

EIR

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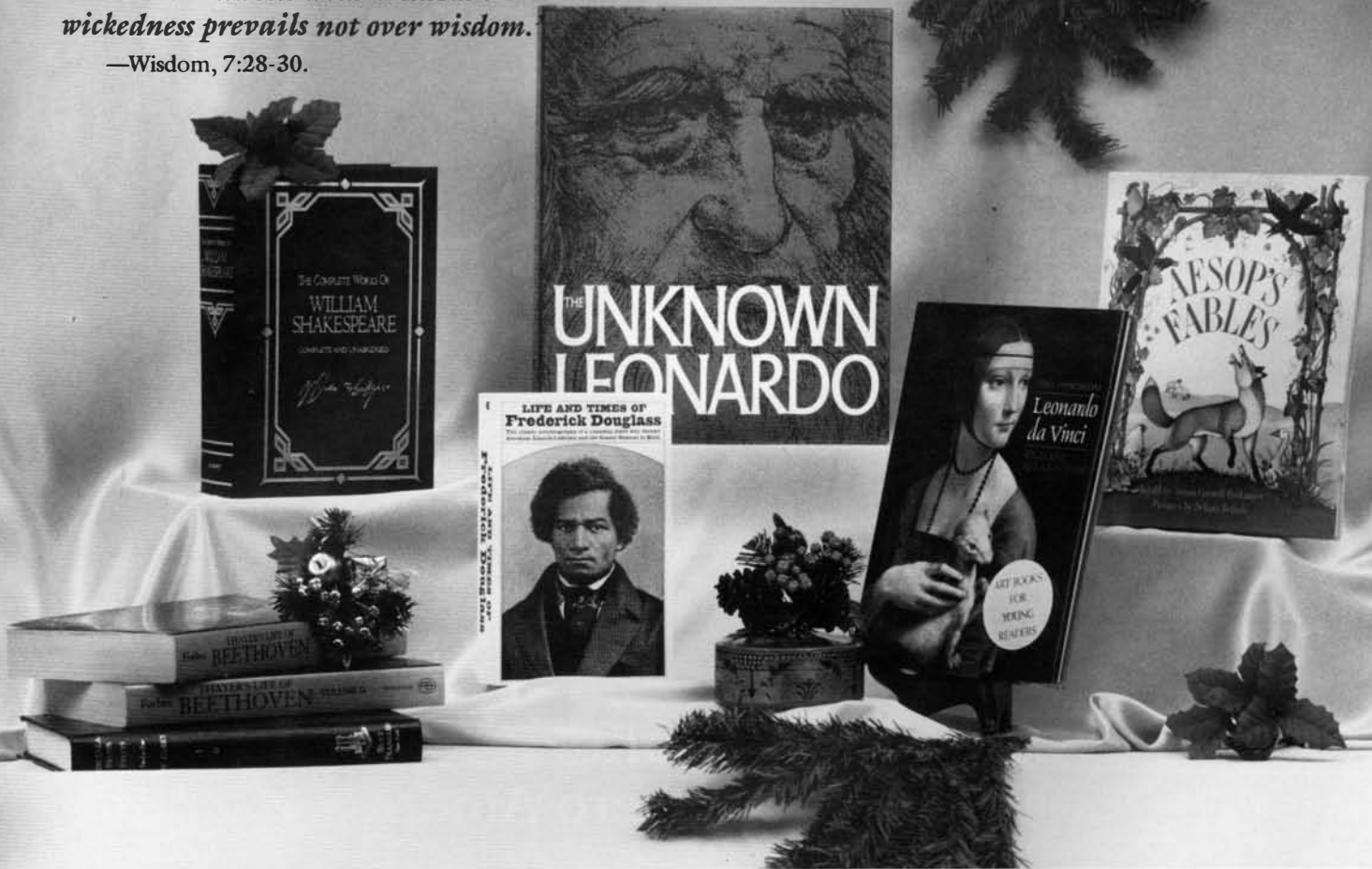
Yeltsin foe tells what really happened Oct. 3-4
Bosnia: 'Obstacle to peace is British policy'
Escobar's death means war on drugs can win

**LaRouche on cultural roots
of strategy for Ibero-America**



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From the Editor

We close out our last issue of 1993 with several unique reports. In *International* we have the only U.S. coverage of an important recent conference on Bosnia-Herzegovina in Germany; Part 2 of the scalding interview with Russian anti-communist opposition leader Urazhtsev; and a blow-by-blow account from our Colombia bureau, of how drug lord Pablo Escobar met his end.

On the centerfold, pp. 36-37, we focus on the sellout of Ukraine by the West, which is bound to escalate the consolidation of power by a "Third Rome" military-based regime inside the former Soviet Union. On the eve of the rigged Russian Dec. 12 ballot, Lyndon LaRouche has pointed to this strategic blunder as a potential trigger for war.

In *Economics*, John Hoefle's speech to a recent conference in Mexico, exposes the looming financial crash that lies behind the North American Free Trade Agreement and the Federal Reserve's plan for dollarizing Ibero-America. From Europe, Mark Burdman reports on the Jubilee orgy of the Club of Rome, the oligarchist institution which has promoted the demise of the human race for 25 years.

I am sure there is no need to urge readers to turn to the *Feature*, an interview which Lyndon LaRouche granted to our sister Spanish magazine. In our next issue, dated Jan. 1, 1994, we will mark the 30 years since the death of JFK with an in-depth report on what has happened to the U.S. physical economy since the Apollo Mission was replaced with the Great Society.

Commenting on the repair of the Hubble space telescope by Shuttle astronauts on Dec. 8, LaRouche said, "What NASA is doing, and God bless it for that, is *saving*—and dramatically with this work—the space capability. It is preventing us from losing everything we built up in space capability" since Kennedy's death. The physical side of the work is "impressive in itself," he said. "But the point is, *they made an all-out effort to do the job right*," and "demonstrated that we still have the capability to get off the mud of this planet and *go some place and do something*—rather than sit at home and complain about so-called overpopulation. That should be . . . a matter of national pride. And presumably, that might spread and become infectious, and get some other Americans out of the mud mentally and doing some thinking, and being proud of being human or being Americans once again."

Nora Hamerman

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Derivatives regulators set course for disaster

by Anthony K. Wikrent

Demonstrating afresh that they know nothing, and care less, about real economic processes, financial regulators in the United States and Great Britain are preparing to impose a new regime of rules that will supposedly bring financial derivatives under control. Derivatives are the paper instruments like financial futures contracts, options, interest rate and currency swaps, foreign exchange contracts, that now comprise an explosively growing world-wide market of *over \$1 trillion every day*.

The latest development in the tragicomedy was reported by the London *Financial Times* on Dec. 7: A study, by the giant accounting firm Price Waterhouse, of the likely effects of the implementation within the European Union of the capital adequacy standards of the Bank for International Settlements' (BIS) Basle Committee, found that "banks will have to set aside more capital to cover securities trading and underwriting risks." The Price Waterhouse study, which is based on interviews with 35 banks, investment firms, and regulatory agencies, concluded that many banks that have not already developed the management systems needed to assure adequate supervision and control of "both risk and allocation of capital," are likely to find that the costs of adding such systems are greater than the cost of new capital.

Smaller players to be forced out

Those few firms that are already firmly entrenched in the derivatives markets will pretty much have the field to themselves. In fact, the *Financial Times* reported, "large firms which had already invested in risk pricing models for their securities and derivatives trading businesses tended to welcome the directive because they believed it would give them an advantage." "Risk pricing models" refers to the extraordinarily complicated computer programs required to "mark to market" a bank's derivatives portfolio at the end of

each day. More about this, later.

The Price Waterhouse study was led by Peter Cooke, former chairman of the Basle Committee. Cooke gloats that those banks attempting to enter the derivatives markets will find the task of establishing the required data collection and computing systems "particularly onerous." The cost, Cooke's study states in plain English, will "force some of the smaller players out of the market."

In fact, the derivatives market is already completely dominated by the "larger players." In mid-November, the New York City publication *Swaps Monitor* published the results of its survey of the swaps market. The ten largest interest rate swap dealers accounted for 49% of their market worldwide, according to the report.

But swaps are just one part of the derivatives market. In the United States, swaps account for 26.44% of notional principal amount of all derivatives, according to the figures from the Office of the Comptroller of the Currency, released to the House Committee on Banking, Finance and Urban Affairs on Oct. 28. These OCC figures show the top 25 commercial bank and trust companies in the U.S. accounting for \$10.53 trillion in notional principal amount of all derivatives outstanding, out of a total \$10.949 trillion. (Notional principal amount is a measure of the underlying principal on which derivatives are based, with each derivatives contract counted only once; the dollar amount of *trading* of derivatives is 30 to 50 times either notional principal amount, or the actual cost of the derivative, with each derivatives contract counted each time it changes hands.)

Only 0.32% of the nation's 77,800 banking and trust companies—three of every 1,000—controls 96.18% of the largest and fastest-growing financial market. Narrow the focus a bit more, and the picture is even worse: The largest ten banks control 91.78% of the derivatives market; the

largest five control 75.52%. Now comes Cooke, who deigns to inform us that the latest regulations proposed by the BIS will "force some of the smaller players out of the market."

Regulators 'see no evil'

It seems past time to call in the supposedly now aggressive Anti-Trust Division of the U.S. Department of Justice, especially since U.S. regulators have repeatedly said they see no problem. U.S. Comptroller of the Currency Eugene Ludwig told the House Banking Committee on Oct. 28 that "by separating out the risk components of traditional financial instruments, derivatives can—and do—lower the risk of financial transactions for banks and others. . . . Any regulatory approach we take to derivatives should recognize and respect the important and legitimate functions that these financial instruments serve."

In an interview in the *Financial Times* on Oct. 22, U.S. Federal Reserve Board Governor Wayne Angell dismissed fears about derivatives, saying that whatever risks derivatives pose to the banking system could be ameliorated by making the global banking system better able to settle and pay within 24 hours. "I consider derivatives simply a product of the free market system," Angell stated

In an address on derivatives to Women in Housing and Finance, Inc. on Dec. 7, another Fed governor, Susan Phillips, stated, "I do not believe that supervisors should discourage banks from assuming [derivatives] risks. Rather, we should seek to ensure that the risks they assume are prudently managed."

One suspects that perhaps the regulators don't want to jeopardize their future careers when they leave "public service," perhaps hoping to follow former New York Federal Reserve Bank President E. Gerald Corrigan into "retirement" at such places as Goldman Sachs (where senior partners are being paid a bonus of \$5 million this year; junior partners will have to struggle home with only \$1 million). However, again, it is perhaps best to leave this issue to the U.S. Department of Justice.

Banks cut loans for productive activity

The real risk inherent in derivatives can only be seen by asking: What is the function of a banking system? It is to supply new credit for the expansion of those companies involved in the production of real wealth. In 1990, when all U.S. companies raised a total of \$446 billion in new financing (not even new capital—only \$24 billion was raised through equity; \$291 billion was borrowed, and \$131 billion was privately raised), the notional principal amount of derivatives outstanding increased from 1990 to 1991 by \$1.863 trillion—over four times more than the 1990 amount of new financing raised, and almost three times the \$701 billion of new financing U.S. business enterprises raised in 1991.

The OCC figures show that Morgan's total portfolio of all derivatives had grown from \$1.014 trillion on June 30,

1992, to \$1.537 trillion on June 30, 1993. That increase of \$523 billion is just slightly smaller than the total amount of commercial and industrial loans outstanding at all U.S. commercial banks in April 1993—\$589.7 billion. In other words, one single institution, J.P. Morgan, increased its derivatives paper in one year by just about the same amount of bank loans to all industrial and commercial firms in the entire U.S. economy.

In fact, while Morgan and the other large money center banks were expanding their derivatives portfolios by 40-50% or more, the total amount of commercial and industrial loans outstanding was *shrinking*. From April 1992 to April 1993, the amount of commercial and industrial loans out to U.S. businesses fell from \$609.2 billion to \$589.7 billion—a decline of 3.2%.

As bad as these comparative figures look, the situation is even worse, because most of the money center banks' profits now come from taking "speculative" positions, using the derivatives they have created. That is, banks like Morgan are no longer primarily in the business of issuing and administering loans; they are "day traders," moving in and out of equity, bond, futures, options, and currency markets several times a day, sometimes even several times an hour. David Berry, director of research at Keefe, Bruyette and Woods, Inc., presented figures to the House Banking Committee on Oct. 28, showing that in 1993, Morgan is expected to realize \$1.453 billion in profits from trading for its own account; Bankers Trust, \$1.182 billion; Citicorp, \$1.507 billion; Chase Manhattan, \$548 million. No wonder Michael G.J. Davis, deputy head of risk management for Chase, told the *New York Times* Aug. 4, "The bank's biggest fear would be a long period of calm and stability in the markets, which would lull companies and investors into slowing their trading activities. The worst thing for us is a marketplace where nothing happens."

No small part of the banks' proprietary trading is undertaken for the purpose of "dynamic hedging"—that is, adjusting the banks' risk profile by moving in and out of the various financial markets, depending on what the banks' derivatives holdings are. The largest firms, such as Morgan, now do computer evaluations continuously through out the day and night. The regulators are demanding that the banks now "mark to market" their derivatives holdings at the end of each day, so that weaknesses can be immediately identified and acted upon the next day.

Rather than forcing banks back into the business of providing loans to commerce and industry, regulators are exacerbating the problem. For the regulators to say that their new rules will keep derivatives "under control," is like saying you are still in control of a car that has plunged over a cliff, because you still have your seat belt on, and that the blame lies not on the fact that you were asleep at the wheel, but on the car's speed and steering angle at the point that the car began its plunge.

We are heading toward the biggest financial collapse in history

by John Hoefle

The following speech was delivered by Mr. Hoefle at a meeting of the Permanent Forum of Rural Producers in Ciudad Obregón, Mexico on Nov. 11.

For the past four years, I have been the banking columnist for *EIR* magazine, and prior to that I covered the Texas banks for *EIR*'s Houston bureau. From this vantage point, I have witnessed the virtual disappearance of the Texas banks, where seven of the eight biggest banks in the state failed, to New England, where the region's second-largest bank failed and the State of Rhode Island declared a banking emergency.

But these regional crises, as devastating as they were, are merely reflections of a much larger crisis which is now unfolding, leading inevitably to the worst financial collapse in centuries. This is what is behind the North American Free Trade Agreement (NAFTA) and the Federal Reserve's plan for the dollarization of Ibero-America, and is the reason why these powerful U.S., Canadian, and British banks are so determined to throw you off your land and take it for themselves.

Citicorp

The prime example of the bankruptcy of the international banking system is Citicorp, the biggest bank in the United States. Citicorp is insolvent—so insolvent that three years ago, it was secretly taken over by the Federal Reserve Bank of New York. Just before Thanksgiving Day 1990, Gerald Corrigan, then the president of the New York Fed, summoned Citicorp chairman John Reed to his office to inform him that the Fed was taking control of the bank, to prevent it from collapsing. That control continues to this day.

The Fed's de facto nationalization of Citicorp, and the multibillion-dollar bailout which followed, stands in stark contrast to the demands of these same Wall Street financiers, that Mexico privatize its banks.

This apparent contradiction is not a contradiction at all. Instead, it proves the true nature of the enemy: They wield ideologies as weapons, advancing whatever arguments they need to help them survive, no matter what the cost, in human lives and misery, of their success.

Citicorp has a long history of attempting to destroy Mexico, dating back some 150 years, even before the bank was founded. In the late 1830s and early 1840s, a freemasonic

intelligence network operating along the Rio Grande tried to break off a portion of Mexico and create the Republic of the Rio Grande. In 1851, these networks tried again, with La República de la Sierra Madre.

The leaders of this network included Charles Stillman and Capt. Richard King. Stillman made a fortune running riverboats along the Rio Grande, and King was one of his captains. Stillman eventually returned to New York, where his son James Stillman used this money to found the National City Bank, which today is known as Citicorp. The Stillman family later married into the infamous Rockefeller family, which controlled Chase Manhattan Bank.

Prior to the outbreak of the U.S. Civil War, Captain King used his share of the loot to create the giant King Ranch in south Texas, which played a crucial role for the Confederacy. As that war progressed and other Confederate ports were blockaded, the port of Matamoros, Mexico, became a crucial port—after the fall of New Orleans, Matamoros became the only Confederate port for foreign waterborne commerce; and the road to Matamoros led right through the King Ranch.

The King Ranch became a major transshipment point for cotton moving south, and for supplies and munitions moving north, as well as the base for Confederate intelligence operations in the area. The steamboats used by Stillman, King, and their friends were crucial for moving the Confederate goods. When Abraham Lincoln ordered the blockading of all Confederate goods on the Rio Grande, the boats were "sold" to Mexican members of the operation. The cotton also became Mexican, so that Rebel cotton continued to flow through the Rio Grande as Mexican cotton on Mexican boats. The rebels knew that Lincoln would not blockade Mexican shipping even if it hurt the war effort due to his support of the administration of Benito Juárez, despite the fact that the Juaristas did not control the port of Matamoros.

During the intervening years, and especially since the early part of this century when Citicorp became the only U.S. bank with deposit-taking branches in Mexico, Citicorp and its allies have worked to subvert Mexico from within, to saddle the Mexican people with monstrous debts, and then to destroy them in the name of debt collection.

Whenever Citicorp pretends to be the friend of Mexico, one should recall this 150 years of treachery.

Beginnings of the bubble

On Sept. 1, 1982, President José López Portillo, in a historic defiance of the international banks and their International Monetary Fund, implemented many of the policies outlined by *EIR* founder Lyndon LaRouche in his "Operation Juárez" debt moratorium and global development plan. López Portillo asserted Mexico's sovereignty by nationalizing the Bank of Mexico and the country's private banks, and setting up exchange controls to stop the flight of capital.

Were the other countries in Ibero-America to have found the courage to stand with Mexico, the control over your economy by these international bankers would have been broken, and you would today be prosperous, instead of facing destruction.

Responding to López Portillo's actions, then-Citicorp chairman Walter Wriston displayed the stupidity for which he will soon become quite famous, by claiming that "countries do not go bankrupt. Any country, however bad off, will own more than it owes."

In other words, to the bankers, in even the poorest countries, there is always something left to loot.

Lyndon LaRouche responded with an open letter to Wriston, appealing for Wriston and the banking community to come to their senses, and support Operation Juárez. Only such action, LaRouche warned, could prevent a "chain reaction collapse of that trillion dollars of imminently worthless debt about to crush Western civilization."

But sanity did not prevail. Instead, the bankers, foolishly believing in their ability to defy the laws of God and nature, embarked upon the creation of the largest financial bubble in history, a bubble the very existence of which depends upon the escalating looting of the physical economy.

On Oct. 15, 1982, some 45 days after López Portillo's actions, President Reagan signed the Garn-St Germain Depository Institutions Act into law, escalating a pattern of deregulation of the banking system which continues to this day.

As I stated in my testimony before the House Banking Committee on Sept. 8 of this year:

"Since 1978, the financial community has repeatedly insisted upon the deregulation of banks and other financial institutions, while demanding austerity and cutbacks everywhere else. Every time we have done this, it has led to disaster, as the destruction of the airlines and the S&Ls, and of the U.S. work force attest.

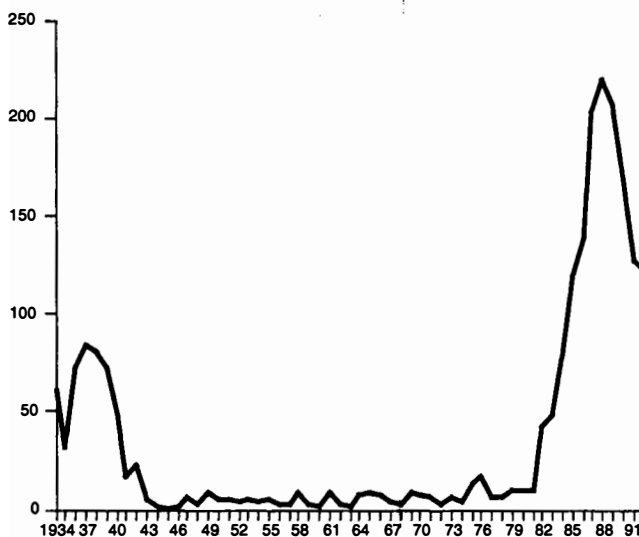
"In response to these disasters, the bankers demand further deregulation and deeper cuts.

"Now, with NAFTA, the bankers are demanding that the United States deregulate its international political and financial relations the same way we've deregulated internally. The purpose of NAFTA is to open up Mexico and eventually all of Latin America for unbridled speculation and looting, of the sort that has already devastated the American economy and bankrupted our banking system.

"When are we ever going to learn that the answer lies not in more deregulation, but rather in the abandonment of the

FIGURE 1

Number of bank failures in the United States, 1934-91



Source: FDIC.

policy of deregulation, and the return to rational rules and regulation?"

Collapse of the banks

Let us take a look at what has happened to the U.S. banks since 1982, as a result of this deregulation frenzy.

Figure 1 shows the number of bank failures from 1934, when the Federal Deposit Insurance Corp. (FDIC) was founded in the wake of the massive bank failures of the Great Depression, through the end of 1992. As you can see, after a flurry of failures between 1934 and 1942, bank failures virtually disappeared. In the 38 years from 1943 to 1981, only 232 U.S. banks failed. But from 1982 through 1992, a staggering 1,475 U.S. banks failed, representing two-thirds of all the bank failures in the last 49 years. In one year alone, 1988, bank failures numbered 220.

The regulators, of course, claim that the drop in failures since 1988 proves that the banking crisis is over. After all, they say, a mere 122 banks failed in 1992. Of course, that's still the seventh worst bank failure total in FDIC history, but who's counting?

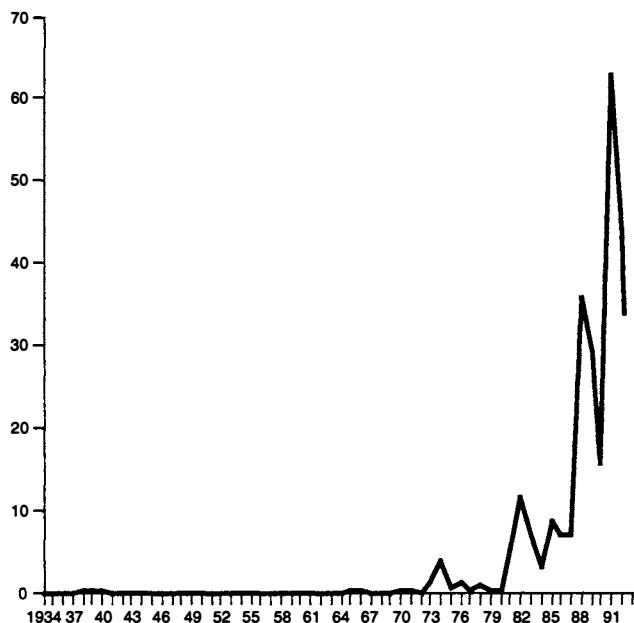
What the failure counts do not show, however, is the size of the banks which failed. Part of the reason is that the failure count includes hundreds of small Texas banks. Texas law prohibited branch banking, so each bank office in that state was a separately chartered bank. When a big bank holding company like First RepublicBank of Dallas failed, the 120 or so individually chartered banks owned by First RepublicBank also failed. Except for a handful of big-city banks, most of these failed banks were relatively small.

In states which allow branch banking, such as the New

FIGURE 2

Assets of failed banks, 1934-91

(billions \$)



Source: FDIC.

England states, the failure of a bank holding company would count as one failure. That is what happened when the Bank of New England, which at its peak was roughly the same size as First Republic Bank, failed.

Figure 2 shows the total assets of these failed banks. Again, the regulators argue that the drop in failed assets shows the banking system is healthy, but one glance at this chart disproves that contention.

Furthermore, these statistics are phony. According to the FDIC, 169 banks with assets of \$15.7 billion failed in 1990. Had the FDIC included the secret nationalization of Citicorp, the picture would have been much different, pushing the failed assets closer to \$230 billion. That certainly would have changed the picture dramatically.

But the real impact of the admission of Citicorp's failure would likely have been to set off a full-fledged banking panic in the United States, with depositors around the country pulling money out of the banking system as fast as they could.

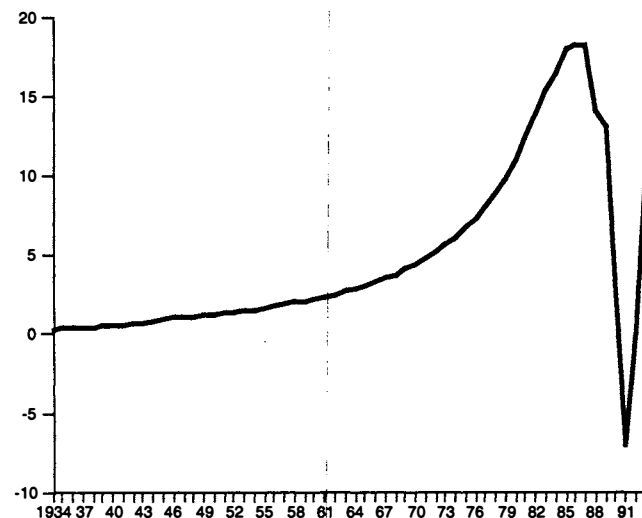
New England was, in fact, hit with runs against some of its banks at the beginning of 1991. In Rhode Island, the failure of a private deposit insurer which protected some 50 banks and credit unions, led to runs against those institutions, prompting the governor of the state to declare a bank emergency on New Year's Day 1991, closing all the suddenly uninsured institutions. Some of these depositors only recently got back their money.

The big crisis in New England, however, was the Bank

FIGURE 3

Balance of FDIC's Bank Insurance Fund

(billions \$)



Source: FDIC.

of New England, one of the region's largest banks. The Bank of New England was closed by federal regulators on Jan. 6, 1991, to head off runs after the bank revealed that it was insolvent. Actually, the bank had been dead for more than a year before it closed, kept alive by huge cash infusions from the Boston Fed.

Runs also hit Citicorp, mainly in Asia, when Rep. John Dingell (D-Mich.) announced in July 1991 that Citicorp was "technically insolvent" and "struggling to survive." Once again, massive cash infusions, this time from the New York Fed, allowed the bank to ride out the panic.

To soothe worried depositors, the banks and regulators pointed to the deposit insurance provided by the FDIC. This is an illusion, however, as Figure 3 shows. From a peak of \$18.3 billion in 1987, the bottom fell out of the bank insurance fund with the wave of failures. By the end of 1991, the so-called fund to protect depositors was itself completely bankrupt, \$7 billion in the hole.

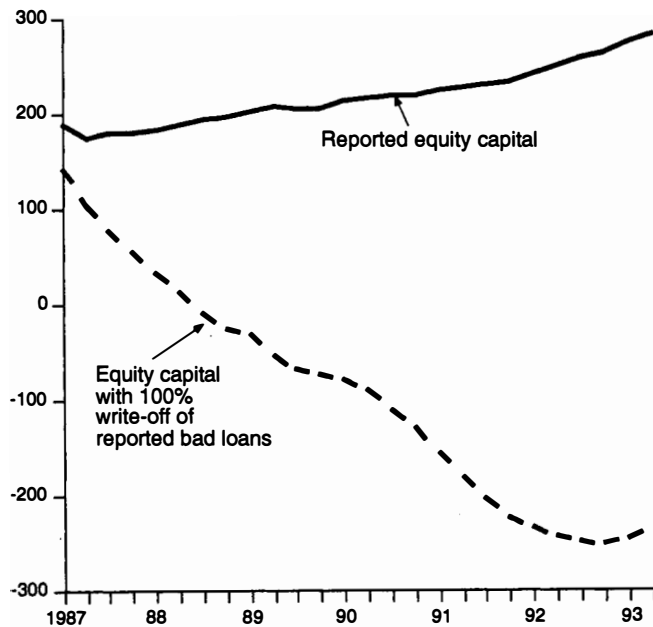
Since then, of course, the bank insurance fund has made a remarkable recovery. At the end of September, the fund had a claimed balance of \$10.5 billion, having risen \$10.6 billion in just nine months. The fund is doing so well, acting FDIC chairman Andrew Hove recently told the American Bankers Association, that it will soon be able to cut the premiums banks pay for deposit insurance.

Judging from the official numbers, the U.S. banking system, which was in such trouble in the late 1980s, has completely recovered. The banks claimed record profits of \$32.2 billion in 1992, and reported \$21 billion in profits for the first six months of this year alone. As Hove told the bankers,

FIGURE 4

U.S. banks are overstating their equity capital

(billions \$)



Sources: FDIC, EIR.

“Banking is having its best year ever.”

But the year is not over yet, and banking’s best year may well turn out to be its worst nightmare.

Phony profits

That the banks are reporting record profits while they are dying, says volumes about the collusion between bankers and their regulators, and about the ability of accountants to cook the books. They deserve some credit: It takes a lot of very creative work to make these zombies look solvent. These guys could teach the morticians a trick or two about making their clients look good.

The trick in making a dead bank look solvent, is to count every possible dollar as profit, while ignoring all the losses. It’s a variation of the three monkeys approach: hear no bad loans, see no bad loans, report no bad loans. The banks love this approach, and so do the federal regulators, who have adopted a virtual “no such thing as a bad loan” policy and made sure their bank examiners toed the line.

The name for this policy, in banker-speak, is “reducing the regulatory burden.” The bankers also like to speak in sports metaphors, using terms like “level playing field.” Of course, to these bankers, a level playing field is one where your money rolls downhill into their pockets.

Figure 4 shows the cosmetic effect of hiding bad loans. The top line is the equity capital—or net worth—claimed by the U.S. banking system. It shows that the U.S. banking

system as a whole has nearly \$300 billion in equity capital, and is getting stronger with every passing day. The bottom line, however, tells a different story, showing what banks’ capital would look like had they fully reserved for just their admitted non-performing loans. The bankers don’t like this graph, which shows them some \$225 billion in the hole. But they shouldn’t complain, since the truth is orders of magnitude worse.

Which brings us to derivatives, and the looming international financial collapse.

Pop go the derivatives

The dominant characteristic of a financial bubble, is that it must keep growing, or it will collapse. Like a pyramid scheme, the amount of money needed to feed the bubble grows geometrically. The days when developing sector loans, commercial real estate, junk bonds, and leveraged buyouts were sufficient to keep the bubble going, have passed. The bubble is now living off something even more insane: derivatives.

Derivatives are somewhat hard to explain, since they bear little connection to the real world. A derivative is a financial instrument designed to profit off price differences between interest rates, commodities, and currencies. Banks and other financial institutions use derivatives to speculate on the future prices of interest rates, commodities, and currencies, and upon indices of these prices, and indices of these indices, and so on, *ad nauseam*.

The banks like these derivatives, since the rates of return on derivatives transactions dwarfs the amount of money the banks can earn from making ordinary loans. Returns of 10-15% are common in the derivatives markets, and they can go to 2,000% or higher. This makes for huge profits, at least on paper.

