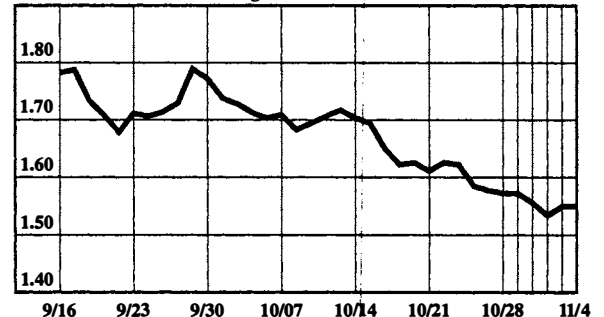
The dollar in yen

New York late afternoon fixing



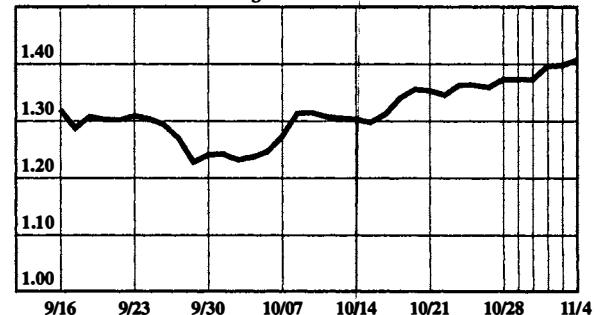
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



'China model' à la Bukharin is no alternative to the IMF

by Mary Burdman

Russian and Ukrainian leaders are endorsing what they call the "China model" as an alternative to the chaos unleashed in their economies by the application of International Monetary Fund (IMF) shock therapy policies. Already in spring 1991, leaders of the then-Soviet Union were praising Chinese economic methods, comparing them favorably to those of the West. Then-Deputy General Secretary of the Soviet Communist Party Central Committee Vladimir Ivashko, in Beijing in February 1991, announced on his return to Moscow: "We should take a closer look at China, at its experiences, including its economic experiences both positive and negative, and not at the West, as some of our economists mistakenly believed." The reason for the attractiveness of China's economy then became clearer: Beijing granted the U.S.S.R. credit worth 1 billion Swiss francs to purchase Chinese food and other consumer goods, which Ivashko called "moral support for our country at a crucial moment in our history."

This past February, the head of the Community of Independent States (CIS) military forces, General Samsonov, on a visit to Beijing, announced that he was deeply impressed by China's "stability" and "economic growth." General Samsonov also toured the Shenzhen Special Economic Zone (SEZ) next to Hong Kong. This was the same SEZ where Deng Xiaoping made his dramatic reappearance into Chinese politics at the end of January to shore up the faction supporting his 14-year-old "reform" policy. In the summer and autumn, Russian "restorationist" leaders, including industrial lobby leader Arkady Volsky and Great Russia proponent Vladimir Zhirinovskiy, both endorsed the "China model." Their support was reinforced by the enormous barter deal arranged in the spring, when a Chinese "entrepreneur" pulled together 500 railway cars of food and textiles to trade for four Russian Tu-15M passenger jets. The total value of bartered goods was \$313 million.

In October, newly elected Ukrainian Prime Minister Leonid Kuchma told the French daily *Le Figaro* that he "very much likes the Chinese variant," while criticizing the IMF shock therapy. Kuchma said, "I don't understand . . . the privatization 'à la Polonaise,' it is like an earthquake." On China, he said, "It is not a matter of tanks. The primary thing that the Chinese have done, is to distribute land to

the peasants. Additionally, there was the creation of free economic zones," which he said "could be created in Crimea, Odessa, the Transcarpathians."

Similarly, on Oct. 31, Ukrainian President Leonid Kravchuk, during a press conference in Beijing while on a visit to China which is expected to result in increased military sales, said, "I have great respect for the efforts of the Chinese Communist Party on economic reform."

What is the 'China model'?

The "China model" is hardly any positive alternative for those seeking a way out of the International Monetary Fund trap. Deng Xiaoping readily acknowledges that his reforms, which are a policy of "feeling our way" rather than any overall strategy to deal with China's enormous economic problems, have three essential components:

- a police state apparatus that *appears* to maintain political stability;
- limited privatization of agriculture from the Maoist commune system, which has led to an increase in food production in the short to medium term; and
- a very geographically restricted system of "free enterprise zones" or "special economic zones" along China's coastal and border areas.

This Chinese model is, in essence, a rewarmed version of Nikolai Bukharin's New Economic Policy for the Soviet Union in the 1920s, which had the same essential features of peasant family rather than collectivized agriculture, and concessions to foreign investors. The policy was thrown out during Stalin's drive to build Soviet heavy industry.

But the Chinese model is only a short-term negation of other economic disasters. Beijing's current "stability" is based on the world's most repressive police state. The Gang of Ancients' determination to keep power virtually guarantees a chaotic succession crisis when Deng, now 88, finally dies.

The economic "reform," although it has maintained a level of food and consumer goods production that looks impressive in Moscow, must inevitably collapse in on itself. Under Deng, investment in infrastructure and agriculture has fallen even since the Maoist period.

The sharp economic division between rural and urban areas can be best measured in centuries of comparative development. In the interior, some 35 million of China's most impoverished people have an annual income of less than \$40; tens of millions more are illiterate, with at most a few years of education. An official *China Daily* commentary announced in August that China's "poor areas" must rely on themselves for development, because the "economically pressed," better-off regions of China cannot contribute to the impoverished ones.

This situation has given rise to China's "ultimate weapon"—the massive 100 million-strong "blind current" of unemployed men, women, and children who roam the country. Deng has repeatedly threatened Hong Kong, Southeast Asia, Japan, and even the United States, that if the communists lose their grip and China "falls into chaos," hundreds of millions of refugees will flood Asia and America; he made the threat again during his visit to Shenzhen in January.

Agriculture

The "household contract" system begun in 1978, which abolished Mao Zedong's disastrous communes, allows peasants to grow their own crops on long-term leased plots of land, and contract for grain production with the state. This led to a big surge in food production from 1978 to the mid-1980s, but this has since leveled off. With China's population growing by 15 million a year, grain production has actually been *falling*, in per capita terms, since 1984. Only this year, China finally expects to have actually raised per capita grain production. China loses almost 130 million tons of grain a year—about 30% of the crop—due to wastage from lack of storage, transport, and marketing facilities. In many provinces, 40-70% of grain is "stored" outdoors, and China now has 45 billion kilograms of grain stored in the open air. Since 1949, a tiny \$1.4 billion has been invested in building new granaries, and some from the old Imperial period (before 1911) are still in use.

Despite the appearance of abundant food in the cities, malnutrition remains a major problem in China. The United Nations reports that currently 41% of Chinese children suffer from malnutrition, a rate worse than most nations in sub-Saharan Africa.

Agriculture remains extremely primitive, massively exploiting human labor. China, although a nuclear military power, remains a rural agricultural economy, with approximately 75% of its 1.2 billion population still on the land. Average *annual* income for farmers is 710 yuan, or \$125. The Oct. 14 *China Daily* announced a "drive to modernize and mechanize agriculture—appropriate to China's specific conditions." This means "applying different measures suited to different regions." In coming years, areas near Beijing, Shanghai, and other large cities, as well as the border regions of Xinjiang and Heilongjiang, will be the first to realize agricultural mechanization. "Other regions," an Agriculture



China's peasantry, an economic model? Russians and Ukrainians who are looking to the policies of the Chinese Communists as a way out of their crisis, are in for a shock. China's investment in infrastructure and agriculture is falling, and the most backward peasant regions, not part of the booming speculation in the free enterprise zones, have been left to fend for themselves.

Ministry official stated, "not only need machinery driven by mechanical or electrical power, but they also need implements driven by *man* or animal power."

Investment in agriculture has fallen steadily from over 10% of the total Chinese budget in 1978 to approximately 5% by the end of the 1980s. Even the breakup of the communes was one factor in this drop in investment: Under Mao, the communes maintained vital irrigation and water-control projects, but under the Deng "reforms," such maintenance was dropped, one of the contributing factors to the disastrous floods of summer 1991. As many as 800,000 people, not 2,000, as Beijing has claimed, may have died, and 20% of the cropland was flooded, just weeks before the harvest. While the total land area under irrigation grew significantly throughout the 1970s, in the 1980s this area decreased.

A 1991 article from Beijing reported that the farm machinery and tools from the communes were either distributed to the peasants or contracted to households. The machinery rapidly fell apart, because the peasants could not afford adequate fuel or replacement parts. Now, the article reports, "The greatest portion of the tractors in the rural areas are being used for transportation. The farmers can only use ani-

mals and manual labor to do the farm work.” The article estimated that the area of land subject to intensive cultivation by machines is now only one-third of the previous amount.

The draconian austerity imposed on the entire nation in 1988 took another big toll. Official Chinese reports admit that rural incomes, which rose 15% per year until 1984, are now decreasing. The 1989 bumper harvest caused incomes to drop 2% from 1988, the first negative growth since the reforms, and the trend continues. But the peasants are being more heavily taxed all the time. Direct taxation of the peasantry is rising 10% faster per year than income is; when urban food subsidies and other social costs are included, the rise is 22% higher per year. Supply costs rose 57.2% over 1985-90, while grain prices only rose 27.8% to 1988, and not at all in 1989-90.

The 1988 austerity also caused the collapse of the rural “enterprises”—small, low-technology operations—which had employed some of the 100-150 million laborers who cannot be absorbed even into China’s primitive agriculture. The economic cutbacks in the cities, where many of these surplus laborers had fled, sent millions of peasants back to the countryside.

The ‘Special Economic Zones’

Industrial production in the SEZs is focused on the production of very cheap, light consumer goods for export. However, while China’s share of world trade almost doubled in the 1980s, the vast portion of its record \$72 billion in exports was food and textiles. China had only 1.8% of total world exports in 1990, and its sale of mechanical and electronic products was only 0.8% of the world market, putting China still behind such small nations as South Korea, Belgium, and Switzerland. In per capita value, China’s annual exports amounted to \$60; compared to \$2,254 for Japan, \$3,483 for the United States, and \$11,800 for Belgium. Even for Guangdong, the most successful of China’s provinces, the value of exports per capita is only \$117. Compare this to the \$10.50 for the interior province of Sichuan, with a population of 100 million.

Only a tiny percentage of the population works in the SEZs, which are strictly limited geographically to China’s borders, especially on the east coast. While conditions in these zones can only be compared to the sweatshops of the 19th century, wages of approximately \$680 a year are vastly higher than those in the countryside. Working hours in foreign-owned factories in the SEZs are often 14 hours a day, seven days a week. Factory owners, mostly from Hong Kong and Taiwan, claim that People’s Republic of China (P.R.C.) workers are so much less efficient than their Hong Kong counterparts, that the long hours are necessary to achieve the same results.

Despite the conditions, tens of thousands of Chinese pour into the coastal cities from the interior looking for work. Official press accounts report that 2,000 arrive in Shanghai

from the interior every day. More than 250,000 arrive in Canton a month; 100,000 are reported to have arrived in the city of Xiamen, opposite Taiwan, and 50,000 in Wenzhou. The railroad station in Guangdong is completely blocked with people, with some 30,000 people *living* in and around the station.

Beijing warns repeatedly that up to 1995, China will have to create at least 35 million new jobs in the cities and towns, and 78 million new jobs in the countryside—on top of finding jobs for the already existing “surplus work force” of 10 million in the cities and 100 million in the countryside.

Industry

Chinese industry remains underdeveloped. Only 3% of the population constitute the Chinese “working class,” yet, even of the approximately 30 million workers in the state heavy industries, 15% have *nothing* to do, emphasizing the inefficiency of these industries. They retain their workplaces, but have no productive function in the factories. By 1995, the government itself predicts that up to 15 million urban workers will not have employment. The prevalence of illiteracy is a major problem. Even in Shanghai, China’s biggest industrial city, some 60% of workers have only a rudimentary education, 36% are at least literate with some level of other education, and only 4% are genuine technical specialists. Education and training are held in very low esteem: In China, a manual worker still earns more than an “intellectual,” meaning teachers, doctors, and engineers.

The other overall problem with the work force is the massive growth of the bureaucracy during the Deng years. The Chinese bureaucracy has more than doubled in the past decade, from 13 million to 31 million, a far greater drain on the impoverished Chinese economy than industrial workers. Yet, on Oct. 20, the official *People’s Daily* announced that “worker welfare” cannot continue. “Some people think the Communist Party should cover every eventuality—life, death, illness, housing—and they curse when they feel coverage is being lost. But without big changes and big upheavals, society cannot make progress.” Subsidies for “money-losing factories” will cease, *People’s Daily* announced.

There has been as little investment in industry as in the work force. The Nov. 1, 1991 *People’s Daily*, in a report on heavy industry, said, “No major technological transformation programs have been carried out, so their technology and equipment have become old and outdated and have lost their competitiveness. In recent years, taxes and interest have squeezed out profits, and all sorts of apportionments, fundraising programs, bonds, and expenses have chipped away at enterprise profits. What is worse, China’s current depreciation policy not only uses a low depreciation rate, but also has not taken into account the influence of inflation on compensation and the renewal of fixed assets.”

The Chinese Finance Ministry’s response is to turn more to the development of SEZs and light industry. This past

spring, Chinese Deputy Finance Minister Zhang Youcai announced that China's state sector had registered a loss of 31 billion yuan (approximately \$6 billion) and is getting into more debt all the time. He said that the heavy industries had only until 1995 to turn the situation around. Zhang said that even profitable enterprises were losing 10% per year due to production of shoddy goods. Yet, more economic zones are being set up along its Russian, Mongolian, and North Korean borders. The zones will be aimed at spurring Chinese trade with these countries as well as attracting foreign investment.

All year, there have been regular reports of unrest—including strikes, demonstrations, factory occupations, and even attacks and killings of factory bosses—by China's generally well-controlled work force. The government is trying to implement an industrial "contract labor system" like that set up for agriculture after 1978, but the situation is much more difficult. The industrial work force has been "pampered" by Chinese standards. Now, Beijing is warning that "reforms" will mean mass layoffs, which means loss of food, housing, and medical and education benefits. At least 10 million jobs will be rationalized in the next five years, with up to 3 million workers losing their jobs this year.

Just before the 14th Communist Party Congress this month, the party leadership began circulating a document titled "Strengthening Police and Legal Work to Better Serve the Cause of Reform and Openness," which states that "the more we go for reform and opening, the more we have to strengthen police and legal work."

Transport

China is again, as in 1988, running up against its tremendous shortfall of infrastructure. At that point, the government's response was a total shutdown of growth and cutoff of credit to prevent "overheating." The political response of the population was seen in Tiananmen Square the next spring. China's lack of transport, water, energy, and raw materials development once again threatens to choke the economy. Even reputed economic "reformer" Zhu Rongji constantly emphasizes the problems of China's transport network. The railroad network has only grown by 2.8% per year, while the economy is growing 10-20%. Rail construction averaged over 900 kilometers a year until 1980, but since has stalled to just over 300, and investment in transport as a percentage of the economy has fallen from 2.5% in the early 1970s to just 1% now. Yet China remains with a very low density of railroads to both population and land area, compared to even the former Soviet Union or India. Of new construction, the much-emphasized 2,000-kilometer north-south railway, which will link Beijing with the south coast, is being built primarily by manual labor.

Of China's 1 billion kilometers of roads, only 25% are paved, and only 4% are either first or second class. On the roads, only 60% of transport is motorized—the rest being animal- or even *human*-powered.

New austerity program begins in Australia

by Don Veitch

In a series of measures aimed at introducing a free market regime in Australia, the newly elected Liberal government of Victoria (Australia's second largest and most populous state) has moved to abolish all basic wage rates and working conditions and to restrict the activities of trade unions. Seven thousand public servants are to be immediately dismissed, taxes are to be increased, and government-owned enterprises and hospitals will be privatized.

After a decade in the opposition in both Victoria and federally, the rabid free market-oriented Liberal Party, led by former International Monetary Fund (IMF) executive Dr. John Hewson, is now rushing to implement its agenda. The measures of the new Liberal government in Victoria are a harbinger of things to come. Victoria is set to become Australia's first *maquiladora*, in imitation of the slave labor camps on the U.S.-Mexico border. Not surprisingly, Hewson has pledged that if the Liberals also win the upcoming national election, he will bring Australia into the North American Free Trade Agreement (NAFTA).

These free marketeers pushing the agenda in Victoria, however, may have moved too quickly. The threatened backlash from Victorian workers over these "reforms" could jeopardize Hewson's chances to become prime minister of Australia in the next federal election (due to be called no later than March 1993).

The new Liberal government that beat out the ruling Labor Party with 56.2% of the vote to Labor's 43.8% on Oct. 4, is now headed by Jeff Kennett, a former advertising industry executive. Kennett has bragged privately about his "Genghis Khan"-like beliefs and his intention of leaving his mark on politics.

Attack on wages and labor

Within three weeks of winning office, the new government moved to balance the state's finances with a "mini-budget." A number of revenue-raising taxes were introduced including a \$100 tax on each house. This latest measure is reminiscent of former British Prime Minister Margaret Thatcher's infamous poll tax. To no one's surprise, the Kennett government moves have been supported by the Rupert Murdoch and Conrad Black-controlled press in Victoria.

The mini-budget was immediately followed by an announcement that a 17% bonus paid on all public service holiday pay was to be abolished. These steps were a soften-

ing-up for the next stage: the abolition of all state industrial pay awards.

The anti-labor package introduced into Victoria's parliament sent shockwaves through the community. It is the strongest attack on working conditions here for over 100 years, since the depression of the 1890s. All minimum wage agreements and former entitlements such as extra pay for night and weekend work are abolished as of March 1, 1993. The real aim of this step is to force workers to negotiate work contracts directly with the employer.

The attempt to drive down wages is complemented by an attack on organized labor. Individual workers can be fined \$5,000 for breaching work contracts, and unions will not be recognized in the work-place negotiations. Compulsory unionism and "closed shops" will be outlawed. It will be illegal to organize pickets at the work place with more than five people, and police attendance on picket lines will be compulsory.

All proposals to strike must hold a court-supervised secret ballot, and each ballot will warn strikers that "if you take part in a strike or other industrial action, you may be in breach of your contract of employment." Strikes are not to last longer than five days.

Further special legislation will enable the prime minister, in consultation with the governor, to declare certain industries as "vital industries" and to outlaw strike action completely. Workers will be fined \$25,000 each for breaching the act. Unions can be fined \$250,000.

A general strike has been called

Victorian unions have responded with a call for a general strike on Nov. 10, and the federal Labor government plans to challenge the Kennett measures in the High Court. Labor Party Prime Minister Paul Keating has stated he will attempt to move workers out of state awards and into federal awards. This is a clever move by Keating, as he can now appear as the champion of workers. It was Keating who, as federal treasurer in the 1980s, functioned as a champion of the bankers' interests by deregulating the financial sector. It is black irony that he should now pose as a champion of ordinary Australians.

The stage has been set for a period of unprecedented confrontation. When the measures were first announced, 2,000 unionists marched on the state parliament. John Halfpenny, a Moscow-trained former Communist Party member and now secretary of the local union movement, has warned that "something will happen everyday from Nov. 10" (the day of the proposed general strike). Halfpenny says Victoria does not have enough jails to hold those who will protest. Recent reports indicate that a special anti-strike force of Victorian police is to be organized to control the strikers.

The speed with which the measures have been introduced has caused some disquiet among the federal Liberals. With a huge majority in both houses of state parliament, the Kennett

government has already developed a ruthless arrogance. Secret wage deals have been concluded with senior public servants. On the other hand, Kennett has created more positions for his own supporters. The minister who introduced the legislation to abolish wage awards was given an \$8,000 pay raise on the same day. Other Liberal politicians are to receive pay raises of up to \$25,000.

Cronyism will spread

The new program in Victoria is but a dress rehearsal for similar action that will be taken if Hewson wins federal office. Hewson has vowed to end all Australian tariffs immediately, to impose a 15% goods and service tax, deregulate all labor conditions, and sell most government assets. In effect, the economic capacity of government is being stripped away.

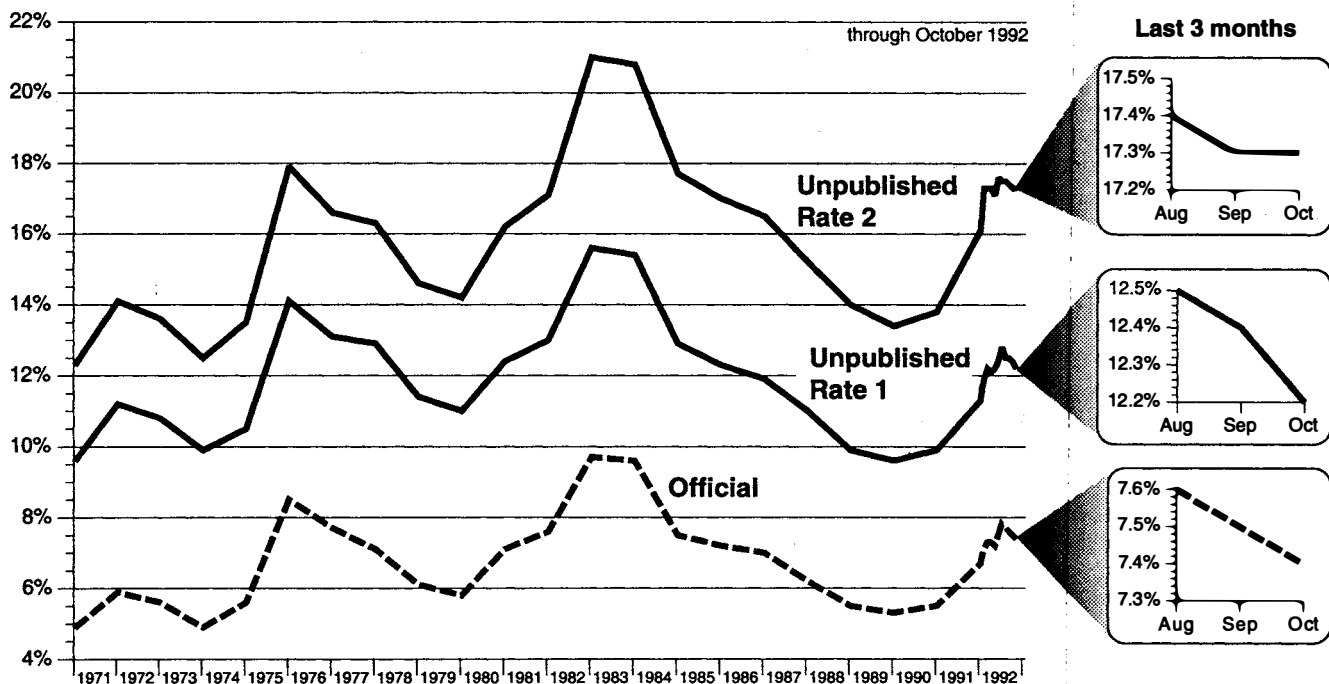
The justification for the Kennett "reforms" is that unions and wages are a hindrance to growth and prosperity; that Australia must become "competitive."

The Kennett agenda is primarily pushed by the Western Mining Corp. (WMC), which is a large bankroller of the Victorian Liberal Party. Its chief executive is Ray Evans, a member of the anti-union H.R. Nicholl Society and a free trade think-tank, the Institute of Public Affairs. Evans is also a member of the Mont Pelerin Society. In 1990, Kennett, as leader of the Liberals in opposition, made moves to support tariffs. The head of WMC, Hugh Morgan, claimed that Kennett was "splitting" the Liberal Party. Kennett soon backed down and has not raised the issue of tariffs again. He has now moved quickly to endear himself with the New Right which firmly controls the Liberal Party and is dedicated to implementing IMF policies. As was explained by the director of personnel at WMC, Barrie Purvis, the Kennett measures had simply not gone far enough!

Throughout the 1980s, the Australian economy was moved in a free trade direction, primarily due to the deregulation of the finance sector by then Treasurer and current Prime Minister Keating. The results? The national debt rose from \$5 billion to over \$180 billion. Clearly, the next goal of the New Right is to deregulate the labor market and to drive wages down.

Despite the apparent antagonism between the Labor Party and the Liberal Party, within a short period of time Australia will have zero tariffs, a totally deregulated wage structure, an unregulated banking sector, a floating exchange rate, and state and federal governments with minimal ability to maneuver and reconstruct an already sick economy. The economic measures now being championed by the Liberal government in Victoria were tried at the beginning of the 1930s Great Depression. At that time, the Bank of England sent Sir Otto Niemeyer to Australia to ensure that English holders of Australian debt were paid. Niemeyer demanded balanced budgets, reduced wages, and the dismissal of public servants—precisely the same measures championed by the Kennett government.

U.S. Unemployment Coverup



Data used for unpublished unemployment rates (thousands)

Year	Civilian labor force (a)	Official unemployed (b)	Want a job now (c)	Part-time, economic reasons (d)	Official U-5b rate b/a	Unpublished Rate 1 (b+c)/a	Unpublished Rate 2 (b+c+d)/a
1970	82,771	4,093	3,881	2,198	4.9%	9.6%	12.3%
1971	84,382	5,016	4,423	2,452	5.9%	11.2%	14.1%
1972	87,034	4,882	4,493	2,430	5.6%	10.8%	13.6%
1973	89,429	4,365	4,510	2,343	4.9%	9.9%	12.5%
1974	91,949	5,156	4,514	2,751	5.6%	10.5%	13.5%
1975	93,775	7,929	5,271	3,541	8.5%	14.1%	17.9%
1976	96,158	7,406	5,233	3,334	7.7%	13.1%	16.6%
1977	99,009	6,991	5,775	3,368	7.1%	12.9%	16.3%
1978	102,251	6,202	5,446	3,298	6.1%	11.4%	14.6%
1979	104,962	6,137	5,427	3,372	5.8%	11.0%	14.2%
1980	106,940	7,637	5,675	4,064	7.1%	12.4%	16.2%
1981	108,670	8,273	5,835	4,499	7.6%	13.0%	17.1%
1982	110,204	10,678	6,559	5,852	9.7%	15.6%	21.0%
1983	111,550	10,717	6,503	5,997	9.6%	15.4%	20.8%
1984	113,544	8,539	6,070	5,512	7.5%	12.9%	17.7%
1985	115,461	8,312	5,933	5,334	7.2%	12.3%	17.0%
1986	117,834	8,237	5,825	5,345	7.0%	11.9%	16.5%
1987	119,865	7,425	5,714	5,122	6.2%	11.0%	15.2%
1988	121,669	6,701	5,373	4,965	5.5%	9.9%	14.0%
1989	123,869	6,528	5,395	4,656	5.3%	9.6%	13.4%
1990	124,787	6,874	5,473	4,860	5.5%	9.9%	13.8%
1991	125,303	8,426	5,736	6,046	6.7%	11.3%	16.1%

Monthly data (seasonally adjusted)

1991:							
October	125,549	8,582	5,932 ¹	6,328	6.8%	11.6%	16.6%
November	125,374	8,602	5,932 ¹	6,408	6.9%	11.6%	16.7%
December	125,619	8,891	5,932 ¹	6,321	7.1%	11.8%	16.8%
1992:							
January	126,046	8,929	6,118 ¹	6,719	7.1%	11.9%	17.3%
February	126,287	9,244	6,118 ¹	6,509	7.3%	12.2%	17.3%
March	126,590	9,242	6,118 ¹	6,499	7.3%	12.1%	17.3%
April	126,830	9,155	6,310 ¹	6,272	7.2%	12.2%	17.1%
May	127,160	9,504	6,310 ¹	6,524	7.5%	12.4%	17.6%
June	127,549	9,975	6,310 ¹	6,040	7.8%	12.8%	17.5%
July	127,532	9,760	6,178 ¹	6,324	7.7%	12.5%	17.5%
August	127,437	9,700	6,178 ¹	6,326	7.6%	12.5%	17.4%
September	127,273	9,572	6,178 ¹	6,304	7.5%	12.4%	17.3%
October	126,959	9,334	6,178 ¹	6,469	7.4%	12.2%	17.3%

¹The want a job now figure is compiled quarterly. The figure used for monthly calculation of the Unpublished Rate 1 is that from the most recent available quarter.

Explanatory Note

In October, over 6.1 million jobless and 6.4 million more semi-employed people were ignored by the U.S. government's Bureau of Labor Statistics in its calculation of the official (U-5b) unemployment rate. To bring out the truth, EIR is publishing the rates you would see if the government didn't cover up.

The widely publicized official unemployment rate is based on a monthly statistical sampling of approximately 57,000 households. But in order for someone to be counted as *unemployed*, the respondent member of the household (often not the person who is out of work) must be able to state what specific effort that person made in the last four weeks to find a job. If no specific effort can be cited, the jobless person is classified as "not in the labor force" and ignored in the official unemployment count.

But nearly 6 million of these discarded people are also reported on the monthly survey indicating that they "want a regular job now." EIR's *Unpublished Rate 1* is calculated by adding these discarded jobless to the officially "unemployed." The *Unpublished Rate 2* includes, in addition, over 6 million more people forced into part-time work for economic reasons such as slack work or inability to find a full-time job. These people show up as *employed* in the official statistics even if they worked only one hour during the survey week.

For comparability with the official rate, the EIR rates are calculated on the same base figure, the BLS defined *civilian labor force*. This figure comprises all civilians classified as either *employed* or *unemployed*. For a number of reasons the *civilian labor force* can be considered as a bloated figure. Its use as the divisor in unemployment rate calculations thus further masks the depth of the unemployment problem. Large segments of the population, who might not under healthy economic conditions be forced to seek work, have become a part of the *civilian labor force* over the past 25 years of "post-industrial society" economy. This includes young mothers, the elderly, and many college students.

Bonn may be facing another Weimar

Chancellor Helmut Kohl is repeating the mistakes of the Bruening government which ruled 60 years ago.

This is the hour of truth in a highly dramatic situation in the history of our nation," Chancellor Helmut Kohl said Oct. 26 in a keynote address to the national convention of his Christian Democratic Union (CDU) in Düsseldorf. He called for a "solidarity pact" that would force everyone to accept personal sacrifices and cutbacks next year, from wage freezes and state budget cuts to tax increases and other austerity measures.

"There is no maneuvering room left for additional expenses without having corresponding cuts in other budget positions," Kohl said, announcing "necessary decisions that will have to be taken soon."

Kohl cited the immense costs and interest on the old debt of the eastern states (an estimated DM 250 billion [\$180 billion] by 1994) and the stream of asylum seekers, which, he said, would lead to a "state emergency" if not put to a halt by new, stricter immigration laws, as his main reasons for demanding additional austerity measures.

Other party prominents were more to the point, admitting the reality of the world economic crisis. Wolfgang Schaeuble, chairman of the CDU parliamentary group, for example, said that all Germans would "have to get used to the fact that future policy decisions will have to be taken under conditions of a deepening world economic crisis."

Kohl's austerity package, which has been transformed into a cabinet coalition initiative for more rigid cuts and reallocations totaling roughly DM 6

billion, mostly in unemployment benefits and the social, transportation, and defense budgets, met little resistance at the convention, but some spoke out against aspects of the policy.

Lothar Späth, for example, a long-time opponent of Kohl inside the party, former governor of the machine-building western state of Baden-Württemberg, and now chairman of the eastern German precision optics producer Zeiss Jena, while agreeing on the need for budgetary savings, charged policymakers in Bonn with a "terrible lack of imagination," in an interview with the *Der Spiegel* weekly on Nov. 2. Calling on the government to "use this one-time chance" and go for state-funded "structural investments," Späth said: "Take the transportation system. We know exactly when the air traffic will collapse because of overburdening in the west. One could build an airport in the east and an intelligently built grid of maglev trains for the transport of air passengers. This way, a totally new transportation system would be created. And it would motivate the east."

"The entire government including the chancellor has to state that we want to start something entirely new, for example in the construction of homes," Späth said. "The federal government should decide that the DM 36 billion debt burden on the eastern German housing sector is lost. That's it. Over. And it can grant the tenants credits that will enable them to purchase their own flats, then. They should not pay more interest on the credit than they're paying now for the

rent, and a bit more for long-term servicing of the debt."

Späth wasn't the only senior member of the establishment to call for debt cancellation, low-interest credit, and infrastructure projects. Otto Schlecht, a former assistant economics minister, called for financing of economic reconstruction of the five eastern states. But Schlecht also did not repudiate the austerity policy.

The danger of Kohl becoming another Bruening (1930-32), who tried to enforce drastic cuts in living standards, was addressed by Bruno Koebele, chairman of the labor union of construction workers, in a declaration on Nov. 2.

Contradicting the official Bonn jobless figure of 3 million, and asserting a more realistic figure of 5 million—based on independent surveys of the labor market—Koebele declared that "this corresponds to the jobless figures of the year 1931." The new round of proposals calling for even deeper cuts in workers' incomes, Koebele charged, recalled the end of the "Weimar Republic" which collapsed under the burden of old debts in late 1932 and was overrun by the Nazis.

"In 1930, average indexed wages for workers still were on a level of 107.3 points, as compared with the 100 points of 1928," Koebele reported. "But then, as a direct result of Bruening's emergency decrees and the restrictive central bank policy, they came down to 84.8% of the level they had had in 1928." The cabinet of Franz von Papen (who replaced Bruening in May 1932) intensified austerity measures, and the jobless rate shot up to 7 million within several weeks, Koebele remarked, adding, "Not only the level of the job deficit but also many demands on labor wage policies in 1992, fatally recall the last years of the Weimar Republic."