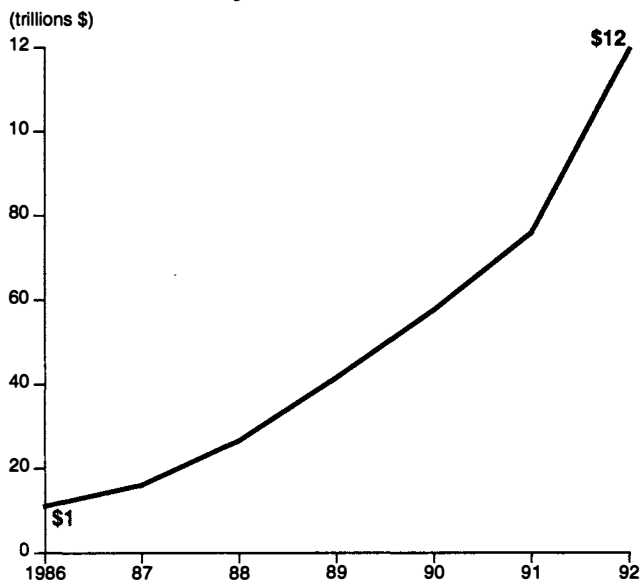
The derivatives market has exploded in recent years, especially since the U.S. stock market crash of October 1987. At the end of 1992, the face value of derivatives instruments outstanding worldwide was an estimated \$12 trillion, or 12 times the \$1 trillion outstanding at the end of 1986, on an annual turnover of \$100-\$125 trillion (see Figure 5). Some \$400-500 billion of derivatives is traded every business day worldwide.

The explosive growth of derivatives trading can also be seen in the rise in trading in financial futures contracts (Figure 6). This shows that financial speculation, or gambling, has become the dominant feature of world financial markets.

Operating in collusion with the Federal Reserve, eight money center commercial banks and four investment banks dominate 95% of all derivatives trading in the United States. The banks are Citicorp, J.P. Morgan, Bankers Trust, Chemical, Chase Manhattan, BankAmerica, First Chicago, and Continental Bank. The investment banks are Merrill Lynch, Morgan Stanley, Goldman Sachs, and Salomon Brothers.

The size of the banks’ exposure to derivatives is staggering, especially when compared to their nominal assets, as shown by Figure 7. The banks’ derivatives holdings are not

FIGURE 5
Face value of worldwide derivatives transactions, at year's end



Sources: International Liquidation Bank, EIR.

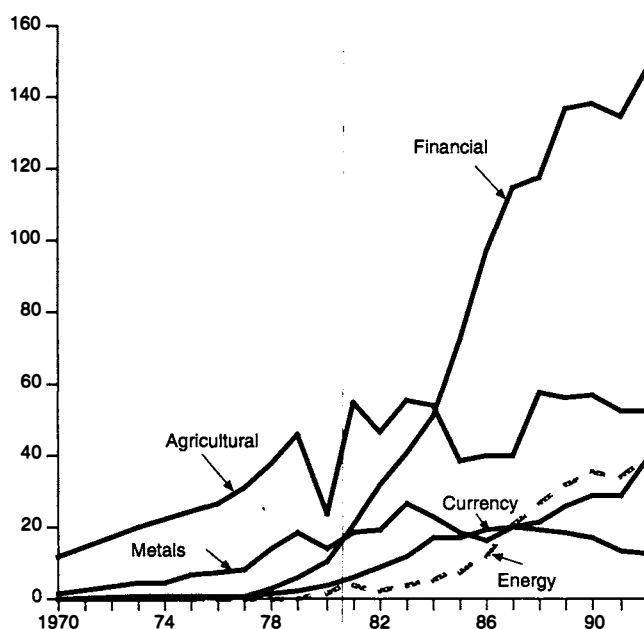
part of their official assets and liabilities, but instead are considered "off-balance-sheet liabilities." As of mid-1992, the eight commercial banks just mentioned had \$6.8 trillion in off-balance-sheet derivatives exposure, compared to total official assets of \$876 billion, or nearly \$8 in derivatives for every dollar of assets. Citicorp alone had \$1.4 trillion in derivatives, compared to assets of \$213 billion. Chemical Banking had \$1.3 trillion in derivatives compared to \$140 billion in assets, and J.P. Morgan—supposedly a conservative bank—had \$1 trillion in derivatives and assets of \$103 billion. Bringing up the rear were Bankers Trust with \$958 billion in derivatives, Chase Manhattan with \$837 billion, BankAmerica with \$795 billion, First Chicago with \$387 billion, and Continental with \$136 billion.

The off-balance-sheet figures, more than anything else, show the fraud of the FDIC's official banking statistics, which look at just one-eighth of the total exposure of the big banks.

When I wrote a column entitled "They're Not Banks Anymore," on these off-balance-sheet figures, U.S. Congressman Henry B. Gonzalez (D-Tex.) entered the column into the *Congressional Record*, later pointing out that his Banking Committee hadn't been able to get those figures.

Figure 8 shows how much the banks have come to depend upon derivatives for their income. It's actually worse than it looks, since the data for 1993 is just for the first nine months, compared to 12 months for the prior years. During the first nine months of 1993, the seven top derivatives banks reported a combined \$6.2 billion in gross trading revenue,

FIGURE 6
Number of futures contracts traded per year
 (millions of contracts)



the bulk of which came from their derivatives operations. At this rate, the big banks will rack up \$7.8 billion in trading revenue this year, a 50% increase over the \$5.2 billion in trading revenues in 1992. Since 1983, Citicorp alone has accounted for 25% of the trading revenue of the big banks, and the New York banks as a whole have accounted for 85%.

The banks don't report net trading revenues, but according to Goldman Sachs, trading accounted for \$900 million in profits at these big banks, or 40% of their \$2.2 billion in profits for the quarter.

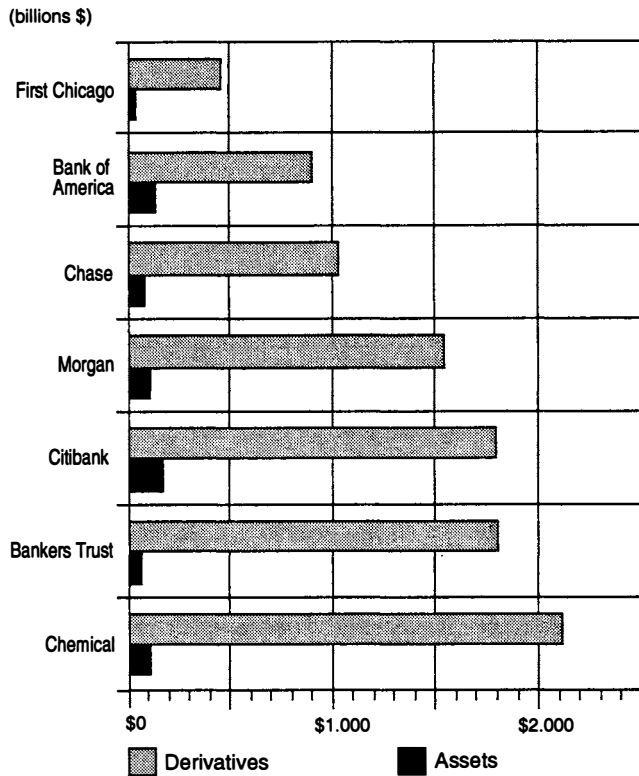
When the derivatives bubble pops, as it inevitably must, these derivatives portfolios will evaporate, taking the banks with them.

Banking on chaos

The banks are so hooked on derivatives, that mere speculation is no longer enough. They have become predators, targeting whole sections of the world for looting. Former Federal Reserve chairman Paul Volcker used to call this process "controlled disintegration." Current Fed chairman Alan Greenspan prefers the term "creative destruction." But Michael G.J. Davis, the deputy head of risk management for Chase Manhattan, said it even more clearly: "The bank's biggest fear would be a long period of calm and stability in the markets, which would lull companies and investors into slowing their trading activities. The worst thing for us is a marketplace where nothing happens."

Reflect upon that statement for a moment. Here we have

FIGURE 7
Derivatives portfolios versus reported assets
at big U.S. banks



Source: Comptroller of the Currency.

one of the top risk managers, at one of the biggest banks in the United States, saying that his bank's biggest fear is stability in the financial markets.

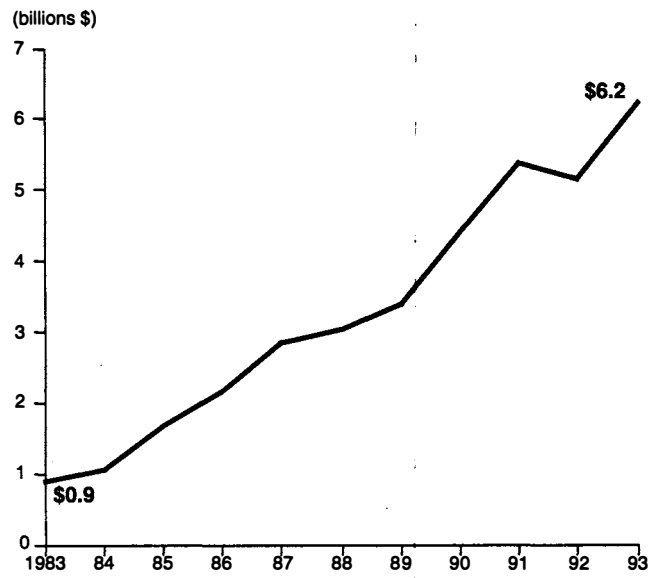
If stability is the enemy of the banks, then volatility and chaos must be allies.

But the banks like a special kind of chaos—the chaos they organize and control. They use chaos as a form of financial warfare against nations and peoples, to create the conditions under which they can loot.

For proof of this, one need look no further than our friend Citicorp. During the European currency crisis of September 1992, Citicorp gained some \$1 billion in revenue from currency trading.

The nominal cause of the European currency crisis was American speculator George Soros, who supposedly launched an attack against the British pound. When the dust settled, the European Exchange Rate Mechanism, a device to calm fluctuations among European currencies, had been dealt a severe blow. The pound and the Italian lira dropped out of the ERM, and most of the other currencies were devalued. Soros walked off with more than \$1 billion in profits, and the title "the man who broke the pound."

FIGURE 8
Trading revenue of the top seven U.S.
commercial banks



Source: Keefe, Bruyette & Woods.

The idea that Soros "broke the pound" is ludicrous. He did no such thing. George Soros is an agent of Anglo-American finance, deployed by the British Rothschilds and the U.S. Federal Reserve, to manipulate the markets. When you know which way the markets will go, you can make a lot of money.

In the case of Soros, the proof is clear. Soros was not only joined, but also funded by Citicorp in his attack upon the ERM. They were partners in the crime. And when this occurred, Citicorp was being run directly by the Federal Reserve Bank of New York.

Not only that, but the Fed was, according to reports we have received, providing Soros with inside information on the financial reserves and strategies of the European central banks, allowing him to more precisely target his attack.

This is the policy of chaos at work. It is evil at work.

Never capitulate

The policy of the bankers is to destroy everything in the world which is capable of standing in their way. They will sacrifice nations and peoples, spread misery far and wide, subvert, corrupt, and murder those who oppose them. That they would steal the lands of farmers, when much of the world is starving, tells you all you need to know about their morality.

We must join together and organize our fellow man; we must use the power of reason given to us by God. By that power, through science and culture and economics, we can defeat this evil and get to work building a better world for ourselves and our children. No one will do it for us, we must do it ourselves. But do it we can.

ADL favorite Soros helped Nazis loot Jews

by Scott Thompson

Financial speculator and self-proclaimed philanthropist George Soros, during an April 15, 1993 broadcast by WNET/Thirteen TV, made a startling admission on the secret of his success. Asked by moderator Adam Smith how, in September 1992, he could have gone “eyeball to eyeball with the Bank of England,” making a fortune of \$1-2 billion from the devaluation of the British pound and the Italian lira within two weeks, Soros responded:

“It really started in 1944, when Hungary was occupied by the Germans, and me being Jewish, I was in danger of life. . . . When the Germans came in, he [Soros’s father, a prominent Budapest attorney] said, ‘This is a lawless occupation. The normal rules don’t apply. You have to forget how you behave in a normal society. This is an abnormal situation.’ And he arranged for all of us to have false papers, everybody had a different arrangement. I was adopted by an official of the ministry of agriculture, whose job was to take over Jewish properties, so I actually went with him, and we took possession of these large estates. That was my identity. So it’s a strange, very strange life.”

Commenting on Soros’s admission that he had been a Nazi collaborator in a June 23, 1993 radio interview, Lyndon LaRouche said: “Soros is doing essentially the same thing now, in terms of what he’s doing to eastern European economies and others, which he did by looting dead and dying Jews in Hungary. It’s a horrible image of one whom one would be more likely to call ‘Golem Soros’ than George Soros. But that’s what he does.”

The looting of Hungary

For those familiar with the dirty dealings of the Anti-Defamation League of B’nai B’rith, it is no surprise to find that Soros is also under the ADL’s protection. Last Aug. 11, ADL National Chairman Foxman told this journalist that the League’s highest priority in Hungary is to protect George Soros from those Hungarian leaders who charge that he is looting the economy. Foxman added that given the ADL’s resources, they have focused more on Germany and Russia, but they are prepared to defend Soros, even though he has never given part of his fortune to the ADL, nor is he a practicing Jew.

Foxman added that the League’s next highest priority was to protect the Central European Development Corp., headed by Estée Lauder’s son, the former U.S. ambassador to Austria, Ronald Lauder. As Foxman pointed out, the CEDC includes

several business associates of George Soros, such as the Reichmann family, who, after the bankruptcy of their \$26 billion real estate firm Olympia & York, became Soros’s partners; and R. Mark Palmer, who as U.S. ambassador to Hungary had helped Soros implement International Monetary Fund shock therapy and start a neo-liberal free market training center called the Central European University. Palmer is a protégé of former Secretary of State Lawrence Eagleburger.

According to a former member of the State Department’s Bureau of Intelligence and Research, the ADL’s defense of CEDC stems from the Reichmanns’ ties to former Prime Minister Margaret Thatcher. As Thatcher confesses in her memoirs, she took every available step to block German reunification. The CEDC, with its anchor in the Reichmanns’ Canary Wharf office complex in London and a regional hub in Budapest, was intended to outflank German influence in the East, by gaining control of banking and by building stock, bond, and real estate markets.

The ADL became involved when the Hungarian government booted the CEDC’s crooks out of Hungary, forcing relocation to Berlin. In its December 1991 pamphlet titled *Anti-Semitism in Eastern Europe: Old Wine in New Bottles*, the ADL singled out Istvan Csurka, then the vice-chairman of the Hungarian Democratic Forum, as an “anti-Semite.” Csurka, who led opposition to the looting schemes of Soros and the CEDC, now heads a parliamentary faction known as the Hungarian Renewal Movement.

More recently, ADL West Coast director David Lehrer teamed up with the Simon Wiesenthal Center to mount an attack against Hungarian Member of Parliament Viktor Molnar, according to an article in the Oct. 1 *Los Angeles Times*. The *Times* followed the ADL’s script calling Molnar an “anti-Semite,” but the only “proof” provided was the fact that Molnar’s newspaper *Uj Vilag* had attacked George Soros!

Soros has his own ADL-copycat outfit, the Institute on Nationalism and Liberty at the Budapest branch of the Central European University. The INL is run by anthropologist Ernest Gellner, who had been at the London School of Economics when Soros studied there. Foxman said that INL’s main purpose is to destroy the so-called “nadi” or “ultra-nationalists,” who have exposed Soros as a thief, not a benefactor of Hungary.

ADL’s perfidy exposed

Former Irgun Zvei Leumi member Ben Hecht, in his famous book *Perfidy*, exposed the deeper evil behind Soros’s tale that he learned to steal while working for an employee of the ministry of agriculture to loot wealthy Jewish estates during the war.

Nominally, that ministry would have reported to Admiral Horthy, regent of Hungary, who had protected Hungarian Jews before the 1944 Nazi invasion. As Hecht writes: “Throughout the bedevilment and extermination of Hungary’s Jews, he [Horthy] remained verbally opposed to that

project." However, Horthy was a prisoner of the Nazis in his palace, and his ministers acted at the sufferance of the Nazis—including, of course, the agriculture minister for whom Soros's "protector" worked. Hecht writes that every aspect of the looting of Hungary's Jews was directed by SS Lt. Gen. Kurt Becher, who ran what was called the Economics Department.

General Becher personally looted the bigger estates, as in the case of the estate of the Manfred Weiss family, the richest Hungarian Jews. This identifies arch-war criminal Becher as the overseer of the activity in which Soros admits to having collaborated.

According to Hecht: "Becher distinguished himself as a Jew slaughterer in Poland and Russia. He became an important liaison figure between Hitler and Heinrich Himmler. He was appointed by Himmler as Commissar of all German concentration camps and made Chief of the Economic Department of the SS Command in Hungary. Together with Becher in the 'Economic Department' was Adolf Eichmann. The Economic Department was . . . a German locution . . . for the Germans employed in removing the gold fillings from the millions of teeth of the dead Jews . . . and in figuring out effective methods of torture to induce the Jews awaiting death to reveal where they had hidden their last possessions."

Soros's apprenticeship in the looting of Jews for the Nazis fits into an even darker picture, of British use of the holocaust for geopolitical ends. *Perfidy* tells the story of a postwar Israeli official, Dr. Rudolf Kastner, who had been wartime head of the British-spawned Jewish Agency in Hungary, and who was charged with collaboration with General Becher in the extermination of 600,000 Hungarian Jews. Courtroom testimony proved Kastner's guilt, but also showed he was "just following orders."

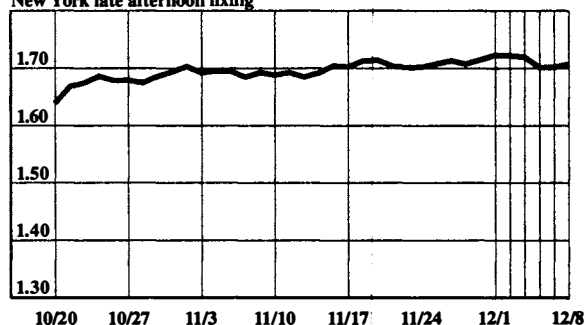
As Hecht puts it: "The Nazis' patronage of Kastner, and their agreement to let him save six hundred prominent Jews, were part of the plan to exterminate the Jews. . . . Kastner's . . . agreement fixed the division of the nation into two unequal camps: a small fragment of prominents, whom the Nazis promised Kastner to save, on the one hand, and the great majority of Hungarian Jews whom the Nazis designated for death, on the other hand."

Hecht asserts that Dr. Kastner was merely following Jewish Agency policy: "It remained unwavering in its loyalty to British policy. When British policy required silence and inaction toward the extermination of Hungary's Jews, the Jewish Agency and its now world famous factotums upheld this policy." Hecht also reveals, "Jewish Agency collaboration with the British . . . sabotaged the rescue of Europe's Jews and contributed to their annihilation." A prime example was the response to "Eichmann's offer of a million Jewish lives for a few thousand trucks" in 1944. Lord Moyne, head of the British Mandate over Palestine, dictated the response of the Jewish Agency: "What can I do with this million Jews? Where can I put them?"

Currency Rates

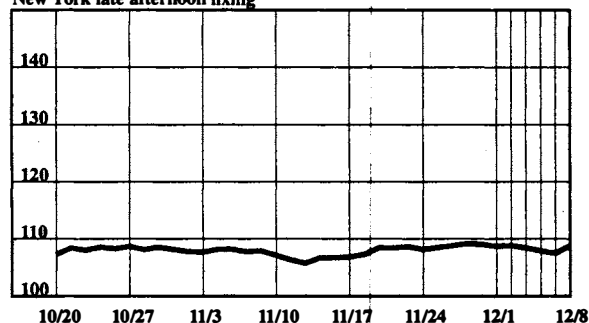
The dollar in deutschemarks

New York late afternoon fixing



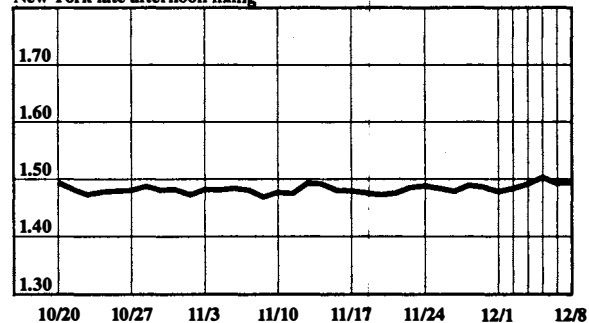
The dollar in yen

New York late afternoon fixing



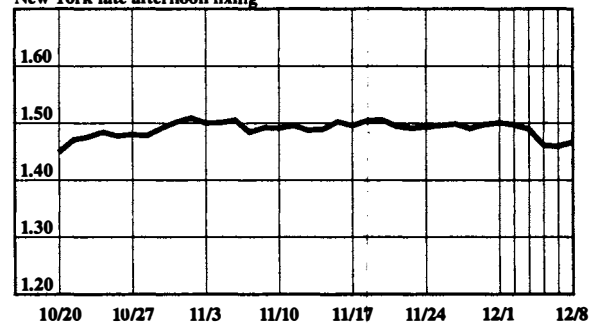
The British pound in dollars

New York late afternoon fixing



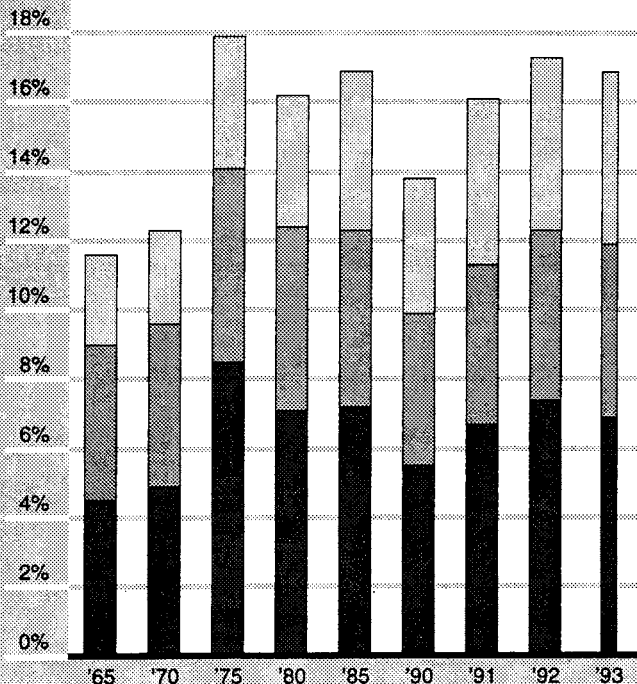
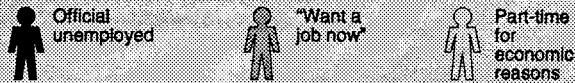
The dollar in Swiss francs

New York late afternoon fixing



U.S. Unemployment Coverup

Total unemployed and partially employed (percent of total civilian labor force)



NOVEMBER 1993

Official unemployed	8,252,000	6.4%
<i>Last month</i>	<i>8,787,000</i>	<i>6.8%</i>
"Want a job now"	6,523,000¹	5.1%
<i>Last month</i>	<i>6,523,000¹</i>	<i>5.1%</i>
Part-time for economic reasons	6,033,000	4.7%
<i>Last month</i>	<i>6,175,000</i>	<i>4.8%</i>
Total	21,808,000	16.2%
<i>Last month</i>	<i>21,485,000</i>	<i>16.7%</i>
Civilian labor force	128,633,000	
<i>Last month</i>	<i>128,714,000</i>	
Employed	120,387,000	
<i>Last month</i>	<i>119,928,000</i>	
Non-farm payroll employees	110,857,000	
<i>Last month</i>	<i>110,644,000</i>	

1. Compiled quarterly

Source: U.S. Bureau of Labor Statistics

Compiled by Anthony Wikrent

What the graph shows

The U.S. Labor Department's monthly unemployment rate (U-5b) is based on a 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 is ignored in the official unemployment count.

But over 6 million of these discarded people are also reported on the quarterly survey indicating that they "**want a regular job now.**" These appear in the graph in dark gray shading. In addition, over 6 million more people are 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. These appear in the graph in lighter-gray shading.

Total unemployed and partially employed (1965-93)

(in thousands)

Year	Civilian labor force (a)	Official unemployed		"Want a job now"		Part-time for economic reasons		Total unemployed and underemployed	
		(b)	% (b/a)	(c)	% (c/a)	(d)	% (d/a)	(b+c+d)	% (b+c+d)/a
1965	74,455	3,366	4.5%	na ¹	—	1,928	2.6%	na ¹	—
1970	82,771	4,093	4.9%	3,881	4.7%	2,198	2.7%	10,172	12.3%
1975	93,775	7,929	8.5%	5,271	5.6%	3,541	3.8%	16,741	17.9%
1980	106,940	7,637	7.1%	5,675	5.3%	4,064	3.8%	17,376	16.2%
1985	115,461	8,312	7.2%	5,933	5.1%	5,334	4.6%	19,579	17.0%
1990	124,787	6,874	5.5%	5,473	4.4%	4,860	3.9%	17,207	13.8%
1991	125,303	8,426	6.7%	5,736	4.6%	6,046	4.8%	20,208	16.1%
1992	126,982	9,384	7.4%	6,181	4.9%	6,385	5.0%	21,950	17.3%
1993 ²	127,928	8,767	6.9%	6,428 ³	5.0%	6,350	5.0%	21,543	16.8%

1. "Want a job now" category estimated as 3,350 or 4.5% for bar graph.

2. Average to date of monthly seasonally adjusted figure.

3. Weighted average of quarterly compiled figure.

Royal fest for Club of Rome bodes ill for Europe's future

by Mark Burdman

Is it any wonder that the western world is in such disarray, if its leading figures elaborately patronize an organization which attacks the idea of progress, fosters the creation of an "ecologically sustainable steady-state economy," and seeks to phase out manufacturing and industrial investment in favor of a "service economy" and "non-material activities"? This is the question any sane person would pose, observing the 25th anniversary ("Jubilee") of the Club of Rome at Hanover's garish Maritim Airport Hotel from Dec. 1-3.

More obscene than the fact that the ghouls of the Club of Rome were gathering from around the world to pat themselves on the back for the damage they have done to humanity since they published their *Limits to Growth* fraud in 1972, was the lavishness with which the event was patronized by leading business, banking, and political institutions of Germany. This was in evidence not only at the official proceedings at the Maritim Airport, but at receptions at the eminent Herrenhausen Castle and Kestner Museum in Hanover, and other events. There were certainly no "limits to growth" of the midriff bulge of participants gorging themselves at luncheons and banquets as they discussed how to reduce world population and to make the planet "sustainable."

The whole event was choreographed like a coming together of royalty. Spain's Queen Sofia was the royal "fairy" presiding over the event, sitting at the same podium with former Soviet President Mikhail Gorbachov at the opening session Dec. 1. Gorbachov had absolutely nothing of importance to say during the week, but the paparazzi and media mavens were out in force observing every movement he or his wife Raisa made. He was photographed literally rubbing noses with Queen Sofia.

High society was otherwise represented at the hotel in the person of Baron "Heini" Thyssen-Bornemisza from Madrid, one of the richest men in the world, and at the Kestner Museum dinner on Nov. 30, in the person of the daughter of the Princess of Hanover, who happens to also be the Duchess of Braunschweig and Lueneburg. As the guests at the Kestner ate the mutton and eel delicacies for which Lower Saxony is famous, Mayor Herbert Schmalstieg declared it to be "an honor that the

Jubilee gathering of the Club of Rome is taking place here in Hanover."

So, as boring, pompous, and vacuous as many of the speeches might have been during the three days of sessions—such as Russian systems analysis bigshot Dzherman Gvishiani's senile dribblings about his first meetings with Club of Rome founder Aurelio Peccei some 30 years ago—the high-level support for the Club of Romers underscores that a faction of European elites wants to promote the ideas that the neo-malthusian organization expounds.

Aside from the presence of the glitterati, there was also the matter of conference financing, to the tune of several million dollars, from a host of Germany's more influential institutions, including the Bertelsmann Foundation (Bertelsmann is one of the largest publishing houses in the world), Siemens, Norddeutsche Landesbank, Volkswagen, and others. In the case of VW, the company's much-publicized cost-cutting policy obviously does not extend to the Club of Rome. The formal organizer of the event was a Hanover-based grouping called the International Partnership Initiative E.V., which includes on its board of governors top representatives of VW, the Robert Bosch electronics giant, Siemens, and Deutsche Bank, as well as Club of Rome President Ricardo Diez-Hochleitner of Spain.

'A break with the old idea of progress'

The conference title was "Europe Vision 2020: Its New Responsibilities in a Changing World." The Club of Rome's patrons are hardly unaware that Europe is entering a period of profound crisis, and that the neo-liberal ideas of the 1980s no longer work. This awareness is reflected in the many criticisms of "liberal free trade," "International Monetary Fund shock therapy," etc., voiced in various speeches or papers at the conference. What is needed, they are aware, is a new post-liberal "paradigm." But this paradigm must absolutely *not* be one that favors the revival of the physical economy and production, along the lines of Lyndon LaRouche's "Productive Triangle" infrastructure development program for Eurasia. Club of Rome insiders are well aware that, from the period from the last weeks of 1989

to the present, LaRouche's program has received massive circulation and growing support in East and Central Europe. They are perfectly willing to steal and co-opt LaRouche's diagnoses, while seeking to channel ferment into fascistic directions, by counterposing the virtues of austerity (although not for Club of Rome activities) and "ecologism" to the banes of the "hedonistic, materialist" West and to the ravages caused by shock therapy policies.

Ironically, the event was staged in Hanover, which, as more than one speaker recalled, is known as the "Leibniz city," in honor of the long years in which Gottfried Wilhelm Leibniz, the great universal thinker of the 17th century, resided there. Just one weekend later, the co-thinkers of Leibniz's greatest living admirer, Lyndon LaRouche, held their own conference in another part of Germany, to discuss how a Leibnizian direction can be found out of today's world crisis, based on the theses LaRouche recently presented in his article on "History as Science" in the Schiller Institute publication *Fidelio* (Fall 1993).

The opposing perspective guiding Club of Rome participants was stated by Lower Saxony Gov. Gerhard Schroeder, the official conference patron. At the introductory session Dec. 1, flanked by Gorbachov and Queen Sofia at the podium, he welcomed the Club of Rome by saying: "The mem-

bers of the Club of Rome represent a break with the old idea of progress." The Club of Rome is bringing "respect for nature and people back into central focus." Schroeder was seconded by Club of Rome co-founder Dr. Alexander King, speaking on the afternoon panel of Dec. 1. "Have we forgotten that economics is for people, as it was in the days of Ricardo?" he exclaimed. Economist David Ricardo (1772-1822) was an outspoken opponent of technological development and improved social conditions, and an admirer of Parson Thomas Malthus.

Insisting that the Club of Rome's members "are not zero-growthers," King got to his main point: "But the fact is that economic growth cannot go on forever, and this is something that economists have forgotten. John Stuart Mill foresaw a steady-state economy, with the concentration of effort on the growth of *quality*. We have to look at the matter of growth from a long-term perspective, and look more at quality and not at quantity." He soon thereafter reminded his audience that the "carrying capacity" of the earth was such, that if "American-level standards of living" were guaranteed for every inhabitant of the planet, there could only be 1.8 billion people sustained.

Club of Rome General Secretary Bertrand Schneider had made the same points, in essence, at the previous day's press

Club of Rome promotes 'ozone hole' fraud

A leading collaborator of Club of Rome co-founder Dr. Alexander King confessed that the Club of Rome practices scientific fraud as a matter of course, but insisted that this practice must be continued, in order to maintain and strengthen its global influence. During a private discussion with *EIR* following the Nov. 30 Club of Rome press conference in Hanover, this individual brought up the fact that internationally there has been great exaggeration of the role of man-made chlorofluorocarbons (CFCs) in depleting upper-atmospheric ozone. He reported that the scientific community is now realizing that volcanic eruptions are vastly more important in sending chlorine up into the atmosphere than are the industrial processes using CFCs. Even beyond this, a Club of Rome researcher Mohammed al-Kassas of Egypt, who is an expert on desertification, has come up with findings which prove that chlorine sent up into the atmosphere from the desert dust is of central importance. Also important are the winds which carry chlorine from the oceans into the upper atmosphere.

This source stated candidly, "Our pride forces us

to exaggerate the impact that man makes on the biosphere. Man has less impact than we have said he has." At first, he blamed "the media." However, when asked whether the Club of Rome itself may have created a "global Frankenstein," by having induced a whole generation of experts and young people into believing that man's productive activity is inherently destructive, he responded, "That may be the case, indeed. It all may have gone too far. A younger generation in the Club of Rome is less convinced of this notion of 'limits,' the problem is the older members who have gone so far out on a limb that they have created a trap they can't get out of."

He also noted that the past years have proven that the methods and statistics used in the Forrester-Meadows *Limits to Growth* report were all wrong, but "it was the best they could come up with at the time; it was not conscious fraud."

Beyond all this, this individual insisted: "I have different views as a businessman and scientist than I do as a member of the Club of Rome. As a businessman or scientist, I find many scientific breakthroughs compelling and attractive. But I am cautious as a Club of Rome member, concerned about 'sustainability.' The Club of Rome, you see, is an important institution, it has a lot of influence, including with many governments, and I would hate to see that influence challenged, even if some of the directions the Club has taken are dubious."

conference, in response to a question from *EIR* on the Club of Rome's view toward building a "wall" (or "Limes," to use the Roman Empire's term, which is becoming popular again) between the countries of the North and the South. Without directly responding in the affirmative, Schneider ranted that the problem is that western "governments, technocrats, enterprises and engineering companies" had insisted on bringing "large, spectacular projects" to the South, rather than meeting the "primary needs" of the populations there.

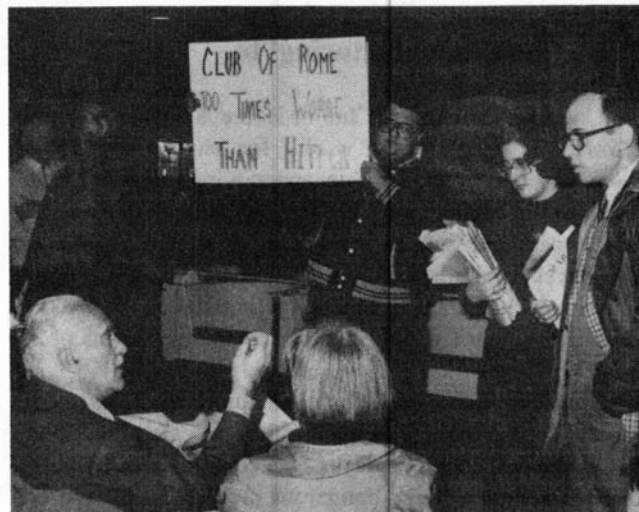
'The conventional wisdom has collapsed'

The Club of Rome is aware that the key battleground is in the field of ideas. American consultant Martin Lees, who works in France, told attendees: "The conventional wisdom on which everything has been based for the last 40 years has collapsed. The difference, now, is that people are willing to admit that. We are at a turning point in the history of thought. We must dramatically change the concepts on which human activity is based."

Frenchman André Danzin had his own way of attacking the "conventional wisdom," combining what would appear to be a cogent attack on "free market" policies with a demand that Europe move into what he calls the "non-material" age. According to Danzin: "Planned economies are now bankrupt. Free market economies are headed for a major accident. The economic breakdown will shock the established industrial countries if the plague of unemployment becomes insupportable: One-quarter of all young people will not have jobs, university diplomas will be useless, executives will lose their jobs at middle age. This kind of social situation will have severe repercussions throughout the world. . . . Contrary to today's popular opinion, classic free market economic theory is incapable of supplying the necessary answers for the chaotic modern world; the theory is based on laws established during the industrial age, and it does not express the laws which dominate the economy of non-material activities. Consequently, the solutions proposed by the nations which are apparently the most powerful, especially the G-7, are anachronistic and contribute to the chaos. The economic crisis and the unemployment problem in the countries of the OECD will not be solved by a cyclical return to growth. This theory confuses the therapy needed for a cold with that of advanced cancer."

But Danzin's solution would seem to be to treat advanced cancer by giving the patient AIDS. He insisted that Europe redirect its energies to the areas of "information, communications, intelligence, and non-materials."

A more lurid version of the same view was that presented by German textile magnate Klaus Steilmann, one of the initiators in Germany of the strategy of industrial "relocation"—or, to avoid neologisms, shifting parts of the industrial process of a firm to where labor is cheaper. Steilmann, who only joined the Club of Rome in 1992, is now one of its most outspoken and enthusiastic members. He circulated, gratis, copies of his new book, *System Transformation—As Seen by*



In 1982, associates of Lyndon LaRouche confronted Club of Rome founder Aurelio Peccei, sitting at left, with the fact that his policies meant the murder of billions.

an Entrepreneur: Practical Steps for the Introduction of a Market Economy to Eastern Europe.

The book is sprinkled with calls for a "Marshall Plan for the East," attacks on International Monetary Fund shock therapy policies, and sensible ideas for the creation of a corps of small and medium-size high-technology enterprises, similar to Germany's *Mittelstand*, in the countries of the East.

However, that is his secondary point; Steilmann's central thesis is that there must be an all-encompassing effort to "reconcile economics and ecology," and that "the legal system must put human rights and nature's rights into effect with equal emphasis. . . . Man and nature are not separate, but form a dialectical unit which cannot accommodate any priority given to human interests without considering those of nature." This proto-Marxist verbiage is mixed with praise for the ecological work of U.S. Vice President Albert Gore, the work of the 1992 "Earth Summit" in Rio de Janeiro, and so on.

The publicity-hungry Steilmann is known in the German press as the "ecological-entrepreneur." He is an honorary consul of the Ukraine and Presidium Member for Germany in the International Committee for Economic Reform and Cooperation in the Commonwealth of Independent States. This only gives a taste for how the Club of Rome strives to pervert the legitimate aspirations of the populations of the formerly Communist domain of East and Central Europe and the former Soviet Union.

The conference, indeed, had an impressive representation from these countries. Aside from Gorbachov, there was Hungarian President Arpad Goncz; Bronislaw Geremek, deputy chairman of the Democratic Union of Poland; top Russian scientist S. Kapitsa; and a number of others from Russia, Poland, Romania, Bulgaria, and Croatia.

From 'pure manufacturing' to 'service economy'

One arena where the Club of Rome is concentrating its efforts is in the "future of work," for which a special task force has been created. Alexander King introduced this theme at the beginning of the Nov. 30 press conference. He proclaimed: "Full employment as we've known it in the past will never happen again. We need different approaches to activity, with a smaller part of the population involved in gainful employment and a larger part in other forms of activity."

This leitmotif of "work" (or perhaps no work) and "solving the unemployment problem," was repeated incessantly during the first couple of days of the conference. Obviously, there is a very real and dangerous problem in Europe and other parts of the world with growing unemployment, but finding a real solution, based on increasing production, has nothing to do with the Club of Rome approach. Hence, in his opening address, Lower Saxony Gov. Gerhard Schroeder praised to the skies the new Volkswagen arrangement of a four-day work-week, as a positive "crisis-management alternative" to layoffs. VW, of course, is one of the big supporters of Club of Rome activity.

Another angle on this was presented Dec. 2 by Orio Giarini, head of the Geneva Association, the think-tank of the big insurance and reinsurance companies.

Giarini, a Club of Rome "economist," claimed that the solution to the problem of unemployment lies in realizing that the world has moved out of the era of manufacturing to that of services. What has been happening since the 1970s is not, in fact, a problem of "limits to general economic growth," but rather "a period of turbulences due to the transition from the great cycle of the classical industrial revolution which lasted for two centuries." There has been a new form of "growth" emerging since the 1970s, as an alternative to the previous form "based on the development of bigger and faster tools and of productive investment essentially in hardware rather than software, in machine rather than organization, in tangible projects rather than communication." The trend is toward decreasing emphasis on "hardware tools and agricultural produce," and toward "service-type functions," he said, adding that the 25 years of exceptional economic growth following World War II, the "Golden Quarter-Century" is giving way to a 'service economy.' "Therefore, "pure manufacturing activities" are no longer in a position to "add to employment in the traditional way. . . . Even within manufacturing activities, service functions have become dominant."

According to Giarini, "the undeterministic idea of uncertainty" is replacing the "deterministic philosophy of certainty," and this is linked to "the redefinition of basic concepts such as economic value, productive activity, the function of prices, etc." Giarini is the co-author of a book released earlier this year, entitled *The Limits to Certainty*.

LaRouche and the war of ideas against the Club of Rome

by Mark Burdman

Since its inception in 1968, the Club of Rome has been the quintessential counter-movement to the Leibnizian Academy movement created by Lyndon LaRouche during 1966-68. Hence, it is ironic that the Club would choose to hold its 25th anniversary get-together in Hanover, the city of Gottfried Wilhelm Leibniz, whose philosophical writing inspired LaRouche during his teens.

In the 1966-68 period, LaRouche was building the seed-crystal of what would later become the International Caucus of Labor Committees, by drawing out from the anti-Vietnam War and student protest movements in the United States, those individuals who were willing to fight against the countercultural trends prevailing among their peers, and devote themselves to creating a renaissance based on the most advanced concepts of science, technology, and physical economy.

At the same time, the founders of the Club of Rome—primarily the Italian Olivetti corporation's Aurelio Peccei, Soviet systems analyst Dzherman Gvishiani, and British science quack Dr. Alexander King of the Organization for Economic Cooperation and Development in Paris—were preparing to launch a movement, among youth and others, in favor of neo-malthusianism, "ecologism," irrational rejection of science and technology, and hatred for mankind.

It was out of the Club of Rome's efforts, in large part, that the movement known as "environmentalism" or "ecologism" came into existence. This was the goal, accomplished with the help of the corrupt western media, of the fraudulent *Limits to Growth* study released in 1972. At the time, LaRouche blasted the Club of Rome book, authored by MIT systems analysts Dennis Meadows and Jay Forrester, in a pamphlet, "Blueprint for Extinction." All of this was occurring at a crucial point in world history. LaRouche had, beginning in the late 1950s, accurately forecast the financial-economic upheavals that were to manifest themselves on Aug. 15, 1971, with the end of the Bretton Woods system officially marked by President Richard Nixon's decision to decouple the U.S. dollar from gold. After Aug. 15, 1971, LaRouche's

credibility zoomed, support for his movement grew, and it was clear that the world was at a crossroads: the future would witness either some kind of positive, ordered transformation, centered around a reorganization of the world economy and a renewal of industrial growth and scientific and technological progress, or a turn toward fascism. It was the aim of the Club of Rome and its founders and backers to actualize the latter alternative.

The roots of the battle between LaRouche and the Club of Rome go back to the period from 1948 to 1952, when LaRouche was making a fundamental breakthrough in proving that the claims of the crowd pushing the new fashions of "artificial intelligence" and "cybernetics" had no correspondence with the reality of human creativity, human history, and the laws of physical economy.

The Club of Rome represents cybernetics and systems analysis run amok, epitomized by Meadows and Forrester's *Limits to Growth*. Their projections of world "carrying capacity," "limited resources," etc., were based on the input of linear equations that axiomatically excluded the possibility of the effects of scientific and technological progress, which would remove such "limits," the kind of progress on which all of human history has been based.

LaRouche's just economic order

The battles between the Club of Rome and the LaRouche movement continued throughout the 1970s, not necessarily out in the open, but often in the corridors of power in many countries. Hence, over 1974-76, as LaRouche was promoting the concepts of a general debt moratorium for the developing sector and the creation of an International Development Bank around which a new, just world economic order could be built superseding the predatory International Monetary Fund and Bretton Woods system, the Club of Rome was expanding into the Third World, presenting top ministries of Iran, Egypt, Venezuela, and other countries with the "regional studies" contained in the 1974 book *Mankind at the Turning Point*, co-authored by Case Western Reserve University's Mihajlo Mesarovic and Hanover's malthusian planner, the late Eduard Pestel, an intimate of Alexander King and Aurelio Peccei. That book began with the warning: "The World Has Cancer and the Cancer Is Man."

Further Club of Rome assaults came with the 1976 publication of *Re-Shaping the International Order*, and in 1977, *Goals for Mankind*. The latter, a bitter attack on industrial growth and urban civilization, was written by Dr. Ervin Laszlo, at the time head of the "Project on Futures" of the United Nations Institute for Training and Research (Unitar). Throughout the late 1970s and into early 1980s, Laszlo was a compulsive profiler of LaRouche activities and writings, and was caught by a LaRouche representative, at a conference in Trieste in 1983, twisting some of LaRouche's ideas on Plato and the German mathematician Bernhard Riemann, in order to come up with conclusions opposite to those of

LaRouche. Laszlo is today a hero of numerous gnostic movements, including the Baha'i International and the London-based Lucis (formerly Lucifer) Trust.

Refuting zero growth

The battle between the LaRouche movement and the neo-malthusians took a new direction when LaRouche's wife, Helga Zepp-LaRouche, founded the Club of Life, explicitly as a counter to the Club of Rome. The Club of Life was officially founded at a conference in Rome in October 1982. Soon thereafter, Lyndon LaRouche wrote a book on behalf of the Club of Life, entitled, *There are No Limits to Growth*. In the first chapter, "Mother Nature Kills German Forests," LaRouche wrote:

"It is not the growth of industry which destroys the world's forests. In most cases, the cause is a lack of industrial output, a lack of good industrial management of the ecosphere. Over the past 15 years, the greatest single cause for destruction of the world's 'ecology' has been the toleration of the policies demanded by the so-called 'ecologists,' the so-called 'neo-malthusians' of the Club of Rome, of the International Institute for Applied Systems Analysis (IIASA), of the World Wildlife Fund, the Aspen Institute, the Ford Foundation, the Rockefeller Foundation, the U.S. Sierra Club, and so forth and so on." He denounced the Forrester-Meadows report as "conspicuously fraudulent," because of its axiomatic exclusion of technological progress, and raised the following point:

"How could anyone have believed such nonsense? Every qualified scientist knew that the kinds of arguments used by the Club of Rome were a fraud. Most engineers knew it. Industrial corporations knew it. If the news media checked with scientists, they, too, would have known it. If governments and political parties had behaved responsibly, they would have denounced the Club of Rome and its *Limits to Growth* as a monstrous hoax."

It is slightly more than 10 years since those words were written. Any sober evaluation of the present world situation would have to concur that the persistence of leading international figures, foundations, governments, and media in promoting the Club of Rome's ideas, has only made far worse the problem identified then by LaRouche. Had his proposals for a sane reorganization of the world monetary system, linked to the promotion of the most advanced forms of technology and the frontiers of science, been adopted, the world would now be looking at a future of vast promise, as we head toward the next millennium. Our accompanying article illustrates that the Club of Rome manages to receive backing from some of the western world's most prominent and powerful institutions. Again, and under far more perilous conditions, we are at a branching point: Will our leaders and populations continue to be hypnotized by the insane prescriptions of the Club of Rome, or belatedly will they heed the warnings and advice of Lyndon LaRouche?

Business Briefs

Development

New dispute erupts on policy, says Swiss paper

Developing countries that are well on the way toward industrialization are becoming increasingly critical of the free market model, the Swiss daily *Neue Zürcher Zeitung* reported on Nov. 28.

The paper reports on a study by the Prognos Institute in Basel, which discovered a growing "disparity" between two groups of developing countries. The first group, especially in Asia, can no longer be called developing countries because they will soon reach the status of industrialized countries. This group includes Hongkong, Singapore, Taiwan, South Korea, and perhaps also China and India in the near future. But there are other countries, especially in black Africa, wracked by economic and political crises, which are losing any hope for a better future.

While the Soviet empire existed, the dispute was between proponents of market economy and state interventionism. Now, the economic policy of "the West is criticized precisely by those countries which are leading the train of economic growth," the paper reports. That is, countries in Asia "are rejecting with sound intensity the idea of exclusively leaving their economic future to the market forces," and are instead using "interventionist instruments." The paper, organ of the Swiss financial establishment, rejects this approach, saying that "the so-called third way will in this case, too, lead to a dead end."

Middle East

Peres calls for common market

Israeli Foreign Minister Shimon Peres called for a Mideast common market, in answer to a question from the *International Herald Tribune* on how he views the future of the region. "I think it must become either a common market like in Europe or a free trade zone like America. I think entering the 21st century the Middle East can fall down like some African

countries, where the desert is eating up the land and AIDS is endangering the people and corruption is paralyzing the government. Or it can become an Asia, or Europe, or America. I think the basic aim should not be just to have peace but to promote the standard of living to a modern height," Peres said.

In a related development, the European Union has announced its support for Palestine Liberation Organization Chairman Yasser Arafat to become chairman of the Palestinian Economic Development and Reconstruction Agency. The move, announced in a letter by the Norwegian foreign minister, counters an attempt by the World Bank to force the creation of an agency independent of Arafat and the PLO, which it claims are corrupt. The World Bank has clearly come out in opposition to serious economic development in the Middle East since the Israel-PLO peace accord was signed.

Sweden

Two believed ousted over globalization fight

Two key operatives of the old Olof Palme Social Democratic corporatist mafia inside Sweden were ousted from their positions within 24 hours of each other. Given the intimate ties between the two, there is speculation inside Sweden that the ousters are part of a broader reaction among Swedish elites against globalization of the economy, i.e., the dismantling of industry and highly skilled labor in search of cheap-labor manufacture.

First to go was Pehr Gyllenhammer, who was forced to resign as chairman of Volvo by its board of directors. Gyllenhammer was forced out over the terms he had negotiated in the sellout-merger of Volvo with the French Renault state-owned automaker. It is widely reported inside Swedish business circles that Gyllenhammer had agreed to a deal which would have "asset stripped" Volvo, which has several highly profitable operations, in order to prop up Renault. Gyllenhammer is a board member of Kissinger Associates, and is on the board of the holding company of the London *Economist*.

An indication that there were strategic implications to the merger is the fact that French Presi-

dent François Mitterrand threatened on Dec. 3 that Sweden's bid to join the European Union could be blocked as a result of the rejection of the Volvo merger by Volvo's board, despite the fact that Volvo is a private company.

The second to fall was Stig Malm, perhaps the most powerful Social Democrat in Sweden, head of the national LO trade union organization, who was forced out over revelations of a series of financial scandals and influence-peddling affairs. Malm had been key in securing trade union support for the Volvo-Renault merger deal. The three men, Gyllenhammer, Malm, and Palme, had formed a circle of insider dealings in which Palme's government in the 1980s often extended huge state benefits to Volvo for building new factories and other business decisions despite Gyllenhammer's nominal credentials as a member of the Liberal party.

Unemployment

Free trade exacerbates crisis, warns Allais

The major problem facing France and the world economy as a whole is unemployment, and the free trade approach is only making the problem worse, Nobel Prize economist Maurice Allais warned in a commentary in the Nov. 29 Paris daily *Le Figaro*. Unemployment has increased 800% over 1970-93, from 530,000 to 4.7 million.

It would be "at minimum adventurous, and in reality very dangerous," to give in to the demands of the General Agreement on Tariffs and Trade, the International Monetary Fund, and the World Bank "for the pursuit of the global liberalization of the exchange markets," he said. Those who proclaim a "new tomorrow" because of the policy of "free exchange" should recall that a "new tomorrow" was also promised "in 1917, at the dawn of communism."

Allais blamed the rise in unemployment, among other reasons, on "the perverse effects of a systematic and dogmatic . . . policy of free trade"; "insufficient training of the young"; and "a world conjuncture that is unfavorable, because of the effects of a gigantic indebtedness eating away at the core of the world economy."

Health

Another AIDS scandal hits Europe, this time Spain

The trade union of doctors in Madrid has accused the government of failing to ensure that blood and blood products were tested for AIDS until February 1987, although the AIDS test was available much earlier. Between 1985 and February 1987, at least 179 patients became infected with HIV through blood transfusions. Spain has the highest rate of infection (41%) among hemophiliacs in Europe, 3% higher than France.

The head of the union, Antonia Rivas, is now investigating how and whether blood products are being made safe today. "We believe that a huge part of those cases which are thought to have occurred heterosexually, do not have their causes in sexual intercourse. Millions of patients every year get 'gamma globulin'—we think that these products could play an important role in infecting patients," he told media.

Meanwhile, doctors at a conference of the German Society for Hospital Hygienics warned that there is a risk of infection with the AIDS virus from the use of medical examination equipment such as endoscopes or new microsurgery equipment which cannot be sufficiently sterilized.

Ukraine

Domestic measures won't work, warns economist

Prof. Volodymyr Chernyak, a member of the Ukrainian Rukh independence movement and a leading economist, warned that the nation's economic collapse is now beyond rescue solely through domestic measures, in a Nov. 26 interview with "Rukh Press." (See *EIR*, Dec. 3 for an interview with Professor Chernyak.)

Chernyak stated that "even the imposition of an economic state of emergency and rationing cannot rescue the collapsing economy." He added that the "strict rationing cannot ensure even minimal sufficient energy and food supplies."

The "Armenian winter" warned about by Ukraine's deputy energy minister, is not some future threat, but present reality, he warned. On the energy front, barring a reversal of American-led western and Russian policies, Ukraine is doomed to copy the Armenian experience, where electricity and heat for homes and factories are rationed to only a few hours a day, and are cut off in many public buildings. On the food front, most Ukrainians can probably scrape by through private "arrangements" made between urban families and rural relatives, he said. But, caught between superpowers, Ukraine's ability to survive into the middle of next year as an independent country is highly questionable.

Kenya

IMF austerity causes more ethnic conflicts

Evidence that the austerity policies of the International Monetary Fund (IMF) are driving Kenya into tribal-ethnic conflicts was provided by the Paris daily *Le Monde* on Nov. 24, as the "consultative group" of aid donors for Kenya wound up its Nov. 22-23 meeting in Paris.

A freeze in aid which had been decided upon by the IMF and western governments was originally supposed to have lasted only six months, but "in reality, as the adjustment of the Kenyan economy was not carried out, the donor countries prolonged it. As a result, in two years, Kenya has lost around \$800 million, of which 85% was to have been balance of payments support. And several development projects have been suspended." Furthermore, "strangled by the pressure of the disbursements of funds (a near-zero percent GNP growth is expected this year), Kenya has suspended the service on its debt beginning in mid-1992, and today owes close to \$700 million in arrears."

Partly as a result of this economic crisis, Kenya is being rocked by tribal conflicts which have attained a magnitude "rarely seen in Kenya." The U.N. Development Program estimates that there have been 1,000 deaths and 250,000 displaced.

● **RUSSIAN** Deputy Prime Minister for Foreign Economic Relations Aleksandr Shokhin, after signing several arms contracts with the United Arab Emirates, said that Russia will soon increase its arms trade from \$2.5 billion a year now to \$9 billion. For this purpose, Russia plans to establish an export-import bank specializing in the arms trade.

● **AN AIDS TEST** developed at the University of Tokyo is estimated to be 4,000 times more precise than previous ones, and can detect the HIV virus much earlier. Older tests could only detect an infection 6-8 weeks after it occurred. The new method can also detect the AIDS virus in urine and saliva.

● **11% OF POLISH** families are forced to have their children work to make a living, according to a new official statistical report. Some 71% of Poles do not see any improvement in the near to medium term, and a majority expect 1994 to bring a worsening of conditions.

● **THE GERMAN** steel sector will begin extended short-work periods before Christmas, which will last through 1994. Companies do not expect the situation to improve, following a 15% loss in new contracts in 1993. There are reports that 50,000 jobs will be eliminated over the next three years, more than one-third of the industry's work force.

● **40,000 ROMANIANS** demanded the resignation of their government and President Ion Iliescu in labor protests on Nov. 29. Some waved loaves of bread on sticks, symbolizing hunger. One protester shook clattering ox bones and carried a placard with the words "food of the pensioner."

● **EXXON Corp.** signed a contract Nov. 30 to begin oil and gas exploration in the East China Sea, Xinhua news agency reported. The contract, signed with the China National Offshore Oil Corp., was the seventh awarded by China for the East China Sea since June.

The cultural basis of strategic policy for Ibero-America

An interview with Lyndon LaRouche

In an interview with Robyn Quijano of EIR's Spanish-language publication Resúmen Ejecutivo, conducted from prison on Oct. 3, 1993, Lyndon LaRouche gave a wide-ranging picture of the strategic and financial situation confronting Ibero-America, as well as the cultural and educational issues which are the key to solving the current crisis. The excerpts we publish here constitute about half of the full interview, which was published in Spanish in Resúmen of Nov. 1, Nov. 15, and Dec. 1, 1993.

Q: As the collapse of the financial system accelerates, Ibero-America is being brought into a new level of looting. Right now, they're setting up commodities markets, derivatives markets, and a new level of speculating on Latin America is going on. This is being sold to Ibero-America as a great boost to their economies. What do you think about that?

LaRouche: It's a new stage of looting, period. Exemplary is the crisis which has erupted—a mini-crisis of sorts—around the North American Free Trade Agreement, with the [Rep. Henry] Gonzalez inquiries into the Federal Reserve operation, with the New York banks, the big ten, but the seven in New York, in planning the financial side of what's called NAFTA. Since virtually everything else is already in the works, except the financial part, it's obvious that the signing of NAFTA means purely the financial part.

Now the thing is buried out of sight of official responsibility of the U.S. government in the negotiations occurring between interested parties in the South and the Federal Reserve System. That's the only information which is confirmed. But when you say "Federal Reserve System," and the New York system bankers are going to conduit financial arrangements, that can mean only one thing. . . . The other aspect is already in place, the runaway shops, the great sucking sound that Ross Perot talks about—that's been going on for some time. He doesn't mention the other sucking sound, though: the sucking of the Mexican blood, which



Mexico City's Zocalo, the central square, in September 1982, when President José López Portillo announced the nationalization of the banks. "We must have unity," says LaRouche. "We saw that in Mexico in 1982, when the Brazilian government and the Argentine junta capitulated. Mexico was destroyed and they were all put in the soup as a result of their failure to stand by Mexico."

has also been going on. So you've got a great Moloch in New York, who is sucking two things: jobs and businesses out of the United States and blood out of Mexico, along with a few other incidental commodities.

But the financial situation is a much more dangerous and higher level, which overshadows absolutely everything done so far. The fact of utter destruction of the sovereignty of every nation in the western hemisphere, including the United States itself, which means setting up what, under Bush, was called "globalism," but is properly otherwise known as "globaloney." (I guess it's baloney that glows!). . .

Q: A few days ago the *New York Times* had an ad, an interview with Paul Soros, the brother of George. He directly says: "In Latin America, whenever the army, as an institution, is part of the country's power structure, all investments are discounted, because that introduces an element of instability. As an investor, one likes stability."

Now the kind of stability he's talking about obviously is just stability to loot.

Why are these swindlers so worried about the Ibero-American military?

LaRouche: First of all, you have to think of George and Paul Soros as the late twentieth-century parody of the two most notorious characters of the first half of the fourteenth century, who had the nicknames of Biche and Mouche.

These characters, representing a group of banks of that period—the Venetian-Lombard banks—did precisely what

Biche and Mouche of today, George and Paul Soros, as frontmen for the New York banks and the British Rothschild-coordinated interests, are doing all over the world. They're looting countries en masse, in the way that the House of Bardi and Peruzzi in the early fourteenth century was looting all the countries of Europe, all the little principalities here and there, by pyramiding debts, *exactly* the way it's happened since 1982, but even before, since the petrodollar debt expired. Pyramiding debts until, in 1345 approximately, the king of England repudiated his debts, and the whole thing came down. And then Biche and Mouche disappeared, having stolen the national treasury of France and the papal treasury, and disappeared into obscurity with the proceeds and after having stolen the papal treasury which they got in trust.

And this is what we're talking about with Paul and George Soros. They are not people; probably they're persons, in some sense, but they are more a disease than persons. So when one talks about them, one should not talk about them as personalities, but as a disease, a repetition of this same kind of phenomena, of which the most notorious case in terms of recorded history is Biche and Mouche from the fourteenth century. They're just thieves. They're not Robin Hoods; they steal from the poor for the rich, until the rich go bankrupt. And they're running a bubble which most nearly represents not only the bubble of John Law, the South Sea Island and Mississippi Bubbles of the early eighteenth century, but they're running a bubble which also represents the debt bubble which collapsed in the mid-fourteenth century

In Venezuela, the military, while doing something which was patriotic, defending the Constitution against a runaway, unconstitutional presidency, did not really understand the principles of politics; they were running coups from a cabinet warfare standpoint, not a competent political-strategic overview.

and was the characteristic of the New Dark Age.

So if Satan required a couple of imps, he required no better service, perhaps, than Paul and George Soros, the satanic imps of international or globaloney finance during the late twentieth century. . . .

Q: They obviously think they have it sewn up, except for this slight element, that the Ibero-American military still exists, which they want to get out of the way. Can you discuss the question of what role the Ibero-American military should play in countering what is essentially an invasion of the country by this financial swindle?

LaRouche: The problem of the military is their training under Yankee and post-World War I and II influences. They were trained to be a police force in their own country, to protect the interests of the U.S. banks, which then seemed to have an industrial and related orientation, in the old days, in which Grace was the most evil name you could mention on the continent relative to the United States. "There but for grace, my country would be prosperous."

They would defend that. Some of them had aspirations to build up national industries, to develop the country; they were not unpatriotic. But they knew they were a military force which lived at the sufferance and satrapy status of their government and their state institutions.

Now they face a situation in which the foreign power, Washington, is determined to exterminate their country—not conquer it, not change its government, which they put up with in the past—but exterminate them. And they no longer have the backing of certain U.S. military-intelligence factions when they get into trouble and they can negotiate a deal through their friends in the United States. They no longer have, in terms of these institutions, any *efficient* friends in the United States. They may have friends, but they're not efficient.

The problem they face, as we saw in the military revolts against the unconstitutional activities and treasonous activities of Carlos Andrés Pérez in Venezuela, is that the military, while doing something which was patriotic, based on defense of the Constitution against a runaway, unconstitutional presidency, did not really understand at that time any of the principles of politics, so that they were actually running coups in a sense from a cabinet warfare standpoint, not a competent political-strategic overview.

Refer to the case of the Middle East. What befuddled many people, even people who believed, on both the Israeli and other sides, that there should be an economic development basis for peace which would give rights to the Palestinian Arabs—they didn't understand how this worked. They didn't see that economic development was the alternative to bloody war.

In the case of Central and South America, the problem is, they have to see that free trade and what is called democratization are the *enemies of humanity*; and these ideas and principles have to be opposed as treasonous; and therefore, their weakness is on the political-strategic side.