First City Texas fails, again

The second bailout of First City Bancorp. of Texas is an omen of banking's catastrophic future.

The folly of bailing out insolvent banks during a deepening depression, as a substitute for dealing with the problems causing the depression, was demonstrated anew with the seizure by federal regulators of the 20 banks belonging to First City Bancorp. of Texas the evening of Oct. 30.

The failure of Houston's \$8.8 billion First City ranks as the largest bank failure this year, and the eighth largest bank failure in U.S. history. But that's only part of the story, since this is the second time that the Federal Deposit Insurance Corp. (FDIC) has bailed out First City. With a combined cost of nearly \$1.5 billion for the two bailouts, First City is among the five costliest bank failures in U.S. history.

The crisis at First City came to a head in 1986, for which the bank posted a loss of \$402 million, the largest loss ever by a Texas bank. In January 1987, with its credit rating at junk-bond levels, the bank began a desperate search for outside capital or, failing that, a merger partner.

By June 1987, the Texas banking crisis escalated, with the shotgun marriage of the bankrupt InterFirst Corp. with RepublicBank Corp., creating the ill-fated First RepublicBank Corp.

One month later, a small Texas bank, BancTexas Group, received a \$150 million bailout from the FDIC in connection with a takeover by the Hallwood Group. Like First City, BancTexas would later join the select group of banks which have been bailed out twice.

In September 1987, a group headed by former First Chicago and Occi-

dental Petroleum chairman A. Robert Abboud, announced a deal to acquire the foundering First City. The deal called for the Abboud group to put up \$500 million in cash, and the FDIC to put up \$970 million. That would make the deal the second largest FDIC bank bailout to date, after the \$4.5 billion bailout of Continental Illinois in 1984.

The response by regulators to the proposal was typical of the idiocy one hears today. Then-Comptroller of the Currency Robert Clarke, a Houston banking lawyer, called the Abboud move "a pretty good endorsement" of Houston's banking future.

"Those people have analyzed the market pretty well and they concluded that they want to be here," Clarke said in September 1987. "That's pretty good testimony." Clarke also cited the pending takeover of Houston's Allied Bancshares by First Interstate Bancorp. of Los Angeles, saying he had "a definite feeling" that the Texas economy was turning around: "We all know it's going to happen, it's just a question of how long it will take."

Clarke's comments didn't help much, as both First City and First RepublicBank made Morgan Stanley's list of the 10 worst stocks worldwide in 1987. Two other Texas banks, MCorp and Texas American Bancshares, joined them on the list of the worst 10 performers on the New York Stock Exchange that year. During 1987, First City lost 88% of its market value, while its stock dropped to 40¢ a share.

The Abboud takeover of First City was finally completed in April 1988,

but only after much difficulty. The Abboud group had great trouble raising the \$500 million, and also had to extend four times its deadline for convincing First City's bond holders to accept 35-45¢ on the dollar for their bonds. By this time the bank company, which had \$13.7 billion in assets at the end of 1986, had shrunk to \$12.2 billion.

It was also no longer the second largest bank failure in U.S. history, having been bumped to third place by the March 1988 collapse of the \$33 billion First RepublicBank, for which the FDIC initially projected a cost of \$1 billion.

Despite the signs of impending disaster, Abboud penned a commentary in the Oct. 31, 1988 *Houston Chronicle*, boasting that Texas was on its way to becoming a "regional financial center." "This regional recession is ending and the Texas economy—including its banks—is coming back," Abboud insisted.

Once again, reality refused to bend to the delusions of the spin doctors. By March 1991, with the bank being ravaged by depositor runs and under orders from federal regulators to raise additional capital and tighten lending standards, the First City board fired Abboud.

That didn't help, either. One year later, on March 31, 1992, with the bank facing a regulatory demand that it raise an additional \$300 million in capital, First City issued a press release which stated, "Substantial doubt exists as to the ability of First City to continue as a going concern" without assistance from the FDIC.

But the zombie First City has not gone away. Federal regulators are now planning to sell the insolvent banks to others, and you can bet that whoever buys it, will one day turn up at the FDIC's bailout window themselves.

Bad weather hinders U.S. corn harvest

But low cartel-induced prices and bad government policies are a far worse threat to farmers' livelihood.

As corn farmers struggle to get in their crops during a harvest plagued by late maturing crops and rainy and snowy weather, the primary menace to farmers' livelihood continues to be government policy, rather than bad weather. For farmers struggling in the fields, the corn prices are low and the costs of the crop are high. For the eaters of the world, their food supply potentials are being ruined. Why? Because of a series of incompetent and immoral U.S. government policies.

First, look at this year's crop itself. Due to unusual weather conditions over the 1992 growing season, the corn belt saw a crop with numerous, well-filled-out ears. Wherever the harvest was timely, record average yields of over 121 bushels per acre were common. But problems in harvesting are also widespread, as farmers feared.

After an exceptionally wet growing season, the moisture content of the corn is high—about 24% in Iowa. Many farmers in the state have left their corn in the fields to dry rather than face the costs of drying it after harvest. In addition, farmers have been unable to get into their fields to complete harvesting because of the fall rains, and the snow which came in early November.

The harvest has been behind schedule in the heart of the corn belt—Iowa, South Dakota, Indiana, Illinois, and parts of Minnesota. Only 37% of the 13.1 million acres of corn in Iowa had been harvested by the first week in November, as compared with a normal year when 93% would be finished.

The South Dakota corn harvest is

also way behind. The Illinois harvest has been about three weeks behind normal. Indiana has harvested 42% of its corn acreage compared with an average of 76% by this time of year.

But far worse than the weather is the low price for the crop. Because of collusion between the grain cartel companies, Cargill, Archer Daniels Midland (ADM) or Louis Dreyfus, and the U.S. Department of Agriculture (USDA), farmers are now facing corn prices of only \$1.85-2.00 a bushel. When adjusted for inflation, this is the lowest price for corn this century. In contrast, by the USDA's own calculation, a parity, or fair price, would be \$5.40 a bushel.

This low price means catastrophe for farmers. Their bare-minimum costs per bushel of corn are \$2.50. The government's answer? Push corn for ethanol, conduct trade wars using U.S. grain, and ignore the hungry and starving.

The ethanol gambit got a boost from the Bush administration which waived provisions of the Clean Air Act to allow ethanol-blended gasoline to be sold in five major cities. This sparked a boom in plans to build processing plants.

Sold to the farmer as a new market, the reality is that ethanol is only possible because of the commanding position of cartels like ADM in controlling this market. Operating at a net loss to the economy, the production of alcohol from the starch in corn is only profitable because the farmer is paid less than the cost of production and every bushel is subsidized by the federal government, to the benefit of ADM and the few other processors.

The processing facilities get huge federal and state tax breaks. Four ethanol plants are operating in Minnesota alone, and the Bush announcement is expected to spur the construction of five more.

The production of gasohol uses up to three times as much fuel energy and fuel energy products as its use can provide, and at a greater cost than the fuel it replaces. Thus, fuel from biomass degrades the environment, robs the hungry of needed food, and loots the farmer.

Instead, the U.S. crop, which is almost half the world's annual output of corn, should be going into the domestic and international food chain. The crop, though raised for livestock feed, could be specially milled for food relief for Africa and other points of need.

This year, drought in southern and eastern Africa caused a grain harvest loss of 50-95%. In the 10 countries in southern Africa, the corn belt of that continent, the average loss was 46% of the 1992 crop. In Somalia, grain output is half normal levels.

However, Washington is waging food warfare with U.S. crops, while blaming the decline in U.S. grain exports on the "loss of market share." Consider just the obvious examples. An estimated drop of 40 million bushels of U.S. corn to the former Soviet bloc will not be exported, because Russian livestock herds are decimated, and because the policy of the International Monetary Fund, World Bank, and Group of Seven is to enforce still more austerity instead of to rebuild meat herds.

Also, the U.S. government policy of subsidizing the cartel companies to export U.S. wheat cheaply is causing importers like China to use the cheap, imported U.S. wheat to feed their livestock, and then to export their corn to traditional U.S. markets in the Pacific.

Hetherington targets free trade

Free trade economists dominate both of the two main political parties, and it's destroying Australia's economy.

Free trade theorists lurking behind Australia's two main political parties are being targeted by Maurice Hetherington in his campaign for the federal Parliament seat of Hinkler. Hetherington, a co-thinker of U.S. presidential candidate Lyndon LaRouche who has held the office of shire councilor for years, is campaigning under the Citizen's Electoral Councils.

The seat is located on the central coast of the state of Queensland, a sub-tropical area rich in minerals and agricultural produce, which has been betrayed by the free trade policies promoted by Canberra's economists, the business oligarchy represented by the Business Council of Australia, and right-wing think-tanks such as the Institute of Public Affairs, the Tasman Institute, and the Sydney Institute (formerly the Center for Independent Studies).

For instance, sugarcane growers, already struggling under massive debt and low world prices, have been hit with imports from the cheap-labor nations of Southeast Asia. The sugar tariff was lowered recently despite protests from growers and some members of the National Party, the junior partner in the conservative federal coalition with the free market-oriented Liberal Party.

Despite protests from National Party MPs, their leader Tim Fischer went along with Liberal Party leader Dr. John Hewson's hardline "no comment" stance on tariff reductions. The rural-based National Party is a conservative, pro-tariff grouping that historically has worked in the interests of the agricultural sector. In recent

years, however, they have capitulated to the city-based Liberal Party which draws support from big business families. Hewson, the federal opposition leader, is a graduate of Harvard Business School and Johns Hopkins University and spent several years working with the International Monetary Fund (IMF) in Washington. His former employment was with Macquarie Bank, while his wife Carolyn is in charge of the trading floor at Schroeders in Sydney.

The Liberals are attempting to dazzle the electorate with a Goods and Service Tax (GST) as a quick-fix "solution" to the nation's economic woes. It just so happens that the GST is an IMF conditionality.

Hetherington's anti-free trade campaign has hit the news media following revelations in the *Bundaberg News-Mail* on Oct. 22 that small-crops farms in the region were collapsing at the rate of one every two months as a result of a \$94 million increase in fruit and vegetable imports. A story in the Oct. 27 *News-Mail*, headlined "Free Trade Policy Changes Demanded," quoted Hetherington's insistence that the free trade economic policy that has destroyed Australia's economy must go.

Hetherington "believes more jobs will be lost in the local vegetable growing and processing industry unless Labor and the Coalition change their free-trade policy. 'To take away tariffs and quotas and allow imports to flood in at a time of global recession is nothing more than national suicide,' Mr. Hetherington said.

" 'There is no such thing as free

trade because the international commodity markets are so corrupted by a few multinationals either exploiting slave labor or forcing prices down by dumping at below the local price. The major political parties have sold Australia out to this idea in the name of the so-called global free market which doesn't exist.'

"Mr. Hetherington said six tomato growers in this district, each paying out a million dollars in wages, had gone out of business in the last two years because of increased competition from Victorian growers. The Victorians traditionally sold their product to processing plants but are now being forced into the fresh tomato market because of the closures of Australian canneries unable to compete with imported products."

Hetherington warned that small-crop farms face worse yet to come: "I have been informed that thousands of tons of semi-processed vegetables have started coming into Australia through Perth. I have warned for a number of years now that Australia cannot survive on this level playing field nonsense."

Hetherington attacked the General Agreement on Tariffs and Trade (GATT), which "free trade idea was a front for the multinationals operating out of the United States, Britain, and Europe. 'Many people in the rural industry who support GATT just do not realize it is just a new form of the old imperial trading set-up—that means smaller trading nations such as Australia are kept as quarries for raw materials,' he said.

"Mr. Hetherington said Liberal and Labor theorists falsely argued that protection of industry slowed economic development and distorted trade. 'The fact of the matter is that the more Australia has gone into so-called free trade, the more our economy has gone downwards,' he said."

Business Briefs

Monetarism

Bulgarian government falls over IMF, shock therapy

The "democratic" Bulgarian government of Prime Minister Dimitrov was forced to resign on Oct. 28 after the parliament defeated it in a vote of no-confidence. The technical issue on which the government fell, had to do with one minister's purported deal to sell arms to Macedonia. But as Dimitrov himself made clear in a public statement, it was on the government's economic reform program, which was mandated by the International Monetary Fund (IMF) and required parliamentary approval, that the government was defeated. Dimitrov has been given a mandate by President Zhelev to constitute a new government.

This is the latest sign of the collapse of democracy being caused in formerly communist eastern and central European countries by the effects of IMF policies. Recently, Lithuanian President Vytautas Landsbergis and his Sajudis party suffered a humiliating defeat at the hands of the country's communist opposition, largely because of the population's rejection of IMF austerity.

In Bulgaria, the government has been implementing one of the most atrocious "shock therapy" policies of any government in the formerly communist realm. This program has been cited positively as a model by the Jeffrey Sachs maniacs.

R&D

Market-oriented policies destroying Germany

The collapse of east German industrial research is being caused by wrong western policies, declared Lothar Späth, the former governor of the state of Baden-Württemberg and now managing director of one of the few surviving high-tech companies in eastern Germany, Carl Zeiss Jenoptik.

Speaking to a conference of scientists in Berlin, Späth attacked western investors for only setting up businesses with a "fast product" for a short-lived market, instead of developing

a modern industrial structure based on sound research and development. East German industries are in "Portuguese conditions," he charged, and the neglect of industrial R&D produces a less productive job structure by boosting the service sector. Instead of exploiting the opportunity to launch "new conceptions" with a rebuilt industrial economy in the East, "we have copied the western states, with all the mistakes."

Späth called for an increase in R&D spending and more public R&D orders. According to the Economic Institute Halle (IWH), the R&D potential in the five new states will have collapsed 85% by mid-1993 and the number of employees will have dropped from 75,000 in the beginning of 1990 to 15,000 in October 1992.

Italy

'National sovereignty' at stake, says adviser

"The 'national sovereignty of the economy is at stake,'" Massimo Pini, chief adviser for public industry to Italian Prime Minister Giuliano Amato, said in the weekly *Mondo Economico* in late October. Pini is opposing an Anglo-American plan for privatizing Italian public industry as a recipe to balance the state deficit.

"It is useless to hide it," Pini said. "Privatizations would open up foreign capital to our industries, and defending . . . those sectors where we guarantee national products," such as in food distribution, "means to defend the Italian position in Europe."

Pini was referring in particular to pressure to sell SME, a food giant owned by the Italian state, which is coming under pressure from financial raider Raul Gardini, who is allied with French financier Jean-Marc Vernes. Rumors of insider trading on the SME have prompted a parliamentary inquiry.

On Oct. 28, Amato declared that plans to privatize the country's state industries could not be rushed. "Privatization is not something to be treated lightly," Amato told Italian state television. "We have to take our time to avoid selling at low prices."

Amato's remarks followed an ongoing revolt against austerity. According to non-gov-

ernment surveys, 140,000 Italians will lose their industrial jobs next year. On Oct. 25, over 15,000 shopkeepers met in Rome to discuss how to protest the introduction of a "minimum tax." More radical participants are pushing for a closure of all shops in the country for one day. On Oct. 29, some 200 factory councils in northern and central Italy decided to join a strike of chemical workers against the government.

ASEAN

Six nations consider shared power grid

Southeast Asian nations are considering construction of a \$10 billion power grid, aimed at sharing electricity through land and submarine cables. Officials from Malaysia's power firm Tenaga Nasional Bhd told Reuters on Nov. 2 that Malaysia is coordinating the project.

The project will involve the construction of eight power transmission lines linking Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. The project, overseen by economic ministers of the Association of Southeast Asian Nations (ASEAN), would ensure that the region had a reliable "fallback" source of power during emergencies, one official said. "We hope eventually the system would become like that in Europe where one country supplies electricity to another when the need arises, without payment."

The officials said the first phase of the project would be the construction of a \$150 million, 600 megawatt transmission cable linking the northern part of Malaysia to southern Thailand. This phase of the project will be jointly undertaken by Tenaga and the Electricity Generating Authority of Thailand (EGAT). Here, the cost will be equally shared between EGAT and Tenaga.

Another phase of the project involves laying submarine cables between the Malaysian Peninsula and the Sarawak state of Borneo Island. "This phase is expected to cost \$4 billion, and will be borne by Malaysia as it's a domestic project," an official said. The link between Malaysia and Sarawak would be later expanded to Brunei and the Philippines.

The officials noted that Malaysia's energy

needs were expected to double by the end of the decade to more than 10,000 megawatts and that the country needed to step up power generation to meet rising demand.

International Credit

French council calls for recovery policy

A report on the economic situation by the Economic and Social Council, a national institution in France, underlined the necessity to launch a "selective and concerted Europe-wide recovery policy," even if only among a few countries, according to coverage in the Oct. 28 French press.

This recovery policy would be based "on an active support of the housing sector" and more generally of the construction and public works sectors, with a "mobilization of credit" for road infrastructure and collective urban transports, the report urged.

The report attacked the "optimism" of the government, probably referring to the incredible statement of French Prime Minister Pierre Bérégovoy some days ago that "the crisis is behind us."

The "competitive deflationary" policies of "the present government have reached their limits and must be inflected," the report said. "One cannot remain inactive" while certain persons begin talking about a 1929-style crisis. We must change policies, because "disinflation can lead to deflation and deflation to recession."

Energy

Malaysia expected to become net oil exporter

Through new oil project investments, Malaysia will emerge as a net exporter of petroleum products, the wire service Opecna reported on Nov. 2. In the first nine months of this year, the government has approved four refinery and three other petroleum-related projects worth a total investment of \$6.3 billion.

Deputy Minister for International Trade and Industry Chua Jui Meng said on Oct. 23 that the projects make up 65% of the total manufacturing investments of \$9.6 billion approved during the January-September period. The government, he said, would encourage further expansion of the petroleum sector, especially investments in downstream plants.

Officials in Kuala Lumpur estimate that the four new projects will raise Malaysia's refining capacity to 850,000 barrels per day, up from the current 214,800 bpd.

The largest of the four proposed refineries, which will cost about \$1.5 billion, is to be completed by the French group Société Nationale Elf Aquitaine. This project will be its first crude-processing plant set up in Southeast Asia.

Demographics

Abortion a necessity, genocidalist tells IPPF

"Safe abortion" must be increasingly used as a means of birth control, and 70% of women require at least one such abortion if they are to restrict their fertility to two children, stated Francine Coeytaux from the New York-based Population Council, in a presentation to the 40th anniversary congress of the International Planned Parenthood Federation in New Delhi, India, the Oct. 27 London *Guardian* reported.

Stated Coeytaux: "I personally find this statistic amazing, that even under the best of circumstances . . . seven out of ten of us will need to rely on abortion. One of the things that has driven me . . . has been the conviction that we can control our fertility. And of course we can. But to a degree. And that degree depends largely on our access to abortion. . . . Contraception is still far from ideal. Thus, while strengthening contraceptive services is essential to reducing the number of unwanted pregnancies, contraception will not altogether remove the need for abortion. In summary, induced abortion is here to stay and plays a critical role in family planning and fertility reduction."

Coeytaux added that "safe abortion" should therefore be an integral part of "family planning" programs.

Briefly

● **SIX JAPANESE** trading companies announced a feasibility study for a \$4 billion petrochemical plant in northern China (formerly Manchuria), which would be the biggest Japanese-Chinese venture yet, the Oct. 26 *International Herald Tribune* reported. The Japanese government is expected to contribute to the project if it goes ahead.

● **A BRITISH FIRM** began paying workers in German currency on Oct. 28. "We have no confidence anymore in the British pound; that's why we're taking the deutschemark now," said Martin Cuthbert, the director of the Brownstone Glass and Glazing firm in Leicester, Britain.

● **THE PRICE** of gasoline will rise by up to 12¢ per gallon in 38 U.S. metropolitan areas beginning Nov. 1, under the provisions of the Clean Air Act of 1990. Oxygenated gasoline, supposedly to control smog during the winter months, will cost approximately 7¢, while the decreased mileage from the new product will cost 3-5¢ more per gallon.

● **JAPANESE** officials strongly defended a plan to ship plutonium from Europe on Oct. 26. Briefing reporters on Japan's 1992 nuclear energy white paper released on Oct. 23, Shigeru Maeda, deputy director of the Science and Technology Agency's Atomic Energy Office, said, "Japan's stance is that there is no other method but atomic energy. We cannot do without it."

● **OVER 20,000** people protested in Madrid, Spain on Oct. 26, in solidarity with Spanish steelworkers, 40% of whom are being laid off because of Spanish government and European Community proposals to close steel mills and cut jobs.

● **MALARIA** increased fourfold in Ibero-America, the World Health Organization has reported. The number of cases in 1990 was 1.1 million, up from 270,000 in 1974. The WHO identified poverty, migratory movements, and drug trafficking as the main factors spreading the disease.

The ANC leads South Africa's plunge into war

by an EIR Investigative Team

On Oct. 19, Nelson Mandela, president of the African National Congress (ANC) of South Africa, startled the world with a press conference held in Johannesburg, in which he chastised the leadership of his own organization for atrocities and torture against its own members. Mandela released a report commissioned by him on documented atrocities carried out by the ANC's security over the course of the 1980s against its dissenting members and others. As the *Los Angeles Times* reported on the press conference, ANC dissidents "were imprisoned without charge and denied adequate food and water for months on end. Some of their eardrums burst when they were forced to pull out their cheeks while being repeatedly slapped on the face. Others were lathered in pork grease and forced to crawl through colonies of biting red ants." These incidents, as Mandela reported, took place under the supervision of the ANC's military wing, Umkhonto we Sizwe (Spear of the Nation) at its Quatro camp in Angola.

"The morality of our liberation struggle demands of us the highest moral and ethical standards," Mandela warned, adding, however, that the tortures "must be understood in the context in which they occurred."

In reality, Mandela's admission of the ANC's extreme brutality toward its own members, coheres precisely with the brutality it has used publicly, primarily against blacks, in its drive to take power in South Africa. While the government of South Africa has been negotiating with the ANC as its primary partner in the transition to majority rule, the level of violence in South Africa has been escalating rapidly. As this report will show, despite Mandela's stated desires or efforts, the promotion of such violence—which took 26,000 lives in 1991 alone—is central to the ANC's entire strategy to seize power for itself in South Africa.

This report will also present evidence showing that behind the ANC's drive for power stands not the support of the majority of black Africans in South Africa, but rather the Communist Party of South Africa, which remains alive and well despite the demise of communism in the former Soviet empire. This is possible



Nelson Mandela (l) and his Winnie Mandela (r) at a White House ceremony in Washington. Although Nelson Mandela has chastised the ANC leadership for atrocities against their own members, Winnie has spoken of liberating South Africa "with our matches and our necklaces."

because of the vast support the ANC commands from high-level political and financial sources *in the West*, including Hollywood, who appear prepared to hand over South Africa to the ANC and its communist controllers.

A few weeks before Mandela's press conference on ANC torture methods, the truth of the ANC's strategy and tactics was exposed in a report issued by the well-known anti-apartheid organization, the South African Institute of Race Relations. Released at the end of September, the report examines a report on violence in South Africa released earlier this year by Amnesty International (AI) titled "South Africa—State of Fear," and other reports by the International Commission of Jurists (ICJ) (Agenda for Peace) and the Human Rights Commission (HRC) (Special Briefing on Massacres). Institute of Race Relations author Anthea Jeffrey stated that examination of the violent incidents listed in the human rights reports showed that AI, the ICJ, and HRC were presenting a "disturbing level of disinformation. All the reports are highly selective in their focus. All ignore the rules of evidence and the principle of *audi alteram partem* [to hear the other side]. All seek to elevate allegation to the level of fact."

Despite their misrepresentation of violence in South Africa, Jaffrey wrote, the cited reports were used by the ANC to "buttress its accusations against the government and to strengthen its demands for international intervention." In his July 1992 speech to the United Nations, in fact, Mandela had devoted most of his attention to the findings in the AI and ICJ reports, in motivating his call for the U.N. to send a

special envoy to South Africa. Mandela won his agreement, and since then U.N. monitors in South Africa have acted consistently to protect the ANC's campaigns of "mass action," even when the ANC has led scores to their deaths, as in the Sept. 7 ANC march on Ciskei.

Jaffrey pointedly concludes by noting that there is a "common denominator in what the reports of these organizations omit. All three organizations ignore:

- "the ANC strategy of fostering 'ungovernability' through mass action;
- "the intimidation and coercion which the ANC acknowledges commonly accompany mass action;
- "the ANC's refusal to disband Umkhonto we Sizwe (Umkhonto) or to surrender its secret arms caches;
- "the ANC's refusal to desist from the establishment of township 'self-defense units,' contrary to the provisions of the National Peace Accord;
- "the frequent incidence of attacks on members of the South African Police (SAP), which have resulted in the deaths of more than 120 policeman in the first seven months of 1992; and
- "the high number of IFP [Inkatha Freedom Party] officials and members—now totaling over 1,000—who have been killed in recent years."

Recognizing the actual nature of the ANC is the first step in stopping the spiral of violence which will soon lead to civil war in South Africa. Such a catastrophe, however, is the hope of the British-dominated financial oligarchy which con-

trols the largest chunks of the South African economy. National bankruptcies, civil strife, wars, famines, and depopulation—all under the watchful eyes of the International Monetary Fund—have become the norm for Africa, as the British seek to reestablish their direct rule over the continent, including South Africa itself.

In this case, the weapon of choice is the communist African National Congress.

Communist domination

In February 1990, ANC leader Nelson Mandela was freed from prison after 27 years, and the South African government lifted its ban on the ANC. At that point, all but eight members of the ANC's 35-person ruling National Executive Committee (NEC) were members of the South African Communist Party (SACP). Two years later, the NEC had expanded to 105 members, of which at least three-quarters were admitted SACP members, according to lists published in the London-based *African Confidential* newsletter and in the major dailies of South Africa. Members of the NEC's 26-person National Working Committee are almost all SACP cadre.

No one knows precisely how complete the SACP control over the ANC is, because SACP membership is still secret, and the various lists count only those whom the SACP has chosen to disclose as members.

However, as one leading South African military analyst reported to *EIR*, "More than 90% of the permanent, the full-time posts in the ANC, are controlled by South African Communist Party members. These are all your political commissars, for example, the party organizers, all the planning staff, the permanent staff. So it is *impossible* for the ANC to divorce itself from the Communist Party. If they do, there is nothing left. Their whole party machinery, their whole planning, their mechanism, the whole top structure will simply just not be there."

And if one chooses not to believe an official of the South African government, hear it from SACP Secretary General Chris Hani, speaking to a November 1991 SACP conference in the Western Cape: "We in the Communist Party have participated in and built the ANC. We have made the ANC what it is today, and the ANC is our organization."

Through its cross-membership in the ANC and its similar domination of the Congress of South African Trade Unions (Cosatu), the SACP has over 30 members, far more than any other single party, in the working groups of the Convention for a Democratic South Africa (Codesa), the "multi-party negotiations" preparing for majority rule.

From nationalism to communism

Founded in 1912 as the South African Native National Congress, the ANC's first leaders were mission-educated ministers, lawyers, and other professionals committed to superseding tribal loyalties in order to represent the interests of

all black Africans. Its strongly Christian outlook was reflected into modern times in the person of Chief Albert Luthuli, winner of the 1960 Nobel Peace Prize, ANC President-General from 1952-67, and an outspoken opponent of communism.

The SACP moved to take over the organization shortly after Lenin sent a number of communists to South Africa in 1921 to found the party. By 1928, the Comintern had instructed the SACP "to pay particular attention to the ANC" in order to establish an "independent native republic" as a stepping-stone to communist rule. When the SACP was banned in 1950, many of its leading cadres joined the ANC in order to continue their work under a new cover. According to *Comrades Against Apartheid*, a well-documented new book by British Africa specialist Stephen Ellis and a member of the ANC and SACP writing under the pseudonym Tsepo Sechaba, "During its time underground, the party made the cornerstone of its strategy the effective takeover of the ANC." In 1982, former ANC and SACP member Bernard Hlapane testified before hearings of the U.S. Senate Subcommittee on Security and Terrorism that already in the 1950s, "no major decisions could be taken by the ANC without the concurrence and approval of the Central Committee of the SACP. Most major developments were in fact initiated by the Central Committee." Several months after this testimony, the ANC-SACP's armed wing MK assassinated Hlapane in Soweto.

The 'Spear of the Nation'

In 1960, the South African government banned the ANC. Clandestine conditions afforded new opportunities for the SACP to take over the Congress. Such a step was the 1961 founding of Umkhonto we Sizwe, the Spear of the Nation, the SACP-ANC terror and assassination squad usually known as MK. According to Hlapane's testimony, the MK was "the brainchild of the SACP," and its "policy was formulated by the Communist Party, and the organization received its instructions from this party."

Longtime SACP secretary general and MK chief of staff until 1987 was Joe Slovo, son of one of the original Lithuanian Jewish Communist Party members dispatched by Lenin to found the SACP. Co-founding MK with Slovo was a young lawyer named Nelson Mandela, who earlier, in the 1940s, had bitterly complained about communist influence in the ANC. According to a Soviet intelligence operative captured in South Africa in 1980, Maj. Aleksei Kozlov, Slovo soon became a full colonel in the Soviet KGB.

Not long after the MK's founding, Slovo masterminded "Operation Mayibuye," a plan for the armed seizure of power. Its exposure produced the famous Rivonia trials. While Mandela and others were sentenced to life in prison, Slovo slipped out of the country. He continued to direct MK's training and armament throughout the 1960s, 1970s,

and 1980s from exile, including its terror attacks into South Africa. SACP documents presented in court in Rivonia stated that the SACP now “completely dominated” the ANC, but that that fact should be kept secret.

By 1969, the SACP’s secret domination of the ANC became public at the ANC’s famous Consultative Conference in Morogoro, Tanzania. The ANC adopted a series of SACP-authored resolutions, including:

- The Slovo-authored “Strategy and Tactics” document, a watered-down version of the SACP’s own 1962 program, “The Road to South African Freedom.”

- The creation of the Revolutionary Council charged with directing the struggle day-to-day. The council’s chief executive was an SACP veteran.

- The opening of the ANC to non-blacks. The first whites to join were all SACP members, including Joe Slovo, the first white on the ANC’s NEC.

- A formal declaration of alliance between the SACP and the ANC.

Soon, purges of nationalists began. In 1975, eight leading ANC members declared that the ANC had been “hijacked” by the SACP, that the communists in the ANC suppressed freedom of speech, and thus, that “Criticism of official ANC policy has come to be regarded within the leadership circles as nothing less than treason.” The so-called “Gang of Eight” was expelled from the ANC in October 1975; their leader, Tennyson Makiwane, was hunted down by the MK and murdered in Transkei in 1980.

Trained in torture

ANC brutality toward its opponents, both within the organization and without, took a major step for the worse following an SACP-arranged trip by the entire ANC leadership to Indochina in 1978. Its purpose, said one former ANC member, was to “learn how the revolutions had triumphed” and to apply the methods of the Indochinese communists to Africa. This included the Maoist Khmer Rouge, whose brief four years in rule (1975-79) resulted in the death of 40% of the Cambodian population.

Moise Twala, former ANC member and chairman of the Returned Exiles’ Coordinating Committee, told *EIR* (see interview), “It was only after learning from the Khmer Rouge . . . that they came back, and it was only then, in 1979, in January, that they sent us to go and erect that prison, the notorious Quatro [in Angola]. It means they went to learn.” Upon their return, the ANC executive mandated the construction of prison camps in Angola, Tanzania, Zambia, and Uganda to hold members who questioned being sent to fight in Angola, Zimbabwe Rhodesia, or Mozambique. There, such “dissidents” were tortured and often killed.

According to informed estimates, some 600 ANC members disappeared or were murdered in these camps, while another 1,000 or so were killed in “liberation wars” outside

South Africa, this from an MK force estimated at only around 6,000. The pro-ANC U.S. State Department reported in their 1990 annual human rights survey, “Numerous, credible reports of torture and mistreatment by ANC security personnel of ANC defector-detainees at ANC refugee camps continued in 1990.”

The Maoist influence on the ANC was also reflected in the ANC-sponsored “people’s courts” in the black townships, where youths were encouraged or even forced, to turn on their elders. As in Peru, where the Maoist Shining Path terrorists make everyone in a village cut a piece of flesh from a living victim, the informants in the townships were forced to flog their friends or family members with iron bars or wire, or even to “necklace” them with a rubber tire which was then set aflame.

ANC Security began to recruit from 12- or 13-year-old youngsters who can be brainwashed to kill on command—youths who, as Moise Twala put it, “don’t ask questions, but just carry out orders.” The pool of such youngsters grew massively, as the ANC-SACP put forth the slogan of “Liberation before Education.” Students were forcibly kept from attending school, and following Pol Pot’s example in Cambodia, many schools were burned to the ground. According to one estimate, 5.4 million children, an entire generation, is entirely illiterate because of this ANC-SACP policy.

‘Mass action’

Since its legalization in February 1990, the ANC has been in talks with the government and other parties for transition to majority rule. But in its systematic campaign of assassinations, necklacings, and terror, the ANC shows itself to be in strict line with SACP policies, as enunciated in the SACP house organ, *The African Communist*. The magazine asserted, right at the time of the legalization, “The ultimate goal for the national liberation struggle is the seizure of power. There can be no peaceable or friendly seizure.”