So they limit their politics to an extension of military posture in a political crisis. They do not see military actions of institutions as instruments of strategic policy, in the true sense. And that's because you have a number of officers who get together and say, "What they're doing to our country is terrible. We've got to stop it, the country is going to be destroyed. If somebody doesn't do something, I guess we're the institution that has the responsibility to step in when constitutionality breaks down, to restore constitutionality." And they will say, "We have to have a coalition among us. So we have to have the free traders, the pro-radical democracy types, and all the other people all together in one schmoozy united front, where we are all great brothers, we get drunk together, we have honor together," and so forth—without realizing that those are the issues which must be settled, because without settling those issues, you cannot govern.

Without a [Friedrich] Listian sense of national economy and cooperation among states based on shared notions of national economy, strategically, *you cannot win*. And therefore, they violate the Augustinian rule for military action: Your action must be justified; it must have the opportunity to succeed; it must have a plausible basis for success. A plausible basis for success means that you realize the political objectives not only of constitutionality, but of durable government, which is able to meet its responsibilities to the personalities and the families of the nation. If you cannot protect the individuals and the families of a nation from chaos, then you have not realized any credible or justifiable political objective; and therefore you mobilize when you have a chance to win, fight in a way which has a chance to win; and you fight only for a cause which is justifiable. And in this case, they're fighting against evil, but they're not

fighting for a cause which is justifiable; and that's where they failed.

We must have unity. We saw that in Mexico in 1982, when the Brazilian government and the Argentine junta capitulated. Mexico was destroyed, and they were all put in the soup as a result of their failure to stand by Mexico, in July through August to October 1982. When they failed to do that, *they betrayed their own countries*. They said, "We cannot risk our countries for Mexico." But they betrayed their own countries, because once Mexico, which is the second-largest nation of Ibero-America, went under, they had no chance of defending themselves, because they couldn't get together.

They couldn't get together, because they could not agree that free trade is evil. They could not agree and understand that the fight between Moscow and London and Washington, was largely real, but also fraudulent, in the sense that it was based on a condominium, a condominium in which the Soviets as well as the Anglo-Americans were betraying all the developing countries.

So the problem with the military, is they must sit back and say: We were deceived. Now we must *undeceive* ourselves. We were not betrayed by personalities; we were betrayed because we were being deceived as to what the reality was, and what methods had to be used to save the nations of that time.

They have to go through another leap of maturity, a leap upward. But they do not yet know, as institutions what to do. And they have to understand and make a very quick leap in understanding and comprehension of reality. . . .

Q: The New Age education is very, very far developed in Ibero-America at this time. We are actually investigating something *that has happened*; we were late on this one. And we're finding that it is very much what is going on in the United States. It's U.N.-sponsored, and one of the major parts of it, is to have education that's different for the countryside; in any area where there are Indian languages spoken, Spanish will not be taught. It specifically states that Spanish should *not* be taught, that Spanish can be used, but should not be taught and should not be a written or read within the curriculum.

LaRouche: How far extended is that?

Q: This is in Peru, this is in Bolivia, this is everywhere where there are large Indian—

LaRouche: Where they have the large Quechua operations.

Q: Your movement in the United States is making inroads against this education reform called outcome-based education (OBE), and I'd like to know what your advice would be for Ibero-American patriots trying to end this child molestation in Ibero-America.

LaRouche: It's worse than child molestation. You molest

the child, and when you molest the child, you can produce a satanic personality. Now how about producing satanic personalities on a mass scale?

Remember OBE is designed by people who are collaborators of the Satanist known as Julian Huxley. Julian and Aldous Huxley were Satanists. They were protégés not only of H.G. Wells, who was a Satanist, but of the more overtly Satanist Aleister Crowley, who was their immediate mentor. They were close collaborators of a person who was an incredible Satanist, Bertrand Russell, probably the most evil man of the twentieth century, the most racist, pro-genocidalist figure. More of a genocidalist than Adolf Hitler, because Adolf Hitler limited his ambitions to parts of Europe. Russell had global ambitions for mass murder.

So these people, including Robert Mueller, were protégés at Unesco of Julian Huxley. Julian Huxley is one of the most satanic, most evil figures of the twentieth century, who dominated much of the second half of the twentieth century.

The ideas that are used, are the ideas of people like Alice Bailey, a professed Satanist. Not only do these ideas come from Satanists such as Willis Harman of the Stanford Research Institute, a confessed Satanist; but they also represent an efficient way of turning young children *into* Satanists.

So it's not merely that these people happen to go to a Satanist church, or something, and otherwise, six days a week, are not Satanists in practice. You know, "The guy may be a Satanist, but he's a good accountant"; "He may be a Satanist, but he's a good schoolteacher." Believe me, that does not function. The Satanist is much more proficient than professed Christians in these matters. Satanists practice their religion 26 hours a day, 7 days a week. And they are never *not* practicing their religion. If you've got a Satanist in the neighborhood, you'd better just try to purge them, get your local priest to perform the operation to purge them of the demon. Give up all other methods.

What are they doing? They're doing it explicitly in the United States, and they're doing it everywhere else. South America, Central America, will be key. The basis for the entire educational process is that the church and Spanish are the enemies. They must be destroyed. That's the goal of the Satanists. And anyone who attacks the church from the standpoint of the Black Legend—not from the standpoint of the Liberation Theologists, who do funny things—but about the corruption of the church as an institution, in this, the Black Legend way, we know he is a Satanist. I don't care if they call themselves Protestants or whatnot; they are Satanists.

We are familiar with this in the United States. The effect will be to turn children first against their parents. This is going to lead to children, teenage children, murdering their parents. One day the parent will look in the face of the child. They thought they knew the child: "I know all about my child. My child is in X School, there's nothing with that school." One day they cross that child in a certain way, and

they see a satanic gleam in the eyes of that child, directed against them. Pure, satanic hatred against them, which is motivated and shaped by “school counsellors.” “I like my teachers, I don’t like you, you’re no good. You’re not my real family. My real family is my school.”

We are getting that out of the mouths and eyes of teenage and younger people, in defense of their teachers in OBE, at parent-teacher meetings throughout the United States.

I said, “This is evil.” And people didn’t think it was that serious. They thought we had to present alternatives to try to win people, “Well, this would be better than that.” I said, “No, this is satanic evil.”

Now, once we began to scratch the surface, we found, first of all, what the counsellors and so-called facilitators were. We began to get glimmerings from some teachers who had quit the system, who were complaining about it. That wasn’t the worst, but it’s bad.

Then we began to get a picture, in some encounters, of what these counsellors do. Then we saw the real face of Satanism. We saw what these counsellors had done to some of these children, where the children would get up at meetings, and would actually militantly defend Satanism, and defend their counsellors as the apostles who taught them this, and who had freed them from their family. And the child says, at a school meeting in Barrington, Illinois, “Now, they didn’t teach us *all* sex. They taught us anal sex.”

When you’re getting this, it means that this is the time to destroy your school. You have no choice. Don’t try to reform it; eliminate it and start a new school. That’s the only thing you can do. This is not an issue of reform. This is a pestilence! And you must get these people who are behind this, out of the community. You must look, constantly, to extraordinary methods to recover some of these children.

Q: What you’re saying, is very, very directed for Ibero-America. I have here something from the Peruvian government, which is a new code, supposedly for children’s rights: “The child is not a subject for tutelage, but a subject with rights.” Then it goes on to say that the family should not have any authoritarian behavior over the child: “Every child and adolescent has freedom of expression and thought, belief and religious worship, even if it is different from that of the parents. The child and adolescent has the right to be respected by his teachers and to question everyone’s values.”

So this is codified, and this is the case in every Ibero-American country, and this comes directly from both the U.N. and the Anti-Defamation League.

LaRouche: I would have to say, if you tolerate this, your country’s going to be destroyed in short order.

Q: In Colombia, President Gaviria’s wife is in charge of part of the educational reform, and there’s a provision on sexual education, in which they now say pleasure is an inalienable right of every child and adolescent.

LaRouche: This is literally satanic. That statement of pleasure—that is literally satanic. The pleasure principle.

There should be more effective attacks on Freud, because lurking in the background, is what Freud represents. The fact is that Freud was B’nai B’rith; Freud was satanic; a homosexual, satanic, in this respect. Freud and Nietzsche—there is very little difference between the two. In terms of philosophy, Freud, Nietzsche, Hitler, and the French existentialists are pretty much the same thing. They’re just different varieties, competing varieties, of the same thing, whose ideas tend to merge and cross and cross-fertilize. And this should be openly attacked. This is as bad as the International Monetary Fund; this means the destruction of the nation by destruction of its people. This is *menticide*. This is the murder of children. This is treason against the nation.

Let me step back and restate it. I’ve indicated the point, I think usefully, and maybe it can be better restated sometime, in “History as Science” [published in *Fidelio*, Fall 1993]. . . .

We have to deal with Platonic methods. Without Platonic methods, it’s impossible to deal with these kinds of problems.

What we have today, is a fight between entropy and negentropy, as it will be described by some people. Between those who are for deconstruction—entropy—deconstruction of economy, the elimination of commitments to scientific and technological progress, and so forth and so on, against the commitment to technological, scientific, and related progress.

For example, I’m most pleased with the modest but very significant progress we’ve made in music. We have made, in a sense, a revolution in music, in fighting to defend the Classical conception; we have not merely *affirmed* the Classical conception, but we have *made intelligible* a principle which was implicitly *there* with all the great Classical composers from Haydn to Brahms, and implicitly already in the work of Bach and so forth before them. It became conscious with Haydn; it developed with Beethoven and Brahms.

But now we have shown the principle, the transfinite, if you will, the principle which governs this principle of genius of Classical musical composition, which virtually no liberal-ly educated musician today could even understand, let alone perform.

The popular music today—and I’m talking about the so-called popular classical school of music—is that the essential, intrinsic musical illiteracy on *essential* principles—not formalities, but essential principles—of musical composition. The modern composers do not know the ABCs of composition. They couldn’t compose like a Classical composer, if they wished to. It’s not a matter of *Zeitgeist*. The *Zeitgeist* is a moron today.

So, we have made progress in this area.

The issue here, as in composition of music, is change.

Let me put it again in theological terms, because that’s the



A children's chorus performs in Colombia. "The child is a process of development, not a fixed thing with fixed opinions. . . . The education of this imago Dei quality in the child is the essence of being human."

best terms to put it in: the question of God and the Becoming.

Is God in Time? Is God *confined* in Time? Does God have a limited place in Time, as an existent? Of course not. Therefore, you have two views of the universe: God's view and man's, because man's view is always located in the Becoming, is finite in Time. Our influence may be *transfinite*. We can change the outcome of the past; we cannot change the past, but we can change its outcome, as Cusa changed the outcome of the work of Archimedes, by revolutionizing it. So Archimedes continued not really as Archimedes' own work, but Archimedes' own work from the past, was revolutionized to a higher level by Cusa.

We can do that. We can determine the future, or the foundations of the future. The individual can determine, in some degree, the shape of all human existence past and present. But nonetheless, that individual is located in Time. His or her existence has a beginning and an end, though its effect has no beginning and no end.

So the individual can participate in God, only by becoming *timeless*. To become timeless, you must participate efficiently in the past and the future, in a creative way, which makes the past and the future *better*—or less bad.

Thus we see, that if God is real—and we can prove that He is—then the idea of *permanence* attached to an object of the Becoming, is a false idea, or is a superficial idea. That reality lies in that aspect of the object, which is permanent, which is timeless—which is not the object as a simple, sensu-

al object. It is rather the *principle of development* which corresponds to the infinite, timeless good.

Therefore, human beings are significant as human beings, in the image of God; which means that the individual, through creative reason, can contribute by assimilating ideas and by transmitting them—and also by creating them—can contribute to change which belongs to the category ultimately of the timeless good. And thus the individual is not only *imago Dei*, by virtue of creative reason, but is *capax Dei*, because he participates in the timeless God, the timeless existence of God, the unbounded existence of God, by doing something which is timeless in nature, which is in the image of God.

The only thing that could correspond to that, is creativity—true creativity.

If we take that away, what do we have? We don't have man; we have *man bestialized*; because man has no soul. He's an Aristotelian who has no soul, as Pompanazzi argues. He belongs to a collective soul. But if he doesn't change, if he is like the Emperor Diocletian, who chained the society, which is what these guys are proposing, that's evil. That's the evil of paganism in the extreme, and of those cultural relativists who argue, on anthropological grounds, that "we've got to return these people to their natural aboriginal state." Their natural aboriginal state does not exist. It was only a downward change into degradation and deprivation and bestiality.

For example, we saw this outside of Mexico City, at the pyramids. I knew that there had been wheels in Central and South America, because the civilization could not have existed previously without wheels. We found the wheels—where? Not in the carts used by the people; but in the carts used as toys by the children. A perfect example of this.

So these are degenerate cultures. And to replicate them, is suicide. If you tell people, “You’re going *back* to your ancestors, rather than justifying your ancestors by becoming something good today,” then you put them on the track of self-destruction as a people. And the evil ones in London sit back and say, “We fooled them. We told them to go back to their ancestors and they all died. And we didn’t have to kill anyone, because they killed themselves. They wiped themselves out—except the two we have in a museum over here, in a theme park we keep for exhibition purposes.” That’s what they’re doing with the Australian so-called aborigines. The same kind of thing.

That’s what the issue is. The dignity of the individual is being challenged.

We have to make this clear in education. Education is *not* learning. Education is re-experiencing creative discoveries which are made by people before you. Education is turning the mind of a child, which has only potential but no *competent opinion-making ability*, and giving that child, step by step, through various kinds of tutelage, the ability to become an adult. The child is not responsible and capable of adult opinions about society until it becomes an adult, though the child, in the process of development, will increase this quality of insight and morality and tutelage all the way through.

The child is a process of development, not a fixed thing with fixed opinions.

The child learns how to build with blocks; the child replicates a discovery which was made a long time ago. Everything the child learns is a replication of the mental experience of some discoverer hundreds of thousands of years ago and even older, over the past 2.2 million years of existence of mankind on this planet.

We have to fight for that. Because it is that—the education of this *imago Dei* quality in the child, which is the essence of being human. Those who say no, are against humanity. They are turning humanity back into destruction—they call it deconstruction, which is destruction. They’re murderers. And they have to be dealt with. You can’t say, “Oh, they have some interesting ideas. . . .” I disagree. That’s some kind of nonsense! Worse than Hitler! These people make Adolf Hitler look like a benign old country gentleman living on the next block, serving cookies and tea.

Q: In Virginia, this has been going on for a number of years. The guidance counselors come in to the grammar schools with a box, and they say, “I have something in this box, and it is the most important thing in the world, the most wonderful

thing. This is the center of the universe.”

A friend of mine told me about this. Her child was seven years old, in second grade, when he did this. And the child said, “Oh, it must be God.” And the counsellor said, in a very embarrassed way, “God wouldn’t fit in this box.”

Then she goes around to every individual child and has them look in the box. And of course what’s in the box, is a mirror.

Talk about psychosis!

When I studied to teach young children in the 1970s, when everything started going crazy, the older texts always said that what you’re trying to teach a child, is that they’re *not* the center of the universe. When a child out of kindergarten, a first grader comes in, they think they are. So the process of education is to teach them that they’re not.

LaRouche: That’s exactly what this does. It turns children into beasts, little savages. Primitive savages. Precisely that. . . .

Q: The Mexican situation, which a short time ago seemed somewhat tied up in favor of President Salinas’s policy, in a certain way, has taken a very big change, as the agricultural producers organized themselves, many of them basing themselves on a program very similar to what you wrote in *Operation Juárez* in 1982. I’d like to know how you see this development and what kind of power this particular movement could have in turning things around.

LaRouche: You have to understand, first of all—which some North Americans forget—that the Mexicans are human beings. Certainly, a lot of the State Department and Wall Street planners forgot that. They say, “We’ve got these Mexicans in our pocket!” “We’ve got the President! We’ve got the Presidents in our pocket. We have the PRI in our pocket. We have the institutions in our pocket; and we’re destroying them at our leisure—crushing them like nuts, one at a time.” They forget the Mexicans are human beings.

The North American takeover of Mexico in 1982 was not a seduction; it was a rape. A very important consideration. Now, the rapist had armed guards, weapons, and the victim did not. And so the victim, being the nation of Mexico, said, “Look, we’re being raped, but we’d better become accustomed to it, because there’s nothing we do about it. So we better get the best possible conditions as a victim of rape.”. . .

Now, where is U.S. policy? The international financial system is in an explosive condition; the East European, Russian state is about to blow in a bloody business. There goes Francis Fukuyama’s *End of History*. History resumes in the bloodiest imaginable fashion. China blows up. They say, “Well, that’s good, we’ll get rid of the former communist opposition.” But then—boom!—the Anglo-American financial system blows up.

If people don’t fully understand this, they can *smell* this; and when the victims, particularly those who have been raped

My being in prison is a very relevant thing. No one is going to survive in this world based on salvation of one country. There's no Venezuelan formula, no Colombian formula. Somebody's got to put the world back in order; otherwise, nobody, in any part of the world, is going to survive.

and are now about to be murdered, smell that the master, the giant, the ogre, is in trouble, they may begin chopping at the beanstalk.

Q: We have a very interesting situation in Venezuela. The hated Carlos Andrés Pérez, or CAP, is finally gone (we think); and there is a moment of opportunity that is very short, and fraught with tremendous dangers, because there are not too many people around who really want to stand up and fight in the right way. What you just said about the ogre being ready to fall, probably would have a decent impact—
LaRouche: That means that somebody's got to chop at the beanstalk, otherwise this is not going to work.

Q: Do you have any advice for the Venezuelan population and politicians who are right now trying to figure out what they're going to do in the post-CAP era?

LaRouche: You see, my being in prison is a very relevant thing for them.

The problem is, they don't think in world terms. They may think as commentators in some world terms, some of the time. But they don't think, in a practical way, in world terms.

No one is going to survive in this world based on salvation of one country. It doesn't exist. There's no Venezuela formula; there's no Colombian formula; there's no Brazilian formula—though I think Brazil may be tempted to think in that direction. There's no Mexican formula.

Somebody's got to put the world back in order; otherwise, nobody, in any part of the world, is going to survive. You cannot have two-thirds of the world going up in smoke, and the other third on the verge of doing so, and expect that you've got some little gardening program for your country politically, which is going to make the country quite happy and prosperous and you can ignore the outside world.

It's not enough to *contemplate* the outside world; there has to be something being *done* about it.

Where is the international movement to deal with the world at large—a precondition for the solution for Venezuela? You can have solutions for Venezuela *provided they're integral to that process*; without that process, *you can't guarantee success of anything*. Because you'd be crushed.

So you've got to control the larger world, not of 18-20 million people; you've got to control a world which has more

than 5 billion people in it, which has five continents, and so forth. You've got to control the process, change the process.

Well, who in the world has been talking about this crisis and this process in the recent quarter-century? Where in the world has anyone been talking about this, and analyzing the process, and proposing?

The Venezuelans, like others, are going to have to study the timeline of what we have experienced in the past 25 years, and compare this with what was discussed in Venezuela and other places [by LaRouche and his associates], to see who has understood. Because you're not going to jump off the diving board into an empty pool. You've got to have water in the pool before you jump off the diving board.

Do we have water in the pool? "In the past, these guys have been consistently right. They've made these consistent proposals, said the alternative to accepting these proposals will lead to the following result. That is what has happened."

They're not going to buy a formula. They're not going to buy a populist—you're not going to build anything worthwhile on that. You're going to build on *authority*, by defining the authority of that to which they have to turn for leadership, the conceptions to which they have to turn for leadership.

Otherwise, why should anybody jump off their diving board? Is there any water in the swimming pool? Water in the swimming pool is an accredited, established authority, which has a unique authority versus everybody else who had a different policy. I'd say, "Well, at this stage, since that's the only car in town that runs, we'd better use that one, rather than these scrapped-up wrecks hanging around the streets."

And in Venezuela in particular, through the press, particularly in the recent years, ever since CAP's reelection, Venezuelan politics, since 1985-86, has centered around my name. There has not been a Venezuelan crisis or issue at any time, in which my name has not come into the press as a factor. And that's what they're going to have to recognize.

If they don't reckon with that, these fellows in jail who don't want to reckon with my name—they're idiots! They don't understand the ABCs of military-political strategy. They say, "Well, we'll keep away from him, because they hate him." Well, if you can't deal with me, then you haven't got the guts to take these guys on. And that's the proof you haven't got the guts. If you're afraid—"Well, we can do everything, except we can't mention that name"—whoever says that, "Okay, we know you haven't got the guts. Maybe

we'll find a rear echelon position for you if we can trust you; because you have no guts for this, if you're afraid of even mentioning a name? You coward! You contemptible coward!"

That's what I would recommend. I find myself in a unique situation, as being the central figure of a policy exposition which, over the past 25 years in particular, is the only sound, proven policy perception anywhere on this planet, with both the local situation and the global situation. If they want to come to that, they come to it. If they don't, they are losers. They're cowards, they haven't got a chance in this life. . . .

Q: There is a great potential for the United States to have trade relations that would further the [infrastructure development] you have discussed. Could you talk about that a bit?

LaRouche: The United States has a real problem, because people don't realize that the wealth of the population of the United States over the past 25 years has increased in only one respect: in the amount of stupidity which we own.

This is partly the result of the rock-drug-sex counterculture. Look at our universities. They teach sociology and similar things; where's the science? We have in large part a scientifically illiterate population. We have a population which, among youth, are not qualified, in general.

Probably the most qualified technological area for employment—and not very technological or industrial—are the farmers. Because on the farms, which are being broken up, the young farmers, or the young prospective farmers who grew up on a farm, have a mechanical aptitude for fixing machinery, using machinery, things like that, which is probably greater than that of the average citizen.

So that gives you an image of most of the population.

Now then, on the management level: Pick the population under 46 years of age. We know these people, because we know them from the 1966-72 period. In 1972, on campus, we fought them. We opposed them. They were the majority of the graduates of universities in that period. We know them very well; they're degenerates, in terms of intellectual development. They have crazy ideas; they lack morality. They may have tinges of conscience and compassion, but they lack a consistent morality of any kind.

These people—the people we knew as our political adversaries on campuses in the 1966, '72, '73, '74 period—are now running universities, running university departments, in all categories. They are running the Modern Language Association and all education. If they're not chief executive officers of corporations, they're one step below—division managers and things of that sort. They are shaping policy in government. The Clinton administration is an example of what this yuppie phenomenon is.

So we have a scientifically illiterate population, as typified by Vice President Gore's constituency. Gore typifies a malicious quality of scientific illiteracy, in the book that was written for him. Look at what he stands for. You don't have

to know what he is; you have to know what he is publicly: his public image, his campaign image, his book. His close association with [former Virginia Attorney General] Mary Sue Terry tells you a great deal. Think of the people who are attracted to this.

A scientifically, maliciously scientifically illiterate, population. Most people who are running U.S. corporations today, in the age of, or 10-15 years after the age in which U.S. corporate life was taken over by the raiders, by the hostile takeovers, by the financial swindlers; who's running the corporations today? Financial swindlers, like the people who took over RJR Nabisco. Those are the people who are running the United States today.

The United States therefore *cannot produce*. My aim is to make the United States again a productive nation, not by businesslike methods, but probably by some superbusinesslike methods, like mass infrastructural programs, which generate, beginning in ten years, a population which is capable of doing what they were capable of doing in 1982, when I presented what became known as the Strategic Defense Initiative (SDI).

At that time, we could do things we can't do today, partly because of the generational gap.

Look at the ranks of scientists. Look at the way things line up on solid state fusion. These people are incompetent. Look at Sherwood Rowland, the author of the ozone hoax, putatively; head of the American Association for the Advancement of Science—fakers of this type.

I emphasized in the "History as Science," that language as a cognitive process, from a cognitive standpoint, as opposed to from some other descriptive standpoint, has three elements. First, well-tempered tuning of vocalization. The asymptotic freedom in music converges upon the well-tempered, polyphonic system, and converges upon the principle of *Motivführung*, as Haydn has described it. That's how we get the idea of metrical qualities; that's what Kepler was saying, in effect. That's what Leonardo da Vinci was emphasizing; that's what Plato was emphasizing, implicitly, if you look at it from this standpoint, backwards, today. We now understand Plato better than he could have been understood in his own time, if we look at it from this standpoint.

The other aspect, which is crucial up to a point, is geometry.

Now geometry, if it is taught at all in school today, is taught as a way of constructing illustrations of algebraic functions; in some cases not. But the algebraic non-function is not well understood, even among people with doctoral degrees graduating from universities today.

In 1958-59, they began to introduce the New Math. The nub of that, was the beginning of the *real* New Age takeover of education, as opposed to the Deweyite type of corruption which had already occurred. They took Euclidean geometry out of the schools. Now, Euclidean geometry as taught is not the greatest thing; but remember, there are two aspects to

study. One is, what is being taught; and the other thing, is the effect on the student's mind. The student has certain potentials.

Geometry is *natural* to language, a natural part of language. In language, we're talking about plus, less than, greater than, and so forth; we're talking about altering of relations. That's all language is, in terms of the verb. Start with the verb. The language is the way of showing the ordering of relations, and then identifying certain singularities which cannot be shown in relationship within those terms.

So geometry is essential to understand function, causality—anything. Algebra, if properly taught, is taught by geometry as a description of geometric proofs—not geometry as a description of algebraic proofs—on the basis of a rigorous education in the Classical sense of geometry, as Cusa did (or as Archimedes got him to do). Take what is called Euclidean geometry and present it, not from the standpoint of the formalism, but present it as Archimedes did. Present a construction, and as Cusa did, with his limited excursions into this, look at it from that standpoint.

That is the basis for scientific competence. When we took geometry out of the schools, we produced scientific illiterates.

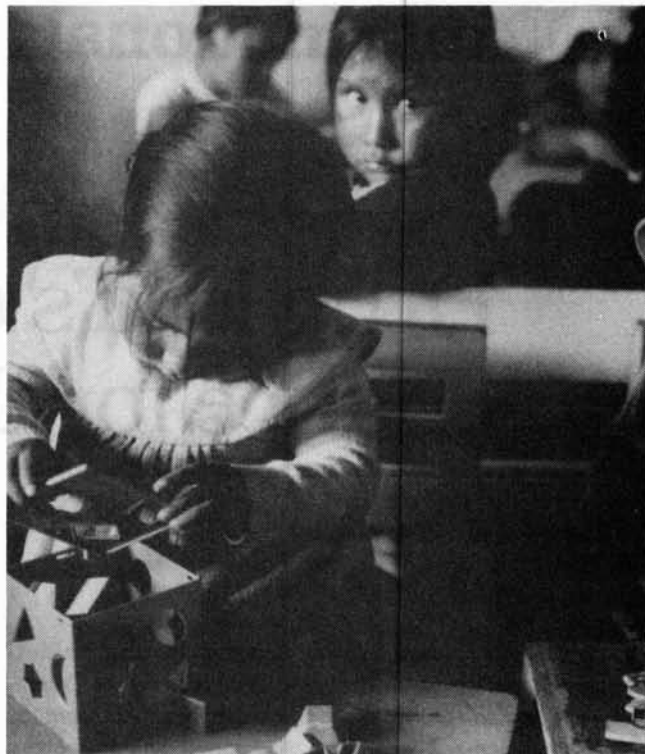
This is so essential, that if a child does not begin to get geometry at the age of 10, 11, 12, virtually irreparable damage is done—not necessarily in every individual case, but among students in general.

Students in general who do not begin to have geometry taught to them at the age of 10, 11, 12, will never become scientifically literate. That is, in general. They will not even be competent engineers. They can't be. We've had experience with that on the SDI, one notable case. Talked great, feeble in terms of grade averages, terminal doctoral degrees from the best universities—incompetent for precisely that reason. Because they were dependent upon the personal computer-type of approach, putting in algebraic formulations, functions, algorithms. They can do perfectly with algorithms. But in reality? No, they don't know what they're doing. They're nominalists. . . .

People say that Colombia could argue with the United States today, that by becoming a better market for U.S. capital goods exports, this would be beneficial for the United States, and the good trade unionists here, like populist idiots, should understand that; and therefore they should be for Colombia having the right to do this.

Well, that was fine for us to say in the 1960s, 1970s, even in the early 1980s, because you still had a constituency in the United States which believed that, and you still had U.S. industry. Today, you no longer have U.S. industry. Ten to 20 years later, you have a scientifically illiterate population; feminist irrationalism-dominated population; ideological fanatics, utopian fanatics of one sort or another.

The only way this can be approached, is not from a populist standpoint. Anyone who's trying to put formulas in words



A day-care center in Bolivia. "If a child does not begin to get geometry at the age of 10, 11, 12, virtually irreparable damage is done."

which can be sold to the "woikers" today—we know a couple of people who have that tendency—is nuts! The "woikers" are demoralized. They don't have morality any more; it was the "woikers" of our dear friends up there in Quad Cities, the workers of Davenport, Illinois, who voted for no levees. The "woikers" of today are stupid, because they're younger; they're not the old "woikers" of 20 years ago. This is the younger generation, of terrified people, who are afraid that their children are going to kill them—give them quick "death with dignity," to get the inheritance. Desperately clinging to little crumbs, of very short-term attention span, who sit in front of their television sets and do similar things. They're trying to expiate their existence with diversions, so-called pleasures of that pitiful type.

Only by a movement in the United States which says, we're going to change this, we're going to revolutionize the United States, we're going to get rid of this garbage, now we need to develop the United States—under those conditions, that's the way to get the interest. The people of the United States, whether they know it or not, have a vital interest, in survival for their children and grandchildren, in this happening in Colombia. Not the idea of an export market as such; yes, there are export relations, but the old idea of our advantage, the simple material advantage, no longer exists, because of the culture transformation.

Drug lord's death gives new chance for the war on drugs

by Our Special Correspondent

The myth of the impossibility of defeating the drug-trafficking cartels and the narco-terrorists who are ravaging Colombia vanished on Dec. 2, when three special agents from the National Police and three from the Colombian Army broke into the hideout of Pablo Escobar Gaviria, Colombia's most wanted criminal, and killed him.

The story of his pursuit and demise, contrary to the way it has been played in the international media, and especially that of the United States, not only testifies to the efficacy of a well-orchestrated military offensive, but should inspire the international community to finally prosecute a serious war on drugs, until that plague is eradicated from the planet.

The news was at first received by Colombians with incredulity; the capture of Escobar seemed as impossible as the fall of the Berlin Wall once had. Escobar was wanted for the assassination of a presidential candidate, a justice minister, a former justice minister, judges, police and Army officers, journalists, more than 500 victims of indiscriminate terrorist attacks, the blowing up of a commercial airliner in mid-flight, and for having kept the nation in terror and its politicians blackmailed for more than a decade. Now, Escobar was dead.

Activities in most of the country's businesses and offices came to a halt, while everyone waited by the radio to confirm or deny the rumor.

Judiciary taken by surprise

The office of the prosecutor general, headed by drug legalization advocate Gustavo de Greiff, had made a deal with Escobar, according to which the drug trafficker and mass assassin would surrender in exchange for a government pledge to provide a protected residence for his wife, María Henao de Gaviria, and two children, either in Germany or England.

The surrender was supposed to have occurred while his family was en route to Germany. When Escobar failed to turn himself in, the German government deported its unwelcome guests back to Colombia, where the Escobar family was once again placed under the protection of the prosecutor general's office.

The crack "Escobar Search Team," a joint Army/police special forces team which had been pursuing the cartel chieftain since his 1992 escape from jail, took full advantage of the Gaviria government's provision of a luxurious suite at Bogotá's Hotel Tequendama for the Escobar family, to monitor all calls coming in or out. At 3:00 in the afternoon, Pablo Escobar called into the suite; a Search Team agent notified his Medellín colleagues by radio, and sophisticated equipment was put to work tracing the call. In less than two minutes, the source was found to be a middle-class home which few would have suspected as the hideout of the multi-billionaire Escobar.

Without helicopters or the mass mobilization of Army troops and police, three police agents and three soldiers from the elite Search Team entered the house from front and rear. Escobar expected to do what he had always done, which was to have his bodyguards stall the police while he made his getaway. This time, unaware of other agents placed on nearby rooftops, Escobar took just one bodyguard with him to minimize detection, and fled by the window onto the roof of the house. The bodyguard was dead within the first seconds of the operation.

Minutes later, after firing 13 of the 16 shots he had in his two automatic pistols, Pablo Escobar lay dead.

The press came late

Unlike other operations of the Search Team, which were always transmitted by radio like a soccer game—with the

team's positions given in advance!—the press arrived late to this one.

Ten minutes after the shootout was over, the first reporters approached one of the agents who had mounted guard at the scene. "You may not pass," said the agent. "But I can tell you that the most wanted criminal in Colombia has fallen here." "Who? Who?" asked the incredulous reporters. "The head of the Medellín Cartel," was the answer. Still incredulous, the journalists asked if it was Pablo Escobar. The agent responded, "Gentlemen, tell Colombia and the world that this is the spot where Pablo Escobar, head of the Medellín Cartel and Colombia's most wanted criminal, fell."

One of the most surprised was Juan Gómez Martínez, governor of Antioquia province of which Medellín is the capital. Gómez Martínez had done everything in his power to "make peace" with the drug traffickers, and had spoken with Escobar and served as his messenger to the government on numerous occasions. Indeed, one of Martínez's estates was once raided by the Search Team, when a tip was received that the governor might be sheltering the cartel chieftain.

The next day, after Escobar's mother identified the corpse and the fingerprints of the dead drug trafficker were confirmed as Escobar's, the country breathed a huge sigh of relief. Medellín's inhabitants were perhaps the most relieved of all. That city had been the miserable hostage of the drug trafficker for nearly 20 years. Suddenly, it discovered that it was not some appendage of a gang of drug-trafficking assassins, and it remembered once again the era in which Medellín was known as Colombia's leading industrial center, a bustling, friendly, Catholic city, the "city of flowers" and of "eternal spring."

In acknowledging Escobar's demise, President Gaviria changed his usual rhetoric. During the award ceremony recognizing the members of the Search Team in Medellín for their victory, Gaviria declared, "Antioquia's values represent the best of Colombia's nationality. They are values which our parents and grandparents have inculcated in their families: loyalty, Christian faith, love for Colombia, honest work, and always fulfilling our duties. These values must be defended, must be recovered, now that the chapter on narco-terrorism has been closed."

Not a few Colombians squirmed at Gaviria's hypocrisy, given that his administration has been committed since day one to the elimination of Christian morality as the basis of social behavior in Colombia, and to its replacement with a supposed "lay ethic" premised on a pragmatic and temporary social consensus.

The enemy has many faces

Escobar's death occurred after a purge of narco-terrorism's spies from the prosecutor general and attorney general's offices, which was begun largely on the initiative of police colonel Alonso Arango Salazar.

Arango became famous after the secret service intercept-

ed a telephone call to Deputy Attorney General Guillermo Villa Alzate, in charge of monitoring the judicial police (DIJIN), by the Cali Cartel's Miguel Rodríguez Orejuela. Rodríguez demanded that Villa order disciplinary sanctions against Colonel Arango, the DIJIN's director, for having included the Cali Cartel in an intelligence report on the drug trade.

That Villa carried out "favors" for both the Cali Cartel and Medellín Cartel is no contradiction. Despite all the rivalries and internecine violence, there has always existed but one cartel. In fact, Gilberto Rodríguez Orejuela and his brother Miguel had been Escobar's partners for years. Despite all the U.S. media claims that the Cali Cartel is made up of "businessmen" who eschew violence, it is known that Rodríguez had participated in several political assassinations, along with Escobar.

The first such murder, the assassination of Justice Minister Rodrigo Lara Bonilla, was financed by circulating a purse among all the cartel druglords, including at the time Carlos Lehder Rivas, Gilberto Rodríguez, Gonzalo Rodríguez Gacha, Evaristo Porras, and others. The objective was to collect money from everyone, so that later, no one trafficker could denounce the others. The same system was used in the assassinations of newspaper editor Guillermo Cano and many of the politicians and magistrates who supported the extradition of traffickers.

Fortunately, Deputy Attorney General Villa Alzate was exposed and purged before he could carry out Rodríguez's demand. It was learned that Villa kept an army of 20 lawyers on duty for the task of hamstringing any Search Team offensive by putting together "abuse dossiers" on Search Team members, and by leaking information to Escobar.

Immediately after Villa's purge and the scandal that the attorney general's office was infiltrated by the cartels, the Search Team picked up Escobar's cold trail and pursued it to its end on Dec. 2.

It was during this same time that the Search Team's intelligence personnel discovered that personal bodyguards of Attorney General Carlos Gustavo Arrieta belonged to the narco-terrorist FARC guerrillas, while personal bodyguards of Prosecutor General de Greiff were in contact with cartel chieftains. It came as no great surprise; after all, if the attorney general himself is negotiating with the cartels, why not his subordinates?

Despite Gaviria's appeasement

Escobar's death took place despite Gaviria's appeasement policy. In fact, just one month earlier the legislature approved a new penal code—drafted in concert with the Cali Cartel's lawyers—offering such concessions as house arrest, waived or drastically reduced sentences, retention of assets, and so forth, as a reward for the drug traffickers' surrender. And yet, despite these generous offers, dubbed by some analysts "the legalization of the drug traffickers," the cartel

bosses had failed to surrender. Only police/military action against the cartels has brought any successes to date.

The fact remains that even should Gaviria be forced to order a military/police mop-up of the Cali Cartel and their Marxist narco-terrorist partners, the drug-trafficking hydra will continue to regenerate itself as long as the political god-fathers of the drug trade remain at large. If the war on drugs is going to be won, it is the likes of former President Alfonso López Michelsen, who has repeatedly advised the cartels on how to impose their will in Colombia, who must be prosecuted. And the list is a long one, including Antioquia Gov. Juan Gómez Martínez and federal prosecutors Carlos Gustavo Arieta and Gustavo de Greiff, who continue to use their positions to promote appeasement and legalization.

Chronology

Pablo Escobar's reign of terror

Mid-1970s: Pablo Escobar steals and resells cemetery tombstones in the city of Medellín, moves on to stealing cars. Arrested for car theft in 1974, he has the witnesses killed, and escapes. By 1976, he is running cocaine into the United States through Ecuador.

June 1976: Pablo Escobar and cousin Gustavo are arrested for cocaine trafficking and attempted bribery, and jailed. Eight months later, the Escobars are released from prison after all witnesses against them are killed.

The United States has accumulated a crime dossier on Escobar, which it provides to Colombian authorities. Escobar is linked to a ring of assassins-for-hire.

December 1979: The Colombian Anti-Drug Coalition is founded, dedicated to exposing the political and financial networks protecting the drug cartels.

1981: Escobar and his partners in the Ochoa clan join forces with trafficker Carlos Lehder—a partner of fugitive banker Robert Vesco—to forge a global trafficking cartel that comes to control 80% of the world's cocaine trade: the Medellín Cartel.

Over the next decade, Escobar amasses a personal fortune estimated at \$3 billion, and builds an army of assassins and terrorists. He acquires vast properties, purchases politicians, priests, and informants in the security forces, and buys himself a fanatic following in the Medellín slums.

1982: Escobar “wins” an alternate congressional seat, plus a multiple-entry U.S. visa and temporary parliamentary

immunity. He is expelled from Congress later that year, after a debate promoted by Sen. Rodrigo Lara Bonilla.

August 1983: Lara Bonilla is appointed justice minister by President Belisario Betancur. Over the next eight months, he begins to investigate the cartel's penetration into politics, sports, business, and finance, and starts to build up the first real intelligence dossiers on the drug trade and drug traffickers. He urges use of extradition against the cartel; conducts the first major bust of the cartel, and uncovers irrefutable evidence of collaboration between communist guerrilla groups and the cartel. He sponsors the first efforts to use herbicides against drug crops, and makes the first efforts to forge an Andean-wide war on drugs.

April 30, 1984: Lara Bonilla is assassinated by cartel hitmen. His death triggers an intense but short-lived military war on the cartels.

May 1984: Escobar meets with former Colombian President Alfonso López Michelsen and Attorney General Carlos Jiménez Gómez, to try to iron out an amnesty for the cartel. The proposal is rejected by the government of President Betancur.

Escobar is photographed by informant pilot Barry Seal, using a Nicaraguan (Sandinista) government airstrip to smuggle cocaine. Seal's information serves as the basis for a U.S. indictment of Escobar and other cartel chieftains. Seal is later assassinated while in the U.S. witness protection program.

July 16, 1984: Patricia Londoño, editor of *Guerra a las Drogas (War on Drugs)* magazine in Colombia and wife of Anti-Drug Coalition head Maximiliano Londoño, is abducted and tormented by elements of Universal Christian Gnostic Church, which is linked to López Michelsen and the M-19 narco-terrorists.

Nov. 6, 1985: As the Colombian Supreme Court considers several extradition cases, Escobar's Medellín Cartel finances M-19 guerrillas to the tune of \$5-10 million to besiege Colombia's Justice Palace, murder more than half the Supreme Court magistrates, and burn its archives. The justice system has not recovered to this day.

Nov. 17, 1986: Col. Jaime Ramírez Gómez, Lara Bonilla's right-hand man in the war on drugs, is assassinated by cartel hitmen.

Dec. 17, 1986: Anti-drug newspaper publisher Guillermo Cano, a fierce opponent of drug legalization who had fought any appeasement tendencies in the government, is murdered by cartel assassins.

Jan. 11, 1987: Lara Bonilla's successor as justice minister, Enrique Parejo González, barely survives an assassination attempt by Escobar hit team in Hungary, where he is serving as Colombia's ambassador.

Jan. 25, 1987: Anti-drug Attorney General Carlos Mauro Hoyos, who had initiated the first significant confiscations of cartel property, is assassinated. He is the last Colombian attorney general to stand up to narco-terrorism.

Aug. 18, 1989: Presidential candidate Luis Carlos Galán, a close friend and colleague of the murdered Lara Bonilla, is assassinated by the cartel, triggering a bloody war—including the bombing of a commercial airliner in which 114 die, the bombing of Bogotá's security police headquarters, the bombing of the offices of the paper *El Espectador*, and numerous other terror attacks. Galán's elimination from the race paves the way for the May 1990 victory of President César Gaviria Trujillo.

August 1989: After Galán's murder, President Virgilio Barco declares a "war on drugs" and seeks military aid from the United States. The necessary matériel is not made available. Covert amnesty negotiations with the narco-terrorist M-19 are begun.

October 1989: Cartel lawyer (and Escobar's godfather) Joaquín Vallejo Arbeláez reveals that the cartel had considered hiring Henry Kissinger as their Washington lobbyist. Kissinger's office refuses to confirm or deny having received such an offer.

February 1990: Escobar's narco-terrorist partner, the M-19, is granted a political amnesty by the Barco government. The M-19 is later incorporated into Gaviria's cabinet and is instrumental in getting extradition constitutionally banned in Colombia.

September 1990: Weeks after his inauguration, President Gaviria ends Barco's war on drugs and offers the cartels lenient prison terms and immunity from extradition.

June 1991: Escobar "surrenders" to a jail of his own construction, with guards of his own choosing, and continues to traffic drugs and murder opponents. He announces his intention to study law and run for the presidency, and gives an interview to the *Washington Times* stating that "legalization is the solution to put an end to drug trafficking."

July 1992: Revelations of Escobar's continuing crimes force Gaviria government to tighten prison conditions. Escobar escapes with all his henchmen and relaunches terrorism.

1993: Government tries to negotiate new surrender deal with Escobar. A powerful "vigilante" group called PEPES surfaces and begins to kill cartel members and lawyers, bomb Escobar's properties, and threaten his family. A joint Army/National Police task force, dubbed the Escobar Search Team, is initially hard on Escobar's heels, but the trail grows cold amid police charges that the attorney general's office is sabotaging Search Team efforts.

October 1993: Gaviria government passes legislation designed to give virtual amnesty to the rival Cali Cartel; the deputy attorney general overseeing police affairs is discovered to have been an agent of the drug cartels, passing security information to both the Cali and Medellín cartels; with his purge, the Escobar Search Team's efforts revive. Several cabinet members of the Gaviria government publicly promote drug legalization.

Dec. 2, 1993: Pablo Escobar is killed in shootout with the Escobar Search Team.

Ukraine gets remake of Munich betrayal

The western attitude toward Ukraine is "a remake of Munich 1938," which could lead to a new general war on European soil, Ukrainian writer Yuri Pokalchuk writes in a guest commentary in France's *Libération* daily on Dec. 8.

Pokalchuk begins by noting that force has "succeeded so well" in the internal affairs of Russia, that there is no way Russia won't be tempted to use threatening speech vis-à-vis its neighbors. This is clear in the "aggressive posture toward Europe" adopted by intelligence chief Yevgeny Primakov in his Nov. 25 press conference, in which he rejected NATO attempts to integrate central and eastern European countries into the NATO structure.

Pokalchuk stresses that if Russia takes such a hard line on matters pertaining to countries of the former Warsaw Pact, how much harder will its attitude be toward the former Soviet republics. After Kiev refused, on Nov. 18, to unconditionally transfer to Russia the totality of its strategic missile capabilities, the Russian Foreign Ministry issued a declaration calling Ukraine "a threat for the security of Russia." Furthermore, the recently released Russian military doctrine gives Russia the right to a "nuclear first strike" if it claims to be threatened by a nuclear state. Is Ukraine meant by this?

The writer wonders whether all the noise being made by Russia about the missiles, the Black Sea Fleet, Crimea, etc., takes on meaning if one keeps in mind the Russian desire to place Ukraine under Russian influence again. It is only in this context, he stresses, that one can understand the Ukrainian reticence to transfer its missiles to Russia. The missiles are "the only bargaining chip that Ukraine has, to exchange them for a guarantee by the United States or Europe for Ukraine's national independence and territorial integrity."

But, he goes on, the West is abandoning Ukraine in its unequal confrontation with Russia, hoping that Russia will succeed, "one way or the other," in bringing Ukraine under its bondage. The Ukrainians feel "insulted and embittered" before this "remake of Munich." The western wager is that Ukrainian "cowardice and resignation" will prevail, but this is "not assured. For after the Ukrainians, they risk having to make the same wager again respecting the Moldavians, the Belarussians, the Baltic countries, and—why not?—the Poles, the Hungarians, and the Czechs. If the bet failed, a Yugoslav-style war would threaten Europe. Even worse. Is Europe so myopic, so forgetful and so deaf to its own security—the same Europe which, two times in this century, has seen the flames of war, flames which were lit at the borders of Mitteleuropa?"

Anglo-Americans strike deal with Russia to sacrifice Ukraine

by Irene Beaudry

On Dec. 2, U.S. Secretary of State Warren Christopher threatened to cut Ukraine off from almost all financial aid, unless Ukraine immediately does the bidding of imperial Russia and dismantles all of its nuclear weapons. Ukraine, however, is steadfastly refusing to budge in face of these threats. Ukraine has repeatedly insisted that it very much wishes to get rid of its weaponry, but that, given the very dramatic events unfolding in Russia, it needs assurances that its borders will be secure.

Ukraine's position was underscored on Dec. 4 by Ivan Plyushch, the head of Ukraine's Parliament, who told Reuters news service that his country's position is non-negotiable. Plyushch said that Ukraine did not fear this would isolate Ukraine internationally, despite the strong international criticism of the conditions which the Parliament imposed when it gave partial approval to the START arms limitation treaty in November. "This issue can only be re-examined if there is a basis for doing so," Plyushch said, and "there can be only one basis: agreement with Ukraine's two basic conditions—providing us with nuclear fuel and a collective security agreement."

But it is precisely this demand to which the West will not agree, because the Anglo-Americans have already forged a deal with imperial Russia allowing it to restore its empire—and that emphatically means retaking Ukraine. As Lenin was wont to note, if Russia loses Ukraine, it loses its head.

Free at last

Two years ago, almost to the day, on Dec. 1, 1991, the Ukrainian nation overwhelmingly voted for its independence from imperial Russia. For the very first time since 1918, Ukraine was an independent, free country.

But now, the geopolitical machinations of the Clinton administration doom that nation to once again go under the yoke of Russia. British Foreign Minister Douglas Hurd, current chairman of NATO's Council of Ministers, quite willingly spilled the beans that such a deal had been made. He told a press conference in Brussels on Dec. 2 that the highest priority of NATO was to establish closer relations with Russia. "A strong friendship between Russia and NATO is essential to the security of Europe. The process of political and economic reform in Russia continues to move forward and

we note with satisfaction . . . the progress in withdrawing the remaining Russian forces from the Baltic states." Therefore, Hurd added, Ukraine will be removed from the North Atlantic Cooperation Council, and would not be allowed to participate in the new NATO "Partnership for Peace" program (see article, p. 37), if it does not take "swift action" on the demands made by NATO that it denuclearize.

Is the Anglo-Americans' threat real, or is this all just doubletalk to mask the new condominium deal? Russia's new military doctrine makes very plain how utterly duplicitous the Anglo-American geopoliticians are. The doctrine emphasizes Russia's right to first use of nuclear weapons, specifically in the case of "defending" itself or any ally against "aggression" employing conventional weapons, if the country concerned is the ally of a nuclear power (see *EIR*, Nov. 12, p. 36).

In that light, Christopher's statement to the Ukrainian Presidium of the Supreme Council during his trip to Ukraine on Oct. 25, is double-edged: "Some among you believe that Ukraine's security concerns could best be met by renouncing the commitment of this body and the government of Ukraine to a non-nuclear future. I disagree. Retention of nuclear weapons would diminish rather than enhance your security. It would impede, if not imperil, the process of integration into the world community of democratic nations that is the only real guarantee of Ukraine's security."

Behind Christopher's words lies the veiled threat: Ukraine had better get rid of its nuclear weapons because the Anglo-Americans will certainly *not* come to the aid of Ukraine once Russia invades it, and so, better that there be no nuclear weapons on its territory, or indeed, a worse catastrophe than Chernobyl could occur.

Former Ukrainian Defense Minister Gen. K. Morozov, in a recent interview, characterized Kozyrev's threats as "nothing short of barbaric, cruel, and anti-Christian."

On the same day that Hurd announced the new condominium deal in Brussels, Ukraine President Leonid Kravchuk made yet another appeal for help and that Ukraine not be forced to its knees. "Other states must understand, that if we move gradually, taking account of our situation, we shall [disarm]. . . . We should not have to take a decision on our knees," he said.

But on their knees they must go, for Hurd's statement is in direct reaction to the fact that the Ukrainian Parliament did ratify the START I accord on Nov. 18, but only with 13 conditions for implementation.

"Ukraine ratified this START accord without guarantees of national security, without indispensable financial aid from the West, and without compensation for its tactical weapons transferred to Russia," said the chairman of the parliamentary working group and deputy chairman of the Parliament, Vasyl Durdynets.

"But we are not losing hope that the West will take steps to meet us, and will give us monetary aid for the destruction of nuclear weapons," he said.

Ukraine estimates that it will cost over \$2.8 billion to dismantle its entire nuclear arsenal, and about \$1.6 billion to dismantle 36% of the nuclear weapons as specified in the START I treaty Ukraine ratified.

As outlined by Oleh Bilorus, Ukraine's ambassador to the United States, at a Washington, D.C. press conference on Nov. 19, some of the conditions are: that Ukraine considers the nuclear weapons on its soil to be the "state property of Ukraine;" that Ukraine does not consider Article V of the Lisbon Protocol to be binding and, therefore, will not accede to the Nuclear Non-Proliferation Treaty (NPT); that if dismantling of the weapons occurs outside of Ukraine, Ukraine must directly control the process to ensure that the nuclear material is not used to develop new weapons; and that the reduction of Ukraine's nuclear weapons cannot occur without economic and technical assistance from the international community.

Why would the United States not help financially? Why not offer some deal to aid Ukraine's catastrophic economy in return for dismantling the weapons? Again, Christopher blurted out the truth in his Oct. 25 visit to Ukraine: He suggested that the United States could expand trade and private investments by lowering tariffs on Ukrainian goods and helping Ukraine join the General Agreement on Tariffs and Trade (GATT). According to Ukrainian-based American press reports, Christopher said that if Ukraine is indeed committed to market reforms, the United States could mobilize substantial economic support channeled through international financial institutions. In other words, Ukraine must give itself up to International Monetary Fund (IMF) shock therapy, *à la* Poland, or no aid.

So it is plain: Ukraine's resistance to being looted, as Poland and others have been by shock therapy, has nevertheless resulted in that country's total economic collapse. Ukraine is among the top three economies of the world with the highest rates of inflation—along with Brazil and Zaire. Now, because Ukraine refuses to meekly join the Russian empire, it is to be brought, by western agreement, not to its knees, but to its death. As Ukrainian writer Yuri Pokalchuk put it in a guest commentary in the French daily *Libération* on Dec. 7, "The West is suggesting to Ukraine that it lie down and die before Russia."

NATO bows to Russia on eastern Europe

by Kathleen Klenetsky

NATO foreign ministers conferring in Brussels, Belgium on Dec. 2 delivered a sharp rebuff to eastern European attempts to obtain security guarantees against the potential for aggression from a Russia increasingly dominated by the imperial "Third Rome" ideology.

Rejecting eastern European membership in NATO for the foreseeable future, the foreign ministers meeting, which was attended by Russian Foreign Minister Andrei Kozyrev and several of his Russian colleagues, instead gave its informal endorsement to the Partnership for Peace plan promoted by U.S. Secretary of State Warren Christopher.

Under this scheme, which was first proposed by the Clinton administration earlier this year and is expected to receive formal approval when NATO heads of state meet in January, NATO would extend a security "partnership" to a number of countries, including eastern European countries formerly under the Soviet dictatorship.

According to discussion at the NATO conference, the Partnership for Peace would allow these countries to participate in NATO military exercises and to collaborate with NATO in peacekeeping enterprises; it would also provide assistance to "partner" countries in military budgeting and other areas. But it would deny to them the all-important security protections afforded full-fledged NATO members by Article V of the alliance's charter. In other words, if Russia were to attack Poland, the Czech Republic, or Slovakia, NATO would stay out of it. Instead of getting direct military assistance from other NATO members in the event of a military attack, a "partnership" member would receive only a "pledge of consultation," as Christopher put it.

The booby prize of "consultation" will prove small consolation to the victim of aggression. "That's like having the cops hold your hand while you're getting mugged, instead of stopping the mugging," commented one Washington observer.

Rubbing salt into the wounds, Christopher gave an interview to the Dec. 3 London *Independent*, in which he stated that it was just too bad if Poland, Hungary, and other countries of East and Central Europe were dismayed by NATO's actions. "There may be a momentary disappointment if they had high expectations of imminent [NATO] expansion," he said. But these countries should realize that "membership of NATO is a very serious business. It's not a social club."

The NATO decision represents craven kowtowing to Russian hard-liners, who have publicly insisted that the West

Ukraine a trigger point

In a radio interview on Dec. 8, Lyndon LaRouche commented on NATO's decision to exclude eastern European countries from joining the alliance. Excerpts follow:

A new generation is now leading the United States, which has inherited the terrible features of policy-shaping left over from the wreckage of the Bush administration, which is still all over the Clinton administration. They have a very specific, easily recognized problem, easily recognized to anyone who has studied the history, for example, of the 18th century in Europe or the early 20th century. This problem, in technical language, is called a *cabinet warfare mentality*. But they are people who have . . . never been educated in history. . . . They don't understand what cabinet warfare is. . . .

In the Ukraine case, the administration is operating . . . together with London . . . to establish Bush's policy of a new global-imperial condominium, with Russia.

This is also a delusion, one should be reminded, like the delusions of the early part of this century, before World War I, and the greater delusions which took over much of U.S. policy among the more credulous people in

the 1930s that we were not going to world war when we were; we're in that same kind of delusion now.

[Yet] before World War I, the British and leading Americans around Wilson and Roosevelt in this country, for example, knew we were going to war. . . . In the 1930s, all the leading establishment, from at least 1936 on in the United States, knew the United States was going to war against Germany. . . . *Today*, the difference is, the *highest* level of policy-shaping in London and in Washington, those in power around the Clinton administration, around Major, *don't know*. . . .

Bush made a speech in Kiev. . . and told the Ukrainians to submit to Gorbachov and not to seek independence. . . . You had two key people in the Bush administration, apart from Baker. . . . Now, who are Brent Scowcroft and Larry Eagleburger? They were formerly employees of Kissinger Associates. . . . Now, the Eagleburger/Thatcher/Scowcroft/Bush policy—is still the policy of the Clinton/Christopher State Department, in modified terms: It's different theorems, but the same axioms.

Ukraine is a trigger point for general world war. If the United States backs down on this issue of Ukraine, then they set the forces in motion for a Russian Third Rome dictatorship with very confidently aggressive foreign aims, beyond the so-called Near Abroad, for a present-day Russia.

not extend security guarantees to Moscow's former eastern European colonies.

Russian armtwisting

Russian pressure on NATO on this issue has been intense. A week before the Brussels meeting, Russian foreign intelligence head Yevgeny Primakov issued a statement warning NATO not to oppose Russia's wishes, ominously asserting that an expansion of NATO would force Moscow into "fundamental" countermeasures. In effect, western Europe and the United States have given Russia a veto over NATO affairs, and, in the process, have de facto conceded that the old Soviet sphere of influence in eastern Europe remains—no matter what talk of "peace and democracy" Boris Yeltsin and his entourage may indulge in.

Foreign Minister Kozyrev made no bones about the fact that Russia was pleased with NATO's capitulation. After meeting with Christopher in Brussels following the NATO conference, Kozyrev gloated to reporters that the Partnership for Peace is "a good idea. Partnership is the key word." And Clinton Defense Secretary Les Aspin, speaking at a conference in Washington on Dec. 3, commented (with no irony apparent) that NATO's adoption of the Christopher plan "gives Russia less heartburn. This is a proposal they find

very comforting and they have been very supportive of it."

Not surprisingly, the NATO decision elicited strong responses from those who see it as yet another indication that the West, and the United States and Britain in particular, are seeking to establish a New Yalta deal with Moscow, at the expense of smaller powers.

Polish officials were among those said to be "deeply disappointed" with the outcome of the Brussels meeting. The Polish deputy defense minister gave a press conference on Dec. 7 in which he asserted that NATO membership remains one of Poland's chief strategic goals, and asserted that Russian fears on this score were groundless.

Jan Nowak, national director of the Polish American Congress, believes that the Clinton administration's Partnership for Peace plan "may be perceived in Moscow as a 'green light' for ambitions to restore the Russian empire and to regain its sphere of influence in East Central Europe."

"What looked like prompt acceptance by the United States and its allies of Moscow's 'veto' against the NATO membership of Poland, Hungary, and the Czech and Slovak republics will have an encouraging impact on those politicians around Boris Yeltsin who are seeking recognition of Russia as the sole 'peacemaker' for the entire area of the former Soviet Union," Nowak warned.

'The greatest obstacle to peace is the policy of Great Britain'

by Our Special Correspondent

All quotes are paraphrases, typed up from handwritten notes, as there were no official stenographers and no official minutes taken of the proceedings.

On Dec. 1 and 2, there took place in Königswinter, Germany a remarkable gathering under the heading "Conference of International Parliamentarians and other Citizens against Genocide in Bosnia-Herzegovina," organized by the Friends of Bosnia Action Group Malaysia, and the German Members of Parliament Dr. Christian Schwarz-Schilling and Stefan Schwarz.

Among those who attended were Dr. Ejup Ganic, vice president of Bosnia, who was present throughout, and European, Malaysian, and American parliamentarians, including U.S. Reps. Frank McCloskey (D-Ind.) and Charles Wilson (D-Tex.); Daniel Picotin; Gabrielle Traxler, MP, (Vienna); Dominic Puthuchear; Gen. J.A. Count von Kielmansegg, the former NATO commander in Bosnia; George Kenney and Marshall Freeman Harris, both formerly of the U.S. State Department, and about 40 others, including military experts and foreign policy advisers. From the German side, the moving spirit was Mr. Schwarz, who was also the parliamentarian leading the campaign to force the German Parliament to face the truth of the Serbian-run concentration camps and rape camps in Bosnia; two weeks before, he had been deselected by his party, the Christian Democratic Union, and will not be allowed to stand on the CDU ticket for the upcoming elections. The reason given by party spokesmen was that Mr. Schwarz is "a giraffe with his head in the clouds"; the actual reason appears to be that the 34-year-old, who is perhaps the only CDU politician left whom the population does not despise, has not been shy with respect to his public statements on the role of Great Britain in instigating the war in the Balkans.

The consensus at this meeting was that the "greatest obstacle to peace in Europe is the policy of Great Britain," to use Schwarz's words. Four items were placed onto the agenda by the most prominent MPs present: first, how to handle the British problem; second, how to handle the related problem of a power allied to Serbia and Great Britain, namely Greece,

taking over the presidency of the European Community as of January 1994; third, what to do about the inaction of the Clinton administration; and fourth, how to deal with the U.N. cut-off of food aid to Bosnia. These agenda items were debated, despite attempts by Dr. Tillman Zulch of the Society for Endangered Peoples to deflect attention away from Great Britain by making Croatia the world's bogeyman.

Britain complicit in genocide

It was highly instructive to hear firsthand the unvarnished views of Dr. Ganic, the Bosnian vice president, viewed by many as the backbone of the Bosnian resistance. Dropping all pretense of diplomacy, Ganic said that to his mind, there could be no shadow of doubt that Great Britain is indeed complicit in genocide, through her action to uphold the arms embargo upon Bosnia. It is she, he said, who has kept the



U.S. Rep. Frank McCloskey (D-Ind.) presented to the conference a resolution to endorse Bosnia-Herzegovina's suit against Great Britain, which charges Britain with complicity in genocide. The resolution was accepted.

The Königswinter final communiqué

Dr. Ganic's press conference, given on Dec. 2 in the press room of the Bonn Parliament, and to which he was accompanied by a dozen foreign parliamentarians who sat with him on the podium, was blacked out by the German press and electronic media. No sooner had Dr. Ganic finished speaking, than a dozen television cameramen ran in for the *next* press conference, which was about forest ecology. There can be little doubt that this was a calculated offense by the German government, the more so, as not a single German paper, to our knowledge, ran a report, nor did they reprint the final Königswinter press release, the main points of which are as follows:

- rejects the Owen-Stoltenberg proposal to create "a new state along ethnic lines";
- calls for the resignation of "mediators" David Owen and Thorvald Stoltenberg;
- condemns the present interruption of humanitarian aid to Bosnia as a crime against humanity, notably stating: "We condemn David Owen's suggestion that humanitarian aid might have to be withdrawn if there is no agreement in Geneva";
- demands that the economically and strategically vital Tuzla Airport re-opened;
- condemns the new German-French proposal to lift sanctions against Serbia if the latter cedes a little more land;
- calls for lifting the arms embargo against Bosnia-Herzegovina and for the use of force, including air strikes, against those who obstruct the movement of supplies.

other western countries in line. The vice president recalled how his own father would always refer to the British sellout of Czechoslovakia (in 1938) in terms so unflattering that one hesitates to repeat them here; he noted that it was almost impossible, during World War II, to get the British press to publish anything on the existence of the concentration camps. Now that I am on the receiving end of the same policy, he said, I have finally understood what my father meant.