In July 1990, just before the planned second round of talks with the government, police uncovered massive computer files which demonstrated the existence of “Operation Vula,” an ANC plan to build a mass underground armed structure for the near-term seizure of power.

Though that plan, overseen by the seven-man ANC President’s Committee, was set back, the ANC has announced its intent to seize power in the black homelands not favorable to them, in particular KwaZulu, Bophuthatswana, and Ciskei. Several SACP leaders including General Secretary Chris Hani and SACP Politburo member Ronald Kasrils, both of whom are on the ANC’s NEC, on Oct. 5 led the ANC march on the homeland of Ciskei, which resulted in 28 dead and several hundred wounded. The march was to culminate, said Kasrils, in the “peaceful overthrow” of Ciskei head of state Brigadier General Gqozo.

Led by Kasrils, ANC marchers ignored agreements they

signed with Ciskei, broke through barriers, and charged the 150 or so Ciskei soldiers who were guarding government buildings, and who opened fire. South African intelligence sources say hard evidence exists that the plan was not to capture Gqozo, but to publicly necklace him. Of the slaughter of his own followers, Kasrils commented, "We knew it was dangerous. Sometimes people have to die."

ANC leaders are not bashful about their commitment to violence. Said Chris Hani, protégé of Joe Slovo and his replacement as MK chief until he recently took over as SACP secretary general, "We are prepared to see a wasteland, if that is the price of freedom." His friend Winnie Mandela chimed in, "Together, hand-in-hand with our matches and our necklaces, we shall liberate this country." Even the unofficial ANC foreign minister Thabo Mbeki, touted in the press as a moderate, has said, "Violence is a very important element to achieve change."

Not surprisingly, the pace of violence in the country is escalating dramatically. In 1991 in South Africa, there were 26,000 murders! From January to July 1989, attacks on the police and army had averaged 33 per month, while in the year after the ANC's legalization, they averaged 480 per month.

Terrorism complements the ANC-SACP strategy of "mass action" designed to force its way into power. At a May Day parade in 1992, Jay Naidoo, head of Cosatu, the country's leading trade union federation which is also dominated by the SACP, declared that unless De Klerk met ANC-SACP-Cosatu demands, the workers "would take to the streets in their millions to force an interim government." Black township residents know well that if they do not turn out when the ANC-SACP calls a "mass action," their house is likely to be burned down and/or they will be necklaced.

One of the country's political leaders summed up the situation: "There has been more necklacing since the ANC stopped this so-called armed struggle, than before then. More people have been killed since the ANC stopped their armed struggle, than whilst they still were busy in the 16 years of armed struggle. There is much *more* violence since the ANC has started this so-called peaceful mass campaign. And this is something which you have to see to believe, what mass intimidation is all about."

The ANC relies on terror and intimidation because, press claims notwithstanding, it does not represent the majority of the country's blacks.

The ANC has at most 500,000 card-carrying members, compared, for example, to Inkatha's 2.8 million. Based largely in the Xhosa tribe, of which Mandela is a prince, the ANC represents approximately half of the 5.5 million Xhosa. Other factions of the Xhosa people, such as those in Ciskei, oppose the ANC. The Zulus number 8 million. Of these, 25-30% are urbanized and are considered to be ANC supporters. The rest support the Inkatha Freedom Party. Major portions of other tribes, such as the Tswanas, 8 million of whom live

in Bophuthatswana, are at bitter odds with the ANC.

However, as violence escalates, the cleavages will be inevitably drawn more sharply along tribal lines. Already there are numerous reports of ANC supporters throwing people off trains, or shooting them, because they were heard speaking Zulu. There is no doubt that the Zulus feel extremely threatened. Zulu King Goodwill Zwelithini, who has heretofore refrained from politics and recently took a Xhosa woman as his fourth wife, charged in a rally Sept. 27 that the ANC plan was "to wipe the Zulus off the face of the earth."

Deep pockets behind the ANC

Though lacking the support of the majority of South Africa's black population, the ANC is the darling of the country's dominant corporations, allied multinationals, and the U.S. and western European governments, as reflected in its balance sheet for 1991, which showed \$560 million in assets worldwide, and a cash income of \$92 million.

According to a variety of sources in South Africa's intelligence community, in non-ANC black organizations, and within the ANC itself, this largesse includes:

- Millions of dollars which Tiny Rowland's Lonrho corporation put up for the ANC to move from Lusaka, Zambia after its unbanning, to Johannesburg, and the 20 million rand purchase price of Shell House in Bramfontein Center in Johannesburg, as a joint headquarters for the SACP and ANC. Lonrho has reportedly recently purchased a mansion in the Sandhurst section of the posh Johannesburg suburb of Sandton for ANC Secretary General Cyril Ramaphosa.

- Thirty million rand a year from Anglo American Corp., through the First National Bank. As of 1990, Anglo American owned 50% of all the companies whose stock was traded on the Johannesburg Stock Exchange.

- A series of full-page pro-ANC ads from Royal Dutch Shell at the time of the ANC's legalization. Shell also reportedly sold Shell House to the ANC for half its actual value.

- The Rothschilds of Paris, according to well-informed sources, virtually sustained the ANC during a brief spat the organization had with Anglo American Corp. on the question of mass action, when Anglo briefly cut its allowance.

The U.S. and European governments and the World Council of Churches have also poured in tens of millions more. According to one rumor circulating in South Africa now, the European Community plans to give the ANC \$300 million in the near future. Private foundations and governments have also provided training to ANC personnel in western universities.

Typical is the New York-based African American Institute (AAI), which from 1962-77 provided an estimated \$20 million for schooling of members of various African "liberation movements," inclusive of the ANC. The institute's first president Waldemar A. Nielson, a member of the New York Council on Foreign Relations, was forced to admit in congressional testimony that the institute's major source of funds

was the U.S. Central Intelligence Agency.

In 1971, then-AAI President William R. Cotter also told the U.S. Congress: "I personally am in complete accord with those who call for the strongest measures by the U.S. to accelerate the process of change within South Africa. Nor would I automatically rule out violence as an instrument for obtaining the rights of the non-white majority."

An AAI brochure says:

- "Scholarships for training should be awarded where possible to students affiliated with a liberation movement, and the training program and efforts to assure trained students' utilization on return, should be planned and carried out as much as possible in cooperation with liberation movements."

- "Whatever steps are taken to solve short-term problems, there is only one ultimate solution to the overall problem: That is the overthrow of minority regimes in southern Africa and the liberation of the southern tier of the continent."

South African corporate giants such as Anglo American and the country's largest industrial firm Barlow Rand, are also working to shape the political process to the advantage of the ANC-SACP. The Codesa negotiating process is a case in point: Its chief executive is Zach de Beer, longtime Anglo American executive and protégé of old Anglo head Harry Oppenheimer. The country's liberal press is also largely owned by Anglo American.

Barlow Rand has added its weight to the ANC scales through the National Peace Committee, chaired by Barlow Executive Director John Hall. Hall and fellow business executives marched in the front ranks of the ANC demo against the Ciskei government Sept. 7, right next to leaders of the SACP.

Barlow and Anglo American also helped found the South African Co-ordinating Committee on Labor Affairs (Saccolla), an employers' confederation which negotiated a draft "Charter for Peace, Democracy and Economic Reconstruction," with the SACP-dominated Cosatu, the country's major labor confederation. The charter committed labor and industry to a program of action "to force the pace of transition," including a national one-day strike, scheduled for last Aug. 3.

According to the London *Financial Times* of Sept. 21, the strike fizzled out at the last moment, because other firms got cold feet: "The private sector also appears to have balked at the last moment at the idea of business and labor 'ganging up' against the government, in favor of the ANC."

Two Anglo American executives offered an explanation for all of this corporate charity in candid discussion with journalists in Johannesburg a couple of years ago. "Let the blacks rule," said the first. "We'll make a lot more money out of a black government than out of a white one, because they would be a lot easier to manipulate." Added the second, "It doesn't bother us if a radical black regime comes in. We'll just put up the fences and keep pulling the minerals out just the same."

Interview: Moise Twala

ANC dissident tells of torture and terror

Moise Twala, chairman of the Returned Exiles' Coordinating Committee in South Africa, granted this interview to EIR on Oct. 8. The Returned Exiles' Coordinating Committee represents ANC dissidents who were tortured, put in detention, or driven out of the ANC for questioning policy.

EIR: Could you tell us about the torture and detention camps run by the ANC?

Twala: The most notorious detention camp and the first one that was created was Quatro in Angola, built in 1979. Immediately it was put up, a lot of dissenters and people who were critical of the leadership were rounded up. But the largest number rounded up was in 1981, the year there was a general purge within the ANC. A lot of people were sent to Quatro, and disturbing news started reaching us, that there was a mass slaughter of people that went on. Torture, beatings, a lot of people died there. Most of the people who were rounded up in 1981 we never saw again.

This was to be a continuous thing for anyone who dissented, or who was critical of the leadership. Another development occurred also in Zambia. They started putting up some prisons, private houses, where they were killing people. One was the Green House, another was called RC, for Revolutionary Council. There was also a farm where people were killed and thrown to the crocodiles, an ANC farm. . . .

There were other detention centers. One was in Dakawa in Tanzania. Another was at Somafco, the so-called ANC college in Tanzania (there was also a prison camp there). It stands for Solomon Mahlangu Freedom College. There is a prison there. There was also, is even now, one called Kigwa, it is towards the Ugandan border, in the north of Tanzania. There are still some detainees being kept there, up till now. There are also some detainees in various prisons, they are said to be imprisoned by the ANC in Ugandan prisons. That is, government prisons. And some are being kept in some houses in Uganda which are owned by the ANC.

EIR: How many of the atrocities were due to the SACP control over the ANC?

Twala: The effort has taken the SACP many years to consolidate control over the ANC, but the takeover took place

in 1950. And so they have just been consolidating themselves in all the structures of the ANC. Hence you wouldn't be wrong to say that more than 70% of the ANC leadership are members of the Communist Party, and almost 100% of the intermediate leadership is Communist Party.

EIR: Do you have any estimation of how many ANC cadre may have died because they were sent to fight in Rhodesia and Angola?

Twala: In those foreign wars? There are those people who died in the foreign wars, and there are those who were decimated by the ANC security for questioning things like, "We don't want to fight in foreign wars, we want to go and fight at home"—who are critical of certain things: "Let's review our whole policies," that type of thing. Those are the people who perished in the camps. Always the reason was, "They are enemy agents." That was the ANC; they always said that anyone who questioned things was a "reactionary," "He is an enemy agent." Those sorts of derogatory terms would be used to justify slaughter of the victims.

EIR: Do you have any idea how many ANC members actually died from the camps and the foreign wars?

Twala: In the camps I would estimate over 600 perished at the hands of the security. And on the other hand, in these foreign wars, it is about 1,000—over 1,000. You have to understand that this MK, the army of the ANC, was never a big army. It had many camps, but in the camps you would find maybe only 100 men each. They were scattered all over Angola. . . . The ANC wanted to create an impression that it had thousands and thousands of men, which was not the case.

EIR: Are there any connections between the Pol Pot forces in Cambodia and Shining Path in Peru and the African National Congress?

Twala: I would say the only link that we saw, was in 1978 when the *entire* leadership of the ANC went on an educational tour to Indochina, Cambodia, Laos, and Vietnam. They had gone to learn how the revolutionary—let me say, how the revolutions had triumphed. They had gone to learn how to implement strategies and tactics to the victory of the revolution. It was at the time, if you remember, this guy Pol Pot and Ieng Sary were still in power in Cambodia. It was before they were deposed. It was only after learning from the Khmer Rouge and the experiences in Vietnam that they came back, and it was only then, in 1979, in January, that they sent us to go and erect that prison, the notorious Quatro. It means they went to learn.

And also generally, if you look at the ANC security, it started growing, but they were only recruiting youngsters, some as young as 12 years. Some 12, 13, 14 years, that is the material they were using as security, people who don't ask questions, but just carry out orders—completely indoc-

trinated creatures who did not know anything and who just simply carried out orders.

EIR: So they directly picked up these techniques from the Pol Pot forces and applied them?

Twala: Yes. And applied them. They had gone to learn. I would say that they learned quite well, because some of the things that were committed by the ANC—feeding people to crocodiles, using poison to eliminate people and a lot of things—the tortures that they used, I think they learned quite well. You will hear from the testimonies [that such things] are still happening. . . .

EIR: Were the Soviet KGB and the East German Stasi involved in hunting down some of the dissidents?

Twala: Well, you have to understand that the ANC security was trained by the KGB and by the Stasi, mostly the Stasi. The most were being sent to the Stasi. . . . For instance, if a dissident is in Europe, it [the ANC] did not have the capability of neutralizing someone, but the Stasi and KGB had a longer arm.

EIR: Have you yourself been under a good deal of threat by the SACP-ANC?

Twala: Even now, when I was in London, my wife was receiving threatening calls and all that. I mean, it is a way of life. Violence has so consumed the South African social fabric, that threats are there all the time. Even when you walk on the street, you know that you could be assassinated at any time. That is the way we live—especially if you have given yourself attention, or you have drawn the wrath of the ANC.

EIR: So the African National Congress, to your knowledge, had specific lists and assassination campaigns against people in the township and Inkatha members and so forth?

Twala: This is done every day. They have hit squads who go out and hit their targets. It goes on and on and on, every day. Some people are not killed because they belong to Inkatha or other opposition parties. The ANC sometimes tells people, "You are not going to pay the rent," but some people have values, they don't want to take something for nothing, they want to pay. But then the ANC comes up with this type of mentality: "No rents, don't pay any rents," and people who pay, they are killed.

Mass action, for instance—that there's going to be a stay-away, everybody mustn't go to work. Someone has got his own commitments with his family. He has children at school. He is paying his furniture, car installment, his house is bonded. He knows his own financial situation and he does not believe in the ANC and their campaigns, but he will die for that. His property will be destroyed. His children will be necklaced. All those sorts of things happen. It is a common occurrence now.

Mr. 'Democratizer' Samuel Huntington primes South Africa for fascism

by an EIR Investigative Team

The key to the African National Congress's drive to power was the De Klerk government's February 1990 decision to embark upon the transition to "majority rule." The mastermind behind this strategy was Prof. Samuel Huntington of Harvard University's Center for International Affairs.

Huntington has been a senior American strategist for decades. He was coordinator of security planning at the National Security Council under President Jimmy Carter, and is a frequent consultant to the Office of the Secretary of Defense, the National Security Council, the State Department's Policy Planning Staff, the U.S. Air Force and Navy, and the Agency for International Development.

He is also a leading figure in the U.S. government's National Endowment for Democracy, the notorious "Project Democracy" under which the Iran-Contra arms for hostages deals which were run. The NED, in the words of one of its senior officials, "does the kinds of things the CIA used to do, but no longer can."

In 1992, Huntington published a new book, *The Third Wave: Democratization in the Late Twentieth Century*. In it, he draws the lessons from the overthrow of 30 "non-democratic governments" from 1974 to 1990, "for new targets such as South Africa," which he references prominently. "Consequently," he says, "at five places in the book I have abandoned the role of social scientist, assumed that of political consultant, and set forth some 'Guidelines for Democratizers.' If that makes me seem like an aspiring democratic Machiavelli, so be it."

One recently retired South African government official summed up Huntington's influence in Johannesburg: "He has enormous influence among politicians in the government, and has played a *very, very important part* in influencing politicians like [Foreign Minister] Pik Botha and [Minister for Constitutional Development] Roelf Meyer. Huntington has visited South Africa at the last count I had, 15 times, as a guest of the Department of Foreign Affairs. There were also quite a number of South African government officials and young ministers who spent time in the U.S., studying with him. He was particularly close to Roelf Meyer"—the government's minister with responsibility for negotiations with the ANC.

But it was not only government officials whom Huntington tutored. A former ANC leader reported that Huntington was "very instrumental in training some of the top people within the ANC." One of his ANC students, whom he hosted at Harvard for one year, is Murpherson Morobe, now the official coordinator of the Convention for a Democratic South Africa (Codesa), the Communist-dominated negotiating forum for black majority rule. Said the former ANC leader about Morobe, "He is the one who did the everyday running of Codesa affairs. He is the one who made the recommendations as to which organizations could be admitted into Codesa, and which organizations could not be, and that type of thing. This was a pretty powerful position."

Pik Botha and Huntington met often when Botha was South Africa's ambassador to the United States. After becoming foreign minister, in 1981 Botha invited Huntington to South Africa to give the keynote to the biennial conference of the Political Science Association of South Africa, held at the Rand Afrikaans University on Sept. 17 of that year. According to a well-informed South African source, "This lecture became compulsory reading for Prime Minister P.W. Botha's entire inner circle."

The following month, at a closed conference attended by key government ministers, Huntington spoke candidly. "I am suggesting the need, in the current South African context," he said, "for intense attention to the strategy and tactics comparable with that which Lenin devoted to the strategy and tactics of revolution. . . . In a sense, fundamental change in South Africa appears to be waiting for its Lenin. The politics of reform is basically a tripartite process with the reform leader fighting a two-front war against both standpatters and revolutionaries while at the same time attempting to divide and confuse his enemies. . . ."

"The reform leader . . . must be able to inspire confidence and provide some measure of charismatic leadership, while at the same time having the political ability and adaptability to engage in log-rolling and back-scratching, to shift allies and enemies from one issue to the next, to convey different messages to different audiences, to . . . hide his ultimate purposes behind his immediate rhetoric.

"The proposed reform should be drafted in relative secre-

cy—it is revealed to a small group of political leaders whose support is essential.” Then, for implementation of this secret plan, “The most promising approach” would be a “combination of Fabian strategy and *Blitzkrieg* tactics. . . . This Fabian, step-by-step approach enables the reformer to pacify conservatives by minimizing the significance of any one change and by implying that each proposed change, like Hitler’s territorial demands in Europe, will be his last.”

According to one insider, Huntington was adopted as the “intellectual oracle of the Afrikaner political establishment.” Editor-in-chief Tertius Myburgh of the *Johannesburg Sunday Times* in 1985 concluded that political developments in the years following Huntington’s first visit were “in many respects, as if his script was being followed to the letter.”

Tyranny with a democratic face

Huntington’s espousal of “democracy” has nothing to do with the republican principles of the American Constitution, whose ideas can be traced back to Plato’s *Republic*. For him “democracy” is the latest slogan for operations to destroy any nationalist forces who might threaten the financial and geopolitical world order of London and Washington.

For the United States itself, Huntington’s prescription is exactly the opposite: radical revision of the American Constitution to do away with representative government.

Huntington was the chief author of the Trilateral Commission’s 1974 Task Force on the Governability of Democracies’ report, *The Crisis in Democracy*. In 1974, Trilateral circles put forward the slogan of “fascism with a democratic face,” which Huntington elaborated in that report. There he bemoaned that “an excess of democracy” makes governing difficult in a period of economic collapse, when extreme austerity is required from the population. Huntington asserted that just as “there are potentially desirable limits to economic growth, there are also potentially desirable limits to the indefinite extension of political democracy. . . . Democracy is only one way of constituting authority, and it is not necessarily a universally applicable one.”

In the chapter on the United States, he argued that “the effective operation of a democratic political system usually requires some measure of apathy and non-involvement of some individuals and groups,” adding that while “this marginality on the part of some groups is inherently undemocratic . . . it has been one of the factors which has enabled democracy to function effectively.” But now, he complained, the once-marginalized black citizens have been incorporated as “full participants in the political system,” which threatens to “overload” democracy.

Huntington’s role as a shameless apologist for totalitarianism is most evident in his intervention into communist China. His 1968 book, *Political Order in Changing Societies*, became the bible for the butchers around Deng Xiaoping in the Chinese Communist Party. One of the students of Deng’s longtime heir-apparent, Zhao Ziyang, went to study

with Huntington at Harvard and brought back *Political Order* and *No Easy Choice: Political Participation in Developing Countries*, which were translated into Chinese and spread all over the country.

These books provided the theoretical basis for the “New Authoritarianism” movement of Deng and Zhao beginning 1986, whose fruits were the slaughter at Tiananmen Square and the opening up of China for slave-labor exploitation by the West. In *Political Order*, Huntington argued that dictatorship may be required in order to impose upon developing sector countries the painful economic reforms required by “free trade” liberalism, just as he had argued in his 1974 work that the global economic collapse evident already then, required eliminating democracy.

In his 1992 book, *The Third Wave*, Huntington put forward guidelines for “reformers,” among which he includes South Africa’s present National Party government. Among his recommendations are:

- “Secure your political base. As quickly as possible place supporters of democratization in key power positions in the government, the party, and the military.

- “Gradually shift your own constituency so as to reduce your dependence on government groups opposing change and to broaden your constituency in the direction of opposition groups supporting democracy.

- “Be prepared for the standpatters to take some extreme action to stop change (e.g., a coup attempt)—possibly even stimulate them to do so—and then crack down on them ruthlessly, isolating and discrediting the more extreme opponents of change.

- “Seize the initiative and surprise both opposition and standpatters with the concessions you are willing to make.

- “Secure endorsement of the concept of negotiations from leading generals or other top officials in the security establishment.

- “Do what you can to enhance the stature, authority, and moderation of your principal negotiating partner.

- “If the opposition succeeds, you very probably will be in the opposition. Your prime concern, consequently, should be securing guarantees and safeguards for the rights of the opposition and of groups that have been associated with your government. Everything else is negotiable.”

Huntington makes some pointed recommendations as to how the “democrats” should handle the military, once they have taken power, under the subhead, “Curbing Military Power, Promoting Military Professionalism”:

- “Promptly purge or retire all potentially disloyal officers, including both leading supporters of the authoritarian and military reformers who may have helped you to bring about the democratic regime. The latter are more likely to lose their taste for democracy than their taste for intervening in politics.

- “Make major reductions in the size of your military forces.

- “Drastically reduce the number of troops stationed in or around your capital. Move them to the frontiers or other relatively distant unpopulated places.

- “Give them toys. That is, provide them with new and fancy tanks, planes, armored cars, artillery, and sophisticated electronic equipment (ships are less important; navies do not make coups). New equipment will make them happy and keep them busy trying to learn how to operate it.”

The Institute for Defense Politics

The task to “secure endorsement of the concept of negotiations from leading generals or other top officials in the security establishment” has been handed over, by Huntington’s allies in South Africa, to the newly established Institute for Defense Politics.

Set up in 1991 with funding from the Anglo American and DeBeers Chairmen’s Funds (the same corporations which finance the ANC) and an Anglo-allied firm Gencor, with help from the Hanns Seidel and Friedrich Naumann foundations of Germany, the IDP’s mandate, according to its own literature, “is to assist with and to facilitate the transition to a democratically accountable and legitimate national defense force in a post-settlement South Africa as a necessary condition for a successful transition to a prosperous future.”

The IDP is a major player in the Codesa transition talks.

According to institute co-director Dr. J.K. Cilliers, “There is agreement that a multi-party subcommittee on defense will be established, consisting of six full-time members of the various political parties who will take control over the defense force. And there’s also agreement that the post of a military ombudsman will be created and there is talk of the establishment of an expert body, what we would call a Council of Defense.”

Cilliers is well acquainted with his MK negotiating partner. “About two years ago,” he reports, “I was one of a few South Africans who went to Lusaka and talked to MK on the future of the military and security in southern Africa. I came away from it very much convinced that we need to get our act together.”

The IDP sponsors conferences and publishes a bimonthly journal replete with references to Huntington’s writings. Cilliers remarked about the influence of Huntington on himself, “I have had occasion to study his works and he has been very influential in South Africa as a whole and I think also on my thinking.”

Cilliers spends much of his time trying to pull key figures from South Africa’s military into “dialogue.” He reports his key collaborators in the military to be Chief of Staff of the SADF, Pierre Steyn, “very much on the enlightened side;” head of the Navy, Admiral Simpson-Anderson; and chief of the Air Force, Lieutenant General Kriel.

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New push for 'Greater Serbia' backed by United Nations

by Umberto Pascali

On Oct. 31, a meeting of Serbian Chetnik leaders in the Serbian-occupied Bosnian town of Prijedor, announced the unification of all the occupied areas in Bosnia and Croatia and the establishment of a common currency and a common militia. The Chetniks have occupied—and ethnically “cleansed”—70% of Bosnian territory and a sizable part of Croatia. At that meeting, the president of the so-called Serbian republic of Bosnia, Radovan Karadzic, threatened to withdraw from the U.N.-sponsored peace talks in Geneva, “until the actual existence of the republic [the occupied areas] and the nation’s right to self-determination is taken as the basis for the talks”—i.e., either the U.N. recognizes and accepts the conquest and the genocide of the non-Serbians, or they will sabotage the peace talks.

On Oct. 29, the Serbian forces captured the Bosnian city of Jajce. There followed a three-day procession of civilian Croats and Muslims who escaped on foot, the victims of terrorism perpetrated by the Chetnik gangs.

But the genocide is not an issue for the U.N., which is focused on making sure that the flow of victims takes place without trouble. The reaction of the U.N. peacekeeping forces has been to ask Croatia to accept more refugees, victims of ethnic cleansing. Croatia, badly damaged from the war, is incapable of taking in more than the 700,000 refugees it has already accepted.

Some are outraged

This attitude of the U.N., and its acceptance of Serbian genocide, provoked a strong reaction from the president of the International Committee of the Red Cross, Cornelio Sommaruga. In former Yugoslavia, he said on Nov. 3 from Tunis, “what the governments should have done was to prevent attacks on the population. How can such ethnic elimination

have been perpetrated without any intervention from the governments? . . . Yes, I am criticizing.”

Sommaruga indirectly attacked U.N. Secretary General Boutros Boutros-Ghali, by defending Mohamed Sahnoun, an Algerian diplomat who resigned in late October as representative of the U.N. relief program in Somalia after a violent row with Boutros-Ghali. “I send him publicly my solidarity,” Sommaruga said, criticizing those who use humanitarian activities to “pursue political interests.”

Formerly paying lip service to the peace negotiations, Serbian strongman Slobodan Milosevic is now giving his support to the pan-Serbian state in the occupied areas. Milosevic is, in this way, repudiating the agreement signed with the U.N. at the beginning of this year. That agreement states that the Croatian territory occupied by force remains part of the internationally recognized Republic of Croatia.

The Yugoslavian Army master plan

“What we are seeing now is the final implementation of the secret master plan prepared by the Yugoslavian Army many years ago,” said Maurizio Blondet, correspondent for the Italian Catholic daily *Avvenire* and one of the top experts on the conflict. Blondet has personally followed the war; he has been shot at, his hotel room in Sarajevo has been bombed, and he has been arrested by the Chetniks in Dalmatia.

“This plan is known,” he said. “The Slovenian authorities say they have the original documents proving it. The plan is the following: In case of a third world war or in case of an international crisis that threatened the federal state, the Yugoslav Red Army would be deployed to annex, by force, large parts of the territories of the non-Serbian republics. And this is what they are realizing under the eyes of the world, without meeting any resistance, using genocidal means.

"It took so long because the Serbian Army, contrary to the propaganda, besides having very bad soldiers—cruel, but cowardly—also has very bad generals. It is not capable of deploying on two different operations at the same time. And this despite the incredible abundance of weapons and war matériel. At the beginning of the war, for example, the Federal Army had more war planes than France. What you see there is the realization of the Greater Serbia, and the United Nations and the West did not really move a finger against it. Possibly what Serbia is preparing to do—with the complicity of the international community—is to call one day for a referendum in the occupied areas. The Serbians will be, of course, the majority, or, rather, the only inhabitants, because Bosnians and Croats have been killed or expelled."

Opposition undermined

The Serbian population is not unified under the insane leadership of Milosevic. There is a large potential for resistance, but it does not receive any support from the West. Says Blondet: "Already in 1990, the leaders of the student movement in Belgrade told me: Europe will be shocked by the bloodbath that is going to happen! They were desperate. They were ready to do anything to stop a war that they considered unjust. Many refused to fight for Milosevic; the level of desertion is very high. It is high especially among the most educated members of the military. For example, though the Federal Army can count on 400 planes, in reality only a few can be used to bomb the population, fortunately. They are flown by 60-year-old colonels, old communists. The majority of the pilots have refused to bomb civilians."

"All this shows a strong potential for internal dissent, which the West has refused to help or to use. The gang leaders, the ultra-fascist groups used by the army, like the infamous Seselj, also terrorize the Serbian population. These gangs hold as hostage a large part of the Serbian population, especially in the large urban centers. Large parts of the Serbian population oppose this war and the hysteria of 'Greater Serbia,' but it has been abandoned to itself, and maybe now it's too late."

Blondet recalls with evident frustration the many times that he saw the U.N. "taking the wrong side." "Last July, I went from Zagreb to the war zone along the river Sava between Bosanski Brod and Slavoski Brod in Slavonia. A big battle was going on. Croats and Bosnians were fighting against 30,000 Serbians with hundreds of tanks. On the bridge, bombed by the Serbians, between the two cities, tens of thousands of Bosnian refugees were fleeing to Croatia. The only U.N. checkpoint I found, was a few tens of miles from Zagreb. The only thing they were worried about was that I wouldn't transport weapons to the Croats in my car. The Croats were the only ones checked. I don't know of any such controls for the Serbians. The Serbians were allowed to take with them, undisturbed, not only guns, but also heavy weapons, like the deadly Katyusha, to be used against

unarmed civilians. But the U.N. was only interested in preventing Croats from getting weapons."

'Greater Serbians' make their move

Milosevic's decision to make a push to consolidate a Greater Serbia has begun to sink in, even among diplomats. On Nov. 4, one of the U.N.'s Geneva officials confided to reporters: "There is a growing feeling that Serbs across former Yugoslavia have decided that the time has come to create their 'Greater Serbia' and to hell with what the world thinks."

"Milosevic," explains Blondet, "has toyed with international opinion, or maybe there was a division of labor. He needed to gain time to let his troops implement the plan; all the rest was a means to guarantee that goal. As shown by the case of Milan Panic, who now has been brutally put in his place. Panic has been the best alibi for the crimes of Milosevic. Now the alibi is no longer needed."

Panic is the nominal prime minister of the so-called Yugoslav Republic, i.e., Serbia, Montenegro, and the captive Kosovo region. Panic, a California millionaire, arrived in Belgrade with the praises of the U.S. State Department to be appointed prime minister, in one of the biggest media stunts of the war. Panic, who got his position thanks to Milosevic, boasted from the beginning that he would stop the aggression and establish a democratic Serbia based on the U.S. Constitution. In the meantime, having covered the public relations flank, Milosevic was free to continue with his plan.

Recently, Panic opposed the ethnic "cleansing" and the creation of a state in the occupied territories. And suddenly, on Nov. 2, in a 93-24 vote of no-confidence against him in the lower house of parliament, Panic's political life was almost ended. Many parliamentarians stood up to label Panic as "an American spy" or "a madman." "I accuse him in advance of being the likely culprit for a civil war in Serbia," screamed a close crony of Milosevic, the socialist deputy Brana Zrnec. Panic was spared the day after in the Senate by a single vote—18-17. It is nevertheless clear that not even a cosmetic opposition is allowed any longer.

"The existence of the Republic of Serbia" on the territory of Bosnia and Croatia, said Milosevic subordinate Gen. Ratko Mladic at the meeting of Chetnik leaders, "is indisputable. . . . Whether others recognize it or not is their affair. But the existence of the Serbian Army is a reality that cannot be denied by anything."

What will be the next step of the Greater Serbians? "I would watch carefully what is happening in the south of the former Yugoslavia: in Macedonia and Kosovo," says Blondet. "If the real strategy of Milosevic is to conquer and to expand the war, he will not stop now. He sees that the more he pushes, the more the West backs down. It is also possible that there is an agreement between Greece and Serbia to split Macedonia. . . . If Milosevic has been able to conduct genocide in the middle of Europe without any serious reaction, why shouldn't he go further?"

Schiller Institute meets in Moscow, poses alternative to IMF austerity

by Konstantin George

The Schiller Institute held its first-ever conference in the Russian capital Oct. 30-31, co-sponsored by the Russian State Humanitarian University and the Ukrainian University in Moscow. The historic meeting was held on the premises of the Russian State Humanitarian University, within walking distance of the Kremlin.

The purpose of the conference was to present the programs for comprehensive Eurasian-wide and global development, initiated by Lyndon LaRouche, to reverse the world downslide into a new Dark Age. With Russia now at a crossroads, such an intervention is essential to shape the policy course of the former Soviet republics, toward peace and security based on economic progress. This means pushing through a positive alternative to the "shock therapy" program of the International Monetary Fund (IMF), which is now being implemented by the Russian government, with disastrous consequences.

Schiller Institute founder Helga Zepp-LaRouche, the wife of the imprisoned American statesman, sent a message of greeting to the conference, emphasizing that humanity is confronted with a global crisis, and that no solution can be found to any nation's individual problems unless a global approach is taken.

"We are already in a Thirty Years' War," she said, citing the unspeakable genocide being committed with Anglo-American blessing against the Bosnians, the wars engulfing the Caucasus and Central Asia, and the imminent threat of these wars escalating, first into Balkan-wide conflagration and wars among the former Soviet republics, and finally toward "a third world war . . . a war with nuclear weapons." She contrasted this to the Schiller Institute's program for the creation of a new Renaissance.