It is Dr. Ganic's informed conclusion that Unprofor, the U.N. so-called peacekeeping force, is anything but neutral: "They decide who shall live in Bosnia, and who die," by their finger-tip control over the food supplies into the country. This point was also raised by Traxler and Schwarz, both of whom

believe that there is only one chance left to get around the U.N. High Commission for Refugees (UNHCR) sabotage and feed the Bosnian people: private aid organizations; the same has been recently confirmed by aid organizations consulted by *EIR*. It was felt by everyone present—and David Owen, the pro-Serbian "mediator," in his Guildhall speech a week earlier, made little attempt to hide this—that the purpose of the UNHCR food cutoff is to blackmail the government and Armed Forces of Bosnia by starving out their population, and thereby force the Bosnian authorities to their knees at the Geneva talks. In the words of a well-known journalist present: "The whole U.N. aid operation is nothing but a fig leaf. We are keeping people alive to watch them be killed. . . . David Owen is an accomplice, a criminal accomplice. Germans MPs must do everything to prevent Owen from speaking in the name of the EC."

Demand that British and French troops leave

That was the context in which Rep. Charles Wilson asked the conference participants whether they should not vote up a resolution demanding that the French and British troops in Bosnia be withdrawn. Supposedly there to guard convoys, he said, they are in fact being held in Bosnia as hostages of their governments to block any U.S. attempt to militarily intervene against Serbia; in his view, these troops should leave forthwith. A consensus was not reached on Wilson's proposal, however.

The following day, Dr. Ganic intervened again, on the Geneva talks: "We are under massive pressure to sign a so-called peace agreement. I can tell you something of what the internal discussion is at Geneva. We are being told: 'You can save your people, or save your country. . . . Nothing will happen to save you, so cut a deal now, you'll get 30% of the territory.' When I reject this madness, they say I am a radical! David Owen has been going round telling people: 'Dr. Ganic can afford to refuse a deal, because he is a mathematician, and can get a job in the U.S.A. any time. But you, the Bosnian people, you have to stay there. So tell Ganic to cut the deal.' Geneva is the worst; it is so bad, there is such low talking, it is so miserable what goes on there. And Lord Owen is trying to say: *I am the world, I am European democracy*. And he is not.

"When I proposed to move the talks from Geneva to New York, so that we could not be carved up in silence, [U.S.] Secretary of State [Warren] Christopher said to me, 'You want to create a media zoo in New York, Dr. Ganic.' It is always through British channels that the State Department handles the media in Europe. That is what I am told. That is a big problem.

"There are many spy agencies in Bosnia, but only 85 registered mujaheddin. I went to the 85 registered mujaheddin and I said, 'You are a headache. All you 85 do is bring the attention of the western press onto 'fundamentalism.' But we Bosnians will never be fundamentalists. As for the rest of

the so-called 'mujaheddin,' well, they are finely equipped and kitted out, their English is terrific, but strangely, they speak no other tongues.

"As for the conflict with the Croats, it was much supported from outside.

"We need 20,000 demonstrators in Frankfurt or Berlin, 50,000 in London. Western newspaper editors have instructions not to cover Bosnia unless there are 25 dead per day or more, or unless at least nine children are killed.

"There is a huge operation by British intelligence to destroy the Muslims from the inside. Abdic is a creation of Lord Owen. Owen told him at Geneva, go with it! But Abdic was not able, so they had to drop it, they said to him, we gave you everything, but you didn't fly!

"If Bosnia survives, which I hope and pray she shall, we shall be the most stable country in the world! They have given us every poison to drink, we have drunk it, and yet, we are still there!"

Legal proceedings against Great Britain for genocide

One of the critical issues raised during the debates was the question of the suit brought by the government of Bosnia against Great Britain for complicity in genocide, under Arti-

cle III of the Genocide Convention. The suit, the strongest card Bosnia has to play if the western populations and press are to understand what this war is actually about, was supposed to be presented on Dec. 6 before the International Court of Justice in The Hague, The Netherlands, but, although announced by worldwide press release, this has not yet occurred at the time of writing (Dec. 9).

Representative McCloskey presented a verbal resolution to the participants of the conference, which was accepted, to endorse the suit against Great Britain; this has been prepared on behalf of the government of Bosnia by Prof. Francis Boyle, a leading authority in international law, who teaches at the University of Illinois at Champagne, and who has recently pursued Serbia under the Genocide Convention at The Hague. Known internationally for his interventions in favor of Bosnia's right to statehood, McCloskey has called for air strikes against Serbia, lifting the arms embargo against Bosnia, and the removal of Lord Owen as "negotiator"; he stated that the government of Bosnia should not allow itself to be held back for any reason whatsoever from prosecuting the suit against Great Britain. He was strongly seconded in this by an Englishman from a group founded by Prof. Adrian Hastings, "Alliance for Bosnia," which is the center of opposition to Foreign Office policy in Great Britain. The congressman also called upon Vice President Ganic to convey the urgency of this message to the presidency and government of Bosnia, and to the Bosnian people.



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In a letter to U.N. Secretary General Boutros Boutros-Ghali, Sir David Hannay, Great Britain's ambassador to the U.N., said that the "British government rejects as totally without foundation the allegations contained in the Republic of Bosnia-Herzegovina's statement of intention to institute legal proceedings against the United Kingdom. If such proceedings are initiated, they will be vigorously defended." When the Bosnian suit was first announced in November, the London *Daily Telegraph* promptly quoted anonymous sources in the British government warning that humanitarian aid to Bosnia could be cut off at any time if such "ungratefulness" were indeed shown. In the meantime, as one might expect, a full-scale British intelligence ploy has been mounted behind the scenes, to armtwist the government of Bosnia into dropping its suit.

'Moral appeals are useless'

Among the more extraordinary interventions were those of Gen. J.A. Count von Kielmansegg, formerly NATO Commander for the Northern Region, and until recently head of the Unprofor headquarters in Bosnia. He said that in his opinion, "Moral appeals to England are useless. All we can do is to try to make it clear to the English that their behavior is not, in the real sense, in their own interest. Our strength is in our own populations, where there is still some moral spark, no matter how feeble. In any event, the only way we can save Bosnia is by military intervention against Serbia. We must. I agree with Representative Wilson that the British and French troops are deliberately kept there as hostages. It would be better to pull them out now. The lifting of the embargo against Bosnia would be far more effective to save her, than keeping such troops there."

A well-known French writer, M. Gilles Hertzog, described his government and that of Great Britain as "ice cold monsters, to whom no moral appeal will serve. They are addicted to the policy of Munich. Forget trying to slap France and England on the wrist. They don't give a damn! Now France and Germany propose to raise the embargo against Serbia—not even England has gone that far, publicly! And we subject the Bosnians to food blackmail—'if you don't submit and sign for partition before April, we will starve you out.' We have absolutely no confidence left in our own governments. Our own card left to play is that of public opinion, and public opinion has not changed. I can speak for France emphatically: The people are in favor of military intervention against Serbia, and raising the arms embargo.

"Our plan is, right after Christmas, to launch one huge, provocative act and pull the population out from under our governments like a rug. Full-page ads in the French press, under the title, *Arms for Bosnia!* I call upon everyone here to do the same in your own countries. We will raise a lot of money for this, and we will throw complete disorder into the policy of the French government, which is to stand by and watch genocide being carried out before our eyes."

Venezuela

São Paulo Forum loses in elections

by Cynthia R. Rush

The São Paulo Forum, the coalition of Ibero-America's narco-terrorist organizations created by Cuba in 1990, failed in its attempts to install one of its members as President of Venezuela in the Dec. 5 elections. With 20% of the vote, the candidate of the left-wing Radical Cause (Causa R) party, Andrés Velásquez, lost to former President Rafael Caldera, who won with 30%. A crucial factor in Causa R's loss was the mobilization launched prior to the election by the Ibero-American Solidarity Movement (MSIA), which exposed Causa R's plans to claim victory regardless of the vote count and seize power through armed insurrection. The MSIA exposé circulated throughout Ibero-America where several other Forum-linked candidates are running in presidential elections scheduled over the next year and a half (see p. 46).

The election results followed a pattern seen in many countries today where the established political elites are collapsing. The Venezuelan people rejected the candidates of Venezuela's two traditional parties, Democratic Action (AD) and the Social Christian Party (Copei), both associated with the international banking community's disastrous free market reforms, implemented since 1989 by the government of Carlos Andrés Pérez. Voter turnout was higher than expected, but the abstention rate was estimated at close to 30%. Caldera, 77, was the candidate of the multi-party Convergence coalition which includes both left- and right-wing groups. Throughout the campaign, he attacked free market reforms as "oppressive" and vowed to reexamine Venezuela's foreign debt, a portion of which he charged is "illegitimate." He also promised to remove the recently approved 10% value-added tax, not to fire public employees from their jobs, and not to place a tax on gasoline.

Until early in the morning of Dec. 6, Andrés Velásquez refused to concede Caldera's victory, and claimed that his own figures showed that Causa R had won. This was precisely the scenario which the MSIA had warned of: Causa R intended to claim victory, citing fraud, and then to send its followers into the streets to "defend the vote" with weapons. But since there was universal acknowledgement of Caldera's win, and other candidates conceded, Causa R finally had

no choice but to follow suit. A heavy military deployment nationwide also had its effect.

No overwhelming mandate

The question now is whether Caldera will actually break with Venezuela's elites, with whom he has a long association, and adopt the policies required to rebuild the country. He does not have an overwhelming mandate and is expected to have little congressional support. But any attempt to go back to the free trade economic recipes applied by former President Carlos Andrés Pérez would immediately make the country ungovernable. In the aftermath of Caldera's victory, spokesmen for the international banking elites have already expressed the hope that he will become another Carlos Menem, the Argentine President who campaigned in 1989 on a nationalist platform only to embrace harsh austerity policies.

The electoral outcome and the basis on which Caldera campaigned have caused considerable nail-biting among the Anglo-American political and financial leaderships. For decades Venezuela was the showcase of Ibero-American "democracy"; but in the past two years it has been shaken by social unrest caused by the government's application of International Monetary Fund austerity policies, as well as by numerous corruption scandals involving President Carlos Andrés Pérez. In 1992, nationalist military forces twice attempted to overthrow CAP; finally, he was removed from office by congressional action in mid-1993.

The Anglo-Americans fear that universal hatred of the banking community's economic reforms, and of corrupt political parties and bureaucracies, will overturn their insane reforms. Sebastian Edwards, the World Bank's chief economist for Ibero-America who was quoted in the Dec. 7 *London Financial Times*, expressed this concern clearly when he predicted that the Venezuelan election results "will be felt beyond Venezuela's borders." Noting that this is the first electoral triumph of a presidential candidate in a leading Ibero-American economy who is "explicitly opposed" to market-oriented economic reforms, Edwards warned that the election shows that "economic reforms have not been consolidated in Latin America," and added, "I think this will provide some kind of signal to other politicians in the region." The only countries in which the reform process definitely can't be reversed, he said, are Chile and Mexico, and Argentina is "debatable."

This is why agencies such as the Inter-American Dialogue (IAD), the Clinton administration's chief adviser on Ibero-American policy, and the U.S. State Department have joined with Fidel Castro in promoting the São Paulo Forum's candidates throughout the continent: to counter growing military and civilian resistance to these nation-wrecking strategies. The Forum's affiliated presidential candidates are not only committed to continuing the free market madness. They intend to rip apart national institutions which defend sover-

eighty, unleashing ethnic conflict, civil war, and imposing fascist social control in the vacuum left by institutional collapse.

Just days before the Dec. 5 elections, the Clinton administration sent Assistant Secretary of State for Inter-American Affairs Alexander Watson and Richard Feinberg, the National Security Council's man in charge of Ibero-American affairs, into Caracas to boldly support the Causa R candidate and to threaten Venezuela's Armed Forces not to consider coup action should Causa R win. Feinberg, a former president of the Dialogue, stayed through the elections. Watson carried a letter from President Clinton to Venezuelan President Ramón J. Velásquez in which Clinton warned that "there is no possibility of normal relations between the United States and a non-democratic Venezuela." In a speech Dec. 3 before the Venezuelan-American Chamber of Commerce, Watson elaborated that a military coup in Venezuela would lead to a cutoff in all bilateral trade relations, and revocation of visas for travel to the United States.

What's next?

The fight to determine the character of the Caldera presidency, which will begin in February, has already begun. It is not encouraging that one of his key advisers is Julio Sosa Rodríguez, a member of the Inter-American Dialogue whose name has been mooted as a possible finance minister in the new regime. Several international news media insisted on Dec. 7 that most of what Caldera said during his campaign was just "populist bluster," and that he didn't really mean it. More than one source reported that he had sent his financial advisers abroad during the campaign to reassure foreign investors and had already put together a management team that included many advocates of free market reforms.

In his first press conference on Dec. 6, Caldera carefully reiterated his campaign themes. Calling for a great "national accord" of all Venezuelans, he stated that free market reforms must be modified to bring greater social justice to the millions of his impoverished countrymen, although he gave no details on which reforms he would modify. He restated his vow that he would eliminate the 10% value-added tax, and announced that he is seeking "reasonable solutions" to the problem of the foreign debt. A priority task, he said, would be to reunite the country's Armed Forces whose support for democratic institutions is vital.

Causa R is contesting the vote count which shows its candidate in fourth place, and is claiming that the party is in fact the country's most important political force which intends to be a "scrupulous watchdog" of the new government's functioning. Caldera would have to work with Causa R, he said, because the new government "can't get the country running on its own." Following Caldera's press conference, Causa R Secretary General Pablo Medina told the President-elect, "You can count on us," and suggested a meeting to discuss collaboration.

The Chinese Democracy Movement lives on, say its exiled leaders

by Cho Wen-pin

On Nov. 14, the very last day of the Third Plenum of the Chinese Communist Party held in the People's Hall on Tiananmen Square, police took away two dissidents, Yang Zhou and Qin Yongmin, after a meeting in which nine dissidents signed a preliminary draft of a "peace charter" on political reform.

The peace charter, which reads, "we all agreed on the principle of open, non-violent action to open the unified movement to protect human rights on a national scale," was initiated by Qin Yongmin, and written to promote non-violent political reform, individual rights, the release of political prisoners, and to stimulate dialogue. The movement was joined four days later by representatives of the new Unified Movement to Protect Human Rights, based in the central city of Xian.

During the Asia Pacific Economic Cooperation conference in Seattle, six overseas Chinese organizations gathered to protest the visit of China's President, Jiang Zeming. On Nov. 21, Ni Yuxian (who was twice jailed and barely escaped death for his struggle for a democratic China) and others initiated the Seattle Declaration, signed by 39 democratic movement leaders in exile. The signers include Liu Bingyan, senior journalist, now head of the China Initiative, based in Princeton, New Jersey; Wang Bingzhang, founder of *China Spring* magazine; Wang Che, founder of the Christian Democratic Alliance; Zheng Yi, the reporter who shocked the world with the story about the practice of cannibalism during the Cultural Revolution; Li Lu, Wuer Kaixi, Zhang Boli, and Xiang Xiaoji, all students leaders in 1989 in Tiananmen Square; and Wang Ruowang, dissident journalist and senior writer.

Wei Jingshen, jailed for 15 years as a political prisoner, in a recent article accused the United States of putting money before morality. He called President Clinton's new policy of "constructive engagement" with Beijing a "misguided shift" which will be taken by the Chinese people as proof that the Communist Party had been right to charge that "the American government is controlled by rich capitalists. All you have to do is offer them a chance to make money and anything goes."

This hero of the 1979 Beijing Spring had no illusion that economic modernization could possibly succeed if freedom of ideas is crushed by a tyrannical regime (see *EIR*, Feb. 14, 1992, p. 32).

The following is the first publication in English of the Seattle Declaration. It was translated from the Chinese newspaper *World Journal* from Nov. 23.

The Seattle Declaration

We, the undersigned, see ourselves as members of an international coalition of independent democratic organizations as well as individual and intellectual dissidents, assembling here during the Asia Pacific Economic Community conference and Sino-U.S. summit meeting in Seattle, with our moral commitments and under the name of civilized human consciousness, to state our fundamental position on the major issues facing our country, and to express our deep concerns over the future and the happiness of all the people and nations in China.

Today, everyone—no matter how much one's ideology and political position differ from those of others—should sense from his daily life that the whole world is undergoing a profound and drastic change as it is about to enter the 21st century. After the collapse of the Communist Alliance and the end of the Cold War, a half-century of confrontations between the two blocs and genocidal clashes over ideologies is being gradually replaced by movements for freedom and democracy under a rational and peaceful theme; a historical anomaly that isolates a quarter of the world population in China from the rest of the world, and opposes Chinese modernization, is disappearing, irreversibly, from the scene.

Protecting human rights and the dignity to realize the true value of a human being has become the basic demand among the new generations in China.

However, the political system in mainland China is founded on a basis that only guarantees the privileges of a few cliques—not elected by the people—maintained by using violent political methods and depriving the majority of basic human rights. The truth of indisputable facts, sounder than any arguments from the current regime and its supporters, speaks loudly: No one with an independent character would indefinitely tolerate this unlimited political and economic slavery. Thus, people would take any opportunity to rebel for their rights to live. As was demonstrated in the Tiananmen Square Student Movement, and again in the recent "Peace Charter" Democratic Manifesto, no one can ever kill freedom.

For more than two score years, China has been ruled under one party which in turn has been run by one man, a political system needed for the military communist economy. This personalized system, which features an absolute authority under absolute control, could only be created under lasting civil wars and a violent international environment. Now, long wars, extreme austerity, and general illiteracy—the very sustenance fostering that system—is being overturned. “Furs can’t grow if there is no skin,” as the old Chinese proverb says. China can’t generate another strongman like Mao Zedong or Deng Xiaoping to sustain the corrupt and falling house of tyranny. Now, everyone sees clearly the coming devastating chaos in the system after the death of Deng Xiaoping. Due to the historical burden the Chinese Communist Party inherited from its past mistakes, and due to the contradictions within the current structure of its political system, the so-called “core” leadership appointed by a few cannot possibly fill the power vacuum caused by the death of Deng Xiaoping; Chinese society would not accept any man-made “savior.” The day when the last political strongman dies would be the time of the very collapse of the current political system.

The Chinese Communist Party uses violence to suppress the yearning for democracy by the people, and to maintain rule by a few privileged cliques. It appears to some that each time the regime has gained for itself a temporary political stability with armed action, the inhuman brutality plants seeds of hatred among the people. Over 40 years, communist rule has caused the death of more than 40 million Chinese. Hostility grows daily among the countless compatriots who are suffering from the atrocious reign.

The economic reform program—having, relatively, unleashed some economic potential which was suppressed for scores of years, and making some increases in productivity, thus offering a better material life for those who benefit from this reform—however, has not brought a change in the livelihood of the majority in the country nor a reduction of complaints and anger from its vast population. There was no fundamental change in the obsolete political system which ensures the few privileged cliques the opportunity to carve up state properties and to loot the poor. The degenerate ruling regime has started a moral crisis in the whole society today. Those who have learned the history, be they officials or citizens, be they party members or non-members, all express deep concern over the current chaos that inevitably leads to catastrophes. If the Beijing regime refuses to face this reality, which could implode at any moment, and to decisively take initiatives to reform its politics, then the political fate of the Communist Party can only be tragic.

History has reminded us of its ruthlessness and justice. History offers the Communist Party an alternative: Immediately initiate political change to bring in democratic reforms, while symbolic figures like Deng Xiaoping still have limited control of power struggles. This may possibly be the very last

chance China has to transform itself into a peaceful society.

For the sake of 1.1 billion Chinese, we hereby honestly appeal to the Chinese Communist regime: Face the reality of this new political era, take this historical opportunity to change course toward what will lead to the current of benevolence and improved livelihood of the people, take the following necessary steps for the benefit of China, its people, and the government itself:

- 1) Announce the unconditional release of all the political prisoners and overturn all the charges made against innocent people who were politically persecuted over the past 40 years, retract all the slanders against the political dissidents, and allow all those in exile to return home from overseas.

- 2) Guarantee freedom of speech and freedom of press.

- 3) Open the society so people can assemble in public and can organize political groups and associations; and all the peaceful political activities of these groups should be allowed.

- 4) Let the people elect major offices of government at all levels, and let citizens freely participate in elections as candidates.

All of the above four points are the essence of the minimum democratic rights of citizens who live in a modern civilized country, only remotely approaching our objective of a truly democratic state. Yet, only if the current regime of the Chinese Communist Party promises the above items, can it demonstrate to the country and the world that the Chinese government has determined to renew itself according to the tide of the times, thus laying a peaceful cornerstone for social transformation.

Needless to say, the Chinese democratic movement criticizes the current political system in China, while remaining opposed to the latter. But the only reason for our fight is to establish a system that protects basic human rights and to have a society in which all citizens can enjoy their political right to choose their own government in order to provide a better livelihood, prevent further suffering, and protect the freedom of all the people of all the nations in China. We do not harbor hatred toward any particular political figure nor to any particular political group, organization, or faction, including the Communist Party, nor do we promote violent revenge. Any individual or party, from now on, as long as they promise not to use force against the people, as long as they recognize openly that the citizens have political rights of choice, as long as they respect all the basic and inalienable human rights, deserve the equal opportunity to be elected.

The Chinese democratic movement is a rational political and social force. We love peace and practice forgiveness, and we prefer to settle political conflicts with honest negotiations. The reason we look forward to the future, while at the same time we learn from history, is because we hope to bring a brighter, healthier, more stable future to our next generations. We sincerely wish all friends would join us in this effort to build a free, democratic, and prosperous New China.

Will Mexico disintegrate in next year's presidential elections?

by Hugo López Ochoa and Gretchen Small

It surprised no one that Luis Donaldo Colosio used his acceptance speech Nov. 30 as the presidential candidate of the ruling PRI party to announce that, if elected, his mission will be to continue, now in the context of the North American Free Trade Agreement (NAFTA), the International Monetary Fund economic policy imposed since 1983 by Presidents Miguel de la Madrid and Carlos Salinas de Gortari. "There will be no deviations, let that be clear," he said. "Financial discipline has arrived to never leave again."

From his post as president of the PRI in the first years of the Salinas government, and then as secretary of ecology and social development, Colosio, baptized by the PRI as the candidate of "Unity and Hope," was always the standard-bearer of "social liberalism," the slogan with which the so-called "generation of change" has tried to disguise the cruel effects of the savage finance capitalism imposed upon Mexico as a condition for signing NAFTA.

Slave master for genocide

Colosio consolidated his aura of power within the Mexican system when, as PRI president in 1991, he set up the Program for National Solidarity (Pronasol) of supposed social aid which has now become the hallmark of the Salinas regime. Because of that program, Colosio was credited with being the architect of the PRI's triumph in the 1991 mid-term elections, which momentarily rescued an image of legitimacy for the Salinas regime which it had not enjoyed since the PRI's electoral debacle in the 1988 presidential elections. That election convinced many that the party had won only by fraud. The tales of the supposed success of the Solidarity program have reached such heights that the Anglo-American oligarchy now champions it as a model of how to keep International Monetary Fund (IMF) policies intact for all Ibero-America.

The PRI machine is presenting the 43-year-old Colosio as a sensitive man concerned about poverty; a social fighter since his youth when he participated as a leader of the student movement which shook his native state of Sonora in 1967; and, of course, a man influenced by the 1968 student movement—"the generation of change." Indeed, in his acceptance speech, Colosio promised to resolve the unemployment and wage problems, and support small and medium-size industry.

But a statement by Bank of Mexico director Miguel Mancera on the very day Colosio was "unveiled" as the PRI's candidate, provides a more accurate translation of what Colosio means by "creating jobs": The time has come to promote, "preferentially, projects which are labor-intensive, and not capital-intensive," Mancera said, arguing that the lack of capital or domestic savings left no other choice.

Back in March 1993, the Ibero-American Solidarity Movement of Mexico issued a statement entitled "Down with the Mexican System of Genocide! Neither Economic Liberalism nor the Farce of Pronasol!" which denounced Colosio's Solidarity program as the equivalent of the slave labor armies created under Hjalmar Schacht, Hitler's Economics Minister. It can well be said that Pronasol implements the education which Colosio received at the University of Pennsylvania's Wharton School and Austria's International Institute for Applied Systems Analysis, two of the world's top planning centers for the malthusian Club of Rome.

Succession not guaranteed

In previous years, it has been safe to assume that whoever the President of Mexico "unveils" as the PRI's candidate will, with surety, become the next President, the months of election campaigning and voting serving only to rubber-stamp the President's choice. For the first time in decades, however, this can no longer be assumed. There is no guarantee that the PRI's candidate, Colosio, will indeed become Mexico's next President in 1994.

Two processes have overturned the field upon which Mexico's presidential elections have long been based.

Across the globe, political parties and institutions are shattering under the weight of usurious financial policies which violate the laws of physical economy, and Mexico is no exception, wishful delusions about Pronasol's power to contain the crisis notwithstanding. Even the farm vote, a traditional bastion of support for the PRI due to the enormous control which the party exercises over the poor communities and collectivized agriculture, already threatens to vanish by next year. Throughout 1993, and increasingly since August, mobilizations by farmers and peasants have been multiplying against farm foreclosures and the government's austerity policies which have driven the Mexican farm sector into bankruptcy.

Piggy-backed upon that political upheaval, however, is the strategy of some in Washington and their Wall Street mentors, to direct the effects of that crisis to obliterate Mexico's national institutions, now that they have shredded its national economy with the imposition of NAFTA. At the center of this operation are the radical "democrats" of the Inter-American Dialogue, a bankers' policy group which today tightly controls the Clinton administration's Ibero-American policy. Deploying Castro's São Paulo Forum parties as their instrument, the Dialogue has set out to unleash the dogs of war and terrorism against national institutions across the continent. Here, too, Mexico is no exception, despite the illusions of many that no one in Washington could be so insane as to push the United States' closest neighbor into civil war.

The crisis has just begun

For 24 hours after the nomination of Colosio, the Mexican political class was thrown into panic when it was not known what Manuel Camacho Solís, the powerful mayor of the Federal District, would do. Camacho had been the principal rival of Colosio for the PRI's nomination, and upon losing it, rumors flew that Camacho would accept nomination as the presidential candidate of the rival Democratic Revolutionary Party (PRD), replacing its current candidate, Cuauhtemoc Cárdenas.

Cárdenas is one of the stars of the São Paulo Forum, and thus the PRD has become the leading instrument of the Inter-American Dialogue in its war against Mexico. Camacho's favors to Cárdenas and the PRD machine became notorious while he served as mayor, and he has many personal friends in the party. At the last minute, Camacho fell back into line and accepted the post of foreign minister in Salinas's government—the mere refusal to accept a new post would have provoked a crisis—but a split in the PRI remains a possibility on various fronts.

Then, 24 hours after resolving the Camacho affair, another crisis exploded under the PRI in the state of Yucatán, when the provisional governor, Dulce María Sauri Riancho, resigned in the wake of the wild electoral fraud perpetrated by the PRI against the rival National Action Party (PAN) in the Nov. 30 state elections.

The response to Colosio's nomination from Wall Street and Washington provided another warning that these elections will not follow the rules of the past. The *New York Times* greeted the news with an editorial Dec. 1 declaring Mexican democracy to be "a cynical joke." Salinas has made "only marginal changes in a political system built on blatant patronage, physical intimidation and pervasive electoral fraud. . . . But Mexicans and their neighbors are not inclined to wait much longer," they threatened.

Two days later, the State Department hosted a meeting of government agencies and 12 non-governmental organizations (NGOs) to discuss how to reconstruct "Mexican democ-

ocracy" through the upcoming elections. Invitees included representatives of the State Department's Agency for International Development (AID), the U.S. Information Agency (USIA), the Carter Center of Atlanta, the left-wing Washington Office on Latin America, the Foundation for Democracy, and the National Endowment for Democracy's two branches—the National Democratic Institute and the National Republican Institute—among others.

Robert Pastor, chief of Latin American affairs at the Carter Center and a participant in the State Department meeting, hailed it as a sign that for "the first time in a long time . . . Washington, in this case the Clinton administration, has begun to address the issue" of Mexican democracy.

As an AID official explained to a journalist from Mexico's *El Financiero*, one item on the agenda was how to help Mexican "civic organizations" monitor the elections, oversee election booths as supposedly "non-partisan" observers, and set up "independent" systems of parallel vote counting. The model for such an operation is the State Department-run operation against Ferdinand Marcos in the Philippines in February 1986, where it was a fraudulent "non-partisan" vote-counting organization—run by foreigners—that was central to overturning the election and installing Corazon Aquino.

U.S. monies have already begun to flow to set up this operation. One of the primary beneficiaries of National Endowment for Democracy financing today is a "civic organization" set up by the Cárdenas campaign.

Gore follows Dialogue script

One year ago, the Inter-American Dialogue announced that with NAFTA would come a war against Mexico's institutions. The Dialogue report, *Convergence and Community: The Americas in 1993*, declared: "For NAFTA to succeed . . . Mexico must open its politics, end electoral fraud, and fully respect human rights." At a press conference releasing the report, Dialogue president Richard Feinberg emphasized that there is "a strong political component" to NAFTA, singling out Mexico as a target for political "reform." Today Feinberg heads Latin American affairs for the National Security Council.

This was also the message given by Vice President Al Gore in his visit to Mexico Dec. 1, immediately following the nomination of Colosio. Gore lectured 5,000 business leaders gathered at Mexico's National Auditorium that what must follow NAFTA is the spread of "democratic political culture" across the continent. To be sure the message was heard, Gore used the word "democracy" 12 times during his simple half-hour speech! Gore then announced that the United States will soon invite the heads of state of those countries deemed democratic by the United States, to participate in a western hemisphere summit—something the Dialogue has been championing for sometime—in order to "codify" the principles of democracy and free trade.

Voters hand major parties a surprise in India state assembly elections

by Ramtanu Maitra

In November, five Indian states, with a combined population of over 270 million, went through their state assembly elections. Although the results have failed to gladden the hearts of any of the three major national parties—Congress, Bharatiya Janata Party (BJP), and the Janata Dal (JD)—there is convincing evidence that the Indian electorate is undergoing a phase change. This became particularly obvious in Uttar Pradesh, the most populous state, which, if it were a country, would be the sixth largest nation in the world.

State assembly elections in four states—Uttar Pradesh, Madhya Pradesh, Himachal Pradesh, and Rajasthan—became necessary after the dismissal of all four state governments in December 1992, when they were all under BJP rule, following the demolition of the Babri Masjid mosque in Ayodhya. The government of Prime Minister P. V. Narasimha Rao was forced to dismiss them because of allegations that the BJP had implicitly helped, through its campaign to build a Hindu temple on the site where the mosque is situated, in bringing down the 16th-century mosque. A fifth state, Delhi, went to the polls because its status had been upgraded from a union territory surrounding the national capital of New Delhi, not unlike the District of Columbia, to a full-fledged state.

From the very outset, it was evident that the main tussle was between the Congress Party and the BJP. While the Congress-ruled national government is keen to prove that its interim policy and its decision to dismiss the four state governments had met the approval of the Indian electorate, the BJP was out to prove that New Delhi's act itself had given BJP a political momentum and the party was in the process of growing. The third party, Janata Dal, which had undergone multiple fragmentation since 1991, in order to survive, had recombined in order to fight at the polls. From the end of October to almost the end of November, campaigning for the polls was the sole preoccupation of the political big-wigs. One estimate indicates that the election campaign consumed about 10 billion rupees, close to \$30 million.

However, the results have failed to convince anyone that the objectives of the major parties have been met. In Delhi, the traditional stronghold of the BJP and Congress, the BJP won most convincingly, routing the Congress party. In Hi-

machal Pradesh, the tables were turned, and the BJP could muster no more than one-third of the total seats, making way for the Congress party to take control. In Rajasthan, another traditional stronghold of the Congress and BJP, the verdict was split, with the BJP coming out as the single largest party, but without an absolute majority: As it stands now, the BJP is in the process of wooing a few independent candidates who won at the hustings, to form the state government. As in Himachal Pradesh, the BJP received a drubbing in Madhya Pradesh, and the Congress is now poised to form the state government.

Shocker in Uttar Pradesh

The biggest surprise of them all, however, was in store in Uttar Pradesh, where a recently formed coalition of the Bahujan Samaj Party (BSP) and the Samajwadi Party (SP), the latter a breakaway faction of the Janata Dal, won an astonishing 177 seats out of the 421 assembly seats contested. The BJP came in second with 176 seats. Since both the Congress and the JD had campaigned primarily to stop the BJP juggernaut in that important state, both these parties with about 60 seats between them, have thrown their support behind the new combine to deny the BJP power in Uttar Pradesh.

From every angle the election result was a shocker. The BJP was spending freely to keep control of this vital state, and the Congress, which previously held 46 seats, was keen to prove that it had made a comeback. The Janata Dal, which had 90-odd seats before the election, had regrouped primarily to do well in Uttar Pradesh. But the strategies of all these major parties failed, and it is evident in hindsight that none of them had any feel for what voters were thinking.

Instead, the outcome suggests a very different development. The Bahujan Samaj Party, led by a former scientist in the Defense Research Organization and a member of a scheduled (i.e., lower) caste community, is a party of scheduled castes, demanding political power for this vast majority which has been overtly exploited by the major political parties over the years. Scheduled castes had in the past studiously backed the Congress, except in 1989 and 1991 when the caste-based politics of former Prime Minister V.P. Singh of

Janata Dal had taken them into his party's fold. However, they soon realized the phony caste politics of the Janata Dal and had shifted their allegiance to the Bahujan Samaj Party, which preaches political power for the scheduled castes. In addition, the Muslims in Uttar Pradesh, frightened by the growing might of the *Hindutva*, or Hindu soul, preaching of the BJP, voted *en bloc* for the BSP-SP coalition to give them the edge.

The return of the Samajwadi Party at the center of power is also a surprise. In 1990, when BJP leader L.K. Advani led the chariot procession across northern India which culminated in Ayodhya for the purpose of building momentum on behalf of constructing a Hindu temple where the Babri Masjid mosque was located, the Uttar Pradesh chief minister was Mulayam Singh Yadav, now the supremo of the Samajwadi Party. During the 1990 incident, Mulayam Singh had fired upon the BJP volunteers, causing a massive stampede and innumerable deaths. At the time, many political analysts who were gazing at the crystal ball projected a groundswell for the BJP in the coming years and wrote Mulayam Singh's political obituary. It is astounding that the former chief minister, still campaigning against the BJP, has been voted overwhelmingly back into power.

An affirmative vote, not a backlash

There is no question that what happened in Uttar Pradesh is a phenomenon that requires close observation. For the first time, according to some eyewitnesses, thousands and thousands of scheduled caste members marched on poll day to exercise their franchise, something which had never been seen before. This implies that the scheduled castes have confidence that they can gain political power and that an environment in which a free and fair poll could be conducted has been created.

The growth of the Bahujan Samaj Party rings the death knell for both the Congress and Janata Dal, and to a certain extent for the Bharatiya Janata Party. The Congress party, helped by its unique role in the Independence movement, had over the years formed a grand alliance of scheduled castes, Muslims, and caste Hindus. Although in the years of the anti-Congress backlash—as in the post-emergency election in 1977 and Rajiv Gandhi's defeat in 1989—this alliance was broken temporarily, it was nonetheless evident that such distortions were caused by the general dislike of the Congress policy and the vote was simply anti-Congress. This time, however, there was no anti-Congress or anti-BJP wave: In other words, the scheduled castes and Muslims did not vote against one party or another, but voted *for* the BSP and SP with a positive prospect in mind.

Another important aspect of the Uttar Pradesh election is the way Muslims voted. Long captive to the mullahs and manipulated by the major political parties, the Muslims remained without leaders. The diktat of which way to vote was given from the mosque, and a majority followed it without

identifying with the party or the party's leadership. This time around, however, the Muslims identified themselves with a vast majority of socially downtrodden Hindus and with leaders like Mulayam Singh Yadav and Kanshi Ram, the BSP chief. This development, given the frequently tense Hindu-Muslim relations in India, is a most refreshing development, and it indicates that the Muslims are now willing to play a role in the future political development of the country.

Firm rejection of BJP

The other lesson from the five state elections is a clear verdict against the Bharatiya Janata Party. Not only could the BJP not recapture the states it had hitherto ruled, but it also simply failed to generate enthusiasm about the party's goals. One of the reasons for the poor showing of the BJP is the decision of the party leadership not to change its posture as a Hindu chauvinist party. Like some of its own leaders, the electorate was expecting the Bharatiya Janata Party to "grow up" and act as a responsible national party. While few Indians will disagree that the partition of India was hideous, and was perhaps the cause of most evils that haunt the subcontinent today, the electorate wanted the BJP to address the bread-and-butter issues—its policy toward industry, labor, and foreign policy—in a more cogent and serious manner. As one senior Bharatiya Janata theoretician told this author following the elections, it is time to completely reorient thinking.

If the BJP has been humbled and its juggernaut successfully stalled, there is little reason for rejoicing in the Congress camp. Uttar Pradesh, the heartbeat of India's Independence movement—besides being the home state of more than 140 million Indians, and the state that has provided the country seven of its nine prime ministers so far—this key state is now lost to the party for years, if not decades. This loss is added to the political decimation that Congress had earlier faced in the adjoining state of Bihar, another former stronghold of the party. The Congress victory in Himachal Pradesh and Madhya Pradesh suggests that the Bharatiya Janata Party has fallen flat on its face, and traditional politics still rules the roost in both states.

However, the ruling Congress party in New Delhi can draw solace from the outcome, because of the failure of the BJP to forge ahead. Had the BJP returned triumphantly in all four states where its governments were dismissed by the central government, there would be mounting pressure on the Narasimha Rao government to call for mid-term elections. Such a possibility does not exist as of now, particularly when the Janata Dal has been virtually sent into oblivion and the BJP leaders, besides licking their wounds, would be rethinking the party's goals and objectives. On that score, the Narasimha Rao government has received a mandate from the people to continue.

However, Delhi will do well to note the development in Uttar Pradesh and its implications for the future.

Australian education goes from bad to worse

by Don Veitch

Education in Australia is in a state of turmoil. Beginning in the early 1970s, attempts were made to carry out social engineering programs through the education system. Now, a new wave of outcome-based education (OBE) is developing with the push for a national curriculum.

In the early 1970s, educational experimenters seized control of the education system, but for all the millions of dollars spent and the dozens of top-level commissions and inquiries recommending reform, no worthwhile change has occurred. One major report, the Karmel report, which was the basis for a wave of educational experimentation during the government of Gough Whitlam (1972-75), quoted Mao Zedong as an educational model—"Let a hundred flowers bloom. Let a thousand schools of thought contend." Is it any wonder that it all has come to nought? In those days in the 1970s, small was beautiful, but now there are moves to get big and to centralize curriculum at the national level.

The last 20 years of experimentation and change for the sake of change in education have done nothing but destabilize and confuse teachers, students, and parents; in fact, the 20-year period has been a disaster. Into the vacuum and demoralization in education which is now developing has come the New Age educationalist, the deconstructed mind, and the politically correct curriculum. Lurking in the background are International Monetary Fund (IMF)-inspired austerity measures and the Anti-Defamation League of B'nai B'rith (ADL) types advocating "multiculturalism" and racial awareness.

Standards are falling

Standards of learning are falling. In one state, New South Wales, education authorities in 1990 introduced basic skills testing and found to their horror that more than 25% of Year Three students are unable to read at a level appropriate to that grade, and the majority of these students are still impaired when they go on to high school. In another study conducted at LaTrobe University in Victoria, it was found that 40% of science students fail basic tests of literacy, despite having passed senior level English. The Australian Council for Educational Research studies, a top-level think-tank funded by the federal government, has shown that only 52% of Year

Five students operated above the minimum level of competence. Other reports have identified high levels of adult illiteracy, some pointing to adult illiteracy in Australia as high as 20%, and the government's own Economic Planning Advisory Council (EPAC) has found that 25% of children who began secondary schooling could not read and write properly.

There has been a call for greater value for the education dollar from business circles such as the Chamber of Commerce and Industry. In one state of Australia, Victoria, which is led by the conservative Liberal government of Prime Minister Jeff Kennett, the education budget has been cut by 5% in real terms, 7,000 teachers have been made redundant, dismissed, or not replaced, and some 200 schools closed. Other schools are to amalgamate.

The response of the current Labor government to the falling educational standards and parent concern has been to push for a national curriculum. The proposed national curriculum has eight key learning areas, including English, technology, health, physical education, mathematics, and science. Ministers of education from all six states of Australia have just met in the southern capital of Hobart to plan a national educational syllabus. This battle for a national syllabus has gone on for five years. Earlier attempts, in 1989, to introduce a "National Outcomes" study, foundered because of resistance. But the push has recommenced.

More generally, the push failed because of objections to the "lack of rigor" and the dubious content within the curriculum. For example, one group of four professors from the physics and mathematics department at the University of Adelaide claimed that the proposed national curriculum was a smorgasbord of "politically correct" axioms and had little to do with education.

The Business Council of Australia, a rat's nest of oligarchs, through its offshoot, the National Industry Education Forum, is pushing hard for the national outcome-based curriculum. The forum believes that young people should come out of the education system with skills useful in commerce and industry. EPAC recommends more vocational education to ensure the education system trains workers more effectively. The goal of education, EPAC believes, is to make Australia "internationally competitive."

No disagreement from the states

As of mid-December 1993, the federal Labor government has been forced to backpedal on its plans for a national schools curriculum because of political gamesmanship from the Liberal-National parties which dominate state parliaments. Under the constitutional arrangements, the states have responsibility for education, but it is the Commonwealth which has the financial clout. The state governments are really only fighting for "states' rights," and in no way appear to dissent from the New Age education. The conservative parties' major dissent would be over support for capital punishment. The states and the federal government have agreed

to cooperate with the federal government through a body known as the Curriculum Corporation.

The syllabus is also under attack with New Age principles being inculcated at the earliest stage of education, the pre-school level.

A storm of controversy has arisen over a manual, *Quality Improvement and Accreditation System Handbook*, released by the minister for family services. The manual sets out principles to be adhered to in pre-school kindergartens and are mandatory before funding will be granted. The minister has been accused of experimenting with the nation's children. The 52 regulations are a catalogue of politically correct outcomes and prescriptions designed to develop a New Age person. Included in the directives to child-care workers are: banning either the singing or playing of traditional Christmas carols in child-care centers because they are "culturally irrelevant." Principle 21 from the guidelines condemns the "constant repetitions of Christmas songs as background at the end of the year," and claims that these are "culturally irrelevant"; deprives boys from playing with toy trucks, trains, and bulldozers on the grounds this promotes sexist stereotypical behavior; requires centers to learn multiculturalism, to build a sense of cultural variety; and stops the use of stencils and coloring books, because these encourage "uniformity." "Staff should support pretend play by providing appropriate materials and these should reflect the multicultural nature of Australian society. The Family Services minister is responsible for the disbursement of \$460 million in annual funding for fee relief and those in the child-care network who do not follow prescriptions in the guidelines, risk losing funding," it reads.

According to Julian McGauran, a National Party senator for Victoria, this is an "appalling effort to politicize the nation's pre-school child-care environment." The vice president of the Child Care Association has claimed the regulations are "the most insidious form of blackmail"; that the handbook is "not satisfied with children being encouraged to explore and respect other cultures. It virtually makes it compulsory for children to believe in the federal government's political policy of multiculturalism."

Market solutions for education

The New Right "Thatcherites" who largely control the political and economic agenda of the public service, the Liberal Party, and the Labor government, have attempted to up the propaganda effort in recent times. The free-trade, market solutions which spell the end of a sensible, properly funded state school system are being peddled even more vigorously. Dr. Myron Lieberman, a "leading American educational consultant" who recently arrived in Australia, spoke to a group called the Australian Adam Smith Club in Melbourne. The Adam Smith club is chock full of elements who are pro-English establishment, primarily located in the large mining companies such as Western Mining Corp.,

Ltd. Lieberman claimed that "market systems here generally have done more than political systems to equalize the human condition," and that this "equality" could be enhanced even further by "liberating" poorer students from school and allowing them to work earlier. According to this quack idea, "early entry into the labor market would be a major step to equalizing the life-time earnings of those who do not benefit from extended formal education."

And the Anti-Defamation League in Australia has been busy for some time. In 1985, a teaching kit about the Holocaust was designed by the B'nai B'rith and released to secondary schools in New South Wales. In 1987, the New South Wales Anti-Defamation Commission of B'nai B'rith received a \$25,000 government grant to publish *The Prejudice Book*, a book based on the "race awareness" campaigns of the ADL in the United States. After the success of this propaganda effort, in March 1988, the Israeli consulate introduced "educational" kits into 470 high schools in New South Wales. In a more recent development in Victoria, an inquiry into race hate recommended that all schools have race awareness committees to monitor "race" issues.

All this is a long way from what is really needed, that is, a new educational approach based on the education principles of Lyndon LaRouche, where students learn to think by replicating the great scientific and technological discoveries down through history.

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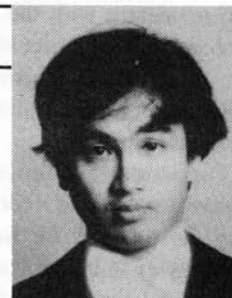
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Junichi Hirokami

Tokyo College of Music emphasizes western classics

The Tokyo College of Music is the oldest private school dedicated to the preservation and development of western Classical music in Japan. It was founded in 1907, toward the end of the Meiji Era, by Japanese private contributors, to bring the best ideas from the West.

The orchestra toured the United States in November for only the second time in its history, playing at Orchestra Hall, Chicago; debuting at Carnegie Hall, New York; and performing at Washington's Kennedy Center.

The college's founding principle is "not to have every student become a professional musician," Maestro Junichi Hirokami told EIR, but that "by studying music, through this development of the heart, the personal strength of the individual and the contribution one can make to society are advanced."

Specifically, the aim is "to build the character of the individual which is necessary for the study of especially western Classical music," Tokyo College of Music President Yasukazu Uemura said.

The college has almost 2,000 students, including 200 in a special music kindergarten program, 300 students of the Tokyo College of Music High School, and 1,500 university undergraduates. In April 1993, the first class was formed of its new graduate school.

Maestro Hirokami is a graduate of the college, and now conducts the Norrköping Symphony in Stockholm, Sweden. This interview with Maestro Hirokami and Tokyo College of Music President Yasukazu Uemura was conducted by Kathy Wolfe in Washington on Nov. 17.

EIR: The Tokyo College of Music was founded in 1907, at the end of the Meiji Era. What was the school's mission?

Hirokami: The purpose was not for every student to become a professional musician, although of course some will become professionals. Others would become workers or housewives. However, by studying music, through this development of the heart, the personal strength of the individual and the contribution one can make to society are advanced.

EIR: For the entire population, not just for the elites?

Hirokami: Yes, we want to give this basic education through the music to everyone.

Uemura: Because this will raise the general level of culture of the population, the same idea you have with your magazine, in promoting Classical music in the United States. By raising the level of culture of the individual, we are raising the level of their personal responsibility and morality, through a deeper understanding of music, and by this, the students will make an impression on the society, which raises the general level of morality of the society as a whole. Of course this is a high ideal, but this is what we're at least trying to do.

EIR: One of the fathers of the Meiji Era was Yukichi Fukuzawa. The basis of Meiji philosophy, he once said, was that "I regard the human individual as the most sacred and responsible of all orderings on earth." He said that the purpose of his work in trying to introduce western culture into Japan was to raise up this idea. Was there an idea similar to Fukuzawa's behind the founding of your school?

Hirokami: Originally, the idea, I think, was simply to train individual students in the music, but, in fact, it turned out to be true that, while following the study of western music, that that quality of individual thinking method and individual character is rapidly developed. Music must be thought about individually, ideas about it must be created within each individual mind.

Uemura: Yes, to build the character of the *individual* which is necessary for the study of especially western Classical music.

In this way, something else Fukuzawa said will also come about: that through the college itself, this kind of training of individuals will also make the students ready to become citizens of the world, not just of Japan. One of the major purposes of our school, of course, is to help the students understand all aspects of western culture. We have a number of exchange programs; we have one, for example, with Indiana University School of Music at Bloomington, run by Neil Tuttle, and the purpose is to make these young people feel that they are an important part of the world, not just of Japan.

That's one reason why we take performance trips like

this, not just to perform, but so that the students will see what's going on in the world.

EIR: Fukuzawa also said that what really interested him about the large cannons which U.S. Commodore Perry had on the ships which he sailed into Tokyo Harbor was not the guns per se, but the "philosophy behind the guns." Is there a similar idea at your school, to try to study the philosophy behind what would enable Beethoven or Mozart to construct such great music?

Uemura: Yes, we do have that idea. It's not just the technique of western music that we're after; the school and the teachers all want to teach the full background of the world's music. Together with the music, we want students to pay attention to the entire history, language, and culture behind all the music of these countries. When Ryohei Nomoto, who built up the school after the war, was president, he brought in foreign professors to teach, for example, the religious background of western Classical music, the Bible, the entire background, as well as English and all the other languages.

And then, after we do this, we have an additional project: to mix this with Oriental philosophy, and with our own Japanese music—for example, Zen has some very pure and unusual ideas from the western standpoint—to refine the mixture, and then to re-export it!

For example, that's what we're doing this time with the Japanese *samisen* concerto, which was composed by a student of ours, Mr. Hirohisa Akigishi, who studied western music with us and then also studied Japanese music. Now he's composing many things mixing western and Japanese music, and we want to show that to the world.

One of the points of the tour this time, is to show what Japan has done with western music—in performance of western music and in composition of new works.

EIR: You have almost 2,000 students, including 200 in a special kindergarten music program. Why the gap between kindergarten and high school?

Uemura: In Japan, everyone can go to a public school very easily for free from grades one through junior high school, so we can't compete. To get into the best high schools, the exam competition becomes more difficult, so then we get students, at the high school level, when they also have to begin to choose a major.

We do have, for students in grades 1-8, a Saturday "academy," similar to Juilliard Prep, where students come every week to take lessons from the teachers at the school, with an eye toward later matriculation.

EIR: Maestro, tell us about your own training.

Hirokami: My parents were against my becoming a musician, because a musician never knows about his future. I was an only child, born in 1958, and at that point all boys, especially an only child, had to become businessmen; that's

why Japan is now so strong.

And it was also at that time when people in Japan first became interested in western music at all. I studied piano from the age of six, not so seriously, but when I was in junior high, I began talking about music, studying more seriously, then entered Tokyo College of Music for my university.

EIR: But how did you decide just from playing piano, that you wanted to be a conductor?

Hirokami: From the beginning I was planning to be a conductor! Basically, I just really like to move my arms; I felt I had a natural talent to express things with my body. Of course, then you must learn all the scores, the structure of all the music.

But before that, if you feel something, that when you are listening to music, you can move your body to it in a certain way, then this indicates an important natural talent for conducting.

EIR: Does that mean you also wanted to compose?

Hirokami: I tried that, but I had no talent for it. Even though I've now become a conductor, I'm not so sure that that was a good idea, either. The more my career advances, the more intense it becomes; now I have a European orchestra, I have a Japanese orchestra, and sometimes I really feel that my talent is too small for all this. But you must never give up!

I think that's the most important sentiment in music: Never give up! And that's what I've been trying to show the students, when I conduct them now, especially for this tour: No matter how tired you are, no matter how nervous you are, just keep on going, do your best!

This is my U.S. debut. When we first got to Chicago, the students didn't have the confidence to go on and play in Carnegie Hall—the Carnegie Hall debut was too big a dream. So I just kept telling them: Don't give up! And I have to be an example for them. This is my first time in America, too, I told them, I'm in the same boat as you. And I had all this conducting to do, I had teaching to do, I was exhausted—but they all know my history, that I'm from the same background as they are; I had to show them how to do it.

And if they continue to remember this trip, it will influence the rest of their lives, and help each of them to have a better life. That's really why, I think, we really made this tour, and these kids will remember this.

So this is exactly as Fukuzawa said, with all his ideas about the how to improve the individual mind. Because you have to do your best, to improve your mind. You can never give up, because music depends on every single individual's best possible personal effort.

I also want to thank the American people and the personnel in Chicago, Carnegie Hall, and here, for such a very warm welcome to the students and to me. Your hospitality was incredible for a student orchestra with an unknown young conductor, and we will never forget it.

What really happened in Moscow on Oct. 3 and 4

This is the second and final installment of our interview with Vitali Urazhtsev, done on Nov. 26, 1993 in Russia. Mr. Urazhtsev is an elected People's Deputy of the Russian Federation, a member of the Supreme Soviet, or Parliament, which was abolished by Boris Yeltsin's Decree No. 1,400 of Sept. 21, 1993. In 1988, he founded Shield, the first independent trade union of Russian military servicemen, and was expelled from the Soviet Army the next year. Just as he opposed Soviet Communist power, Urazhtsev also rejected Yeltsin's imposition of rule-by-decree in September of this year. At the present time, he is in hiding. (See EIR, Dec. 10, p. 29 for Part 1.)

EIR: There are many rumors circulating about the events of Oct. 3 and 4 in Moscow. Please tell us about what you witnessed.

Urazhtsev: My role in these events has been greatly exaggerated. In reality, I had in my hands the Mossovet [Moscow City Council] resolution on people's right to hold peaceful demonstrations and street marches, in support of the constitutional order. This right is guaranteed for the citizens of Russia, by the Constitution.

There were rallies in Smolenskaya Square, at the Barrikadnaya metro station, and in Oktyabrskaya Square. Already on Oct. 2, some 50,000 people gathered at Smolenskaya Square. That evening, I, People's Deputy Ilya Konstantinov, and Mossovet Deputy Andrei Babushkin dispersed people to their homes. They wanted to stay all night on the barricades, but we feared they might be beaten up by the police, so we convinced them to go home for the night. I invited everybody to come to Smolenskaya Square at 10 a.m. on Oct. 3, for a rally and demonstration. But on Oct. 3, the police did not let us into the square, although I showed them the Mossovet resolution. We went over to Oktyabrskaya Square, where 30-40,000 people had already assembled. It was 2 p.m. Oktyabrskaya Square was also ringed by police. There was a huge number of provocateurs.

Suddenly some woman ran up to me and slipped me a note, supposedly from [People's Deputy Viktor] Anpilov, which proposed to bring people to Ilyich Square. But I didn't recognize Anpilov's signature. I couldn't see why such a note had been brought to me. Why take people to Ilyich

Square? Furthermore, I was not the organizer. The organizers were People's Veche and Trudovaya Moskva [Working Moscow]. Ilya Konstantinov came up and said that we should take the people somewhere, in view of the possibility of provocations.

I had people form ranks and led them along Lenin Prospect, from the center of the city. I had a bullhorn. I was leading this huge crowd of people, and going very slowly. Then a young guy told me that the police had cut us off from behind, so that there were only 10,000 people following me. I realized that the police were preparing a trap, and gave an order to turn back to the square. When we returned to the square, I decided to lead people along the Sadovoye Koltso [Garden Ring Road].

When the column got to the Krymsky Bridge, I had to decide whether to continue on the Sadovoye Koltso across the bridge, or to hold a rally at the park. Across the Krymsky Bridge from us were three ranks of OMON [Internal Affairs special forces]. I looked back and saw about 100,000 people coming behind me from Oktyabrskaya Square. I started negotiating with the police colonel, and cited the Mossovet document in asking him to let the demonstrators through. He said he needed 10 minutes to discuss this with higher-ups. Fearing provocations, I told him that was too long, and gave him three minutes, after which we would begin to move.

I was at the head of the column. Singing, it began to move. Then I was hit on the head by an OMON man with a nightstick, and fell. But the police couldn't do anything with such a huge crowd. The OMON fell back, dropping their sticks and shields. People began to throw the sticks and shields into the Moscow River. Helmets and bulletproof vests, too. They started beating the policemen, in retaliation for their violence. I demanded a halt to the beatings, saying that it was not the policemen's fault. Young men, 18 to 25 years old, started putting on the bulletproof vests and helmets and taking the shields.

Then provocateurs among us started throwing tear gas bombs and small explosives at our feet. We sped up, to get away from the clouds of gas and smoke. Another row of policemen loomed up in front of us. They were pouring some kind of caustic liquid across the road, and throwing smoke bombs. We were walking ahead, eyes tearing up so that we

couldn't see anything, and coughing. I ordered people to run, to get past that dangerous area.

We reached Zubovskaya and Smolenskaya Squares. We were chanting slogans: "Rutskoy Is President," "Fascism Will Not Stand," and "Put Yeltsin's Band on Trial." We moved like an avalanche, but in our midst were provocateurs from the Ministry of Security and the Ministry of Internal Affairs. We seized several vehicles, abandoned by the police. We seized police ammunition. There were no weapons. The police didn't have them, nor did we. In Smolenskaya Square, there were barriers of police and trucks. Upon seeing the huge crowd of people, the policemen got scared and started to run away. A large number of trucks, which were positioned across the road, started to turn around at high speed and run people over. Policemen were driving the trucks. Twenty or 30 people might have been killed or badly hurt. They were going to use fire hoses against us in Smolenskaya Square, but they didn't work. There was no water, for some reason.

We reached New Arbat Prospect and turned toward the White House. There were around 100,000 of us at that moment. But since we were moving very fast, all the pensioners, the older people, lagged behind, and there were a lot of young people around me. So it is very wrong to say that it was Communists who came to the defense of the White House. The Communists couldn't move that fast, due to their age.

At 3 p.m. we broke through the thin police lines on the New Arbat and headed for the White House. The White House was separated from us by barbed wire and a row of street-cleaners, packed very close together.

At that moment, the police forces were concentrated at the Mayoralty building, to stop the demonstrators from advancing. It was these provocateurs of [Moscow Mayor] Luzhkov, I think, who opened automatic weapons fire against us. At first I thought they were shooting blanks to threaten us. But people started screaming, and the first wounded cried out. That was the first blood shed. The first to shoot was an officer in an overcoat.

Then the demonstrators tried to take cover in every direction. I hit the ground and hid behind a concrete barrier, right where I had been arrested at 8 a.m. on Aug. 19, 1991 by the KGB. [Urazhtsev was one of the first victims of "preventive" arrest during the August 1991 coup attempt by the Communist Party and KGB figures—ed.] My bodyguard, Sergei, covered me from above, but I made him lie down next to me.

The shooting went on for about 10 minutes. We stood up. People looked horrified and confused. The crowd of about 10,000, now angered and agitated by the blood of their comrades, turned to storm the Mayoralty and the Mir [Peace] Hotel with bare hands. It later became clear that this is where the Internal Affairs staff for the siege of the White House was located. People attacked the Mayoralty building, because they saw that that's where the killers were. Why did people get weapons? Because the police were dropping their weap-

ons. There is no evidence that anybody was killed by citizens using these weapons. People arrested Braginsky, a henchman of Luzhkov. Luzhkov himself wasn't there; he was hiding.

I entered the White House through entrance No. 1. The OMON and Internal troops were retreating in haste. Their bosses were leaving in cars.

We pushed back the special spiral barbed wire with our hands. Many people were injured by this razor wire, which cuts the face and hands at the slightest touch. Within an hour, the blockade of the White House was completely lifted by those who today continue to be smeared as "red-brown" [communist-fascist], crazy people, or drug addicts. Everybody was ecstatic, crying from joy, but there was no violent rampage or fanaticism.

We hadn't been inside the parliament building for five days. The policeman of the White House guard let us in without a document check. He recognized us. There was a light burning, and it was quiet, clean, and cold. Deputies greeted me with hugs and kisses, saying, "Freedom! Freedom!" It echoed through all the floor of the White House.

I went to the third floor, where I ran into Anatoli Milyukov, one of [Speaker of the Parliament] Ruslan Khasbulatov's advisers. He advised me to come in and brief the speaker on what had happened. A minute later, wearing my raincoat and a helmet, I went into the room of the chairman of the Supreme Soviet. We embraced. "I should get to the rally," said Khasbulatov. Without donning his coat, he went up the stairs onto the balcony. There were a lot of people on the balcony, and a sea of people on the plaza below. I felt very tired, so I went to my own room, the office of the "Army Reform" parliamentary group.

There are defectors [from the Parliament] to the camp of the President's team, who portray their defection as common sense and a smart move. But treachery is treachery. Every normal person, possessing honor and a conscience, has to make his own choice. Sad for Yeltsin and his team, there was only one honorable person in the government—[Minister of Foreign Economic Ties] Sergei Glazyev, who resigned. All the rest are spiders in a jar, the meaning of whose existence is not higher ideals, not the idea of a rebirth of the Fatherland, but a place at the table, as close as possible to the pie of "people's property," which the Kremlin group dreams of swallowing all by itself.

The next day, Oct. 4, the Congress was supposed to go into session at 10 a.m. We watched TV, and were glad when it went off the air, that lying mouthpiece of Yeltsin.

EIR: What happened on Oct. 4?

Urazhtsev: That was a heavy, oppressive day in my life. I spent that day under the rumble of tank guns, heavy artillery, and automatic weapons fire in the House of Soviets of the Russian Federation, alongside R. Khasbulatov and [Vice President] A. Rutskoy on the fifth floor. I was not able to see and hear very much, because almost the whole time, I was at

the microphone of our amateur radio station. This was an extraordinary, blood-stained day. And I suspect that not all of my impressions are precise and irreproachable. They are scattered and fragmentary, so please forgive me.

I hardly slept at all, the night of the 3rd. First, we were working on proposals from the Army Reform group, about work among servicemen. I took them to A. Ruts koy, whom I found on the fifth floor, surrounded by his staff. The Acting President [of Russia, according to the Constitution abolished by Yeltsin—ed.] was in a good mood, and received me cordially. I read him the document, which he liked. He sent me to his chief of staff, Valeri Krasnov, to prepare an instruction. We worked by candlelight in the dark. This took quite some time.