More than 50 people participated from Russia, Ukraine, Latvia, and Armenia, representing important political, legislative, and government institutions. Rachel Douglas, *EIR*'s intelligence director for Russia and eastern Europe, introduced the history of the Schiller Institute to the participants, among whom were: members of Democratic Russia, the Democratic Union, and other organizations that were in the vanguard of the August 1991 overthrow of the Bolshevik regime; three delegates from the Russian Farmers Party; a member of the Moscow Region Council (Oblast Soviet); leading personalities from the Rukh opposition movement in Ukraine; a three-man Armenian parliamentary delegation

and a member of the Karabakh Committee; university professors from Russia and Ukraine; journalists from Radio Moscow and a leading Moscow daily, *Moskovski Komsomolets*; a representative from the Diplomatic Academy of the Russian Foreign Ministry; and a high-ranking anti-shock therapy representative from a Russian ministry, who has lobbied for the Russian government to fund great infrastructure projects along the lines recommended by LaRouche and the Schiller Institute.

The conference was co-chaired by Dr. of Philosophic Sciences Prof. Taras Muranivsky, rector of the Ukrainian University in Moscow, and Anno Hellenbroich of the executive board of the Schiller Institute in Germany. The proceedings were opened by Prof. Dr. Arkady Romanenko of the Russian State Humanitarian University.

The collapse of the Bretton Woods system

The conference opened with a presentation by the director of *EIR* Nachrichtenagentur, Michael Liebig, who proved that the world economy is in a breakdown crisis, that a new Great Depression is a present reality and not some "future danger." He documented the collapse of the postwar Anglo-American Bretton Woods financial system, and the destruction of the real economy this has caused in Great Britain and America. The adherence by western governments to this bankrupt system, he showed, has brought depression to all the industrial countries. The presentation had a very sobering effect on an audience in which many people, because of the brutal realities of their own economic situation, had been blinded to the reality, as Liebig expressed it, that the Russian and former East bloc breakdown, hideous as it is, is only one very large component of a global crisis.

The second speaker was Konstantin George, *EIR* intelligence director for Russia and eastern Europe, who documented that with not one single exception, the IMF's so-called cure is always not only worse than the disease, but it invariably kills the nation that becomes its "patient." He used case studies from the Third World, Russia under Gaidar's shock therapy, Poland, former Yugoslavia, Czechoslovakia, and Bulgaria, to detail how the IMF, this "international institution," has always been the financial arm of Anglo-American geopolitical interests. Financially, the IMF has served as nothing more than the enforcer to collect debt payments based on Anglo-American bank credits loaned at usurious

Russian crisis heads toward a power shift

A decisive power shift is being organized in Moscow by the military-industrial complex, which already controls the single most powerful Russian institution, the Russian Security Council. By sometime in December, they will extend their power to control the Russian government. This will probably take the form of President Boris Yeltsin invoking constitutional emergency powers and purging the government of "shock therapy" practitioner Yegor Gaidar (the acting prime minister and economic "czar"); Yeltsin may even go so far as to dispense with the Russian parliament.

The plans for installing a new government were worked out over the weekend of Oct. 31-Nov. 1, at a Russian Security Council meeting. Immediately after the meeting, council member Aleksandr Rutskey, the Russian vice president and a leader of the anti-Gaidar faction, announced that the first government changes, which will involve "a number of ministers," will occur on Nov. 15.

On Nov. 3, the Russian Civic Union, the political

organization of industrial leaders, announced its agreement, after a meeting with President Yeltsin, that a new government will be formed on the basis of a Civic Union-drafted "anti-crisis economic program." The content of that program has not been revealed. Yeltsin will meet again with the Civic Union on Nov. 14.

A crucial component of the arrangement worked out between Yeltsin and the military-industrial grouping can be seen in his tough statements and actions in the conflict that has erupted in the Russian Federation republic of North Ossetia, on preserving the "territorial integrity" of the Russian state. The Russian military has intervened into North Ossetia, while in the nearby Georgian region of Abkhazia, Russian forces are giving artillery support to Abkhazian forces fighting Georgian troops north of the regional capital, Sukhumi.

Yeltsin will give the Russian military free reign to take action against Georgia to prevent any humiliation of the Army. That situation is at the brink of fighting after Georgian troops on Nov. 1 seized a huge Russian Army ammunition depot. On Nov. 3, Russian Defense Minister Gen. Pavel Grachev warned that should Georgia refuse to return the base and munitions, Russia will bomb the base, if necessary, to deny its stocks to Georgia. —Konstantin George

rates, committing every crime up to and including the slaughter of many tens of millions of people, to collect the debt. The audience was shown how the Third World has already paid, in the last 10 years, twice the amount it owed back in 1982, leaving it with a debt burden double that of 1982.

George stressed that breaking with the IMF and freezing the debt was not a financial question, but a moral question, upon whose resolution millions of Russian lives depend.

The LaRouche program

The second day of the conference opened with a presentation by Dr. Jonathan Tennenbaum, president of the German Fusion Energy Forum, and co-author with Mr. LaRouche of a book-length development program for Eurasia, *Ein Wirtschaftswunder für Osteuropa, Das Productive Dreieck: Paris-Berlin-Wien (An Economic Miracle for Eastern Europe, the Productive Triangle: Paris-Berlin-Vienna)*.

Tennenbaum presented the policies of Hamiltonian national banking, in answer to what is perhaps the most often asked question in the nations of the East: If no aid comes from the West, how can the necessary, huge infrastructure projects and industrial-agricultural modernization described in the LaRouche-Tennenbaum book be funded? As Dr. Tennenbaum detailed, the state can act in a sovereign manner and establish a national bank, as Alexander Hamilton did, to issue credits to the state, banks, and enterprises, to finance

the growth and technological advancement of the real economy: to infrastructure construction projects, and for equipment and other purchases to get modern industries and agriculture going.

Tennenbaum explained how this program is not inflationary, since the real wealth it creates, after an initial period, becomes far greater than the cost incurred. This is no "leap into the void," but a tested program that works. Every time Hamiltonian banking, dirigist methods of state support for industrial capitalist growth have been employed, the economy in question has undergone breathtaking rates of sustained growth. Examples include the young United States, the late-19th-century policies of Russian Finance Minister Count Sergei Witte, and in the modern period, the German postwar "economic miracle" and France under Gen. Charles de Gaulle.

The next speaker was a Moscow scientific researcher, Dr. Viktor Petrenko, a member of the Schiller Institute, who introduced the forthcoming first Russian-language edition of the physical economy textbook authored by Lyndon LaRouche, *So, You Wish to Learn All About Economics?* After Dr. Petrenko's presentation, the conference participants received a copy of the proofs of the Russian-language LaRouche book.

A full report on the proceedings of the conference is being prepared by Rachel Douglas, and will be published in *EIR* after her return from Moscow.

Middle East Institute conference targets 'economic nationalism'

by Our Special Correspondent

The imposition of International Monetary Fund (IMF) stabilization and structural adjustment programs in the 1980s was the first opening in imposing economic "liberalism" and privatization in the Middle East. As a result, the economic nationalism that had previously characterized the region is ending. So said Prof. Karen Pfeifer in her address to the 46th annual conference of the Washington-based Middle East Institute on Oct. 16-17. Liberalism and privatization means making the region into a cheap labor pool for Anglo-American/French contractors, World Bank Middle East regional director Ciao Koch-Weser indicated. Because these policies are still resisted, the promotion of separatist movements like the Kurds, and the pitting of Islamicists against secularists and workers against industrialists, were among those techniques recommended to realize their success.

The Middle East Institute is a de facto arm of the New York Council on Foreign Relations and functions as the U.S. establishment's mouthpiece for Middle East policy. The 200-member audience was largely drawn from former or active-duty State Department, CIA, and Pentagon officers, as well as representatives of affiliated university departments and think-tanks. While the institute apparently receives a substantial amount of its funds from the (British-run) Sultanate of Oman, and is largely run by State Department "Arabists," it does not shy away from retailing Israeli propaganda lines. The Anti-Defamation League of B'nai B'rith, and the Washington Institute for Near East Policy, an arm of the American-Israeli Public Affairs Committee, were two of the 10 organizations which maintained official book tables at the event.

Panel sessions of the conference analyzed the Middle East peace talks; the new Central Asian states; Kurdish insurgency; Islam and politics; and the politics of economic policy. It was in the latter panel that the conference speakers made their imperial policy most clear.

The enemies: Ataturk, Nasser, Boumedienne

Karen Pfeifer, a professor of economics at Smith College and an editor with the Mideast Research and Information Project (MERIP), spoke on the best way to impose privatization and IMF structural adjustment programs on the Middle East. Introducing herself as a student of Karl Polyani, the founder of so-called economic anthropology, Pfeifer noted

that to understand an economy requires understanding the social contract and the culture underlying it. To change an economy also requires changing a culture and institutions associated with it.

The region, she reported, has been characterized by three sequential cultures and associated economies. The first culture was that of unimpeded European imperial influence. The second culture was that of economic nationalism, now coming to an end, when European influence was restricted. The third culture is that characterized by liberalism and privatization, introduced into the region by the IMF.

Unimpeded European influence began to decline in the early 20th century, she said. Its successor, economic nationalism, best characterized modern Turkey, Egypt, and Algeria. Modern Turkey was formed by Mustafa Kemal Ataturk in the 1920s, when he threw out the Europeans and formed an industrial state. The 1952 revolution in Egypt overthrew the old ruling dynasty of King Farouk; the pan-Arabist Gamal Nasser came into power. Algeria came into being in 1962 with the successful completion of the Algerian war against French colonialism—Houari Boumedienne became head of state.

What was common to the systems forged in Turkey, Egypt, and Algeria, she said, was a social contract where the population expected their standard of living to rise. In their heyday, these states emphasized building up infrastructure, health care, industrialization, basic resource development, and central planning. This was the type of Third World thinking which would lead every state to assume that it had to have its own steel industry.

Pfeifer noted that as impressive as the developments have been in each of these three states, the social contract failed, and, consequently, the system failed. By the late 1960s, Egypt was in trouble; Turkey was hit hard in the late 1970s, as was Algeria.

The major reason each one of these states failed, and others that imitated them, is that they remained import-dependent, especially because they had to import advanced technology to meet their ambitious development objectives. By depending on fluctuating world markets for export earnings to finance these imports, these states were thrust into a crisis, especially because they had to borrow from interna-

tional financial institutions to sustain their development.

All this led to use of IMF standby credits, and the imposition of stabilization programs and structural adjustment programs. By accepting such an external intervention, these states were forced to open up their societies to western efforts to impose liberalism and privatization. By imposing a tighter monetary policy, and a policy of domestic recession, and by devaluing their currencies, these states set themselves up for political eruptions. The social contract based on an advancing standard of living failed, she proclaimed.

Now, she said, we are on the threshold of a new culture of liberalism. The old regimes, even the nationalistic ones, are inclined toward creating democratic forms as a way of venting the resentment of the population, and because it is demanded by the West. Privatization is required to secure World Bank loans. There is a move toward a market economy.

However, she noted, especially in the case of Turkey, but also Egypt and Algeria, there are problems caused by nationalists attempting to frustrate this advance. Denouncing Turkey, especially, Pfeifer complained that state selloffs of industry are done in such a way that industry remains concentrated in the hands of giant, if private, industrial concerns. Privatization has little advantage to those in the West who foster democracy, if industry is not decentralized. Consequently, she argued, the most important task of those who want to see true privatization is to ensure that the rights of labor are respected. That is, labor must have the right to organize, to ensure that health standards are met, and to purchase shares in industry.

Class war in the Middle East, in other words, is on the agenda of those who desire the liberal form of what Pfeifer terms unimpeded European imperial influence.

NAFTA is the model

In this post-Cold War, post-Persian Gulf war world, the ongoing peace talks with Israel provide a unique opportunity to pursue economic and social progress in the Middle East. Such was the view of Ciao Koch-Weser, World Bank vice president in charge of the Middle East and North Africa. Consequently, he argued, such progress must be put firmly on the global agenda. Some sense of what Koch-Weser means by progress is indicated by his citing of IMF-ravaged South America, now set to become a vast slave-labor pool through the North American Free Trade Agreement (NAFTA), as a model success story. He noted that such countries as Egypt, Jordan, and Yemen have a relatively large, low-paid work force.

Throughout the region, especially since the Persian Gulf war, Koch-Weser said, there are clear signs of a rethinking of the economic paradigm to conform with the policies of the IMF. Egypt has initiated reforms; Jordan is embarking on liberalization; Iran also has an ambitious economic reform package, he said. The Middle East peace process can only

accelerate these reforms since, as the goal of strategic self-sufficiency fades away, Arab governments will become more willing to integrate their economies with global markets and, of course, to cooperate with their neighbor Israel. This, he said, represents an enormous window of opportunity. A key feature of such regional cooperation is allowing for labor mobility, such that abundant cheap labor—for example, in Egypt and Jordan—can be wedded with abundant capital—for example, in Saudi Arabia and Israel.

The challenges to the World Bank and its patrons in implementing such a policy include the stubborn insistence of states in the region, as in South America, on devoting a significant percentage of their Gross National Product to military expenditures, Koch-Weser said. But the peace process can allow for a change in this respect. Additionally, in a large number of states, the economy is dominated by state or para-state industries. Moreover, there is the additional supposed problem of high population growth, for example in Iraq, the Occupied Territories, Jordan, Yemen, and Iran. Demilitarization, privatization, and population reduction, however, linked to the peace talks, provide the context for growth, Koch-Weser said. Otherwise, what he termed economic stagnation will continue.

Sectarian, ethnic warfare

Since the developments welcomed by these speakers cannot be expected to be imposed on the region without some resistance, Anglo-American policy circles must continue to push the region in the desired direction through traditional forms of ethnic and sectarian insurgencies. The use of such insurgencies in destroying the entire region was recently the topic of an article by Prof. Bernard Lewis in the New York Council on Foreign Affairs magazine *Foreign Policy*. Lewis was the British intelligence case officer for the policy of overthrowing the Shah of Iran in order to install Ayatollah Khomeini into power, and is currently associated with the policy of transforming Turkey into a parody of the Ottoman Empire. Such policies are intended to foster social disturbances, wars, and chaos to better divide and rule.

Although Lewis did not address the conference, the thinking he represents was presented in panel sessions dealing with Kurdish nationalism, and Islam and politics. To emphasize the importance of the Kurdish card in manipulating the region, much emphasis was placed on a new "Kurdish handbook" just produced by the CIA-linked publishing house of Crane Russak, which was the hottest item on sale at the conference. A map in that book highlighted the Anglo-American-supported Kurdish claim to a "Kurdistan" at the Treaty of Versailles concluding World War I, incorporating 30% of present-day Turkey. One speaker, Prof. Burhan Elturhan, whose sympathies lie with the terrorist Kurdish Workers Party (PKK), said that the paranoia of the Turkish establishment is indicated by their apparent view that the rise of Kurdish nationalism is externally sponsored.

LaRouche warns: Shubeilat case is part of scheme to break Jordan

The trial on charges of sedition against Jordanian parliamentarian Laith Shubeilat "is part of a strategic shift dictated by the United States in concert with the Israelis and certain British forces," independent presidential candidate Lyndon LaRouche stated Oct. 26. It is "an Anglo-American policy, primarily a U.S. policy, involving a shift by the government of Jordan into alliance with Saudi Arabia and the United States against Baghdad."

Jordan's King Hussein had been one of the few Arab heads of state to maintain ties to Iraq during the U.S.-led war against Baghdad in 1991. The current U.S. operation against Jordan entails forcing the king to shift policy and align Jordan with Egypt, Saudi Arabia, and Israel in operations to bring about the overthrow of Iraqi President Saddam Hussein, and to prepare new atrocities against Palestinians in the Occupied Territories and elsewhere. The verdict and sentencing of Shubeilat, expected on Nov. 10, could well be the trigger which sets off such a chain of events. Among the expected mid-term results of such developments is the destabilization of Jordan itself, long an Anglo-American/Israeli objective.

On Oct. 26, the London *Financial Times*, quoting "palace sources" and "diplomats" in Amman, predicted that King Hussein would "dissociate himself publicly from Saddam Hussein, while continuing to express support for the Iraqi people." According to unconfirmed reports, the Anglo-Americans plan to establish the regional headquarters of the Iraqi opposition forces on Jordanian soil.

Why Shubeilat?

Shubeilat was not only a strong and popular opponent of the U.S. war against Iraq—the war in which Egypt and Saudi Arabia were leading participants—but has also been a strong advocate of the cause for a Palestinian homeland. Shubeilat, who has fought against Jordan's obeisance to the austerity demands of the International Monetary Fund, is now on a hunger strike, in repudiation of the "secret sessions" held by the prosecution and the judge on Oct. 17, at which no defense counsel was present. The trial, which is being held before the military-run state security court, has been rife with such irregular actions on the part of the prosecution, and the government "star witness," a convicted agent of the Israeli Mossad, recanted his testimony against

the Jordanian member of Parliament.

Typifying the coercive environment in which the show-trial is being held, Maj. Gen. Mohammed Mango, the court's public prosecutor, told reporters in a prepared statement on Oct. 25 that he is considering prosecuting a group of 11 parliamentary deputies, together with trade unionists and political activists, for their public criticism of the prosecution of the trial.

The trial ended Nov. 4, one day after the U.S. presidential election (see accompanying interview).

The strategic context

Shubeilat was arrested on Aug. 31, when King Hussein was in the United States receiving treatment for cancer. While he was convalescing in the United States, Egyptian President Mubarak mediated a meeting between King Hussein and Saudi Arabia's ambassador to the United States, Bandar bin Sultan. Rumors have since circulated that King Hussein will meet Saudi King Fahd when the Jordanian monarch makes his expected visit to Saudi Arabia later this year. The summit would mark a full rapprochement between Jordan and Saudi Arabia, an event many Jordanians would object to.

The pressure for such a summit has been steadily mounting. On Oct. 14, King Hussein visited Cairo and met with President Mubarak. In the last week of October, King Hassan of Morocco conducted a whirlwind tour of Jordan, Syria, Saudi Arabia, Egypt, and, probably, secretly, Israel. Hassan, a backer of the war against Iraq, met with King Hussein on Oct. 28, to arrange the Hussein-Fahd summit. A related purpose of the meeting, and of Hassan's tour, was to put the finishing touches on a new Camp David-style deal among Israel and Syria and Jordan.

In addition to such strong-arming, talks with the London Club of creditors for rescheduling part of Jordan's \$7 billion debt, which is 181% of its Gross National Product, collapsed in September. With an economy 78% dependent upon trade, Jordan's current account deficit stood at \$704 million at the beginning of this year.

Prior to the war against Iraq, Jordan had received substantial Saudi grants, as well as remittances from its workers in the Persian Gulf oil fields. These workers, and hundreds of thousands of Palestinians employed in the Gulf, have been

returned or fled to Jordan, boosting unemployment to over one-quarter of the work force. Moreover, the continuing blockade on Jordan's only outlet to the sea on the Gulf of Aqaba, allegedly to prevent neighboring Iraq from evading the United Nations embargo, is destroying the Jordanian economy. Iraq had been Jordan's largest trading partner by far, prior to the war.

The Israeli role

The Shubeilat trial also takes place against the backdrop of continuing U.S.-orchestrated talks between Israel and represented Arab nations. On Oct. 26, the Israelis underscored their recalcitrance with a series of heavy attacks into southern Lebanon. With one tank column moving north of the Israeli so-called security zone, the Air Force carried out repeated air strikes against Palestinian villages and camps in Lebanon. The attacks were in retaliation for attacks on the Temple of the Patriarchs, allegedly by Islamic fundamentalist terrorists. It is said that the Israelis have repeatedly threatened to launch hot pursuit strikes against Jordan.

On Oct. 29, Jordanian negotiators at the "peace talks" in Washington announced a "breakthrough" in their negotiations with the Israelis, one day after King Hassan met with King Hussein.

Reportedly, a common statement on the agenda required to achieve a Jordanian-Israeli peace has been accepted. The document states that the aim of the negotiation is to reach a formal peace treaty with Israel, as Egypt had done in 1978. Although the document calls for a comprehensive Arab-Israeli settlement, it does not mention the issue of Israeli-annexed East Jerusalem, nor does it explicitly require the Israelis to withdraw from the Occupied Territories before a settlement is reached.

Predictably, 10 Palestinian factions based in Damascus, Syria, led by the Popular Front for the Liberation of Palestine and Hamas, denounced the breakthrough as "destructive," and called on popular forces in the Arab and Islamic world to "hold the Jordanian regime responsible." By discrediting itself through such deals, Jordan is being set up for an Israeli-linked destabilization further down the line. Israel asserts that Jordan, not the West Bank, is the proper location for a Palestinian homeland.

"The entire Israeli intelligence pack" is behind the operations against Jordan signaled by the trial of Shubeilat, said LaRouche in his Oct. 26 memorandum. "This has essentially made the Kingdom of Jordan, at least for the moment, virtually an Israeli strategic pawn, together with the Saudi Arabian royal family, which is very much a part of this operation, whether on its own, or because of its relationship with the Israelis." From the United States side, said LaRouche, the operation against Jordan "also has to do with the fact that a Clinton administration is more Zionist in this respect than is Tel Aviv or the Israeli government in Jerusalem."

Interview: Maître Claude Pernet

'Shubeilat trial is a travesty of justice'

Maître Claude Pernet, a prominent Paris trial lawyer and professor of international law, traveled to Amman, Jordan on Oct. 5, accompanied by Mrs. Muriel Mirak-Weissbach of the Schiller Institute. As observers, they watched several days of proceedings in the trial of Laith Shubeilat, the Jordanian parliamentarian who was arrested on Aug. 31 and charged with conspiring against the state (see previous article).

On Oct. 31, the State Security Court prosecutor Maj. Mohammed Hijazi wrapped up the case, reviewing evidence produced by state witnesses, and calling for a guilty verdict against all four defendants. Major Hijazi pointed out that some of the charges carry the death penalty, but said he would leave the sentence up to the court, i.e., the three military judges.

Hijazi surprised the court by omitting reference in his summation to the "secret" witness who purported to be the bag man bringing \$200,000 from Iran to Shubeilat. It was in protest against this Syrian witness that the attorneys for Shubeilat and defendant Yacoub Qarrash, also a member of Parliament, had walked out. Both rejected their court-appointed lawyers, and began a hunger strike on Oct. 17. Hijazi refused to comment on his omission of such an important witness. He tried to prove that Shubeilat is the leader of the secret insurrectionary organization, by referring to a policy paper of the group, in the handwriting of defendant Ahmad Ramzi Al Ayoubi. Ayoubi had testified that Qarrash had dictated it to him, but he believed Laith to be the author, "because the sheikh is not so smart."

Lawyers for defendants Ayoubi and Hamid Sadeq Dkedik said their clients were guilty of belonging to the group, but intended to fight in the *Intifada* (uprising) in the Occupied Territories, "which is legitimate." Shubeilat had no legal summation in his defense, as he had rejected the court-appointed lawyer, who asked to be excused from the case as a result. The prosecutor instead ordered him to present a summation when the court reconvened for its final session on Nov. 3. Then the court recessed; a verdict is expected on Nov. 10.

Extraordinary security measures were introduced at the

Oct. 31 session, preventing all but lawyers, press, and family from reaching the court, to prevent pro-Shubeilat demonstrations.

In the defense summation—submitted against Shubeilat's will—the court-appointed lawyer essentially rejected the prosecution's charges. He said the prosecution had failed to prove the existence of the illegal group, and had insufficient evidence to support any of the charges. The other parliamentarian was expelled from the court after trying to present his own defense, as was his wife, for shouting in the courtroom. Heavy security was again visible.

The farce of a trial has now ended. Laith Shubeilat is continuing his hunger strike.

Maitre Pernet gave the following interview to EIR Nachrichtenagentur (EIRNA).

EIRNA: Could you tell us a little about yourself and how you became involved in the Shubeilat affair?

Pernet: I'm a practicing lawyer in the Paris Appeal Courts, and I also teach international law at university. The association of which I am vice president, "Law of Nations versus Law of Force," denounced the western states' behavior in the Gulf war, the U.N. embargo against Libya, and the genocide which Serbia is perpetrating against Croatia and Bosnia. I was invited to Amman by the Committee to Support Laith Shubeilat, where I took part, as an observer, in several of the decisive hearings in the trial of the MPs Shubeilat and Yacoub Qarrash before the State Security Court. This was from Oct. 5-11.

This trial is a travesty of justice; it defies all law, and for Jordan, it is nothing but a political farce.

It's a travesty of justice for several basic reasons, all of which add up to the fact that basic principles of law, in general, have been violated, and in particular, that the rights of man have been violated, those intangible rules which are respected by all nations and entrenched in international treaties.

EIRNA: What do you think of the charges against the accused?

Pernet: First, although the doctrine of parliamentary immunity is precisely intended to protect members of parliament during their term in office, Messrs. Shubeilat and Qarrash were charged, arrested, and thrown into jail with utter contempt for that rule.

Second, the State Security Court where the case is being heard, is a military court with extraordinary jurisdiction. This raises the question as to whether such a court can legitimately and lawfully, under the Jordanian Constitution, try a parliamentarian during his mandate.

Third, the parliamentarians were denied the right to speak to their lawyers without there being third parties present; this is a breach of the most basic rules of international penal law.

EIRNA: Is the trial proceeding in conformity with recognized standards?

Pernet: An attempt is being made to have things look orderly. The sessions are held in public, the defense is allowed to speak; but behind this formal facade of correctness, the actual content of the law is being violated, e.g.:

- At every hearing, witnesses and incriminatory evidence were produced by Maj. Mohammed Hijazi, the prosecutor, under conditions where the defense could not realistically examine said witnesses and evidence. Thus were the rights of the defense trampled upon.

- The depositions by prosecution witnesses were jumbled and extremely vague.

- One of the main prosecution witnesses, Mohammed Moghrabi, jailed for spying for Israel, actually withdrew his deposition during the hearing; he stated that he had been offered a reduced sentence if he agreed to lie, and claim that Shubeilat was a member of the Islamic Liberation Front!

- The expert witnesses were scarcely credible, for two reasons:

- a) these so-called experts were in fact men from the intelligence services, who lacked any real professional status;

- b) in the case of the alleged arms caches, the incriminating evidence was never produced, and other prosecution evidence was only shown to the defense at the very last minute.

At every hearing, the prosecutor would turn up with fresh evidence, which the defense could not properly examine.

For the first time in the Kingdom of Jordan, the court admitted tape recordings as evidence, including telephone conversations recorded without a warrant, in spite of the fact that Jordanian law forbids such tape recordings.

This trial is a political farce for the Kingdom.

In my view, the object of the whole exercise is to destroy a man who is the only political leader respected by both Christians and Muslims, and who represents an efficient, *legal* opposition force.

Mr. Shubeilat is widely known as a man of integrity, who, in the context of a parliamentary investigation, has exposed corrupt dealings for public contracts.

He speaks out for what he believes in: He defends the right to self-determination of the Palestinian people, he opposed the Gulf War, the embargo against Iraq and the present plan to carve it up; he rejects the IMF's [International Monetary Fund] draconian policies.

Mr. Shubeilat did indeed call for reform, but always under the rule of law of the Constitution.

He loves his country and respects its King. It would be most unwise for Jordan to make a martyr of Laith Shubeilat. This is the man of the future for a brave country which must stand united as a democratic state around her King, given the perils which now threaten to engulf the region.

Salvadoran 'peace plan' breaks down

by Valerie Rush

The refusal by the Cuba-allied Farabundo Martí Liberation Front (FMLN) to demobilize and disarm their forces by Oct. 31, the deadline set under the "peace plan" imposed by the United Nations upon El Salvador, has opened the gates of war in that country once again.

The FMLN was clear from the outset that it viewed the agreement, hailed as a model of supranational intervention for dealing with Marxist insurgencies on the continent, as a time-buying device, while awaiting a communist comeback globally. At the same time, pressure wielded by the U.N. in the guerrillas' favor has won the FMLN the power it never won on the battlefield.

While shooting between communists and their opponents is still sporadic, the crumbling of the U.N. accord confirms what *EIR* has been saying all along: that the "peace pact" is a recipe for war, because it is premised on the elimination of national sovereignty, and of such national institutions as the Armed Forces, and therefore is inherently unstable. The collapse of this experiment in supranational manipulation was always just a matter of time.

The guerrillas' protectors

On Oct. 26, the United Nations approved the FMLN's request for a postponement of its demobilization deadline. At the same time, the U.N.'s Ad Hoc Commission, mandated to investigate alleged human rights abuses by the Salvadoran military, presented the government with a list of over 110 high-ranking military officers, including Minister of Defense General Ponce and his deputy minister, whom they demanded be purged or transferred within 30 days. President Alfredo Cristiani declared in response on national television on Oct. 28 that he would proceed no further with the government's treaty commitments to reduce and restructure the Armed Forces until the FMLN was fully demobilized and its weapons surrendered.

In answer to the FMLN's demand that U.N. Secretary General Boutros Boutros-Ghali convince Cristiani of "his grave error," two U.N. mediators were flown to El Salvador. Also coming to the FMLN's side was U.S. Assistant Secretary of State Bernard Aronson. Ostensibly addressing death squad threats against FMLN leaders, but in fact directing his warning to any Salvadorans who would oppose the U.N. scenario, Aronson threatened that "the United States and the entire international community will use every possible law

enforcement and investigatory tool to capture and fully prosecute anyone who commits violence against the peace process. . . . No one is going to escape."

FMLN wants power, not peace

Despite media claims that "both sides are at fault" for failing to comply with the peace accord, the plain truth is that the FMLN is *not* demobilizing, yet is demanding—with full U.S. and U.N. backing—that the Salvadoran state demilitarize. The 40% of FMLN forces which were allegedly demobilized through Oct. 31 consisted largely of elderly people, children, and the FMLN's political representatives. And, as the *Washington Times* noted on Oct. 31, "Many of the weapons they turned in were in poor condition, with broken muzzles and parts missing, and seemed more a threat to the shooter than the target."

The FMLN has insisted that it will not turn over all weapons until Army "purification" has begun, and until it receives legal title to some 600,000 acres of land—12% of Salvadoran national territory—it claims to have won. One-fourth of that land is in El Salvador's richest coffee-growing region, and could prove an important source of wealth for the guerrilla movement. Said Joaquín Villalobos, one of the FMLN's five senior leaders, "What interests us now is economic power; we demand what we won."

The FMLN's stall tactics, while encouraging its supporters to occupy territory through land seizures, makes it clear that the guerrilla group's objective is not ending the war, but capturing the political, military, and economic power it has always sought. This was made explicit in a statement issued by the FMLN's diplomatic representative to Ibero-America at the time of the peace accord signing in January of this year. Declared Miguel Angel Amaya Cuadra, "We are negotiating as equals, as one power to another; the FMLN did not accept nor will it accept a demobilization, but rather a reconversion of its forces, where its combatants will belong to the new Civic National Police and will also join the productive sectors; and the FMLN will become a political party."

The FMLN has every hope that its power play will be assisted by the new U.S. administration of Bill Clinton. This was stated by several representatives of the São Paulo Forum, a collection of the continent's left-terrorist remnants which met in Buenos Aires in late October to give its endorsements to both Clinton and Peru's Shining Path. They said that the Democrats are "more accessible" than the Republicans.

Also assisting El Salvador's "peace process," it appears, will be the newest Nobel Peace laureate, Rigoberta Menchú, an international representative of Guatemala's narco-terrorist group URNG, whose "indigenist rights" campaign serves as a cover for the new world order's attack on the sovereign nation-state. Menchú has already requested a meeting with U.N. Secretary General Boutros-Ghali, to seek a mediating role in the "peace efforts" of El Salvador, Guatemala, and wherever else she may lend her services.

U.S. policy on hemispheric security

Washington wants to give the OAS "blue helmet" powers to enforce its new world order. Excerpts from an Oct. 17 memorandum by EIR.

I. Overview of policy

The mid-October 1992 trip of Gen. George A. Joulwan, the head of the U.S. Southern Command, based in Panama, to the Southern Cone of Ibero-America, is part of Washington's political preparations for the upcoming extraordinary session of the Organization of American States (OAS), which will probably commence on Nov. 23, 1992 in Buenos Aires, Argentina.

The U.S. policy objectives for this meeting were made clear at the June 3-9, 1991 Organization of American States General Assembly in Santiago, Chile, and again at the OAS meeting in the Bahamas in May 1992:

1) reform the OAS charter to give that body "intrusive powers" in member states, should "democracy" be threatened in any country; and

2) restructure the Inter-American Defense Board (JID), to convert it from an advisory body on military matters into the OAS's deployable military force, on the model of the United Nations' "blue helmets."

In Ibero-America, the period of January through June 1991 saw a concerted policy drive by the United States, with strong backing from Argentina and Venezuela, to launch the total transformation of the OAS and the JID along the lines described in the brief chronology below. But the September 1991 military coup in Haiti made it clear to Washington that not everyone on the continent would go along with the new policy without protesting. And subsequent developments in Venezuela (February 1992) and Peru (April 1992) served to underscore that point.

In the last few months, Washington has faced:

- renewed coup concerns in Venezuela;
- the emergence of nationalist civic-military movements in various countries in the region; and
- a terrible threat to Bush's entire new world order with the example provided by Brazil's peaceful removal of its corrupt President from office.

The essential role of General Joulwan has been to silence these protests of the Ibero-American militaries. His deployments have been the most intense immediately after the various threats to "democracy" in the recent period. In other words, he has been used on several occasions to pressure and threaten the Ibero-American armies back into line. This is the significance of his most recent trip as well.

II. Chronology

Nov. 21, 1990. Gen. George A. Joulwan is named commander of the U.S. Southern Command, Panama.

Dec. 4, 1990. Argentina's ambassador in Brazil, José Manuel de la Sota, proposes a Southern Cone alliance in defense of democracy, in which sanctions and even armed interventions would be used by members of the alliance against any other member country which failed to maintain a "democratic" system. De la Sota made the proposal at a luncheon at which Brazilian President Fernando Collor de Mello and 21 other Ibero-American and Caribbean ambassadors to Brazil were present, during U.S. President Bush's visit to Brazil.

Jan. 11, 1991. London's *Financial Times* hails Argentine efforts to "modernize" their armed forces, and says Finance Minister Domingo Cavallo is "trying to interest his neighbors in a regional security pact that would keep the generals out of politics and busy with non-threatening duties, such as protecting the environment and stamping out drug trafficking."

March 1991. Argentine Foreign Minister Guido di Tella holds secret meetings with his Chilean and Brazilian counterparts to elaborate a strategy for forging a military wing of the Southern Cone common market known as Mercosur, to enforce "democracy" within the region, while simultaneously reducing both troops and conventional weaponry within each nation. The Argentine daily *Página 12* reports March 13, 1991 that the goal is to accelerate the "dismantling of the hypotheses of conflict" between neighboring countries.

Head of the Joint Chiefs of Staff of Argentina Adm. Emilio Osses echoes Di Tella's proposals, saying it is necessary to "assume that the Armed Forces model that has been accepted throughout most of this century has come to an end," and that "modernization" of the forces is required within the framework of reform of the state and the "new existing international context."

Argentina's *Ambito Financiero* newspaper reports that behind these moves is the U.S. strategy to prevent internal insurgencies which could threaten democracies in the region, and that the U.S. is pushing for a Conference of Southern Cone Defense Ministers to forge a Southern Cone Security Treaty to establish specific mechanisms of consultation and enforcement.

April 25, 1991. Former U.S. Defense Secretary Robert S. McNamara, in a paper for the annual meeting of the World Bank, strongly promotes the concept of such "collective action" on the model of United Nations intervention in Iraq, and urges that the OAS be similarly transformed: "Agreement by the [U.N.] Security Council that regional conflicts endangering territorial integrity will be dealt with through application of economic sanctions and, if necessary, military action imposed by collective decisions and utilizing multinational forces. . . . Such a world would need a leader. I see no alternative to the leadership role being fulfilled by the U.S. . . . Regional organizations like the OAS and OAU [Organization of African Unity] must come to function as regional arms of the Security Council."

April 1991. U.S. Ambassador to the OAS Luigi Einaudi, at a Woodrow Wilson Institute seminar on the "Future of the OAS and Hemispheric Security," states that the current structure of the OAS and the Inter-American Defense Board are inadequate to this task. He expresses his "great frustration in the ability to bring together the OAS and the Inter-American Defense Board, the civilian political authority and the military institutional authority. It is clearly time that we translated the democratic solidarity that we have achieved in the hemisphere into a new definition and role for the military." Einaudi goes on to directly attack the concept of national sovereignty, noting that when some new world order advocates, such as "my friend Carlos Andrés Pérez," address the OAS, "they will speak with such clarity that they send many people away reeling, looking for the protective veils of non-intervention, of the sovereign equality of states and of representatives."

June 3-9, 1991. The OAS holds its 21st annual General Assembly in Santiago, Chile. Foreign ministers of all member countries sign the "Santiago Commitment," which contains an "inexorable commitment" to defend democracy in the region. Concretely, they agree that the OAS Permanent Council would immediately convene in the event of the overthrow of the government of a member state, and that a meeting of foreign ministers or the General Assembly itself would be called within 10 days, to consider further action.

This accord is a compromise achieved after intense debate. The U.S. and Venezuelan representatives, in particular, push for much stronger action, a revival of the so-called Betancourt Doctrine, which would suspend from OAS membership any country which undergoes a coup. It would also make the suspended nation subject to other punitive actions, including economic and financial embargo, and even joint military intervention by the OAS. The Venezuelan government makes the proposal to adopt such a Betancourt Doctrine in the name of the Andean Pact nations as a whole, which had met the previous month, and argues specifically for the concept of turning the OAS into a guardian of "supranational rights," a regional branch of the United Nations. And U.S. Ambassador to the OAS Luigi Einaudi states: "The U.S. is

determined that the new international order should have an immediate derivative south of the Rio Grande: 'a new regional order.' It would be like killing two birds with the same stone that was intended for Saddam Hussein."

Opposition by some nations, including Mexico, forces the adoption of a less radical compromise, the Santiago Commitment. Venezuelan Ambassador to the OAS Guido Groscors calls it "timid but important," and Luigi Einaudi describes it as "going beyond expectations," but that now we must "make the security mechanisms secure."

June 10-14, 1991. Top military leaders from Argentina, Brazil, Paraguay and Uruguay—the newly signed Mercosur countries—meet for the Fifth Strategic Studies Symposium in Montevideo, Uruguay and agree to reassert democracy in the region. According to UPI, the group carries out a "profound self-criticism" of the role of the armies, and pledges that "any military intervention against internal social conflicts deriving from economic problems that emerge in the future, should be legitimized by the civilian authority."

Sept. 30, 1991. Military coup against President Jean-Bertrand Aristide in Haiti. The Santiago Commitment is immediately activated, and the OAS, after lengthy debate in emergency session, agrees to impose an economic embargo on Haiti until such time as "democracy" is restored.

Oct. 26, 1991. Gen. George A. Joulwan goes to Brazil to meet with the country's three military ministers, among others.

Jan. 6, 1992. *Newsweek* reports that the U.S. Southern Command's top priority is to participate in the Ibero-American War on Drugs. Through this, U.S. special forces are involved in the following:

- Army Green Berets train Bolivian, Peruvian, and Colombian police and military in jungle warfare.
- Navy SEALs are in Ecuador, Colombia, and Bolivia giving specialized instruction.
- The supersecret U.S. Army Delta Force has given the Peruvian Army training in counterterrorism, according to Peruvian and U.S. military sources.
- The U.S. wants to have the Green Berets move in to train the Honduran Army, to achieve "the conversion of Honduran units that patrol the Salvadoran border for guerrillas into drug-interdiction teams."

Jan. 15, 1992. The *New York Times* interviews General Joulwan, who says the number-one priority for the United States is to keep U.S. troops from getting involved in actual combat. He says the U.S. public must start considering extending counterinsurgency aid to countries like Colombia and Peru, where the line between traffickers and guerrillas is too blurred to distinguish between the two.

Jan. 28, 1992. General Joulwan visits Caracas and gives a class to colonels and majors at the Superior War College, subject undisclosed. Journalists who have been formally invited to his class are kicked out of the conference room on orders of U.S. Embassy security personnel.

Feb. 4, 1992. General Joulwan visits Colombia, where he tells *El Espectador* newspaper that “it is a pleasure for the U.S. Army to help Colombia maintain democracy.” Defensively, he insists that in cooperation in the war on drugs, the U.S. Army seeks “not to violate Colombian sovereignty, but to defend it.”

Feb. 5, 1992. Coup attempt in Venezuela against President Carlos Andrés Pérez.

Feb. 26, 1992. U.S. Army Chief of Staff Gen. Gordon R. Sullivan testifies before the U.S. House Armed Services Committee on the Army budget for 1993. He stresses that the national defense forces must shift from “an orientation toward the global Soviet threat to a focus on regional crises and the sources of instability. . . . We now face a strategic environment that requires rapid projection of power—often with little or no notice—in reponse to regional crises while remaining engaged in vital regions through forward presence.”

Sullivan describes the main threats to U.S. interests as:

- inimical ideology;
- amassing arms and technology proliferation;
- regional instability;
- economic collapse, competition or restrictions;
- renegade states (Cuba, North Korea, Iraq, Iran, Libya);
- ethnic, religious, and cultural differences; and
- environmental degradation.

Regarding Ibero-America, Sullivan says the three greatest threats to stability in the region are: 1) the pervasive effects of drug trafficking; 2) the inescapable demise of authoritarian rule in Cuba; and 3) chronic economic difficulties. “Any of these factors could be a catalyst threatening vital U.S. interests.” Sullivan concludes, “The Army of today is focused on no-notice, forcible entry, crisis response to conventional regional conflict by means of tailored force packages—armored, light, and special operations forces—from the continental U.S.”

March 24, 1992. The *New York Times* editorially calls for the creation of an “inter-American military force” to provide a cover for U.S. military interventions into Ibero-America. “There is little time to lose. . . . In Venezuela, military nationalists challenge democracy. . . .”

“A hemispheric intervention force is more likely to be accepted if Washington maintains a low profile,” the *Times* adds. “The time has come to create a new inter-American military force that could intervene to protect democratic governments from hijacking by armed terrorists.”

March 24, 1992. General Joulwan visits Argentina for three days to hold discussions with high-level government and military officials, reportedly on joint actions against the drug trade. At the end of his visit, General Joulwan is asked to comment on the *New York Times* editorial: “I know nothing of this, but it would be a political decision among the governments of the region and the OAS.”

In conversations with Argentine officials, General Joulwan tells them the drug problem had become “one of the hypotheses of conflict that U.S. political-military strategy is premised on,” and that he intended to encourage “the process of demilitarization of the countries of Latin America.”

After Joulwan’s visit, President Carlos Menem tells a meeting of foreign ministers of the Rio Group, gathered in Buenos Aires March 26-27, that the OAS should create a security council to intervene in the countries of the hemisphere to “protect democracy.” According to the Mexican daily *La Jornada* of March 27, Menem “reiterated his proposal that the OAS should have a multinational force to intervene in cases of coups d’état.”

March 28, 1992. Venezuela’s daily *El Nacional* reports that Venezuelan President Pérez backed Menem’s proposal for an inter-American military force, but that the Rio Group rejected the idea. Argentine Foreign Minister Di Tella states unhappily that “this matter was not brought up.” Pérez says, more frankly: “Unfortunately, in Latin America when we defend the principle of non-intervention, we fall into the trap of indirectly supporting dictatorships, because when a dictator is installed here, the principle of non-intervention goes in favor of the dictator and not in favor of the people who lost sovereignty. That is why I have insisted that the concept of non-intervention that should prevail essentially must accept the presence of supranational rights to be defended by the region, not as a right of each state but as a right of the Latin American region itself. One of those rights is respect for popular sovereignty as expressed at the polls by the inhabitants of a country, and that right should be multilaterally defended.”

Mexico’s *La Jornada* of March 26 says that then-Venezuelan Defense Minister Gen. Fernando Ochoa Antich is prepared to closely study the idea of creating an interventionist Ibero-American military force capable of “protecting” democracies.

April 5, 1992. Peruvian President Alberto Fujimori suspends the Congress and the Supreme Court, in what is widely described as an *autogolpe*, or “self-coup.”

May 7, 1992. The U.S. House Western Hemisphere Affairs subcommittee holds hearings on the Peru situation, in which chairman Rep. Robert Torricelli (D-N.J.) says that the Peru events are “not simply another seizure of power in a Third World capital causing a momentary ripple in relations, but a growing insurrection with political consequences for the region and further fueling the exportation of dangerous coca for cocaine production in neighboring facilities.”

Testifying before the subcommittee, General Joulwan states: “One of my command’s strategic objectives is to strengthen democratic institutions in Central and South America. When democracy is threatened, we need to send a clear signal to the military that we cannot do business as usual. We have sent such a signal, and I have personally made this clear to the military leadership of Peru. . . . We

will continue to assess our involvement with the Peruvian military based on progress made on a return to democracy.”

May 18, 1992. The OAS meets in the Bahamas, and the discussion centers on the issue of “democracy” in Haiti and Peru. The meeting agrees to tighten the embargo on Haiti, and Peru is pressured to return to “democracy” immediately.

Argentine Foreign Minister Di Tella proposes to the assembly that the OAS charter be reformed by two additional articles: the first, requiring the suspension of non-democratic governments from the OAS; the second identifying the necessity to fight poverty.

Di Tella’s additional proposal for Peru to be immediately suspended from the OAS is not accepted, at which point he urges an extraordinary meeting of the OAS for late 1992, in Buenos Aires, to discuss his proposed changes in the OAS charter. This is agreed to.

Di Tella’s proposal for OAS reform is co-sponsored by the U.S., and calls for giving the OAS “intrusive powers,” similar to the U.N.’s power of imposing embargoes and sending peacekeeping forces.

La Jornada of Mexico reports that the Brazilian and U.S. representatives co-sponsor proposals to broaden the concept of “hemispheric security” to include not only weapons control and human rights, but also the strengthening of democratic institutions, drug-trafficking, the liberalization of trade and economies, and protection of the environment. Einaudi emphasizes that this will set “an exemplary precedent” and that the hemispheric security proposal is “an impressive proposal for the post-Cold War era which, doubtless, represents a significant contribution not only to the security of the Americas, but of the whole world.”

La Jornada reports that Einaudi and others sharing the U.S. view nearly succeed in setting themselves up as a de facto OAS “informal security council” without assembly approval.

Another proposal is presented by a commission of 10 nations headed by the United States and including the Southern Cone countries, Nicaragua, Ecuador, and Honduras, which urges the 1993 General Assembly of the OAS to take up the issue of transforming the JID into a supranational force comparable to the U.N. blue helmets. Argentina’s Di Tella proposes, according to *La Jornada*, that the JID “have a relationship similar to that which each armed force has with the civilian authorities of the states.”

Einaudi summarizes the U.S. views: The postwar pillars of stability for Ibero-America are democracy, private enterprise, and the OAS. He warns that “those who subvert democracy will remain isolated, will remain without normal diplomatic contacts, without financial assistance and without participation in the central activities of the Enterprise for the Americas initiative.”

Sept. 18, 1992. General Joulwan visits Venezuela and meets with President Pérez. According to the daily *El Nacional* of Venezuela, one topic under discussion is the sta-



A military parade in Bogotá, Colombia. The U.S. wants to take apart the continent’s armed forces and turn them into a supranational “blue helmets” force.

tioning of U.S. troops in Venezuela, supposedly to help in fighting drug trafficking and kidnappings, including joint coastal patrols with the Venezuelan Navy. One of the two zones mentioned is the southern region of Lake Maracaibo, an area of vast oil deposits.

September 1992. General Joulwan visits El Salvador.

Sept. 17, 1992. Argentine Navy Chief Adm. Jorge Ferrer submits a report to President Menem to discuss the “feasibility” of establishing a “mechanism of interaction” between the Argentine Armed Forces and NATO, saying that “Argentina will be the first of the so-called peripheral countries to join the biggest military organization in the world.”

Sept. 28, 1992. Argentine Foreign Minister Di Tella gives a presentation in Brussels to the Permanent Council of NATO Ambassadors on how Argentine foreign policy has realigned itself with the objectives of the western world, and formally requesting that Argentina’s military be permitted to conduct joint exercises with those of NATO. He says that Argentina is “introducing reforms into the military structure, to be better able to regularly participate in [U.N.] peacekeeping operations.” In response, the council invites Argentine Defense Minister Ermán González and the chairmen of the defense commissions of Argentina’s House and Senate to address them.

Oct. 1, 1992. General Joulwan visits Venezuela, meets with President Pérez to discuss U.S. assistance in fighting drugs. Joulwan comments upon leaving the meeting that the U.S. is worried over the drug traffickers’ threat to democracy and sovereignty, and that he has discussed a joint cooperation counternarcotics plan with President Pérez.

Japan's party fissure threatens economy

by Kathy Wolfe

The special session of the Japanese Diet (parliament) which opened on Oct. 30 was gridlocked during its first week by a harsh leadership battle inside the "Takeshita faction" of the ruling Liberal Democratic Party. In-fighting in this largest of LDP factions, and related uproar over the Sagawa Kyubin trucking firm scandal, has made it impossible for Prime Minister Kiichi Miyazawa to pass his \$87 billion emergency economic package.

Miyazawa, put in power by the Takeshita faction, will fall if the Takeshita faction should formally split. This could collapse the LDP and the government. As long as the Takeshita faction is deadlocked, as it is at this writing, Miyazawa is equally helpless to organize a new power base or take any action on the economy. He could follow George Bush out of power very soon. "Japan could swing quite sharply toward paralysis," the London *Financial Times* said happily on Oct. 29.

The real issue here, unreported in the western media, however, is the substantial policy disagreement between two schools of economic thought on Japan's future. Japan's physical economy, which has been investing \$300 billion a year in new plant, equipment, and technology for a decade, is fundamentally sound. Japan's banks and stockbrokers, however, are too loaded with rotten real estate and other debt to make loans.

The battle is between bailing out the financial speculators, and shifting gears to prioritize the physical economy. The Nov. 4 *Financial Times* lead editorial, entitled "Japan Banks on Recovery," demanded that Japan implement a bailout of the rotten bank debt, modeled on the U.S. Resolution Trust Corp.'s bailout of the savings and loan institutions. Such bailouts are speculative because taxpayers' money, and inflationary government deficit bonds, go to buy the debt from the banks at too high a value.

Similarly, to bail out Japan's speculative stock market, Miyazawa has already foolishly shifted over \$10 billion of the Japanese public's savings into the Postal Life Insurance Welfare Corp. to buy stocks.

This approach is wrong. The focus must be on getting all that government cash into large-scale infrastructure and scientific seed technologies in Japan and in the Third World, to get Japan's physical economy moving again. Finance Minister Tsutomu Hata has at least spoken out against using deficit finance and bank bailouts. So far, however, no one has proposed the third and necessary solution: Large chunks

of the bad debt must be written off, and the rest stretched out, as Alexander Hamilton stretched out the U.S. Revolutionary War debt. Japan should then abrogate the Bank for International Settlements' restrictions on bank lending, and urge banks to participate in the new physical expansion programs.

LDP 'like Gorbachov'

The in-fighting within the LDP does not grid directly, one-for-one, on this more fundamental policy debate, but it has made policy impossible to clarify.

The fight "could make the LDP look like Gorbachov," top Japan-basher Chalmers Johnson of the University of San Diego told *EIR* on Oct. 27. "This could be for real. Possibly we'll have something like the Stalin-Trotsky split, or the Mao-Liu Shiaoqi split—very bloody."

A Takeshita faction split, Johnson insisted, means a split of the LDP itself. "If they create a new faction, I don't see how a full LDP party split can be avoided. It's excellent."

In fact, Tokyo is in for a lot of pressure from Washington to try to force the LDP out of power, because Professor Johnson, or one of his protégés, may be appointed U.S. ambassador to Japan by the new Clinton administration, National Public Radio reported on Nov. 4. "The end of the Cold War means that the United States no longer has any reason to keep the LDP in power. We don't need them," Johnson told *EIR*.

"If this means loss of power by the LDP or that the liberal LDPers form a coalition government with the socialists, all to the good," he said.

The Takeshita factional row began on Oct. 23 when the elders of the faction, headed until recently by Shin Kanemaru, named Keizo Obuchi, aide to former Prime Minister Noboru Takeshita, as chairman. Kanemaru resigned from the Diet in disgrace on Oct. 15, after admitting to financial relations with the Niigata trucking firm Sagawa Kybin and its godfather, gangster Susumi Ishii.

But dissenters backing Finance Minister Tsutomu Hata as a rival for chairman, led by Kanemaru's top lieutenant Ichiro Ozawa, refused to accept the choice. Parliamentary sources said that Ozawa, who until the Sagawa Kyubin scandal broke was Kanemaru's undisputed heir, might formally inaugurate another, rebel faction.

"There is no other way but a breakup," Transport Minister Keiwa Okuda told a news conference on Oct. 23. "We will work to build a new policy group around Mr. Hata." Okuda said his group would try to enlist support from other factions which could throw the LDP into war.

"This split could be a political earthquake of the first magnitude," influential Tokyo TV commentator Kenzo Uchida said on Oct. 24. "This is the period just before a divorce, when we're still living together," said a member of the Ozawa group.

"There are increasing voices that we should start all over again by calling general elections," Diet member Hiroshi Mitsuzuka told a rally in Tokyo the same day.

Peru under 'democratic' assault

The Project Democracy crowd is complaining about President Fujimori's refusal to share power with narco-terrorists.

The orders have come down from the Project Democracy super-government in Washington to "clean up the Peru problem" now, before Bill Clinton takes office in January. A specific target of this newest offensive to install "democracy" in Peru, is that country's Constituent Assembly elections on Nov. 22. Immediately after those elections, Project Democracy will be holding a conference in Lima, where its ultimatum will be spelled out.

Peruvian President Alberto Fujimori's insistence on militarily defending his ravaged nation from the Shining Path and MRTA narco-terrorists, thereby placing the sovereign interests of Peru above the so-called "collective rights" of the new world order, has punched a gaping hole in their efforts to secure the continent for another decade of free market looting, drug trafficking, and depopulation. If Fujimori's popularity remains intact through the Constituent Assembly elections, his war-winning approach will be strengthened—possibly inspiring others to follow suit.

The strict military trial and conviction for treason of Shining Path chieftain and war criminal Abimael Guzmán—applauded across Peru as the first sign of real justice in Peru in years—has been fashioned into the latest *cause célèbre* of the international human rights lobby, upon which Project Democracy's campaign rests. Amnesty International and Americas Watch, two pro-terrorist mouthpieces masquerading as human rights advocates, sent a letter to President Fujimori describing Guzmán as a "politi-

cal prisoner" and demanding that he receive a "just trial."

At the same time, other human rights forces have openly painted the Guzmán trial as "illegitimate," paving the way, according to at least one scenario presented by Peru's media, for having the Shining Path chieftain's life sentence dismissed by an international tribunal.

On Oct. 27, the *Christian Science Monitor* lent its pages to U.S. "human rights" professor Douglass W. Cassel, Jr., who charged Fujimori with violating the Inter-American Human Rights Accord (known as the San José Pact), by subjecting war criminal Guzmán to the indignities of a military trial. Cassel conveniently forgot to mention that Peru is in a state of war.

Inside Peru, Fujimori has been denounced by the likes of journalist Luis Pasará, a "former" communist who wrote in *Caretas* magazine on Oct. 29 that the Peruvian government's "barbaric" treatment of Guzmán—showing him to the public in prison clothes and trying him by anonymous military judges in the absence of the press—has destroyed Fujimori's credibility, and that perhaps "an international court [should] accept jurisdiction" over the case and "revise the sentences."

One week earlier, Pasará wrote that the Peruvian state required a "total restructuring" by foreign forces, along the lines of the El Salvador model. If foreign advice is acceptable in financial matters, he argued, why not get U.N. forces to restructure our judiciary, our police, and our armed forc-

es, too? Pasará was especially furious that Fujimori is considering Peru's withdrawal from the San José Pact, and dubbed any such move "indefensible, despite popular support" for the measure.

Similarly oblivious to the fact that a President is elected by his people and not by multilateral institutions, the Inter-American Human Rights Commission of the Organization of American States (OAS) warned Fujimori that withdrawal from the pact would go "against the current of consolidating democratic regimes based on civil and political rights." One much-touted example of such a "democratic regime" is corruption-riddled Venezuela, whose head of state Carlos Andrés Pérez threatened in an Oct. 27 interview that Fujimori's government would end "dramatically badly."

Pérez is a sponsor of an extraordinary session of the OAS, to be held in Buenos Aires in late November, which will consider multinational sanctions against "undemocratic" Peru, ranging from an economic blockade to outright expulsion from the OAS.

But before that session takes place, Project Democracy is planning an intervention into Peru Nov. 9-10, with a seminar sponsored by the Peruvian Center for International Studies. Addressing it will be "Mr. Project Democracy" himself, head of the U.S. National Endowment for Democracy Carl Gershman.

Also addressing the forum will be Peter Hakim of a pro-drug legalization bankers' organization, the Inter-American Dialogue. Hakim co-authored a Nov. 2 newspaper column demanding that the next U.S. administration bolster the capacity of the OAS "to prod" countries into negotiated settlements with narco-terrorists and to "help increase civilian control of military forces in Latin America."

Who will rule Mexico?

A debate is raging over whether to bypass the Constitution and allow presidential reelection.

The main element of political and economic uncertainty in Mexico today is whether President Carlos Salinas de Gortari will seek, in one way or another, to perpetuate himself in power when his six-year term concludes in 1994, despite the fact that the Mexican Constitution explicitly prohibits presidential reelection.

The issue of his possible reelection has been a subject for international speculation, and is being discussed openly here. The denials of the President himself, along with those of his closest collaborators, have not dispelled the doubts. That is because it is known that there are political movements afoot which are committed to Salinas's reelection.

A political confrontation recently broke out in the state of San Luis Potosí which is proving to be a sounding board for what is going on inside the ruling PRI party on a national level, between those who want presidential reelection and those who oppose it.

The interim governor of that state, Gonzalo Martínez Corbalá, recently stepped down from the post in order to immediately announce his PRI candidacy for the same position in extraordinary elections soon to be held. San Luis Potosí has been in a unique state of political limbo since the forced resignation of Fausto Zapata, who in September 1991 took the governorship in a fraudulent electoral victory against his opponent, the late Salvador Nava. Martínez Corbalá was designated interim governor by the PRI for the period from October 1991

to April 1993.

But Martínez Corbalá has now also withdrawn his candidacy. The explicit reason given is that he doesn't want his candidacy to be interpreted as a dry run, as establishing a political, juridical, and constitutional precedent for Salinas's reelection.

Among other things, it is said that Martínez Corbalá, whose candidacy was backed by Salinas, was forced to withdraw from the race by the PRI's National Political Council, whose majority consists of former presidents of that same party.

There is much speculation, to be sure, but everything seems to suggest that what is really at stake is the presidential succession, for which the PRI must choose its candidate in 1993. It is said that within the team that Salinas himself put together, there is no one who can succeed him. All of his collaborators view him with a reverential fear, as a kind of Macbeth whose wrath must be avoided at all cost.

Those who oppose presidential reelection—equal in number to those who in 1988 opposed Salinas's candidacy—also lack a candidate for 1994. Unofficially, they have put together a profile of the suitable candidate—"a nationalist, but who maintains good relations with Washington and Wall Street"—but however hard they search, they have been unable to find him.

What is important about the presidential succession battle in Mexico is that it marks an inflection point in the unraveling of the PRI party, and of the

political system itself. Indeed, because of the severe crisis tearing apart the PRI, Salinas was forced on Oct. 21 to advance his fourth State of the Union address—normally presented to the Congress on Nov. 1—to 600 "distinguished" PRI leaders who were urgently convoked for the occasion.

In his speech, Salinas sent various messages. The first was to the U.S. Democratic candidate Bill Clinton. Salinas declared that "the future of our relations [with the United States] is not determined by affinity between two Presidents. . . . We know how to conduct a foreign policy. . . . No matter who gets elected over there . . . we will know how to create the conditions for a positive and cordial relationship."

Why the clarification? Journalist Fausto Fernández Ponte commented in his column in the daily *El Financiero* on how Mexican developments are being viewed across the border: "Certain recent developments would seem to indicate that there exists a severe crisis of power in our country, understood in terms of leadership. . . . From the U.S. viewpoint, it would appear that things are blowing up in President Salinas de Gortari's face."

President Salinas's speech contained several distinct threats aimed at the PRI party itself: "I have exercised authority when the national interest demanded it. . . . Political talent has taken Mexico forward, but we have also demonstrated that we know how to use our political authority within the legal framework. . . . I will fully exercise authority within the law and I will efficiently manage politics."

It is apparent that the real debate is not over presidential reelection as such, but over who will be capable of ruling a Mexico plunged into political chaos and at risk of violent social explosion.

Plans to abolish Army may be defeated

LaRouche is center stage as reforms are debated; a no vote would set back U.S. plans to destroy continent's military.

Plans by the U.S. to destroy the armies of Ibero-America could suffer a setback if Panamanians vote "no" on Nov. 15 to a proposed constitutional amendment that would abolish Panama's right to have an army. The "new world order" agents pushing the nations of the hemisphere to do away with their armed forces as a cost-cutting measure to pay their foreign debt, are counting on a "yes" vote in the plebiscite to show that there is popular support for demilitarization.

The project to destroy the continent's armies, and to replace them with national guards or gendarmeries under Anglo-American control, is headed by Luigi Einaudi, U.S. ambassador to the Organization of American States. Uruguayan Juan Rial, one of the co-authors of the demilitarization plan, told a Peruvian audience on Oct. 16 that the military had been recast along the lines desired by the United States in Mexico and in some Caribbean and Central American countries by two equally successful methods: by communist insurgencies, as in the case of Cuba and Nicaragua, and by direct intervention from the United States, as in the case of Panama; neither is a model Peruvians or anyone else would want to follow.

It would be a different story were Panamanians to endorse the destruction of the Panamanian Defense Forces (PDF) which followed the 1989 Christmas invasion ordered by George Bush. But there is a lot of resistance to the amendment, more so since Bush was defeated.

The amendment will not rid Panama of the military, just of *Panamani-*

an Armed Forces. The thousands of U.S. Army, Navy, Marines, Coast Guard, and Air Force troops now occupying Panama, will remain. For Panamanians, the plebiscite is an opportunity to express their disgust with the Bush-installed regime of President Guillermo Endara. Despite a drug-fueled growth in the Gross National Product well in excess of 9%, Endara's regime of drug bankers has reduced almost 70% of the population to below the poverty line.

Following the defeat of his patron, Bush, a "no" vote on Nov. 15 could well collapse Endara's regime. Even some of his former supporters are campaigning against the constitutional changes.

Millions of dollars are being spent on propaganda to convince people to vote "yes." Former Costa Rican President Oscar Arias, who was awarded the 1987 Nobel Peace Prize, was brought in to campaign for the amendments, calling on Panamanians to follow the example of his country, which abolished its army in 1948.

The resistance is using information from *EIR* and playing up the policies of U.S. statesman Lyndon LaRouche against the advocates of demilitarization. Luis de Janón, who ran a three-part exposé in his column in *La Estrella de Panama* in mid-October on the drug ties of I. Roberto "Bobby" Eisenmann, an advocate of destroying the military who publishes the pro-government *La Prensa*, continues to run excerpts from *EIR*'s 1987 Special Report, entitled "White Paper on the Panama Crisis: Who Wants to Destabilize Panama and Why?" which

first warned about the plan to destroy Panama's Defense Forces.

After Eisenmann's pet scribbler Guillermo Sánchez Borbón followed up a diatribe slandering *EIR* founder LaRouche and jailed Argentine nationalist military leader Col. Mohamed Alf Seineldín, with an Oct. 23 article dismissing *EIR* as "a rag" that went out of business, De Janón went to town. On Oct. 29, he reported he had just received the latest issue of the *EIR* Spanish-language edition, including one dated Oct. 15, "which was the most interesting of the 'rags' received. On the back cover I found a phrase that awakened my journalistic interests. 'I have never seen a more truthful magazine. You should keep reading it.'—Col. Mohammed Alf Seineldín in an exclusive interview with *EIR*." Since then, De Janón has been excerpting daily from other articles from *EIR* to show the corruption of Eisenmann and other drug bankers in Endara's regime, including Second Vice President Guillermo Ford and Attorney General Rogelio Cruz.

In a speech before the National Legislature, pro-government Cong. Arnulfo Escalona charged that a so-called "International of the Sword," including the Chilean military and Seineldín, were promoting the "no" vote, the Oct. 30 *La Prensa* claimed. Reportedly, during a recess, someone made a disparaging remark about "Seineldín's friend, LaRouche." A pro-government legislator interrupted: "Whatever our differences . . . LaRouche is one of the most learned and cultured men in the United States. His incarceration was the result of a judicial sham."

Similarly, at a conference the day before, a labor leader said, "Look, the problem is that there is a worldwide economic collapse, just as LaRouche forecast years ago, and that's why they put him in jail."

International Intelligence

Beijing threatens war if Taiwan splits

The People's Republic of China won't hesitate to shed blood if Taiwan declares independence, a high-ranking Beijing official threatened on Oct. 29. Li Ruihuan, the number-four man of the Chinese Communist Party's Politburo Standing Committee, said that Beijing is now focusing its energy on economic development. "But, if Taiwan dared to declare independence," he warned, "we would suspend our economic reform and take all possible means to stop such an action."

"Our stance on the Taiwan independence issue is firm and unequivocal," Li said. "We'll fight, if necessary, to maintain our territorial integrity."

Li urged independence activists in Taiwan not to take such a risk. "My warning is real," he said. "There is no room for negotiations over such a critical issue."

U.N. envoy to Somalia quits in policy dispute

U.N. special envoy to Somalia Mohammed Sahnoun resigned on Oct. 29, after receiving a letter from Secretary General Boutros Boutros-Ghali rebuking him for his public criticism of United Nations relief efforts in Somalia. Sahnoun, a former senior Algerian diplomat, had been posted to Somalia in May to oversee rescue efforts for a famine situation clearly evident at least a year earlier.

On Oct. 18, Sahnoun had appeared on the CBS television program "60 Minutes," where he stated that many Somalis had died because of U.N. bureaucratic delays which prevented fast action. At an earlier conference in Geneva, Sahnoun had said that the crisis in Somalia was the "price for past neglect." Sahnoun said that while most humanitarian officials claim that about 100,000 Somalis have died of starvation this year, he thought the figure closer to 300,000. In September, Sahnoun had stated that the U.N. was "absolutely, totally ab-

sent" from Somalia last year, after the fall of Siad Barre in January 1991, until it reopened one office in December 1992. "It was a very, very long delay, and a tragic delay, and now we are paying the price."

Boutros-Ghali retorted that Sahnoun's statements "damaged the reputation of the United Nations," and damaged "the already tenuous international assistance" to the country. Sahnoun said that the letter, by making clear he was no longer trusted, forced his resignation. He told the press, "I'm disappointed, by, generally speaking, what I found to be a lack of support, not just from the secretary general, but from the U.N. system as a whole."

In a surprise move, Boutros-Ghali appointed a retired Iraqi Foreign Ministry official, Ismat Kittani, to replace Sahnoun. Kittani is the first Iraqi diplomat named to any significant U.N. post since the Gulf war.

PLO delegation to visit Saudi Arabia

In a sign of acceptance of the so-called American-brokered peace process, the Palestine Liberation Organization will be sending a delegation to Saudi Arabia after the end of the current round of talks being held in Washington.

The delegation will be headed by Nabil Sha'at, senior aide to Yasser Arafat. The latter told a Tunisian newspaper: "There is a popular wish among Palestinians to restore Palestinian-Saudi relations because of the important role the kingdom is playing on both Arab and Islamic levels." The Saudis broke off ties and financial backing to the PLO because of its support for Iraq during the Gulf war.

Leaving no doubt that the issue is money and political pressure, Faisal Hussein, chief Palestinian leader in the occupied territories, told a group of Palestinians in October that "if we want money to pour into the occupied territories all we have to do is apologize to Saudi Arabia and the Gulf states about the Palestinian position toward the Gulf crisis." But, he added, "I don't think we have anything to apologize for."

Vatican and Israel move to mend fences

Israeli Foreign Minister Shimon Peres met Pope John Paul II in Rome, on Oct. 23. Unlike past meetings between Vatican and Israeli officials, both sides had a positive evaluation at the end, although some ambiguities remain. Peres went so far as to announce that Israel and the Vatican will soon exchange a delegation, a first step to establish definitive diplomatic relations. The Vatican press office, however, acknowledged only the establishing of a joint working commission.

Concerning the status of Jerusalem, an important stumbling block in the way of improved relations, the Vatican dropped its insistence on "international status" in favor of "internationally guaranteed" Israeli sovereignty over the city.

Peres invited John Paul II to visit Israel, and the pope accepted. The visit could take place in 1994.

Thatcherite revives anti-German propaganda

Sir Alfred Sherman, a former adviser to former British Prime Minister Margaret Thatcher, charged that a German drive to establish a "Fourth Reich" lies behind the bloodshed in the Balkans, in an article in the September 1992 *Bulletin of the Jerusalem Institute for Western Defence*. Sherman, a certifiable lunatic, is a former card-carrying communist; he is of central European Jewish origin, but changed his name and his behavior to be "more imperial British than the British."

Under the title, "Germany's 'Drang Nach Osten,'" Sir Alfred writes: "The conflict in the Yugoslav succession states . . . was deliberately precipitated by Germany, working through the European Community and the U.N., as part of a postunification drive to undo what remains of the Treaty of Versailles and the 1945 settlement, to establish German political hegemony in Europe

and to supplement Germany's growing economic domination of this continent. . . .

"The collapse of Soviet power in 1990 created a vacuum in which a newly reunited German can flex its muscles. . . .

"Germany's own territorial ambitions are far from dead. Voices have been heard in Bonn arguing that now that 'ethnic cleansing' has been discredited in Bosnia, the ethnic cleansing of Germans by the Czechs in the Sudetenland and by the Poles in Prussia and Silesia must be reversed. A German-dominated European Community would not find it easy to oppose such policies if Bonn decides to pursue them, but Russia, despite its economic problems, may have something to say in this matter."

Similar anti-German ravings from British and other sources have helped to thwart any effective European action against the Serbian genocide.

Kurdish guerrillas move deeper into Iraq

"Ferhat" Osman Ocalan, leader of the military arm of the Kurdish Workers Party (PKK), told a journalist at the end of October that he would soon sign a document of surrender to "liberated Iraqi Kurdistan." Jalal Talabani, leader of the Patriotic Union of Kurdistan, said that the PKK will abandon "as soon as possible" all bases near the Turkish border, and cease all attacks against Turkey from northern Iraq. The PKK is said to be relocating deeper into Iraqi Kurdistan.

Despite the possibility of an agreement, Turkish military operations are continuing inside Iraq. Turkish Armed Forces Chief of Staff Dogan Gures told the Turkish press that he "hoped" Turkish troops would not have to stay for the winter. He did not rule out the possibility of maintaining a "security zone" inside Iraqi territory.

Turkish Prime Minister Suleiman Demirel has called for a meeting of the foreign ministers of Turkey, Syria, Iran, and Saudi Arabia to be held on Nov. 14. According to a reliable source, the meeting will really have nothing to do with Turkish military

operations in northern Iraq, although this is the ostensible purpose of the meeting. "The real purpose of the meeting, is to discuss the de facto state of Iraqi Kurdistan, which no one really likes."

The recent unilateral declaration by Iraqi Kurdish parties of a federated Kurdistan in northern Iraq has made neighboring states nervous that Iraq will break up. They believe, the source reports, that there continues to be no alternative to Saddam Hussein; there might be an agreement among them to try to keep him in power, although in an extremely weakened condition.

Turkish-speaking nations hold summit in Ankara

A summit of the Turkish-speaking countries began in Ankara, Turkey at the end of October, in the context of celebrations for the 69th anniversary of the founding of the modern Turkish state by Kemal Ataturk. Participating in the celebrations were the leaders of five nations that formerly were republics of the Soviet Union: Kazakhstan, Azerbaijan, Turkmenistan, Kyrgyzstan, and Uzbekistan. Turkmenia and Kazakhstan used the occasion to open new embassies in Turkey.

The French daily *Le Figaro* on Oct. 30 commented that the Turkish-speaking world is "officially being born, or re-born" at this summit, especially as the summit only consists of leaders of the Turkish-speaking countries in the region.

Tajikistan, for example, is not participating, both because its ethnic and linguistic tradition is Persian rather than Turkish, and because of its own tremendous domestic crisis. The British Broadcasting Corp. reported that there were some efforts being made at the Ankara meeting to have Turkey intervene diplomatically to head off a potential Uzbekistan-Tajikistan conflict that would widen the parameters of the regional crisis. But Kazakhstan's leader Nursultan Nazarbayev is resisting such moves, preferring that the states of the former Soviet Union resolve such disputes among themselves.

● **SWEDISH** Prime Minister Carl Bildt said that Sweden will continue its policy of expelling members of Peru's terrorist Shining Path organization, saying he didn't want his country "to be considered as a refuge for criminals, so have no doubt that the authorities will continue firm in their policy of expulsion."

● **HEIRS** of the czarist nobility will hold their first all-Russian congress since 1917 in Moscow in early December, spokesmen announced in the Russian capital on Oct. 29. The event is being prominently sponsored by the Russian Orthodox Church.

● **BOSNIAN** President Alija Izetbegovic toured the Mideast at the end of October, calling for Islamic countries to come to Bosnia's aid. His trip was scheduled to include the United Arab Emirates, Qatar, Iran, and Egypt. The Organization of the Islamic Conference (OIC) will call for a foreign ministers' meeting in November to discuss "Serbian aggression and how to protect the rights of the Bosnian people."

● **THE UNITED NATIONS** Security Council will recommend that member states earmark troops for quick deployment in U.N. peace-keeping operations, according to Reuters. The council statement "encourages" nations to notify the U.N. chief of forces what specialized units they could make available on short notice. Deployment, however, would be subject to "overriding national defense requirements."

● **THE ITALIAN FASCIST** party, the MSI, demonstrated in Naples on Oct. 28, on the 70th anniversary of Mussolini's March on Rome. The demonstration was led by Alessandra Mussolini, the Duce's granddaughter. A few weeks before, the MSI had brought 50,000 people into the streets of Rome, in an unprecedented show of force.

Spanning the species: the inhuman world of Harriman

by Anton Chaitkin

Spanning the Century: The Life of W. Averell Harriman 1891-1986

by Rudy Abramson

William Morrow and Co. Inc., New York, 1992

779 pages, hardbound, \$25

Averell Harriman was a protagonist of some of the most startlingly horrible criminal projects in human experience. He was certainly as close as very few other American citizens to the center of world financial and political decision-making, when his clique decided to promote Nazism and Communism, and to pervert the national mission of the United States. There is little of this reality in the new biography by Rudy Abramson. Harriman is portrayed as a wealthy politician-diplomat, whose career has interest only because of its variety and duration. We see the poor fellow sometimes influencing events, but often vainly struggling to get "into the loop."

Since the political faction Harriman helped lead is still attempting to continue doing just what they have done in the past, endangered mankind must look at this book itself as a criminal enterprise, with its author guilty of complicity in failing to alert his readers.

There are many amusing and surprising bits in this authorized biography of Averell Harriman. Yet it is boring and tedious, overall. For the author's journalistic skill and years of work have been applied to contain, to control, to throw a blanket over a mountain of explosive material. The result is

a series of career-segments, with no theme, no meaning, no interconnection in the life of the subject.

Even if one knows nothing about Harriman before reading this book, it is evident that this cannot be a true story—since every real person has some sense of himself, and no such real person is here presented to the reader. There is only the rich man who is a stumbling failure at certain things, but experienced, skillful and "tough" in other areas. Abramson mentions that Harriman worried about the place of the family name in history. But this is really illustrated only by his promotion of his father E.H. Harriman as a public-spirited railroad builder, not a Robber Baron.

Abramson was given exclusive access to a great mass of confidential papers, and had interviews with scores of Anglo-American leaders of finance, secret intelligence, and the media. What he has produced from this wealth of source material is such a ridiculous coverup that in places its very shallowness is hilarious.

There is nothing of substance about high finance, about the thought process, or even about the negotiations between Harriman and his cousins or his Wall Street, London, and German colleagues, on investments that shaped 20th-century history. These are apparently considered "private matters" in which the reader has no proper interest. Yet the author tells several stories of Harriman's adulterous sexual escapades. They are related as macho fun, as if Harriman himself were boasting.

A fragile monopoly

In 1985 I contacted author Rudy Abramson, who is a Washington correspondent for the *Los Angeles Times*. I had

heard that he was authorized to go through the papers of the elderly Averell Harriman, and telephoned him to ask his help in getting access to the papers for my own research. This he refused, in a rather scornful way, being protective of his valuable monopoly. At that time, large portions of the Harriman business papers and correspondence were being held in a Brooklyn warehouse. Harriman's keepers, wife Pamela Churchill Harriman and lawyer Clark Clifford, were then refusing independent researchers access to the papers.

After Harriman's death in 1986, the estate transferred the bulk of these papers to the Library of Congress. Even then, the U.S. government agreed to keep them secret. Within a year or so, a vigorous protest arose from curious historians—the government was paying to preserve his lordship's papers, but would not allow citizens to look at them! So in 1990-91, after experts were employed to pull out and hide some papers as too secret for public release (e.g. letters between Harriman and his lawyer Allen Dulles), the remaining bulk of them were finally opened to public inspection. I used them extensively in the preparation of *George Bush: The Unauthorized Biography*, which I co-authored with Webster G. Tarpley.

Our Bush biography, overlapping many topics in Abramson's book, has been of sufficient recent interest to make it the subject of dozens of radio talk shows. The host of a St. Louis, Missouri program invited me (the associate of imprisoned dissident Lyndon LaRouche, banned by the chain book stores) and Rudy Abramson (the exalted, media-certified author) to be on the air at the same time, to confront each other on the little matter of historical truth.

One strange omission of Abramson's book, which would otherwise cause some embarrassment there in St. Louis, was almost any mention of that city's powerful George Herbert Walker, President Bush's maternal grandfather. This is a rather serious omission: Walker was the founder and chief executive of Harriman's banking enterprise! Abramson's censorship of the Walker role, and his scant reference to Walker's son-in-law Prescott Bush, father of George, spares the U.S. President the bother of answering questions about the family firm's intense promotion of Adolf Hitler.

Being caught by a public invitation, Abramson agreed to come on the radio program and defend his work—but not in a direct confrontation with me. Then, when the time came for his interview, Abramson was conveniently in Florida covering Hurricane Andrew and could not be reached by telephone from the studio. The talk show host was rightfully indignant at how the purveyors of orthodox opinion were hiding from a public forum.

We can usefully divide the problems with Abramson's book into three topic-areas, in which the author has either stopped short of developing his material or has blatantly suppressed it: 1) the origins of Harriman's power, which is to say his identity with the "new Dark Ages" faction running the British Empire; 2) the Harriman leadership in bringing German Nazism to power; and 3) the insertion of the Harri-

man clique into power as the post-World War II U.S. secret government.

Britain's New Yorkers

The two-bit Wall Street broker E.H. Harriman was picked up and aggrandized in 1872 by the British financial and political apparatus in Manhattan. This portentous transformation of Averell Harriman's father is reduced by Abramson into a single, meaning-deprived sentence: "One well-heeled and overweight client considered his advice so valuable that he agreed to pay [E.H.] Harriman's higher rent for a ground-floor office rather than labor up two narrow flights of stairs to the austere cubbyhole."

The indicated client was actually Richard Schell. This gent and his brother Augustus had supervised the New York slave trade and Confederate secret service activities in New York, and the street level of the pro-Confederate Democratic Party under national party chief August Belmont, official U.S. representative of Britain's Rothschild bankers. Schell was the financial and corporate counsel to Belmont. A few paragraphs later, Abramson happens to mention, "August Belmont gave [E.H. Harriman] authority to withdraw up to \$1 million from the Belmont account anytime Harriman saw a promising use for it."

Further into the book we see a reflection of the Harriman-Belmont tie extending into the next generation. We encounter a photo of the young Averell Harriman captioned: "On the Homestretch at Belmont [Park, August Belmont's race-track]. With business partner George Herbert Walker [who was president of the Belmont Park track], grandfather of the future president, George Herbert Walker Bush, Harriman entered Thoroughbred racing with horses purchased from the estate of August Belmont, Jr. Although the banking and finance partnership with Walker continued, their racing association was short-lived because they disagreed over the relative priorities of racing and running a Thoroughbred breeding farm." Abramson declines to tell us anything further about the Walker-Harriman business arrangements.

E.H. Harriman became a power in his own right in the 1890s, when Kuhn Loeb bank, in conjunction with William Rockefeller's National City Bank, decided to stake Harriman to a takeover of the Union Pacific Railroad. Abramson fails to explain where Kuhn Loeb boss Jacob Schiff got the money to back Harriman's rise: Schiff's English partner Sir Ernst Cassell, intimate banker/counsellor to Prince Edward VII and to the darkest lords of the British merchant oligarchy, raised the cash and sent it across the water.

The Harriman family allegiance to the British Empire, its strategy and morality, appears briefly in the biography's coverage of World War II. We see U.S. envoy to Britain Averell Harriman, having an affair with Randolph Churchill's wife Pamela, in the house of Randolph's father, Prime Minister Winston Churchill. According to Abramson, Randolph "irrationally concluded that he had been deceived not

only by his wife and [Harriman] but by his . . . parents. Winston and Clementine, he bitterly complained . . . 'had condoned adultery beneath their own roof.' ”

Churchill's private secretary is quoted about the fact that English people went hungry under the discipline of wartime rationing. "But if you dined with Pamela," the secretary remembers, "you would have a five- or six-course dinner, eight or ten guests, and foods you didn't ordinarily see. My guess is that all of us around the table were sort of smirking and saying that Averell was taking good care of his girlfriend."

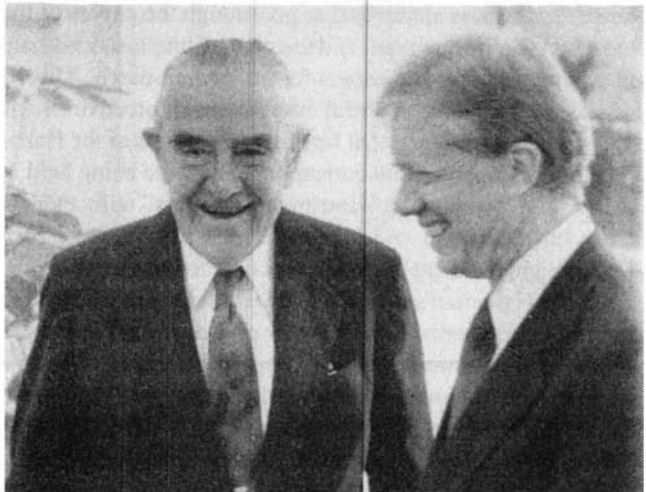
While he puts the matter as delicately as possible, Abramson gets across the rather astonishing fact that Averell Harriman was really more the agent of Winston Churchill than of President Roosevelt (whose government and nation Harriman nominally represented). The author further on writes of "Averell's acquaintance with scores of important officials across Europe. . . . Some Britons thought of him as almost one of their own."

Pamela and Adolf

In my discussions with Abramson, some months before he published his biography, he held steadfastly to the assertion that "Harriman had no investments in Germany after Hitler took power." Abramson refused to comment on the massive facts to the contrary, that have been left available to the public in the Harriman papers at the Library of Congress. After disclosing that Harriman "had profited handsomely from German investments in the 1920s," Abramson simply says nothing about *what happened with* Harriman's predominant role in German national affairs *from 1933 on*, his sponsorship of Fritz Thyssen or his control over the Hamburg-Amerika commercial shipping line. Harriman's clique of directors and bankers were the core group behind Hitler's government of Germany. Abramson does tell us that banker James Warburg, whose uncle Max was Harriman's main intermediary to the Nazi regime, asked President Franklin Roosevelt to make Averell Harriman ambassador to Hitler's Germany!

He also decided to mention a truly interesting episode involving the present-day queen of the U.S. Democratic Party, Pamela Churchill Harriman, Averell's widow. In 1937, the 17-year-old Pamela moved to Nazi Germany. While living in Munich for a season, Pamela went to see Adolf Hitler with her bosom friend, Hitler's "groupie" adorer, Unity Mitford. Abramson implies that Miss Mitford (whose sister was married to Sir Oswald Mosley, chief of the fascist party of England) may then have been Hitler's mistress.

But it is essential for readers to understand the reality of those years which have been curiously lost from history—1933 to 1937. England was *not* then at war against the Nazis. On the contrary, a certain stratum of Englishmen and their American friends, including both Winston Churchill and Averell Harriman, were going all out to promote Hitler and the



At one time the business partner of George Bush's grandfather, George Herbert Walker, Harriman and his wife Pamela Churchill Harriman were Democratic Party kingmakers. Here he is shown with Jimmy Carter. In 1992, his widow enthusiastically supported Bill Clinton, whom many see as Carter's reincarnation.

fascist domination of Europe. That was then their reputation, among the political elite: The later public "anti-fascist" posture only worked with a ton of public relations boosterism and brain-death among historians. The Communist International helped manufacture Harriman's reputation as a "realist" or "liberal," to protect the man they viewed as their main capitalist champion.

Approached in the right way, as a detective or coroner would go to the scene of a crime, Abramson's book has certain value, though it is very long and its clues are uneven. Let us just mention here several points that may interest those trying to pry the facts out of our reluctant media/historical establishment:

- It was Averell Harriman who proposed that President Harry Truman should fire Gen. Douglas MacArthur.
- Harriman was chairman of the secret counterintelligence group in John F. Kennedy's administration that decided who the enemy was and how to fight him; Harriman led the faction promoting the Vietnam War and the coup that ended with the murder of Vietnamese leader Ngo Dinh Diem.
- Harriman was a "soul-mate" of Robert McNamara, who helped produce the Vietnam War and then led the establishment's anti-war movement.
- Harriman's protégé and stand-in Richard M. Bissell, Jr., who planned the invasion of Cuba at the Bay of Pigs, is defended by Abramson as having been "unfairly" attacked for botching the invasion. In fact, Harriman and his little clique of second-rate British Empire mentalities had earlier planned the creation of the Central Intelligence Agency on British lines. The subsequent U.S. regime of the present generation may be not unfairly laid to their horribly "botched" world outlook.

Unique view of JFK assassination

by Jeffrey Steinberg

JFK: The CIA, Vietnam and the Plot to Assassinate John F. Kennedy

by L. Fletcher Prouty

Carol Publishing Group, New York, 1992
366 pages, hardbound, \$22

L. Fletcher Prouty is known to many people as the author of *The Secret Team*, the mid-1970s epic history of the founding and corrupting of the post-World War II American intelligence establishment, and scores of articles on international finance and national security affairs. For a handful of cognoscenti, he is also known as an expert on railroads and the author of annual encyclopedia entries on the subject. But for millions more people around the world, Colonel Prouty is better known as “Mr. X”—the enigmatic Washington national security insider played by Donald Sutherland in Oliver Stone’s recent nationally acclaimed motion picture about the John Kennedy assassination, “JFK.”

In the film, “Mr. X” meets with New Orleans District Attorney Jim Garrison and provides him with an insider’s view of the role of the military-industrial complex in the assassination of President John F. Kennedy. The “Mr. X” character, whom Stone states was modeled on Colonel Prouty, ties the whole film together by providing Garrison and the audience with what might be called the “bigger picture”—the complex of motives, personalities, and capabilities—behind the Kennedy murder and the coverup.

As powerful a film as Oliver Stone put together, it is dwarfed by the masterful job that Fletcher Prouty has done in his new book. In fairness to Stone—who wrote the book’s introduction—it is nearly impossible to convey in even a three-hour motion picture the full history that necessarily must be presented to begin to approach a comprehensive portrait of the Kennedy assassination.

What Fletcher Prouty has put together—drawing upon his own unique, eyewitness experiences as well as a skilled investigator’s eye for crucial details—is more than just a history of the Cold War era. Prouty’s *JFK* provides the reader with critical insights into the underlying policy issues that have shaped the last half century of world history.

The malthusian power elite

In the very first chapter, Prouty lays the conceptual foundations for his probe of the JFK assassination by providing the reader with an eye-opening profile of an “international power elite,” which has shaped politics for centuries, hiding behind a thick cloak of secrecy. Prouty identifies five leading authors of the “propaganda schemes” that have shaped the thinking and motives of this power elite: John Locke, Thomas Malthus, Charles Darwin, Werner Heisenberg, and G.W.F. Hegel. The “propaganda schemes” developed by these five individuals—whose roots he traces to the British East India Company—have been used to justify wars, genocide, racism, colonialism, and the suppression of scientific progress for centuries.

Prouty argues that with the development of the hydrogen bomb, this global elite was forced to abandon the option of large-scale war-fighting—which could lead to nuclear Armageddon and thus their own demise—in favor of secret wars, often drawing on the resources of intelligence agencies rather than on conventional armies.

What Prouty calls the United States’ thirty years’ war in Indochina (1945-75), a central theme of *JFK*, is a paradigmatic case of this kind of secret warfare.

As Prouty writes about the Vietnam War Phoenix Program, under which tens of thousands of Vietnamese were “neutralized” on the basis of being suspected North Vietnamese sympathizers and agents:

“In a war where ‘body count’ seemed to be the primary objective of the fighting forces, one must not lose sight of the great significance of underlying factors that establish a climate of legitimacy for murder, or ‘neutralization.’ In fact, these underlying beliefs serve to promote genocide. For example, there are many people in this world who believe it is not only ‘all right’ but essential to reduce the total human population, and to reduce it by any means. This conviction, which stems from the work of the British East India Company’s chief economist at the turn of the nineteenth century, Thomas Malthus, pervades certain elements of our global society. Malthusianism is a deeper motivational factor than the more popularly recognized ideological confrontations.

“When it is ‘their turn,’ the Soviets have performed these common genocidal functions as well as ‘the West’ has. Witness the slaughter of millions of non-combatants in Afghanistan and the forced movement of no fewer than 6 million Afghan natives from their ancient homeland over the great passes to Pakistan.”

An eyewitness to history

Prouty’s work is no abstract treatise on the tragic events of the last half century. It is a rich and detailed tracing of some of the most critical events of those decades, often punctuated by Colonel Prouty’s own eyewitness accounts.

As a young Army pilot, Fletcher Prouty shuttled members of the American and Chinese delegations to the critical

Teheran and Cairo conferences in 1943, where the secret presence of Chiang Kai-shek already signaled that the great bipolar struggle would shift from the war against Nazism to the war against communism—even as World War II was still playing out on the battlefields of Europe and the Pacific.

For Prouty, the Indochina war began the very day that the Allies and Japan signed the armistice on the *U.S.S. Missouri* in 1945. It was on that day that all of the American military equipment formerly earmarked for the invasion of Japan was shipped from Okinawa to South Korea and Vietnam—into the waiting arms of Syngman Rhee and Ho Chi Minh. It was part of the strategy hatched by figures like Winston Churchill and the Dulles brothers to turn wartime ally Russia into arch Cold War enemy—all for the sake of keeping the malthusian wheel in motion.

As Prouty points out with irony, the United States shifted its Indochina policy away from its initial support for Ho Chi Minh and an independent Vietnam state to a policy of covert military support for the French in their efforts to retain their colonial empire in Indochina. When Ho Chi Minh defeated the French decisively at Dien Bien Phu in 1956—using arms provided by the American Office of Strategic Services (OSS) at the close of World War II—the United States stepped into the vacuum. No sooner had the dust settled in the Korean War, than the United States was engaged in a secret war in Indochina.

When John F. Kennedy threatened to abandon the American military presence in Indochina and to make this the hallmark of his 1964 reelection campaign, he was threatening to overturn the entire structure of the Cold War arrangement, carefully built up by the international power elite over a two-decade period. Kennedy's threat to that entire malthusian structure—not simply his desire to remove American ground troops from Southeast Asia—was one of the critical motives behind his assassination.

McGeorge Bundy and the Bay of Pigs

By 1955, Fletcher Prouty, who had become a colonel in the U.S. Air Force, was assigned to the Pentagon, where he served as chief of special operations for the Air Force, and later head of the Office of Special Operations for the secretary of defense and eventually for the Joint Chiefs of Staff. His primary mission was to provide military support for CIA covert operations around the world. Thus he was in a crucial position to witness and assess the evolution of such monumental events as the Bay of Pigs invasion and the buildup to the American military involvement in Vietnam.

Among the most suggestive of the personal anecdotes that punctuate the book is Colonel Prouty's account of the failed Bay of Pigs invasion. The Bay of Pigs fiasco is pivotal in assessing the assassination of John F. Kennedy, since myth has it that Kennedy was personally responsible for the failure to overthrow Castro as the result of his refusal to authorize Air Force air cover for the invasion.

As Prouty points out, the President was, at the time,

forbidden by law from providing U.S. military equipment and personnel for covert operations. The idea of official U.S. Air Force involvement in the Bay of Pigs was never even a consideration.

On the contrary, President Kennedy had explicitly ordered that the first action in the covert CIA program to overthrow the Castro regime must be the destruction of the entire Cuban Air Force on the ground. This was to be carried out by the CIA-provided World War II airplanes in the hands of the Cuban invasion force, piloted by CIA-trained Cuban flyers. With the Castro Air Force destroyed on the ground, the naval invasion force would be able to hit the beaches without fear of air attack. Cuban ground forces, largely barracked long distances from the invasion point, would have been hard pressed to quickly respond to the invasion. Once a beachhead had been established on Cuban territory, the United States would have been in a position to provide its official support to the insurgent government.

Prouty presents a compelling case that the Bay of Pigs invasion plan, had it been successfully executed, would have likely succeeded in overthrowing the Castro communist regime. But things did not work out that way.

Although the majority of Cuban fighter planes were in fact destroyed, three Soviet jet trainers equipped with heavy weapons were not destroyed. According to Prouty, the planes were left untouched on orders from Kennedy's national security adviser, McGeorge Bundy. Bundy inexplicably countermanded Kennedy's orders without ever consulting the President. Allan Dulles, Director of Central Intelligence, and the architect of the Bay of Pigs program, was, for unknown reasons, out of contact, attending a conference in Puerto Rico on the day the invasion began.

The role of McGeorge Bundy in sabotaging the Cuba invasion was detailed in a study of the failed covert operation ordered by President Kennedy and carried out by Gen. Maxwell Taylor, Robert Kennedy and Allan Dulles in May-June 1961. The findings of the Cuba Study Group were memorialized in a letter from Taylor to President Kennedy dated June 13, 1961.

That letter makes it clear that the onus of the failed invasion lay on Bundy. As the result of the Taylor letter, John Kennedy made a number of decisions that threatened to overturn the limited warfare doctrine.

In National Security Action Memorandum #55, signed just 15 days after the Taylor report reached his desk, Kennedy ordered the Joint Chiefs of Staff to assume responsibility for directing the military defense of the United States in the context of the Cold War—in much the same way that the JCS was mandated to operate during wartime. This meant more than just a downgrading of the role of the CIA in covert operations. It implied the reassertion of traditional war-fighting doctrine and a rejection of the kinds of utopian schemes implicit in the evolving Vietnam limited war and the failed Cuba secret operation.

In fact, that move toward the restoration of classic war-fighting doctrine also begged the question of how the U.S. could reach a strategic *modus vivendi* with the Soviet Union and a break from the entire Yalta structure, including the malthusian population warfare.

Unfortunately, Colonel Prouty did not choose to deal more extensively with the role of both McGeorge Bundy and Allan Dulles in the failed Bay of Pigs invasion. Prouty strongly implies that it was actually Bundy and Dulles who willfully sabotaged the invasion—knowing full well that President Kennedy would have no choice but to assume full public responsibility for the fiasco. It was a case of the secret government carrying out a calculated destabilization against an elected President who threatened to diminish their power.

This reviewer has always suspected that McGeorge Bundy was a pivotal player in the assassination of John Kennedy and the coverup. It was Bundy, speaking from Air Force One just hours after the Kennedy assassination, who declared that the President had been killed by a lone assassin—thereby ordering all investigations into a possible conspiracy to be shut down before they ever started. Bundy's unilateral declaration that there was no conspiracy came at a time when eyewitnesses on the scene in Dealey Plaza in Dallas were providing police with detailed accounts of shots having been fired from several different locations.

That role played by Bundy in the crucial hours after the Kennedy murder is the kind of singularity that begs further study. Given Prouty's account of Bundy's role in sabotaging the Bay of Pigs program, the Bundy issue is even more pressing.

Debunking the Vietnam War

One of the most chilling features of the Prouty book is his detailed account of the buildup of the United States' covert presence in Indochina. Prouty provides an absolutely unique assessment of the tragic policy blunders carried out by the CIA and others during the Eisenhower and Kennedy years. It is a story based on a deep appreciation of the socio-economic and cultural foundations of Vietnamese society and the impact of the forced relocation of over 1 million northern Vietnamese Catholics into the Buddhist south during the early years of the Republic of South Vietnam (1955-62). What Prouty draws out is the fact that much of the insurgency that U.S. advisers were quick to label as communist insurgency was in reality banditry brought on by the economic turmoil caused by the U.S. meddling incompetence.

The history of the Vietnam War as told by Fletcher Prouty is so important a feature of the Cold War tragedy and the buildup to the Kennedy assassination that it merits far more than the short shrift we can give it in the space of a review. It is mandatory reading for anyone struggling to understand the history of the past half century and committed to ensuring that the same mistakes are not repeated. Buy this book and read it carefully.

Complete Schubert Songs

A grand idea has mixed results

by Kathy Wolfe

Complete Songs

The Hyperion Schubert Edition

Vol. 2, Stephen Varcoe, baritone (CDJ 32002); Vol. 6, Anthony Rolfe Johnson, tenor (CDJ 33006); Vol. 7, Elly Ameling, soprano (CDJ 33007); Vol. 11, Brigitte Fassbänder, mezzo-soprano (CDJ 33011); Vol. 14, Thomas Hampson, baritone (CDJ 33014); Vol. 15, Thomas Allen, baritone (CDJ 33015); \$17.99 each

British lieder pianist Graham Johnson's grand idea of recording all of Franz Schubert's 600-plus lieder on CD for Hyperion is having mixed results, but given the size of the task, it's understandable.

The latest release, Vol. 14 by baritone Thomas Hampson, songs to poems of antiquity, is too romantic. Mr. Johnson, however, plays beautifully with the better singers, so Vol. 15, due out soon by baritone Thomas Allen, should be excellent, since Allen excels at lieder.

Johnson has wisely built the series one disc at a time, around a specific singer's voice and musicality. I also recommend those by soprano Elly Ameling, mezzo-soprano Brigitte Fassbänder, tenor Anthony Rolfe Johnson, and baritone Stephen Varcoe, all fine bel canto artists.

Best, the project allows us to study, one 70-minute collection at a time, the full overview of Schubert's songs (as published in the *Neue Schubert Ausgabe*, the complete edition compiled over the past two decades from the autograph scores, which added many new pieces as well as correcting errors in earlier "complete" editions, such as Peters). Johnson's intelligent program notes are a bonus. Avoiding a chronological approach, he introduces the 400 or so almost unknown Schubert songs along with the fewer famous ones, such that each disc draws attention to the "tiny gems which might otherwise be overlooked," as he says, and rewards us with a few familiar prizes.

It is a shame many songs are not in the original key, nor sung by the correct, specific voice species Schubert wanted. For example, "Der König in Thule," D. 367, originally for

soprano or tenor, is transposed down for mezzo-soprano Brigitte Fassbänder, while Elly Ameling transposes up “Des Mädchens Klage” D. 191, a song whose low register passages need a mezzo’s richer first register. This is not just a question of up or down. Schubert wanted certain passages sung in a particular register, low, high, or middle, of a specific voice, and that is missing.

‘More from the whole!’

The best study of Schubert’s lieder is in the observations by Johannes Brahms, cited by his student Gustav Jenner, in *Johannes Brahms as Man, Teacher, and Artist* (quoted in *A Manual on the Rudiments of Tuning and Registration*, Book I, Schiller Institute, 1992, pages 219ff; a full English translation of Jenner’s 1930 book is in preparation by the Schiller Institute). Brahms, trying to master the method by which Schubert wrote such wonderful songs, said that Schubert’s principle was: “More from the *whole!*”

Brahms told students that to compose like Schubert, one must first fully memorize and understand the text and assimilate all of the nuances of the poem, but then, must cast these aside, and concentrate upon understanding the core of the *single, underlying* concept of the poem. A good poem’s core idea is never specifically stated in the poem but is, as Keats said, the “unheard sound” of the poem, which is “sweeter still.”

Then, one writes a song as a new *unified idea*:

“He therefore advised me, if at all possible, not to proceed to the working-out of a song until its full plan was already in my head, or on paper. Whenever ideas come to you, go take a walk; then you’ll find that what you had thought was a finished idea, was only the beginnings of one,” Jenner wrote.

“Of all the song forms, Brahms considered that of the strophic song to be the highest. . . . ‘I like my little songs better than my big ones,’ ” he quoted Brahms, and continued, “in the case of a strophic song-text, there is an underlying mood which is maintained through all particulars or all the varied images.”

Brahms and his teaching assistant Eusebius Mandyczewski told Jenner that Schubert always avoided a *literal* setting of the poetic text in sequence. Of Schubert’s setting of Goethe’s “Nähe des Geliebten,” Jenner wrote:

“Schubert set this text to a simple melody in the compass of a few measures. But whoever thinks that this melody is in some way a composing-out of the first strophe of the Goethe poem, according to which the rest of them can be ‘sung off,’ is quite mistaken. Oh, no! This melody has welled up from the same single deep emotion from which flowed all the images which are so manifold and yet always say the same thing anew. It is a musical expression of what the *entire* poem left as an impression within the composer; and so we find that with each new strophe, as always with Schubert, it glows more fully and seems to say new things, because with the new text the underlying emotion becomes increasingly distinct and is expressed with increasing intensity.”

Schubert, in fact, often introduced something into the vocal line of a song which was contrary to a literal reading of the poem, to this purpose.

Jenner cites a story told by Mandyczewski, who was editing Schubert’s songs for the first time from the manuscripts, and saw that Schubert once crossed out a very good vocal line for the first verse of a strophic song, when he found a better setting for the song as a whole. Schubert used the second version because “the effect had to intensify, rather than flag,” throughout, Jenner said.

In “Nähe des Geliebten,” for example, Schubert avoided structuring a melody to the early verses, to the extent that his melody might seem to fit the beginning poorly. In verses one and two, there is no apparent poetic reason for the dramatic high G on the minor syllables: “in” (“ . . . in Quellen malt”) and “der” (“ . . . der Wandrer beb’t”).

Only at the end, is it seen that Schubert proceeded from the underlying concept of the poem, revealed in the fourth verse. This same vocal line is entirely appropriate for the dramatic wish “O! wärst du da!” (“Oh! wouldst thou wert here!”) which concludes the song.

Unity and ‘cantabile’

The Hyperion artists cited above who execute this concept best, also turn out to be some of today’s best Mozart singers. This is lawful, for Mozart teaches how much true passion can be conveyed in a long, legato *cantabile* (singing) line—without getting tied up in each particular phrase. There’s no question that what is *in* the Schubert requires tremendous differentiation of expression in every line. Expression, however, must propel the song as a whole, never stopping to admire itself.

That was the major problem with the last effort at a complete Schubert lieder set, by baritone Dietrich Fischer-Dieskau and pianist Gerald Moore a generation ago (still only on LP). Fischer-Dieskau had one of the best voices of the era, but became unbearably *schmaltzy* as his stardom grew. As Moore was a repetitive pedant, the result was boredom after a few songs.

Despite studying with Moore, Graham Johnson is different. He frequently responds to the better singers by building a long legato line that truly expresses Schubert’s counterpoint. The Fassbänder disc’s “Thekla” D. 595 from Schiller’s *Wallenstein* and the Schiller mini-cantata “Elysium” D. 584 are good examples. Miss Fassbänder, daughter of operatic baritone Willi Domgraf-Fassbänder, has a lush, perfectly produced voice, and a mastery of German poetry learned from her father. When she unleashes that voice, the poetry emerges, extremely differentiated but always legato. Johnson responds by playing likewise and the duet is extraordinary.

Still needed: a large, if not complete, Schubert lieder edition in the original keys, with the correct voice species, on the *fortepiano* of Schubert’s day, so that all of Schubert’s vocal and piano registers may be heard.

Bournonville: the great nonconformist

by Katharine Kanter

Bournonvilleana

Edited by M. Hallar and A. Scavenius
Rhodos Forlag, Copenhagen, Denmark, 1992
271 pages, hardbound

A more telling frontispiece could not have been chosen by the editors: a black and white photo of a truly grotesque statue of Pan, by the Danish sculptor Thorvaldsen, which somehow manages to combine the morbidly romantic with clammy neo-classicism. Poised ironically against the stone, the new generation's leading Bournonville ballerina, Henriette Muus.

Although the Danish choreographer August Bournonville (1805-79) claimed to be a fervid admirer of Thorvaldsen, as an artist he far surpasses him. Both used Greek or Renaissance models. In Thorvaldsen, it was empty formalism, coasting along in the wake of the fashionable French painters David and Ingres. Bournonville, on the contrary, working with the real, fragile human form, saw the classic from the *inside* out: He used these ancient models only because the arguments in their favor, whether anatomic, dramatic, or aesthetic, were overwhelming.

This rich album, published on the occasion of the Second Bournonville Festival which opened in March 1992, gathers essays by different authors on Denmark during Bournonville's life, on Bournonville himself, his teaching method, and his ballets. The essays on Danish history and theatrical history, lively and well-written, give one an idea of what a maverick the choreographer was, ringed round by an extremely conformist society mainly preoccupied with its creature comforts. Too brief but delightful is the essay on Bournonville's special way of mime, very different from the *Commedia dell'Arte*, by the great dancer Niels Bjoern Larsen and his daughter Dinna, now head of the Norwegian Ballet. Unfortunately, other essays dealing with Bournonville's ballet technique are not only somewhat cursory, but their authors avoid the big question: Why has this first-class technique been practically shoved off the edge of the planet, in favor of the second-class, Anglo-Russian technique?

To my mind, the most thought-provoking essay is that

by the pianist Elvi Henriksen, wife to Niels Bjoern Larsen. If, after several readings, I have understood her aright, the problem is that Bournonville's enchainements have a peculiar phrasing of their own, where the steps must be accentuated so as to give value to the "verbs," so to speak, while not over-stressing the "articles" and "conjunctive" words. Miss Henriksen writes that after 25 years of teaching by the Russian Vera Volkova (1950s to 1970s), the dancers at the Royal Theater no longer know where to place the Bournonville accents. So, working with her daughter Dinna Bjoern, she designed a system where the step-accent is first danced to percussion, till the students have got it "in the blood," and only then, to the real musical score. The percussive background is kept up against the music until the students no longer need to lean on that crutch.

It's pretty complicated. Why are the children not steeped in Bournonville from their earliest years? Wouldn't that be better?

The answer lies in the modern sickness called pluralism, which is nothing but warmed-up conformism: We are supposed to believe that there is no right and wrong, only opinion. Miss Henriksen quotes Hans Beck, Bournonville's successor, to the effect, that "Evidence that two styles cannot be cultivated at the same time by one company without causing damage, has been more than obvious to us old professionals." She *must* quote him. Nowadays, no one in Europe or the U.S. would say anything that controversial on their own authority.

Bournonvilleana's editors touch on this as follows: "Bournonville . . . was deeply involved in the art and politics of the age, and with his hot-headed temperament, did not miss any opportunity to have his say—verbally and in writing—on the principal issues of the time." Were any theater director to try that today, in 1992, even on strictly "artistic" issues, he would be on the headline within 24 hours. Such is our feudal reactionary age: no debate please, we're British!

Do I digress? Well, let me pick just one objectionable case, Marilyn Hunt's essay:

"If American ballet lovers have been in the forefront of appreciation for Bournonville, the reasons must relate in large part to dance priorities crystallized by Georges Balanchine, such as pure choreographic values, energy and joy; dance does not have to express strong overt emotion to be taken seriously. Affinities between the two choreographers' styles have often been noted: the emphasis on a dancey flow of steps, complex footwork, speed, and the importance of musicality and of variety in rhythm and impetus." (Miss Hunt is a critic for *Dance Magazine*).

Balanchine's trail of broken bodies

Rubbish! The Russian choreographer Georges Balanchine (d. 1983), founder of the New York City Ballet, loathed beauty. The ethos behind his "neo-classicism" was the same old romantic drivel that Bournonville fought tooth and nail.

It was based on the simple truth, that people will look at *anything*, so long as it's done by a good-looking guy and a cute doll; that's what sells films like "Basic Instinct." Just about everything Balanchine taught was imprecise, fuzzy, and technically wrong; this he would justify by the "need for speed." For example, he didn't like it if you put the heel down when you land from a jump; this means the *next* step is not properly taken, so wearing down the Achilles tendon, displacing the metatarsal bones, and sending a shock through the entire leg. It is one of the reasons for the high "kill rate" among his dancers. Balanchine would weep a few crocodile tears at every early retirement, and then move on to the next Kleenex tissue. He liked the effect.

As for Balanchine's "musicality and variety of rhythm"—well, his favorite composer was his friend Igor Stravinsky. The man, lacking the skill to write contrapuntal music after Brahms, scribbled percussive, atonal noise-tracks, the basic feature of which, like pop and rock, is accompanied melody and jungle rhythm. This was one area where he could excel—by wandering off to play by himself. Unfortunately, the dancers cannot wander off and play by themselves. They need a pocket computer to correlate Stravinsky's crazy counts with Balanchine's weird gestures.

So, one would have wished for more controversy in *Bournonvilleana*, at least a hint of the kind of polemic raised by the director of the Paris Opera school, Claude Bessy, in an interview all the more interesting because out of character with what she herself teaches. Bessey told the Paris weekly *L'Express* in May 1986: "There is great risk in going from one school to the other. The body is forced to adopt contradictory positions, antagonistic efforts. There are far more accidents than ever before. . . . In the U.S.A., things have gone so far that after 10 years on stage, dancers are broken. They're thrown onto the trash, and others brought in. Within a few short years, at the New York City Ballet, the whole company had changed. I said: 'Where's Mr. X? Where's Miss Y?' And they told me—'Well, his knee cracked up three times,' or 'She's had an operation on her knee, or hip, or back.' Stop! Save the dancers! is all I have to say."

Hard on the proverbial heel of the Bournonville Festival, the Royal Theater is now, I am sorry to say, in the midst of a Balanchine Festival. Given the kind of injuries Balanchine dancers sustain, I pray that *Bournonvilleana* will not be chaise-longue reading for some of the Royal Ballet's best dancers as they sit out the season with their leg in plaster.

This said, the book makes a magnificent Christmas gift. The illustrations alone, chosen with great care, are worth the price. They include rare photographs from the earliest Bournonville productions in the 19th century, portraits of the great Danish dancers, old cityscapes, costume and setting sketches, and some really nasty caricatures of Bournonville from old newspapers. A note of caution: Order the hardcover edition. The softcover is poorly done up and will fall apart with the hard use we fanatics are bound to give it.

Malthusians' new beyond the limits

by Marjorie Mazel Hecht

Beyond the Limits: Confronting Global Collapse, Envisioning a Sustainable Future

by Donella H. Meadows, Dennis L. Meadows, Jørgen Randers

Chelsea Green, Post Mills, Vt., 1992

320 pages, hardbound \$19.95

In 1972, the Club of Rome popularized a little book, *Limits to Growth*, that established a protective coating of computer-modeling techno-gobbledygook around the Club's basic malthusian goal: population reduction. Now, 20 years later, the authors of *The Limits to Growth* have updated their techno-gobbledygook in a book titled *Beyond the Limits*.

The 1972 book gave the world about 100 years before collapse. The 1992 book gives the world a much shorter lifespan before resources, living standards, industrial production, and agriculture burst into uncontrollable collapse.

It was easy to defeat *The Limits to Growth* economists in debates during the 1970s; they and their doomsday analysis were incompetent to the point of being comical. Today their economics are still laughable; but the growth of the green movement has created a gullibility gap into which the *Beyond the Limits* economists fit too comfortably in 1992.

The Club of Rome's pessimistic message about how greedily growing industrial society destroys the Earth remains the same in both books. What's new in the 1992 book is 1) the authors' expression of "love" and concern for the "poor" of the Earth; and 2) the solution they devise to counter greedy growth: "sustainable development."

Euphemisms for genocide

These new items are geared especially to influence the developing-sector countries to go along with the malthusians' agenda as laid out at the June Earth Summit in Brazil: in brief, to cut living standards! (affluence pollutes) and cut population (people pollute). During May, the authors, economists Donella H. Meadows, Dennis L. Meadows, and Jørgen Randers, held a series of press conferences to promote this message.

For the leaders of developing countries—and for any

book is of credibility

human beings who believe in progress and envision the possibility of a better future for their children and grandchildren—this book should serve as a warning that the words “sustainable development” are just a euphemism for genocide. As much as the authors cry about poverty, berate the “growth-obsessed society of today,” and ecstatically describe the loving way that the “sustainable society” will meet our “unmet non-material needs,” the bottom line of their model is that poor old Mother Earth is being irreparably damaged and to stop the decline we must immediately reduce population and living standards.

As the editors of this magazine argued in the 1970s, and as is still the case, it is the rate of introduction of new technologies into the economy that increases productivity and thus increases the potential for greater population density at better living standards. This is historical fact, not some computerized hocus-pocus.

Unsustainable and biased

Beyond the Limits, like its 1972 predecessor, is simply not credible. Three economists have created a computer model called World3, originally commissioned at MIT by the Club of Rome, to give a technical framework for their rotten world view. No matter how many model runs the economists carry out to show the consequences of what they term our “addiction to growth,” the fact remains that the computer models only their own prejudices, not reality.

Beyond the Limits is so biased, in fact, that even the World Bank’s chief economist, Lawrence Summers, attacked it at the authors’ Washington press conference. The *Washington Post* reported April 14: “Within minutes after Donella Meadows’s presentation, Summers took the microphone to blast the new book, its premise and the authors’ methods.” The computer model “has no validity . . . [it] is only feeding back the authors’ prior views. The conclusions are built in,” Summers said.

For those who lived through the counterculture of the 1960s and watched it ooze into the environmentalism of the 1980s, *Beyond the Limits* will bring on a rush of recognition, especially Chapter 8, where the authors “take off their computer modeling hats and . . . reappear as plain human beings.” The chapter reeks of touchy-feely group-awareness sessions, the endless rhetoric of brains made soft by an over-

dose of counterculture.

“People don’t need enormous cars,” the authors tell us, “they need respect. They don’t need closets full of clothes; they need to feel attractive and they need excitement and variety and beauty. . . . A society that can admit and articulate its non-material needs and find non-material ways to satisfy them would require much lower material and energy throughputs and would provide much higher levels of human fulfillment.”

So, how do we achieve this sustainable society? By “visioning,” for example, “*what you really want*” not what someone has taught you to want; by “networking,” by “truth-telling,” and by “loving.” Of course, such processes can be moral and good—but not when they are built on a belief system of big lies.

The big lies are numerous: Growth is bad; development is good. The nonlinearity of the impact of advanced technologies on the economy is denied. Energy resources modeled for the future exclude nuclear and fusion; only so-called renewables like solar and wind—which could never power an industrial society—are modeled. Resources are defined as finite. Technologies like pesticides and fertilizers are defined simply as polluting.

The ozone lie

Perhaps most revealing is Chapter 5 on “The Ozone Story.” Here we are told that the model for a sustainable society is possible because “The human race has recently overshot, learned about, and backed off from one clear environmental limit—the destruction of the stratospheric ozone layer. . . . The world’s nations acknowledged that they had overrun a serious limit. Soberly, reluctantly, they agreed to give up a profitable and useful industrial product. They did it before there was any measurable economic, ecological, or human damage and before there was complete scientific certainty.”

The truth is that there not only is not “complete scientific certainty”; there is *no* scientific certainty whatsoever that the very small amounts of man-made chlorofluorocarbons are depleting the ozone layer. The so-called evidence is the product of a computer model, not reality. And like the rest of the environmentalist scare stories promoted by *Beyond the Limits*, the ozone scare was devised for the purpose of convincing people that they must cut back consumption, not because of any real threat, as some of the scientists involved have admitted.

With great delight, the authors describe how “the world can get along without CFCs.” Unmentioned in their euphoria is the plain fact that millions of people will die because the cheapest form of refrigeration—freon—has been banned, making the food supply less reliable, especially in the developing sector.

If these three economists and their supporters were not so dangerous to the health of the rest of us, their magical gobbledygook could be dismissed as a joke.

Depression defeated Bush; Clinton will be next

by Kathleen Klenetsky

Slick Willie Clinton has finally fulfilled his lifelong ambition to be elected President of the United States, but unless he can deliver an immediate, substantive improvement in the U.S. economy, he will soon face the same political fate as his predecessor. That is the primary lesson to be drawn from the Nov. 3 balloting, which demonstrated a level of frustration and anger, especially over economic conditions, not seen in the U.S. electorate in decades.

Voters turned out in record numbers (over 100 million people cast ballots), providing further evidence that the U.S. population has been propelled by the collapsing economy to shake off its political apathy, at least temporarily.

While fewer congressional incumbents than predicted were turned out of office, voters approved term-limitation initiatives in all of the 14 states in which they appeared on the ballot, in a further reminder of the rampant discontent apparent in the presidential vote.

What all this means is that if Clinton does not deliver, and fast, on his promise to create jobs and boost incomes, he will find himself facing the same popular wrath that just booted George Bush from office.

No mandate

Though he emerged as the victor, Clinton will be coming to Washington with the support of less than half of the voting population. Despite the claims of the pundits and Clinton's own people, the Arkansan did not beat Bush by a landslide. Far from it. Although Clinton won by a large majority in the Electoral College, he managed to garner only 43% of the popular vote to George Bush's 38% and Ross Perot's 19%, making him the first President elected by a plurality, rather than a majority, since Richard Nixon won in 1968 with 43.4%.

Further, judging by exit polls and other measures, much

of the Clinton vote was in fact a protest vote against Bush, rather than an outpouring of enthusiasm for the Democratic challenger. The key issue which motivated that protest vote was Bush's miserable performance on the economy. Even the Clinton camp was forced to acknowledge that fact. As a sign at its Little Rock, Arkansas headquarters put it, "It was the economy, stupid."

In another sign of the population's displeasure with the two major party candidates—and with politics-as-usual in general—independent candidate Ross Perot won 19% of the popular vote. This was the best showing by any independent presidential candidate since Teddy Roosevelt's Bull Moose run in 1912.

According to Lyndon LaRouche, who waged a vigorous independent presidential campaign from prison, the election outcome amounted to the "political lynching" of Bush, with the economy the key factor behind his defeat. In a radio interview on Nov. 4, LaRouche asserted that Clinton's low popular vote was clear evidence that the President-elect did not receive a mandate.

Noting that Clinton's policies will be dictated by such establishment interests as the investment firms of Goldman, Sachs and Lazard Frères (which engineered Clinton's presidential campaign from the get-go), LaRouche predicted that if Clinton does not reject these policies, and quickly adopt the chief elements of LaRouche's economic recovery program, beginning with the nationalization of the Federal Reserve, his administration will have "a very short honeymoon" before being overwhelmed by a major financial catastrophe.

Another Trilateral disaster

As things look now, that catastrophe appears to be a near certainty. The new administration is shaping up as a

combination of the worse features of the Carter administration, with the addition of a heavy dose of input from the so-called neo-conservative crowd—the Israeli-linked gang, epitomized by Irving Kristol and Jeane Kirkpatrick, that brought us the Iran-Contra fiasco and the Project Democracy destabilization machine.

Clinton, like Carter, was thrust into national prominence by the Trilateral Commission—Slick Willie has been a member since late 1988, when he first toyed with the idea of running for the presidency—and the Trilateral crowd is crowing about their latest presidential coup.

A senior Trilateral Commission figure in Europe gloated in a recent interview that Trilateralists dominate the Clinton advisory team, most notably, Felix Rohatyn of Lazard Frères, “who has been very much on the top of the list as a possible treasury secretary.” Other key Clinton Trilateralists, he said, include trade policy adviser Paula Stern; economic policy adviser Robert Hormats of Goldman, Sachs; and former Carter-era State Department official Warren Christopher. He also cited rumors that former U.S. Federal Reserve chairman Paul Volcker might be made Clinton’s treasury secretary as further evidence of the Trilateralist influence in the new administration, adding only: “The problem is, we’d hate to lose Volcker as the Trilateral Commission’s North American chairman.”

The commission will hold its next annual international plenary in Washington from late March to early April of next year—just two months after Clinton’s inauguration. “We have such a wonderful topic planned for the occasion, since in each plenary, we have a session on the host country,” said a Trilateral source. “Now, with the election results, the discussion will be even more exciting!”

Trouble for Bill

While the Trilateralists may be gloating now, Clinton’s future is hardly assured. Although Clinton will try to jack up the economy by the infusion of some public works funds early in his administration, this can only produce a very minor, short-term increase in jobs, at best. Otherwise, he will be under intense pressure from his Trilateral and Wall Street handlers to ram through a range of domestic and international measures which can only destroy whatever support he may currently enjoy.

Domestically, Clinton will be expected to force through cutbacks in entitlement programs (Social Security, Medicare, etc.), as well as to restructure the U.S. health care system through cost-cutting and restrictions on high-technology medical care. Should he succeed, he will alienate large portions of his voting base.

Former Sen. William Proxmire (D-Wisc.) put it succinctly in a commentary in the Oct. 28 *USA Today*. “Whether Bush or Clinton is elected,” he wrote, “the next Congress can expect . . . the most draconian deficit-reduction program proposed to a Congress by a President in our long history.”

This is particularly true if Clinton becomes President, “and the Democratic Party is given full responsibility to produce” the austerity measures demanded by the establishment.

If the electorate has given Clinton any mandate, it is to improve the living standard of the average American—not to make it worse. But that’s exactly what Clinton has been put in office to do, even if it means the destruction of his own political ambitions.

In the international arena, Clinton can be expected to follow much the same “new world order” policy as did Bush. Both Clinton and Gore were among the few well-known Democrats who solidly supported the Persian Gulf war. And both staunchly back the North American Free Trade Agreement (NAFTA) as negotiated by the Bush administration.

Clinton has made it clear in his foreign policy pronouncements of the last year that, unlike Jimmy Carter, he has no qualms about engaging U.S. military forces, especially in Third World “hot spots,” and that he intends to seek a greater military role for the U.N. The Nov. 4 Swiss daily *Neue Zürcher Zeitung* predicted that the Clinton-Gore team would be even more inclined to deploy military force abroad than the Reagan and Bush administrations.

The new administration can also be expected to pursue trade war against Europe and Asia even more aggressively than did its immediate predecessors. Clinton has said he will create a new Economic Security Council, on the model of the National Security Council, which will be charged with coordinating economic policy, and treating trade policy as an aspect of national security.

This has not been lost on potential targets. Much of the immediate post-election coverage in Europe and Asia was given over to warnings about the Clinton administration’s trade policy. The day before the elections, Madrid’s *El País* published an analysis headlined “Europe Fears Trade War with the U.S.,” which warned, “If Clinton gets to the White House, many experts say, tariff wars will break out for certain.” In Japan, Foreign Minister Michio Watanabe predicted on Nov. 4 that U.S.-Japan trade friction could intensify under a Clinton regime, a view echoed by other leaders in Asia.

Israel was about the only foreign nation to greet Clinton’s election with unalloyed joy. That’s hardly surprising, given Clinton’s extensive links with the Israeli lobby in the United States. Indeed, on the day after his election, those ties popped up in the media in a rather embarrassing context. The *Washington Times* reported that the head of the American-Israeli Public Affairs Committee (AIPAC), the premier pro-Israel lobbying group in the United States, was forced to resign after boasting to a potential contributor about AIPAC’s influence in the Clinton camp. “We have a dozen people in [Clinton’s] headquarters,” AIPAC head David Steiner told Harry Katz. Sen. Al Gore “is very committed to us.” Asked whom Clinton would choose as secretary of state, Steiner replied: “I don’t know yet; we’re negotiating.” Whoever is chosen, “we’ll have access,” he said.

LaRouche candidates: movement of principle

by Marianna Wertz

In a major victory for human decency, the referendum which would have imposed the country's most stringent death penalty on the nation's capital, was defeated by a nearly 2 to 1 margin on Nov. 3. The galvanizing force behind the surprisingly strong defeat handed to the death lobby was the presidential campaign of Lyndon LaRouche and the Rev. James Bevel, which put more leaflets, posters, organizers, and telephone calls into Washington, D.C. than any other organized group against the death penalty. The LaRouche-Bevel campaign also addressed dozens of churches, and distributed more than half a million leaflets against the death penalty referendum. Two thousand posters were put up, and tens of thousands of pieces of other LaRouche literature were put into the hands of D.C. voters.

The campaign's highly publicized effort to bring down the statue of Ku Klux Klan founder Albert Pike had linked that Confederate tradition with the imposition of the death penalty, creating a huge scandal in the largely black population of the District. A petition calling for the removal of the statue was also signed by a majority of the D.C. City Council, ministers, and other activists in the District and from around the nation. Councilman William Lightfoot introduced a resolution against the Pike statue into the D.C. City Council, which is scheduled to come up for a vote on Dec. 8.

Speaking to a packed victory celebration in Leesburg, Virginia on election night, Reverend Bevel said that the death penalty initiative was soundly defeated because "we're bringing principles to government. . . . If you establish yourself as a movement of principle, when people are ready to move on principles, they come to you."

Dozens of candidates fielded

This "movement of principle," as Bevel called it, fielded dozens of candidates for local, state, and federal office, who campaigned with the LaRouche-Bevel ticket in support of a return to the American System of political economy to end the depression, replacing the Federal Reserve System with a national bank, a real war on drugs that targets the drug banks, and the abolition of the death penalty. While only one outright victory was achieved, several scored double-digit votes, and proved that the LaRouche movement is a viable nationwide alternative to establishment politics.

Highlights of the election results for the candidates running with LaRouche-Bevel included:

- Bob van Hee won the city council-at-large seat in Redwood Falls, Minnesota.
- Marcella Franklin won 33% of the vote for state representative in St. Louis, Missouri, with 20,000 votes.
- Alice Robb won 39% in a three-way race for state assembly in California.
- Alan Ogden won 3.3% for U.S. Congress in a three-way race in Virginia's 10th C.D. Ogden scored the highest number of votes (6,800) that a candidate running as an independent in this district has ever received.
- Gerald Berg won 17% for U.S. Congress in Virginia's 7th C.D.
- Stan Bentz won 4% for U.S. Congress in a seven-way race in Minnesota.
- Rosemarie Love, a former Cook County, Illinois commissioner, won 2.2% for U.S. Congress in the 7th Congressional District.
- Hubert Bankston won 15% for chairman of the board of county commissioners in Walker County, Alabama.

The LaRouche movement fielded candidates in a total of 16 states, mostly running as independents. They were strongly represented in the Midwest, including Michigan, North Dakota, South Dakota, Indiana, and Illinois; and in the West, in California, Washington, and Idaho.

Uplift the population

In his election eve speech, Reverend Bevel called on the campaign's supporters to continue the fight against the death penalty in the District of Columbia by making that fight "Exhibit A." The defeat of the death penalty in Washington should become an example for how principles could be reestablished in the country as a whole, he said. "The people of the District of Columbia can give the Congress and the Supreme Court an example of how principles are the basis of government.

"We had to mobilize the whole town. We did an effective job. Now we have to show people it is as easy to stop murder in the streets as to vote down the death penalty."

Bevel maintained his optimism that, with the impetus built up by the victory of principle on the referendum, the challenge to stop the mayhem in our nation's cities could, and must be met. He again insisted the *only* way to stop the murder in the streets is through uplifting the population.

"We now have to go into D.C. and so impact the city that it has to change," he said. Now, thanks to the way we approached the Pike statue and death penalty campaigns, "all the doors are open to us, while everyone else takes a two-year vacation."

Bevel concluded, "There is a government on the shoulders of Christ. People are frail and helpless. The ship of state is in a storm with nobody controlling it. We have to come up with the insight to address the problem in this nation."

Californians defeat 'aid in dying' plan

by Linda Everett

Proposition 161, the California ballot initiative that would make so-called physician-assisted suicide legal, was defeated on Nov. 3. With 99% of the vote counted, the California Secretary of State reports 4,553,938 votes for and 5,339,385 votes against. This 54-46% defeat was a turnaround, since many surveys showed support for this murderous measure as high as 68% in September, and dipping to 55% by mid-October. Voters saw the wholesale murder Prop. 161 promised. But, Florida and Oregon are the death lobby's next targets.

The California campaign was the Hemlock Society's third attempt to make the medical killing of patients legal in the United States. Since its inception in 1980, the Hemlock Society has promoted murder and suicide for anyone at any time, and will sell you directions for both. It was the National Hemlock Society's political arm, Californians Against Human Suffering, which sponsored Prop. 161. They claim the initiative provides "mentally competent terminally ill adults the legal right to voluntarily request and receive physician aid-in-dying."

Described on the ballot as "Physician Assisted Death. Terminal Condition," Prop. 161 would let individuals sign a witnessed, revocable directive asking that doctors kill them should they be pronounced terminally ill. Should the patient be diagnosed "terminal" with only six months to live, he must request "aid in dying" several times, after which he can either be given the means to kill himself or be killed without witnesses by *any* doctor or nurse. There are no provisions for informing a patient's family of his request to be killed, for counseling, nor for presenting alternatives, like life-saving treatment.

Anonymous killings

The founder of Californians Against Human Suffering, Los Angeles attorney Robert L. Risleylin and its president Michael H. White, the past president of the Beverly Hills Bar Association, say Prop. 16, also known as the Death with Dignity Act, has plenty of built-in safeguards against its abuse. But, what and where would authorities check for abuses? This act provides only that an anonymous killing of an anonymous patient be recorded.

Recognizing the vast potential for abuse, more than 135 national, local, and regional organizations and nearly every major newspaper in California opposed the measure, forming "The Vote No on Proposition 161 Coalition." A diverse

group, the coalition included the American Diabetes Association, the American College of Chest Physicians, the California Society of Internal Medicine, the California Psychiatric Association, the California Medical Association, and the California Association of Catholic Hospitals, and others. Political and religious organizations as well as advocacy groups for those with disabilities were also represented.

Many of those who opposed Prop. 161 did so only because they felt the act was poorly crafted. They otherwise support the idea that killing a sick individual is "compassionate." But, to the founder of the Hemlock Society, Derek Humphry, compassion meant "suffocating" his first wife because she suffered from breast cancer. When Humphry's second wife and co-founder of Hemlock, Ann Wickett, developed breast cancer, Humphry deserted her in the midst of her chemotherapy, had her fired from Hemlock (which meant loss of medical insurance), declared that she was mentally unstable in a *New York Times* ad, and pressured her "to get out of the way." Wickett committed suicide last October.

Pressure "to get out of the way and die" is the Hemlock agenda. Recently, University of Utah philosophy Prof. Margaret Pabst-Battin called physician-assisted suicide "a new civil right." But for years, Battin has been advocating suicide for some suicidal patients, and has been asking whether suicide "isn't morally correct—even obligatory" in old age.

Supporters of Prop. 161, such as the American Civil Liberties Union, the National Organization for Women, the Libertarian Party, and the Grey Panthers, failed to warn voters of this deadly "compassion." Nor did they mention that in the Netherlands, where doctors are allowed to give lethal injections to "terminally" ill, mentally competent patients who request it, a 1991 government-sponsored committee investigating medical euthanasia found that doctors give lethal injections to thousands of patients who never ask for it, while thousands of other patients who want treatment are murdered by denial of life-saving intervention by starvation. Now, having "mental pain" is cause enough for "compassionate" murder there.

Prop. 161 would help anyone intent on slashing Medicare and Medicaid. The State of California says as much in its ballot pamphlet. Prop. 161 "would result in savings to the extent that terminally ill patients receiving public health care assistance choose to receive aid-in-dying. . . . The magnitude of these types of effects is unknown and would depend primarily on the number of terminally ill adults who request aid-in-dying."

But, would malthusian think-tanks and insurance companies back a plan that offers premature death instead of costly life-saving care? That's a question the California Fair Political Practice Commission is investigating. *EIR* presented the FPPC with information indicating that 12% of Prop. 161 donations may have been laundered funds, illegally or criminally obtained. At least two groups violated state campaign disclosure laws.

Movement to topple KKK-masonic monument growing rapidly

by Anton Chaitkin

District of Columbia Councilman William P. Lightfoot has introduced a resolution calling on the U.S. President to take down a statue in Washington honoring the Ku Klux Klan's chief founder and strategist, Confederate general and Scottish Rite masonic leader Albert Pike.

A majority of the D.C. Council, the mayor of Washington, D.C., "shadow Senator" Florence Pendleton, many D.C. community organizations, and a growing number of civil rights activists nationally have now individually endorsed the removal of this 91-year-old KKK monument from Washington's Judiciary Square.

A series of spirited protest rallies at the Pike memorial, and the distribution of hundreds of thousands of leaflets by the political movement affiliated with statesman Lyndon LaRouche, have spurred a public outcry against the statue as a symbol of the "Confederate justice" now reappearing in the United States. Press coverage featured the rally speeches of Rev. James L. Bevel, 1960s coordinator of Direct Action for Dr. Martin Luther King and vice presidential running mate with LaRouche. This campaign helped mobilize churches and neighborhoods to defeat the ballot referendum on Nov. 3, sponsored by the racist Sen. Richard Shelby (D-Ala.), which would have brought back capital punishment in the District of Columbia.

On Oct. 28, six days before the election, the *Washington Post* ran Courtland Milloy's poetic column entitled "Fitting Symbol for Spirit of Hate Behind Death Penalty." "The statue of Albert Pike seems to have come alive on its perch at Judiciary Square," Milloy wrote. He galvanized the city for the fight against Shelby's death penalty proposal by declaring war on the statue and the legacy of Pike, the "supreme grand commander, chief justice and co-founder of the KKK."

'An insult to all humanity'

Councilman Lightfoot filed his "Albert Pike, Ku Klux Klan Memorial Statue, Removal Resolution of 1992" on Oct. 22. Calling Pike the "Scottish Rite Southern Jurisdiction Sovereign Commander and chief founder of the post-Civil War Ku Klux Klan," it declares:

"A memorial statue of Albert Pike stands . . . on public land of the United States, and is maintained at the public expense of United States taxpayers;

"Albert Pike was a chief founder and strategist of the Ku Klux Klan in the years following the Civil War, the 'Chief Judiciary Officer' of the Ku Klux Klan and the 'Grand Dragon' of the Ku Klux Klan in Arkansas;

"The United State Congress on April 4 and 5, 1898, authorized [placing of the statue] . . . being falsely informed only that Albert Pike was a leader of white freemasons in the southern states, and 'a distinguished citizen of the United States, an able lawyer and statesman, an accomplished poet, and a brave soldier';

"The Massachusetts-born Albert Pike was a brigadier general of the Confederate Army, when troops under his command committed atrocities and war crimes against United States soldiers, causing a protest from the United States against the Confederate Army; whereupon Pike was relieved of his command and placed under arrest by the Confederate Army;

"Albert Pike was indicted for treason against the United States and fled prosecution by escaping to the territory of Great Britain;

"The *News Quarterly*, a publication of the Prince Hall freemasons [i.e., African-American masons], in its Spring 1992 edition reprinted the most famous poem of the Ku Klux Klan, attributed to Albert Pike, called 'Death's Brigade,' which is a terrorist threat against African-Americans and all loyal citizens, and the said Prince Hall publication denounced the said statue of Ku Klux Klan leader Albert Pike as 'an affront' to the predominantly African-American population of the District of Columbia;

"The Ku Klux Klan was an instrument of mass murder, terrorism, judicial barbarism; false imprisonment, kidnapping and torture, designed to re-enslave newly freed African Americans, and to prevent the establishment of modern industrial, labor, and living conditions in the southern states; and

"A statue representing a 'Confederate-style justice' should not symbolically stand guard over Judiciary Square at a time when the rights and living conditions of ordinary American citizens are under severe attack, and it is an outrage, affront, and insult to the people of Washington, and to all humanity who may look to the capital of the United States as the seat of justice and freedom."

Councilman Lightfoot appeared two days later in a blistering attack on the statue on Washington's Fox-Broadcasting affiliate evening news. The camera zoomed in on the words "poet" and "soldier" engraved on the pedestal, while the announcer read off the words "poet" and "brave soldier" from the Lightfoot resolution. Then the newsman read "chief judiciary officer of the Ku Klux Klan . . . Ku Klux Klan!?!—wait a minute, what's *he* doing here?"

During dramatic film footage of anti-communists pulling down a huge statue of a tyrant, the newsman pointed out that as the recent revolutions in eastern Europe "have shown us, a statue is not necessarily forever."

Clinton challenged

Arkansas news media gave wide coverage to *EIR* historical reporter Anton Chaitkin's press conference in Little Rock, Arkansas on Oct. 15 featuring his request to presidential candidate Bill Clinton for aid in pulling down the KKK-Pike statue in Washington.

Television reports and newspapers throughout Arkansas quoted the charge that Pike was a "Satan-worshipping degenerate," whose KKK murdered tens of thousands of people, and whose legacy of "Confederate justice" rules our country's courts today. A spokesman for the Clinton campaign responded to reporters that the request to remove the statue "would be reviewed."

The Associated Press procured a rebuttal from Walter Lee Brown representing the Scottish Rite of Freemasonry, the organization which erected the Pike statue on federal park land in 1901. Brown "said Pike, like many during the mid-1800s, was racist and didn't believe blacks should have the right to vote. But Pike was also a humanitarian, lawyer, scholar, poet, schoolteacher, and newspaper editor. . . . Brown said . . . he hasn't been able to find reliable evidence that Pike was heavily involved in the Klan."

In an Oct. 12 interview with *EIR*, noted southern historian Shelby Foote defended the KKK and said it would be "an outrage" to take down Albert Pike's statue. Foote, a commentator on the popular PBS TV series on the Civil War, claimed Pike's role in the Klan was "irrelevant," and that the KKK must not be considered "criminal," but only the "natural reaction of the southern people to the invasion of the northerners."

KKK historians revealed Pike's role

Foote's viewpoint, that the KKK *represents the southern people historically*, and that the Klan's terrorist murder of African-Americans was "regrettable" but "only natural" and "understandable," has become the established dogma of academic historians.

The LaRouche movement's challenge to this dogma spotlights Confederate-KKK leader Albert Pike, not as a "southern gentleman," but as a Boston representative of the opium- and slave-running families, an occultist, and criminal swin-

dlar—in short, a Scottish Rite mason.

The first popular book revealing Pike's role as chief judicial officer and principal founder of the KKK was published in 1905, four years after the Scottish Rite erected the Pike memorial. Historian Walter Fleming's *Ku Klux Klan: Its Origin, Growth and Disbandment* took its information from surviving organizers of the 1860s-70s KKK, principally Scottish Rite masons under Pike's personal command.

Fleming's book was not a "slander" or "hatchet job" against Albert Pike. It placed the KKK and Pike in the most favorable possible light. The book was a hit among diehard Confederates and Anglo-Saxon "race patriots," and it launched Fleming's career as the dean of southern historians. Fleming became the leading apologist for the KKK, and was the father of the modern historical line that Reconstruction was a corrupt oppression of the South.

Fleming had written earlier that the "disordered conditions of the time caused the Dens [KKK local units] to begin to exercise the duties of a police patrol for regulating the conduct of thieving and impudent Negroes and similar 'loyal' whites." Fleming claimed that the KKK did not burn Negro school buildings "simply from opposition to Negro schools. As a rule the schoolhouses (and churches also) were burned because they were the headquarters of the Union League and the general meeting places for Radical politicians, or because of the character of the teacher." Historian W.E.B. DuBois wrote that Fleming's work was based on "ridicule, contempt or silence for the Negro."

Yet the *National Cyclopaedia of American Biography* calls his 1905 Ku Klux Klan history "an authoritative account of that organization." The *Dictionary of American Biography* says "Fleming covered the Civil War and Reconstruction in the South more fully than any other man. His works are characterized by . . . scholarly objective."

Later KKK histories have followed the Fleming line, as have most book-length Pike biographies. They have said that the Klan was no criminal affair. Thus, the critical spotlight was never focused on the U.S.A.'s national honor paid to "respected Freemason" Albert Pike.

On a popular Washington African-American radio station on election day, simultaneously broadcast live over loudspeakers at rallies at the Pike statue and in front of the U.S. Supreme Court, *EIR*'s Chaitkin contrasted Abraham Lincoln and LaRouche's nationalism, to the bankrupt bankers' dangerous plans for austerity. He asked for the people to help bring down the Pike statue "before the New York bankers, represented by Felix Rohatyn, get a chance to dictate the program of the next administration. Because this statue coming down, will send a shockwave throughout the world. The Scottish Rite of Freemasons, the Southern white Masons, are the representative in the power structure of the New York and London banking system. . . . A shockwave goes out . . . that the population is getting organized, to go with the Lincoln policy and not the Pike policy."

Iran-Contra was kiss of death for Bush

by Edward Spannaus

In a campaign that was fighting an uphill battle from the beginning because of the sorry state of the U.S. economy, the final blow to Bush's electoral hopes may have been the release of new information linking Bush to the Iran-Contra scandal. Numerous Bush-Quayle campaign officials are blaming the disclosures for Bush's defeat.

The disclosure of notes taken by former Defense Secretary Caspar Weinberger, and proving that Bush was not "out of the loop" on Iran-Contra, as he has claimed, was made on Oct. 30 by the team headed by Iran-Contra special prosecutor Lawrence Walsh. The irony is that Walsh himself is an old-line Republican, whose principal function up until recently seemed to have been to protect the President from being tainted by the Iran-Contra affair.

The Walsh moves did follow a pattern. In the last weeks before the election, the Bush administration was wracked with infighting centered in the police-state apparatus on which much of Bush's power rested.

- The FBI's Dallas office, headed by the former number two man in the FBI, Oliver "Buck" Revell, ran a "sting" operation against the Texas head of the Bush-Quayle campaign, James Oberwetter. In a letter to the *New York Times* on Oct. 28, Sessions defended the sting as having been conducted "only after lengthy consideration in Dallas and here in Washington."

- The FBI conducted seven search-and-seizure raids against homes and offices of U.S. Treasurer Catalina Villalpando and her business associate Ernest Olivas, Jr. Olivas, the Bush-Quayle campaign director for Hispanic outreach, was forced to resign on Oct. 30.

- The director of the FBI, William Sessions, came under a criminal investigation by the Justice Department, with Sessions's wife charging that her husband was being "framed" by subordinate officials.

- These moves followed the outbreak of accusations and finger-pointing among the FBI, CIA, and Justice Department over the "Iraqgate" scandal and allegedly illegal loans made to Iraq in the pre-Persian Gulf war period.

Interviewed on the NBC "Today" show the morning after Bush's smashing defeat, Bush-Quayle campaign chairman Robert Teeter agreed that the release of the Weinberger notes was "the kiss of death which stopped the President in his tracks."

On the eve of the election, campaign officials speaking

anonymously were even stronger, calling the release of the notes a "dirty trick" which shifted the momentum of the campaign. An unidentified "senior official" of the campaign told the *Washington Post* that release of the notes "was an incredibly low blow by a mean, political hack. . . . This was the lowest of the low. It amounts to a dirty trick."

During the week before the elections, polls had shown Bush closing in on Clinton, and the two candidates were almost even on Friday before election day. But by Saturday, after the Weinberger notes were the lead item of most news programs, the gap between Clinton and Bush began to widen again. "We were really picking up steam until this happened," complained a campaign official.

In a Nov. 5 interview with the *Washington Times*, Dan Quayle termed the new Weinberger indictment "a travesty of justice" which halted the campaign's "comeback."

Weinberger's notes

The new indictment against former Defense Secretary Weinberger contained many quotes from notes written by Weinberger, including some taken following a January 1986 meeting at the White House in which the sale of 4,000 TOW missiles to Iran in exchange for the release of five hostages was discussed. Weinberger's notes state clearly that he and Secretary of State George Shultz opposed the scheme, and that Bush joined William Casey, Ed Meese, and Adm. John Poindexter in favoring it.

Bush has consistently maintained that he did not know about the arms-for-hostages deal until December 1986, when the Senate Intelligence Committee made findings about the arms scheme. In a Dec. 3, 1986 speech, Bush had said, "I was not aware of, and I oppose, any diversion of funds, any ransom payments." In a *Washington Post* interview on Jan. 14, 1988, Bush told columnist Mary McCrory: "I have said over and over again that the original proposal was not presented as an arms-for-hostages swap."

In an Aug. 6, 1987 *Washington Post* interview with David Broder, Bush said: "If I'd sat there and heard George Shultz and Cap express it strongly maybe I would have had a stronger view. But when you don't know something it's hard to react. . . . We were not in the loop."

However, the precise wording of Weinberger's notes gives the lie to Bush's disclaimers: "Met with President, Shultz, Poindexter, Bill Casey, Ed Meese, in Oval Office. President decided to go with Israeli-Iranian offer to release our 5 hostages in return for sale of 4,000 TOWs to Iran by Israel—George Shultz & I opposed—Bill Casey, Ed Meese & VP favored—as did Poindexter."

Shortly after the new Weinberger indictment was issued, Bush said that the new evidence "isn't anything new. That's all been testified to over and over again. It is absolutely absurd." But Weinberger's notes have never been made public before; in fact, he is charged with withholding them from Congress and previous investigators.

Letters to the Editor

Unfair to the Confederacy?

Re: "Time to bury the dead culture of the confederacy" [by Frederic Henderson, in the Aug. 28, 1992 issue].

First, as one active in pursuit of justice and liberty for all people, your service has been a good resource. So, it is not lightly that I write to express my utter surprise and disdain for your editorial and the feature article in the 28 August *EIR* . . .

As to the feature "documenting" southerners were brainwashed into dying for "free trade," observe, no such *documentation* is given. Referencing one's self, as Mr. Henderson does, is not documentation. As to the "Civil War" being "America's Second War Against Britain," does anyone recall the War of 1812? Documentation? Hardly!

Ironically, both you and Mr. Henderson, while ostensibly seeking to bury a "dead" culture, actually serve only to arouse it by the attempt to link "free trade" to it. Indeed, Mr. Henderson's exegesis of Article I, Section 8 of the C.S.A. Constitution seems to be the real inversion of history here. He reads, Clause (1) "nor shall any duties or taxes on importations from foreign nations be laid to promote or foster any branch of industry" as assuring "free trade" with foreign nations. In fact, it is self-evident this language assured duties and taxes on imports from foreign nations will be laid but prohibits the use thereof to favor any one branch of industry over another. *That's free enterprise not "free trade."* We should be so blessed today!

Likewise, he also reads Clause (3), "neither this, nor any other clause contained in the Constitution shall be construed to delegate the power to Congress to appropriate money for any internal improvement intended to facilitate commerce" as assuring "free trade" with foreign nations when, again, it does otherwise. It leaves fully to each state the power to decide "any internal improvement intended to facilitate commerce." *That's States' Rights, not "free trade."* Considering our present profligate federal government: its deficits, debt, bloated pork barrel, and bureaucracy, largely rationalized on the basis of Congress running the internal affairs of each state, one must wonder if maybe the Confederacy had at least the sense of a better idea for assuring limited central government after all.

Finally, on the reason for the war, there is neither space nor time here and now to fully address that question. Yet, I would submit to any candid mind, that our orthodox northern dogma, "slavery," suffers from numerous frailties. As to the American founding fathers loathing slavery, yes, some did. Yet, it is clear that a large portion of them didn't, North and South. What else explains the original U.S. Constitution accepting slavery? Or is it your view that those who held slaves were not among our founders and first patriots?

As to suppressing the truth, consider, "How many school texts reveal Robert E. Lee and other southern leaders had freed their slaves, seeing slavery as a moral and political evil?" How many ask "Would such men go to war to preserve something they had already rejected?" How many note Lee, et al. believed the gentle influence of Christianity, rather than war, would resolve the issue with the remaining slaveholders, given time? As much as one may loath to hear it, the suppressing of truth that is occurring is that the war was over States' Rights and secession (limited central government and voluntary union), not slavery. If one looks, Lincoln also proves this.

"Time to bury the dead culture of the Confederacy?" One would do well to fathom it instead. An honest look shows it still has much to offer to any discussion of the relationship between a citizen and a state, and between both of those and a central government.

Semper Probitas!

Eric A. Gentile
DeWitt, Michigan

The Author Responds: Unfortunately, the viewpoint expressed in your closing paragraph has become more prominent these days, as citizens of this nation become ever more cynical about a government in Washington that shows itself to be ever more bankrupt in its policies and thus less and less theirs, in terms of those interests and needs they believe to be most important. However, to resurrect the doctrines of states' rights, free trade (or if you wish to call it such, "free enterprise"), and slavery (yes, slavery, for it was a logical part of these other two, and therefore, try as one might, it cannot be wished away as some sort of historical aberration) of the Confederacy would be as foolish, and as immoral, as the attempt to resurrect the doctrines of the Nazis to deal with

our current problems.

While I will not respond to your *seriatim* arguments as to the "true" nature of the Confederacy, I will refer you to the forthcoming sequel to my article in *EIR*, on "Free Trade, the Confederacy, and the Political Economy of Slavery," and note the following. As both articles make clear, the American South of 1860 was, despite the view of all historians to the contrary, a system based not in doctrines of states' rights, opposition to big central government, or any other similar niceties, but on the principle of oligarchism, with the institution of human slavery and the pro-British notions of a feudalistic economic "paradise" known as "free trade," or "free enterprise" as its cornerstone. (For those who still doubt this, I recommend the writings of such "states' rights" prophets as Alexander Stephens, Robert Barnwell Rhett, and Richard Yancey.)

Despite your, and a great many others', view of what our problems are in this nation today, we have, like the Confederacy, become a nation that has accepted the principle that we are really no better than the beasts, that we as men are not potentially divine, and thus self-perfecting. Once we have been conned into believing such, any horror becomes acceptable. Thus we watch as our nation self-destructs.

We tolerate the enslavement of our population to drugs. We tolerate their enslavement to the only slightly less destructive narcotic that passes for popular culture. We tolerate their enslavement to the violence and bestiality these produce. We tolerate their enslavement to poverty, disease, dead-end jobs, or none at all, to the hell that has been produced by a "post-industrial society." Certainly few of us support this, fewer still would advocate or defend this; neither you nor most others are advocates of such slavery; yet if we waged war (even a defensive one), to defend such, what would we be? Proponents of the principles of freedom, individual rights, states' rights, the right to "do your own thing," of the doctrine of absolute freedom, the anarchy of "free enterprise"? No, we would be the proponents of slavery, no matter what name we gave it.

This is the true lesson of the Confederacy, whose so-called war for independence, a defensive war to be "simply left alone," as Jefferson Davis phrased it, was the war of a society rotted by the doctrines of oligarchism, and because of this, inevitably an offensive war against republicanism.

National News

'Neoconservatives' flock to Clinton-Gore camp

An Oct. 28 *Washington Times* profile of Assistant Secretary of State for Human Rights Policy Richard Schifter points out that the so-called "neoconservatives" quietly began lining up behind the Clinton campaign, looking to a Democratic administration which will continue an interventionist foreign policy.

Richard Schifter, who served in both the Reagan and Bush administrations and is a pointman for the American-Israeli Public Affairs Committee (AIPAC), is leading the effort to recruit the "neocons" to the Clinton administration. Schifter pointed to Clinton's Oct. 1 speech in Milwaukee, which called for a "pro-democracy" foreign policy that would use trade sanctions or even force to protect human rights abroad. "If you compare that speech to my *Commentary* article," Schifter told the *Times*, referring to a piece that appeared in September, "I'm not saying anyone cribbed it from there, but it's basically the same outlook."

Others like Schifter looking for a warm spot in the Clinton administration are Penn Kemble of Freedom House and Joshua Muravchik at American Enterprise Institute.

Eco-nuts use pressure against food irradiation

One of the nation's large poultry processors dropped its plans to sell chickens to the Vindicator food irradiation plant in Florida because of pressure from the anti-nuclear group Food & Water. Food & Water threatened to picket not only the Georgia headquarters of the poultry processor but also all the supermarket chains that carry the processor's products nationally.

As one supermarket owner characterized the method of Food & Water to stop food irradiation—"extortion." Michael Colby, the executive director of the eco-terrorist group, runs his harassment campaign from his new home in Vermont. Ob-

servers report that the group has very little on-the-ground capability for the picket lines they threaten, but that Colby is a master at intimidation on the telephone, and companies cave in to his threats.

The Food & Water group's claims have been thoroughly discredited as lies or misstatements by the scientific community, but they continue to get publicity through the media. In particular, the *New York Times* food editor Marion Burros has covered Food & Water's anti-science bombast in two recent columns, and the *Times* has refused to print even any letters correcting her wild lies.

The science quarterly *21st Century Science & Technology* is offering will send those interested in lobbying for food irradiation a list of names, addresses, and phone numbers of poultry processors and supermarket chains to encourage them to use irradiation.

Euthanasia's Prop. 161 funding oddities exposed

An *EIR* investigation into several contributors to the sponsoring organizations of California's Proposition 161, the physician-assisted suicide initiative that was on the Nov. 3 ballot—and mercifully defeated—has revealed several campaign disclosure violations activities and other irregularities, including laundering of campaign funds and front operations. The groups are the U.S. Forum and the Funding Exchange.

The U.S. Forum made several substantial contributions, totaling nearly \$120,000 since July 1991 to help qualify Proposition 161. The U.S. Forum was incorporated in Washington, D.C. as a non-profit corporation (4/88), but it and its agent, Mr. Thomas R. Asher, appear to have vanished.

EIR uncovered significant irregularities—there was no record of application for a tax exempt status in the District or federally, and no annual reports. With each query, more irregularities appeared, enough that the District of Columbia's Consumer and Regulatory Affairs Business Regulation office and the Corporations office each issued a certificate stating the U.S. Forum was a

corporation not in good standing in D.C.; and, that the group, organized exclusively for charitable and educational purposes with a non-profit, tax-exempt status, *never* registered for a license to solicit charitable contributions in the District.

How did such a group raise \$120,000 for the California physician-inflicted suicide initiative? Or did the Hemlock Society or its political arm, the Californians Against Human Suffering funnel it to the group? The group never filed a campaign report as a major donor as required by California. The Funding Exchange contributed \$16,150 to CAHS in 1992. The donations came from a fund set up specifically for anonymous donations.

According to state law, the donor of any contribution over \$100 has to be identified. In the case of the anonymous fund, if the donors gave money but earmarked their contribution for Prop. 161, the Funding Exchange would have to disclose the contributors. When asked if the donors made a general request, Ron Hanft, director of the Funding Exchange, Inc. replied, "No, in this case, they were expressing an interest in this particular initiative."

Death penalty does not deter murders

The FBI reported in late October that the city of Gary, Indiana (a state which uses the death penalty) leads the nation in murder rates. The fourth highest homicide rate belongs to the capital of Virginia, Richmond, where Attorney General Mary Sue Terry, who is eyeing the governor's mansion next year, has been generous with the electric chair.

Of the 10 cities with the highest rates of murder, all except Washington, D.C. and Detroit, Michigan are in states which have capital punishment.

Washington, D.C. has the third highest murder rate. However, during 1992 the rate of homicides in Washington had declined, until October, when Alabama Sen. Richard Shelby forced the city to put the death penalty referendum on the ballot. In October, the city's murder rate shot up, with 16 murders

Briefly

● **NEBRASKA** Republican Lorna M. DeSchamp sent a letter to the Clinton-Gore campaign regarding the persistent charges of a satanic pedophile ring based in Omaha. She said, "I am sickened every time I hear George Bush talk about his 'family values.' A terrible story has come to light in Nebraska and I am sending a best selling local book that documents the horror. . . ."

● **HENRY GONZALEZ** chairman of the House Banking Committee investigating the BNL "Iraggate scandal" was called to testify before the Senate Banking Committee on Oct. 27.

● **THE PHILADELPHIA Inquirer** devoted a major feature Nov. 1 to detailing how the number of white drug users is three times the number of black or Hispanic drug users, but blacks comprised 41% of all people arrested on drug charges last year.

● **THE 'CLINTON-GORE** Presidential Transition Planning Foundation" is operating out of a secret office in Little Rock. According to the sole press release issued by the foundation, the board of directors is chaired by Clinton campaign chairman Mickey Kantor.

● **LEWIS DU PONT SMITH**, the LaRouche associate whose wealthy father is charged with plotting to kidnap him, told the Oct. 22 *Washington Post*: "I wouldn't want to see my father go to jail," Smith said. "But if he had to spend a few months before probation he should spend it with Lyndon LaRouche" who is a political prisoner. "If anyone could have a rehabilitative effect on my father it would be Lyndon LaRouche," Smith said. "It would be poetic justice."

● **GOV. WILDER'S** stay of execution for paraplegic Charles Stamper in Virginia was attributed to advocacy groups for the disabled, who protested a "grotesque spectacle," according to the *New York Times*. However, said Wilder, who is expected to lift the stay, "I'm not hidebound."

in the last 11 days, in spite of community marches calling for an end to the killing.

Alabama, home of the "Yellow Mama" electric chair so beloved by federal Judge Edward Carnes, who wrote the state's capital punishment laws, ranks seventh among the states in murders.

Ku Klux Klan tied also to Brazilian 'skinheads'

The Oct. 28 edition of Brazil's *Veja* magazine published an interview with an anthropologist from the Pontifical University of São Paulo who stated that one of the most radical "white power" groups operating in the country is tied to the Ku Klux Klan in the United States. There have been several reports recently on the activities of "skinhead" groups in Brazil, including one libel in the daily *Folha de São Paulo* which attempted to link them to *EIR*. Such a dirty tricks operation follows the *modus operandi* of the Anti-Defamation League in the United States, which has "infiltrated" Nazi and Klan organizations before in order to terrorize blacks.

Anthropologist Regina da Costa has been investigating these skinhead groups for the past two years as part of her doctoral thesis. If the report is true, it would indicate that Brazil is the target of the same type of operation which the ADL/Klan has directed at Germany.

LaRouche backs Sioux against casinos

In response to a report from supporter Annabelle Bourgois, presidential candidate Lyndon LaRouche offered his support on Oct. 30 to Sioux Indians in North Dakota's Standing Rock Reservation, who are fighting an effort to establish casino gambling there.

LaRouche responded to her report:

" . . . This is a fight I would like to see won, and I would hope that we would find a means to ensure victory. It's a continuing

fight for dignity, for independence, which should be admired by all of us. It's a cause which must be won. At this point, we should put as much attention to it as we can and see if we can actually win; but in the meantime, let's start the fight and keep it going.

"This I have in mind as a point of comparison: the fact that we are having a fight . . . to remove a statue in Washington . . . of the founder of the Ku Klux Klan, Gen. Albert Pike. I note, there is progress in that. . . . I would think that, from my knowledge of the treaty lands and their use in these problems of the Bureau of Indian Affairs and what's happened on this as known to me, the fight which is being staged in North Dakota around this, is not only a fight, really, for that particular group of Native Americans, but actually in principle, it is a fight on behalf of all Native Americans, most of whom or many of whom are already affected by the same issue; so that, if we can win a fight there, not only would we benefit those who are immediately affected; we would also benefit all Native Americans who are similarly affected. I think that's a worthy cause and worthy of a continuing effort."

Pressure from abroad to destroy Pike statue

International pressure is increasing to force the destruction of the statue of Ku Klux Klan founder Gen. Albert Pike in Washington, D.C. On Oct. 30, Archbishop Donat Chiasson of Moncton, New Brunswick, wrote, "I agree that the statue of Albert Pike should be destroyed," along with a note reading: "We, the undersigned, wish to signify our full support to the District of Columbia Councilmember William P. Lightfoot's resolution" calling for the statue's removal.

In Ibero-America, letters of support to Lightfoot have come from Argentina attorney Carlos Pérez Galindo and the U.S. National Delegate of the Democratic Revolutionary Party of Mexico, Alfredo Hurtado Lara. Panama's Congressman Miguel Bush Rios also sent a letter and is working to introduce a resolution into Panama's legislature.

A new branch of science is born

The third International Conference on Cold Fusion convened in Nagoya, Japan, from Oct. 21 to 25. While the venue of the conference had been planned since the first Cold Fusion Conference was held in Provo, Utah in 1990—the idea was to rotate conferences between the United States, Europe, and Asia over a three-year period—nonetheless it was particularly appropriate that this was the location.

Were it not for the Japanese it is most likely that this extraordinary new window on nuclear phenomena would have been open for only a brief time. Certainly the actions of the U.S. and British scientific establishments were intended to drive the two cold fusion pioneers, Martin Fleischmann and Stanley Pons, into oblivion. Not only did the Japanese company, Technova, offer financial support and laboratory facilities to the two experimenters (located in a small town near Cannes, in France), but they themselves have embarked on an equally ambitious program in Japan itself.

The results of this investment in science by the Japanese was the landmark announcement by a Japanese scientist, Eichi Yamaguchi, that he had detected the presence of helium-4 in amounts commensurate with a sharp rise in temperature—during an experiment in which deuterium was gas-loaded into a palladium cathode. Similar results had, of course, also been reported in Italy, last year at the Como Cold Fusion conference, by the American experimenters Melvin Miles and Benjamin Bush.

As he said, this is a stunning confirmation of the Fleischmann and Pons hypothesis that the generation of excess heat in their cold fusion experiment, is indeed from a nuclear (and most probably a fusion) process. These results should finally put to shame those “traditionalists” who believed that they were on safe ground in denying that this could be true, because of the failure to confirm the existence of a nuclear “ash.” Earlier in the year, Akito Takahashi had likewise startled the world with the announcement, reported on at the time in *EIR*, that he had achieved high excess heat near to the level reached by Fleischmann and Pons in their own experiments.

The most dramatic moment in the conference, however, came when Pons played a videotape of cells which boiled out their contents in a mere 12 minutes—an occurrence only to be accounted for by the occurrence of a nuclear reaction.

Conference chairman Hideo Ikegami closed the conference on a note of high optimism, declaring that Martin Fleischmann and Stanley Pons had opened up a new branch of scientific inquiry for mankind with their discovery of the existence of fusion in a solid state rather than a gaseous plasma. We can confidently expect that this new energy source will offer untold benefits to future generations, but even more important will be its scientific implications.

We wish to fully support the remarks of the honorary chairman of Technova, Mr. Minoru Toyoda, made to the guests of the conference on the occasion of a banquet. Cold fusion is not a matter to be studied by one single enterprise or nation. “I have confidence that it will become the greatest asset as an eventual energy source for humankind to be shared among the world.”

Cooperation has already begun on the most practical level, between Italian, American, and Japanese researchers, in precisely the spirit of Mr. Toyoda’s remarks. Nevertheless it is the fact that aside from Italy in Europe, and the efforts of researchers at Stanford Research Institute in California, the situation with regard to cold fusion research remains dim in Europe and the United States.

Official government support is lacking (and in Italy also researchers suffer from lack of necessary funds), and scientists who pursue this field anyway, are often still subject to ridicule by their peers. That this situation is a disgrace is almost too obvious to need saying.

We applaud the efforts of the Japanese, and most of all the courage of Martin Fleischmann and Stanley Pons, and all of those scientists who have supported their efforts despite the sometimes heavy penalty which all of them have suffered in service of the truth. It is because of such commitment, by men and women such as these, throughout the centuries, that our civilization has still a potential for greatness.

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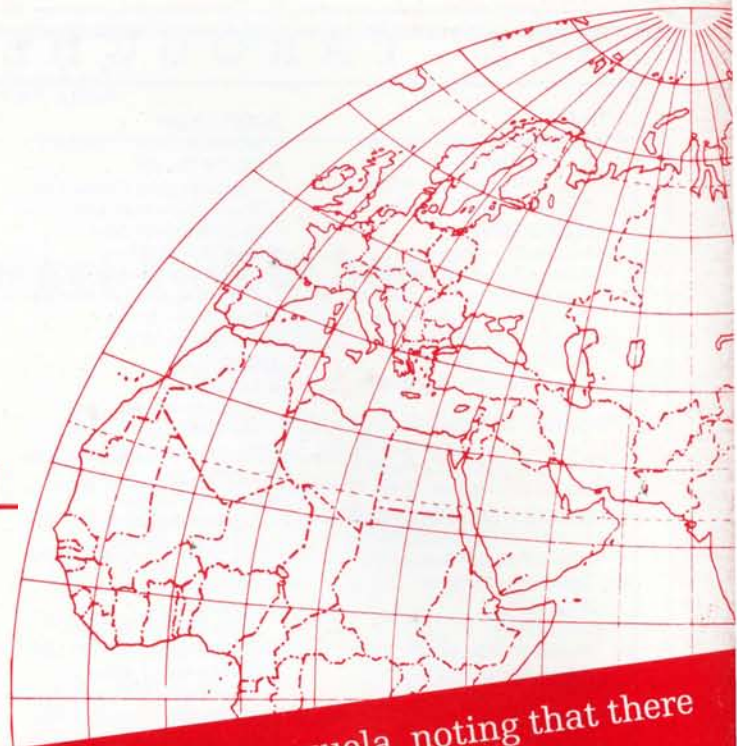
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