Nikolai Nikolayevich Gonchar, chairman of Mossovet, came in and gloomily reported what was going on. It was impossible to get anything concrete out of him. "They're shooting, they're killing, they're attacking Ostankino!" the TV center. Mostly he talked about how risky it had been for him to come to the White House. So why had he come to the White House? Just in case. If Yeltsin wins, he was with him. But he was also with Khasbulatov. He helped him. I think that our Russia's woes come from people like Goncharov—ambivalent, spineless people who want just one thing: not to miscalculate, so as to arrange their affairs nicely in life.

I turned from Gonchar to my transistor radio, where there was alarming news. They reported about Ostankino—dozens of dead and wounded. At Mossovet, members of the staff for defense of the constitutional order had been arrested, including Yuri Sedykh-Bondarenko, Viktor Kuzin, and Viktor Bulgakov. All of them are People's Deputies. Their deputy's immunity had not helped.

My documents ready, I went back up to the fifth floor. A. Ruts koy's bodyguard, Volodya, shined a flashlight on me, recognized me, and let me through. Ruts koy was sitting at a desk in the far right corner of his office, talking with some people I didn't know. He was rapidly writing something by candlelight, deep in his office there. I signed my instruction and left.

[Gen.] Albert Makashov was standing in the corridor, giving orders to some servicemen. He asked me where Khasbulatov was. Evidently, Khasbulatov didn't want to have much to do with Makashov. When I went into the office, I heard some not very complimentary remarks from Khasbulatov about Makashov. Makashov did not look like much of a hero at that point.

I went to sleep toward 4 a.m.

In the morning, I was awakened by heart-rending voices and the thunder of heavy artillery. I looked at my watch: it was 7 a.m. I ran along the corridor toward the shooting, and saw three camouflage-painted APCs across from the Supreme Soviet reception area. People were running from the barricades toward the White House to take cover. People in fatigues, from over at the Mir Hotel, were shooting at them with automatic weapons.

Three minutes later, word came that all deputies should assemble in the Council of Nationalities hall, the only well-protected room with no windows. It was loud and rumbling outside, and nobody could say exactly what was going on. I went to see Ruts koy, but found out he was at Khasbulatov's. The chambers of the chairman of the Supreme Soviet were heavily guarded. The entrances were blocked with safes, overturned armchairs, desks, and chairs.

I'll say right here, that A. Ruts koy and R. Khasbulatov acted normally, with a full sense of their responsibility, aware that they would set the moral tone for everybody present. Khasbulatov was collected. He was monitoring the situation. If he saw a weak point, he said so. There was no hysteria. Ruts koy was like a soldier in battle. I think that this is how he was in Afghanistan: quick, dynamic, decisive, active, and bold. Khasbulatov was mainly sitting down—at first, in his office, and then when his office was shelled by heavy artillery, he moved into the corridor. He sat in the hall with the others, and smoked his pipe. He was deep in thought.

I reminded Ruts koy of our conversation two years before. After August 1991, I actively supported the idea of forming a national guard. At the time, he said that the best national guard was the Dzerzhinsky Division. I pointed to the window, telling Ruts koy: Look, that division is storming us.

At 8 a.m. on Oct. 4, Ruts koy proposed that I take the microphone at the radio station. I began to read out an appeal to officers and citizens of Russia: Do not be indifferent, come and help, they're shelling us. Ruts koy periodically reported to me, how many people had been killed. I saw when [President of Ingushetia] Aushev and [President of Kalmykia] Ilyumzhinov came in. But I was at the radio station, and the windows faced the Mayoralty. When big guns fired, bricks flew at us. Ruts koy was afraid they would kill me and his brother in his office.

EIR: What do you think about the appointment of new people to the posts of minister of defense, minister of security, and minister of internal affairs—Achalov, Barannikov, and Dunayev—made by Ruts koy and approved by the Congress?
Urazhtsev: I think these appointments were a mistake. Why do this, when Golushko and Grachov might still be thinking about whose side to take? But that burned the bridges. For me, these appointments were unexpected.

From 8 a.m. on, I was working at the radio station in Ruts koy's office. He had finished writing an appeal to the citizens of Russia, and was reading it over a loudspeaker. "Look what they are doing, these scum. They've sent the Army against us. They're shooting, the scoundrels!" said Ruts koy. There was heavy shooting outside. Ruts koy went somewhere, and I took the transmitter. I began to read the material I was handed, but soon I had to stop because the transmitter overheated.

EIR: When did they start shelling the White House from

tanks? How was this felt by the people inside?

Urazhtsev: The tank shelling started at 11 a.m. or 12 noon. Paratroopers from the 106th Division fired on the White House from machine guns. They arrived at 11 a.m. By an irony of fate, it was in the 51st Guard Regiment of that division, that I began my service as an officer. Now my regiment-mates were firing on me.

Rutskoy was constantly reporting to me the number of dead. He was getting reports from couriers from the first, second, and third floors, which were already seized by the storm forces. They had seized the first floor by 9 a.m. The upper stories were burning. Among the defenders of the White House, not a single deputy fired a shot, although they had weapons. At 3 p.m., I said goodbye to my bodyguard and let him go, so that he could tell what he had seen. I didn't know if I would perish.

Between 12:30 and 1 p.m., there was a lull in the firing, and we received a proposal to surrender. At 3 p.m., Barannikov showed up, tall and broad-shouldered, and with genuine concern on his face. He came into the office where Rutskoy's brother and I were broadcasting. We had resolved to stay to the end.

There were two officers from the Alpha group [Ministry of Security special unit] and the directorate of Yeltsin's guard, with Barannikov. They said they were empowered to negotiate with Khasbulatov and Rutskoy. Barannikov invited our leaders into the office where Rutskoy's brother and I were sitting. And so the talks began, under the echo of gunfire.

One lieutenant colonel said he wanted to help us, and that Alpha had refused to use force and shed blood, although the order was given to raze the White House and annihilate everybody. It was clear that this was coming from Yeltsin and his camarilla. The lieutenant colonel proposed that we hand over our weapons and exit, under Alpha's guaranteed protection, through entrance No. 1, where buses would wait to take us home. I didn't believe a word about "taking us home," of course. Alpha guaranteed a special pathway, where we wouldn't be touched by the military. He warned several times against exiting through entrances No. 8, 14, or 20, since there was a large number of riled up and drunken armed people there.

Khasbulatov, Rutskoy, and Barannikov went into consultation. Khasbulatov was collected and outwardly calm. Rutskoy was stroking his mustache. There was concern, that the lieutenant colonel's promises would be broken. We needed representatives from the foreign embassies. Rutskoy asked me to call my father by radio telephone, and my father, Georgi Urazhtsev, went to the French Embassy. The ambassador did not receive him.

EIR: It was reported in the West that Khasbulatov and Rutskoy supposedly asked the Turkish Embassy for political asylum.

Urazhtsev: We did try to appeal to the Turkish Embassy as well as the French, but not for political asylum. We were

asking for representatives of the embassies of France and Turkey to be present as guarantors of the security of people, among whom there were women and children, as they exited the White House.

The forces that stormed the White House committed real atrocities. They killed the wounded, as well as people who were trying to carry the wounded away. Alpha could not guarantee our security, because they were not acting in coordination with the storm forces. The stormers themselves were shooting each other, and blaming us. The French cameraman, by the way, was killed by OMON troops.

It was obvious that there was no point in remaining in the White House. Khasbulatov and Rutskoy agreed to leave the broken and burned building. We prepared to hand over our weapons. There were a lot of weapons.

I came out through the bright, but cold and unpleasant front entrance. The glass was all broken. The scars of automatic weapons and artillery fire were everywhere. No corpses were in sight, only puddles of blood on the floor. It was about 5 p.m. There were rows of soldiers in front of the first entrance, and about 400-500 people in front of them. These were staffers and defenders of the Parliament.

From over by the Mayoralty, disorganized heavy artillery fire was audible. We went down the steps to the embankment, where the buses were supposed to be waiting. They immediately put Khasbulatov, Rutskoy, Barannikov, Achalov, and Dunayev on the first bus and took them away.

There was more firing from the Mayoralty building. Bullets whistled over our heads. I looked back at the House of Soviets—a terrible sight. The upper part of the building was entirely black. Tongues of flame were shooting from the upper stories.

It became clear that the buses were not coming, so we were let go. I went to a building on the right, where my aunt lives. Right away I saw blood on the floor and a mound of corpses. And some submachine-guns and boxes of booty. They aimed their guns at me. I ran out onto the street, and then got into the courtyard through the entrance that accesses it. I met a group of the people with whom I had exited the White House. All along the walls of that entrance there were bloodied bodies.

At the end of the building, we found a lighted entryway, where we could hide from these thugs. There were about 200 of us. The shooting was still going on. We collapsed onto the stairs. It was clear we couldn't stay there, because we were essentially corralled.

The only way out was along the embankment. In every other direction, there was shooting and searches under way. And so we went. An hour and a half after we left the house on the embankment, I was at the house on Mosfilm Street, where my mother-in-law lives. Nobody was home. Then I started off to my wife's. Just then, several shots at my back sounded from a pistol with a silencer. The shots came from a car standing next to the entrance. I plunged into some

I am amazed that the world community placidly watches this comedy called the "elections." . . . At the Lenin Humanitarian Military Academy, everyone has already voted. The ballot boxes that will be in the precincts will be replaced by other ones, pre-stuffed with the right ballots.

bushes and jumped into some kind of hole that was there, where I nearly broke my legs. I lucked out, because some strangers gave me refuge, where I could hide for a long time.

EIR: How would you characterize Yeltsin's armed action against the Parliament?

Urazhtsev: It is very important that the storming forces fired three types of cartridges, including bullets with a displaced center of gravity, long ago banned under international law. They also used plastic bullets, which cannot be found by X-rays. And there were bullets with a special chemical filling, which rots the body so that the person dies. We are investigating all this with what forces we have, but it is very difficult. Therefore it is essential, that independent international organizations help in the investigation.

EIR: What do you think of elections under these circumstances?

Urazhtsev: Unquestionably, the results of the elections will be falsified. A. Rutskoy told me that during the referendum of April 25, 1993, some 7 million fake ballots for Yeltsin were slipped in. It is naive to hope that the 1,000 observers, who are coming in for these elections, will be able to monitor anything. Of course they will be well received, wined, and dined.

Remember that today we have one of the worst forms of state—a dictatorship. These people, who value human life at nothing, have no moral standards or decency. In Russian history, this regime is doomed. First and foremost, it is doomed economically. There is no hope that this regime will be stable or last long, especially since Yeltsin does not even have real support even in the structures he would seem to be relying on. The Ministry of Security and the Army realize where Yeltsin is taking them.

What would we expect from the world community? The truth, the truth, and nothing but the truth about the events in Russia. This regime will stop at no annexations, and is prepared to fight anyone to stay in power. Russia's foreign policy today is a policy of adventurism.

The only thing this regime is afraid of, is that the whole world will find out who they really are. I am sure that Mitterrand and Clinton will assess Yeltsin quite differently in their memoirs, unhampered by conjunctural considerations.

Russia is the fuse on the grenade called Earth. Therefore it is clear that the enemies of the world community, in the

person of Russia's rulers, are deranged people. Everything is decided under the collective pseudonym "Yeltsin." We can only guess at who has his hands on the controls of the Russian state. The influence of the military is growing. The Army demands payment for its services. The Ministry of Security demands the same.

I am amazed that the world community placidly watches this comedy called the "elections." Any observer who comes to Russia today, should clearly understand that he is a conscious participant in deception. We have thousands and thousands of electoral precincts in Russia. You have to know the special tricks of our system. For instance, at the Lenin Humanitarian Military Academy, everyone has already voted. The ballot boxes that will be in the precincts will be replaced by other ones, pre-stuffed with the right ballots. This cannot be monitored!

What has Yeltsin gained? The Russian citizen today is immersed in his own problems, and the main problem he has is how to survive. What's the point of elections?

EIR: How do you see the role of the Army and its relations with the regime?

Urazhtsev: I think the country will be militarized.

EIR: Can Yeltsin subordinate the Army to himself?

Urazhtsev: I think not, because the junior and middle officers' corps does not sympathize with him. In connection with this, Yeltsin is carrying out a purge of the General Staff, the Ministry of Security, and the Ministry of Internal Affairs. The best cadre are being purged, by the way. The pro-*nomenklatura* element in the Army happily went to work for Yeltsin.

EIR: Will Yeltsin repeat the fate of the Bolsheviks, who went to war against their own people?

Urazhtsev: Keep in mind, that that's a very dangerous line, because the Army will split for sure. We will have Reds and Whites again. Now, on civil war: It has already practically become reality, and has reached Moscow. And what is civil war in a country loaded with special production facilities and a nuclear arsenal?!

EIR: Will the coming elections help Yeltsin with the legitimacy and, consequently, the stability of his regime?

Urazhtsev: Yeltsin is 63 years old. His health is poor.

He works only two or three hours a day. You can't run a huge country, where every region has its own situation, like that. The staff Yeltsin has today is incompetent and unprofessional.

The only thing left for Yeltsin is repression. As far as I know, the plan of bloodletting and terror is for many years, for the long term. The latest phase of this plan's implementation is to give the regime a democratic face. This is why the so-called elections were needed, which are also largely for the purpose of deceiving the world community. Twenty-five percent of those who vote, never mind the citizens of Russia as a whole, will not yield legitimate laws, legitimate representation, nor a legitimate Constitution. And this Constitution, moreover, establishes the legal basis for totalitarianism.

The system of centralized management is obsolete. The economic interests of the regions prompt them to distance themselves from the center more and more. Moscow could ultimately be isolated. It will be without electricity, funds, and food. It will turn into an appanage principality. For Moscow is not all Russia. And all Russia is impoverished today.

There are forces who rely on violence, who think to improve their life by killing as many of their fellow citizens as they can. It won't work. Our Army is poor today. It is not separate from the people and will not fight against the people. These people realize that they are being dragged into a bad business. There is no money to pay the Army decently. And not only money is lacking. One needs to have a perspective, a program, an honest evaluation of what happened.

EIR: What tasks did A. Rutskoy give the forces defending the White House?

Urazhtsev: I can say with certainty, that not a single deputy fired a single shot. There was a huge number of provocateurs in the White House. Extreme conditions were created and maintained there for two weeks. Before the shooting started, people had been in isolation for two weeks. They were defaming us. The Yeltsin regime started beating people in the streets, and spilled the first blood. Yeltsin exploded the civic peace. Whole units and divisions of the Army refused to obey his orders. On the night of Oct. 3, Moscow was without any law enforcement. This shows yet again that there were sensible people there, too, who did not want to spill the blood of their fellow citizens. They refused to inflict terror and to act as gendarmes. These people are paying for this today, being fired and deprived of their social guarantees.

EIR: How do you estimate the number of casualties?

Urazhtsev: It is politically very important to determine how many people actually perished. The true casualty figure could fundamentally change people's attitude to what Yeltsin did, including among his supporters. On Oct. 4, I learned the figure of 4,000 killed and wounded.

Sooner or later we will find out the truth, just as it was found out in October 1917. Hundreds of thousands of people knew what happened. And what happened, was that Yeltsin,

realizing that the people had ceased to support him, resorted to force. As a result, he has gotten an embittered public, hard to manage, hard to control.

And now, potential dangers may await Yeltsin from all sides. There are searches going on in Moscow against people from the Caucasus, and the police are shooting to hit. This didn't happen even under the czar. But we will find out the truth, nevertheless. We need an independent investigation. The Shield Union, which I headed, conducted such investigations after the events in Tbilisi, Baku, and Vilnius [violent repressions by Soviet authorities in 1989-91—ed.]. Not one of our findings was ever disproven. But today I am underground, and Shield has been banned by Yeltsin.

EIR: What might continued support for Yeltsin mean for the West?

Urazhtsev: A regime will conduct the same sort of international policy, as it does inside the country. A regime at war against its own people, sooner or later will turn its predatory gaze at neighboring territory. I don't believe it will not desire to reanimate the U.S.S.R., perhaps by force.

Russia today is a hellish explosive device for the world. It is a source of hatred of humanity, nationalism, and hegemonism. It strives to regain superpower status at any price. It has revanchist plans for creating a powerful superpower, which would be a counterweight.

NATO in its majority does not want to admit the countries of the former East European bloc because Russia doesn't want this. It would mean that the East-West confrontation practically approaches the borders of Russia. I am not sure that this showdown between our military men, who are mostly straight-arrow, non-dialectical people, will not lead to bloody clashes. They will also be seduced in this direction by the deterioration of the economic situation. The economy will never come to life under these conditions, because you can't fill a bottomless barrel.

EIR: What ways out of this situation do you see?

Urazhtsev: Any regime that rests on lies and violence is doomed. Yeltsin's popularity rating is falsified. If his popularity is so high, why doesn't he want new presidential elections?

In Russia today, much depends on finding a person who could unite the majority of the citizens. At least 51% of the citizens of Russia would have to support this person, so that he could restructure our political life on new principles. These principles should not be invented by anybody. The world community has already developed the criteria. Without self-cleansing, self-criticism, reevaluation of what they have done, and repentance on the part of the regime, nothing will change for the better. If Khasbulatov and Rutskoy are put on trial, then Yeltsin, too, must be tried. For it would be absurd to try the people who defended the Constitution and the law, and free from responsibility those who crossed beyond the law and became common criminals.

The barracks are boiling

The fast-spreading corruption scandal in Congress is threatening to bring down the institutions of government.

Despite denials by the country's military ministers that a military takeover could occur in Brazil, the truth is that the deeper a congressional probe into corruption digs, and the longer the list of suspects grows, the more compromised the functioning of the Congress appears. Ever larger sectors of the population now think that an intervention is needed by the Armed Forces, which they consider the only institution with the credibility to reestablish conditions of stability and governability in Brazil.

The newest layer of the corruption scandal, which began in early November, was unearthed when the Federal Police seized documents from the Odebrecht company, one of the country's largest construction firms, which described the several-score congressmen who had been channeling national budget allocations to this and other construction companies. The breadth of the corruption uncovered has suggested the existence of a criminal cartel, a virtual "parallel government" controlling disbursement of the national budget.

The scandal confirms the view that the political system, with the exception of a few honest people, is based on corrupt party rule, sustained through corrupt ties to various economic groups which are the ones really defining the agenda of Brazilian "democracy."

The November issue of the newspaper *Ombro a Ombro*, linked to various groups of nationalist retired military officers, had a major impact on the media in Brasilia, due to its characterization of the situation as "the

shipwreck of the Brazilian social, political, and economic system, which is sinking under the weight of wretched, selfish interests that are transforming the ritual of democracy into the most lucrative business in the Republic.

. . . In fact, behind the cover story of a return to democracy lay the greed of powerful interests eager to win access to the national treasury. With the so-called re-democratization, professional politicians regained positions from which they had been ousted, but now with an appetite greater than ever."

Ombro a Ombro's editorial emphasized that "out of the rottenness of the current situation come the worms which feed upon the cadaver of the Workers Party (PT), which is already considered the virtual winner in the next presidential elections. . . . And yet, we cannot allow [Brazil] to follow the example of Haiti, where President Jean-Bertrand Aristide—with the same affiliation to Theology of Liberation—turned his formally democratic election into an act of personal revenge against his enemies, leading to his departure from power and the current strategic impasse that surrounds that country.

"In Brazil, an analogous scenario would lead irremediably to civil war, in which the poverty of the Armed Forces could cause splits with ominous consequences, which in turn could cause a national tragedy. Thus we feel we must reject, in the name of all society, that system which some call democracy but which is nothing but a corrupt-ocracy."

As the system sinks, creating an

enormous vacuum of power, the Armed Forces are feeling impelled to intervene, as can be seen in the events surrounding the revelation that the Odebrecht documents implicated more than 100 congressmen. The gravity of the revelation was such that those in charge of the investigation ran first to the military ministers, to inform them of the latest developments. Sen. Jarbas Passarinho, president of the congressional investigatory committee looking into the budget scandal, told his colleagues confidentially, according to *Veja* magazine of Nov. 8, that "Army Minister Gen. Zenildo Lucena said that everything must be investigated . . . and that nobody can be let off the hook. He also said they are prepared to intervene, if necessary."

Senator Passarinho, himself a retired colonel, explained to his colleagues that "in the past three years, I have been in discussions with the military. I have always held the impression that the situation was under control. But recently, I have felt that the climate is changed. I have information that groups of reserve military figures are even suggesting an institutional act to close Congress."

Other generals have also quietly communicated their demand that the investigations be carried through to their final consequences, which would entail bringing in new lists of congressmen, former ministers, and others, on charges of embezzlement of public funds.

The capture and extradition from Thailand of Pablo Cesar Farias, the campaign treasurer of former President Collor de Mello who was at the center of the scandals leading to Collor's impeachment in the fall of 1992, promises to exponentially broaden the corruption scandals, given Farias's threats to reveal all the financial sources of Collor's presidential campaign.

German democracy in a profound crisis

The former communists are reaping the benefits of the economic collapse forced on Germany by the free marketeers.

Chancellor Helmut Kohl's Christian Democrats (CDU) suffered a humiliating defeat in the Dec. 5, municipal elections in the eastern state of Brandenburg, the first test of electoral strength in the East since December 1990. On the state average, the CDU finished third behind the PDS, the party of the "converted" communists, which gained second party status behind the Social Democrats (SPD).

The state average, however, does not tell much about real party strength in individual municipalities. In the four big cities of Brandenburg, the PDS finished first in Potsdam and Frankfurt/Oder, and second in Cottbus and Brandenburg/Havel. But in Cottbus, the vote total is only 0.3% between the SPD, which had 28.4%, and the PDS, which had 28.1%; and in Potsdam, the PDS gained more than 11%, and its candidate for mayor of that city, Rolf Kutzmutz, crushed the incumbent mayor, Horst Gramlich of the SPD, with 45% against 29%.

It cannot be ruled out that in the second round on Dec. 19, Kutzmutz may be elected as the new mayor of Potsdam—the state capital of Brandenburg and a symbol associated with the history of Prussia.

While the former SED communists always posed as the "red Prussians," everybody knew that they had come to power not through normal and free elections, but by the force of the Soviets, the postwar occupying power in Germany's East. If Kutzmutz were elected mayor on Dec. 19, it would be in a free, democratic vote, and the PDS as a whole would benefit.

But even if Kutzmutz were defeated by an all-party alliance of SPD, CDU, and others, he would still be the decisive factor of municipal policies in Potsdam, because the PDS, being a centralist party, would represent the most coherent and strongest factor of power, and would have close to 50% of the vote in any case. A newly elected, non-PDS mayor might not be able to stay in office for long anyway; incumbent Horst Gramlich is the third mayor in three years, since the 1990 elections.

The secret to the rise of the PDS in all five east German states, is the sentiment building among voters against the "Bonn parties," and against the western system of free market economic policies that has eliminated 75% of the industrial jobs which the east German state still had in early 1990, created real unemployment rates of 40-50% in nearly all cities of the East, and led to a collapse of domestic security and the spread of drugs and prostitution. The PDS, adopting a strategy of admitting that "we were wrong in the past, but the others are much more wrong at present," has fared quite well.

Corruption scandals such as the one that forced the entire CDU-led cabinet of the state of Saxe-Anhalt to resign on Nov. 28, have contributed to the rise of the PDS as well. Another factor of its broadening resonance also among non-PDS supporters has been spectacular publicity stunts such as the logistical and legal assistance which the PDS of Thuringia lent to the hunger strike this past summer by

potash miners of Bischofferode against the closure of their mine.

PDS mayoral candidate Rolf Kutzmutz, whose party had 38.4% of the vote on Dec. 5, could never have received the 45% for himself, had he not been backed by non-PDS voters. The CDU of Potsdam lost 7% of its 1990 vote, and lost 11.3% on average on the state level.

The PDS gains and its strength in the bigger cities have implications for the national party political landscape. Actions like the one in Bischofferode have boosted the image of the former communists to an extent that latest opinion polls give them a voter preference of 6% on the national level—enough to meet the mandatory 5% level for a seat in the national parliament. By German election laws, however, a party only needs directly elected candidates in three districts, irrespective of the national percentage, to be seated in the parliament. Building on its gains in the Dec. 5 municipal vote, the PDS is now in a position to consider a victory in Potsdam, Frankfurt/Oder, and Cottbus as realistic possibilities.

This does not imply that all of Germany will turn communist, or "post-communist," as have Lithuania and Poland; but the erosion of the constituencies of the established Bonn parties (CDU, SPD, and FDP) which typify the postwar political system and the type of "social" market economy that has kept west German society stable and calculable through 44 years, is reason for major concern.

The established parties are also losing voters at an alarming pace. Some 40% of the voters are so fed up that they don't vote anymore. This process is hitting all areas of Germany: In the Sept. 12 Munich municipal elections, voter participation was at 62%; in Brandenburg on Dec. 5, it was 59.2%.

International Intelligence

German Jews see ADL's reputation as ruined

The *Jüdische Allgemeine Wochenzeitung*, published in Bonn, Germany the first week of December, wrote that the U.S. Anti-Defamation League's (ADL) reputation is irreparably damaged, despite the deal with the San Francisco District Attorney's Office which let it off the hook without indictments last month. The article makes clear that the district attorney made the deal only to avoid a lengthy and costly trial.

"The lawyers of the ADL, who control a \$30 million a year budget," made clear they would fight the prosecution to the bitter end. The paper mentions the ongoing civil suits against the ADL by civil rights organizations and others whom it spied upon. In commenting on the ADL's claim to defend democracy and civil rights against extremists, the paper comments, "But that is whistling in a dark forest. The leadership and members of the ADL know, and admit it privately: The once immaculate reputation of the organization is damaged—despite the closure of the investigation and independent of the outcome of the civil suits."

The paper is published by the Central Council of Jews in Germany, whose chairman is Ignaz Bubis. Many in the Jewish community are not happy about the expansion of the ADL's presence in Germany. Bubis's rise to this position in 1992 ran parallel with increased ADL trips to Germany since German unification.

Italy's Ciampi calls for Mediterranean ties

In his opening speech to the 52-nation Conference on Security and Cooperation in Europe (CSCE) on Nov. 30, Italian Prime Minister Carlo Azeglio Ciampi warned of the risk of a "drift toward conflict" in the Mediterranean region, unless the West tries harder to build interdependence between its Islamic and Christian shores.

In a faint echo of the late industrialist

Enrico Mattei's efforts to orient Italy away from NATO and toward the Third World, Ciampi said that Italy would devote a significant part of its energy as chairman of the CSCE over the next year to ensuring that the organization responded to what he called "the Mediterranean dimension."

Ciampi said that with the CSCE's current preoccupation with Central Europe and the former Soviet Union, it risked further marginalization of those countries on the other side of the Mediterranean which aspire to a partnership with their neighbors to the north.

"Interdependence between Europe and the Mediterranean appears to be the only alternative to the risk of conflict inherent in the spread of intolerant and radical visions and . . . profound economic inequalities," Ciampi said. Without such cooperation, there is a risk of "uncontrolled migration between the two shores," he added.

Landsbergis hits new Russian military policy

Lithuanian President Vytautas Landsbergis, in a letter published by the *Washington Post* on Nov. 30, urged the United States to treat with some skepticism Russia's assertions that it will employ its Army in other countries only in accordance with international law, just as Secretary of State Warren Christopher says the United States treated assertions by the Soviet Union that it would never initiate a nuclear attack.

"The new Russian military doctrine," Landsbergis wrote, "which declares that the use of force is justified in defending 'Russian interests' in the Baltic states, is a doctrine of aggression that testifies to the constancy of Russian imperialism."

"People in the Baltic states will interpret the silence of the western governments on this question as a step in the direction of a new Molotov-Ribbentrop pact. Russia's military doctrine is at once the result of political weakness on the part of the West and a test of the degree of that weakness."

The doctrine not only threatens those

central European states which have expressed an interest in joining NATO, Landsbergis points out, but implicitly threatens the rest of NATO as well.

"There is no evidence more compelling than this to show that Russia itself, as in the past, constitutes a problem for the world."

Film shifts blame for the Lockerbie bombing

Iran, not Libya, is to blame for the bombing of Pan American Flight 103 in December 1988, which killed 270 people, according to Scottish Labour parliamentarian Tam Dalyell, citing a forthcoming film exposé on the terrorist attack. "The film will show Teheran commissioned the attack and arranged for it to be carried out by Syrians," said Dalyell, a longtime campaigner on the Lockerbie bombing, who has charged a coverup by the authorities on both sides of the Atlantic.

The 90-minute, \$938,200 film is being financed by Metropole Hotels, part of Tiny Rowland's British conglomerate Lonrho PLC, and one-third owned by the investment arm of the Libyan government.

"The film will explode the official version that the Lockerbie bombing was solely the work of the two Libyans named as responsible by Britain and America," Dalyell said. "British and American authorities are not interested in finding the truth because it would be uncomfortable."

Bonn coalition seen as close to break-up

Chancellor Helmut Kohl's coalition government in Bonn is close to breaking apart, the daily *Frankfurter Allgemeine Zeitung* wrote on Dec. 2, pointing to a group of prominent Free Democrats around Hans-Dietrich Genscher, Jürgen Möllemann, and Irmgard Schwätzer, as working for an early end of their coalition with the Christian Democrats.

"We're practically in the situation of the year 1982," the daily quoted a prominent

but anonymous Christian Democrat, in reference to the period before the fall of Chancellor Helmut Schmidt. "At that time, the only open question was how the split would be handled, and especially, who would get the blame for it."

Three cases of moves by the Free Democratic Party that have undermined the coalition in the recent weeks were cited by the article: 1) the refusal to support the Christian Democrats' phone-tapping bill against organized crime, 2) the support of a separate FDP candidate for President in 1994, Hildgard Hamm-Brücher, and the propaganda attacks on the Christian Democratic Union candidate Steffen Heitmann (who has since withdrawn), and 3) the decision of the FDP in the state of Saxe-Anhalt to call for early elections rather than vote for a continuation of the state coalition with the CDU.

Kurt Biedenkopf, the Christian Democratic governor of the state of Saxony, predicted in an interview with the weekly *Der Woche* published Dec. 2 that the CDU will lose in 1994, and there will be a "Grand Coalition" of all major parties in Bonn, dominated by the Social Democrats.

Bosnia demands U.N. probe of assassination

The government of Bosnia and Hercegovina has sent a letter to Thorvald Stoltenberg, the head of the Unprofor "peacekeeping" forces, reminding him that it has been 11 months since the assassination of Bosnian Deputy Prime Minister Haki ja Turajlic, and the promised investigation of the killing has not materialized. According to TWRA press service, the letter notes that the United Nations has not revealed the findings of the investigation, even though it had promised to do so.

Turajlic was killed while under protection of the former commander of Unprofor, P. Morillon, who did not try to protect him from the bullets of Serb terrorists fired at close range. Also, some officers, including French officers, opened the door of the armored personnel carrier in which Turajlic

was travelling and let the terrorists in. After the assassination was committed, the murderers were released.

The former commander of Unprofor in Bosnia and Hercegovina, Lewis Mackenzie, a retired Canadian general, has diplomatic immunity, making it impossible for Bosnia to prosecute him. U.N. Secretary General Boutros Boutros-Ghali has refused to suspend Mackenzie's immunity.

Dutch euthanasia policy surpasses Nazi law

The government of the Netherlands has passed the most advanced euthanasia law in the world, one which surpasses what even the Third Reich wrote into public law. On Nov. 30, the Senate, the upper house of the Dutch Parliament, narrowly passed a bill which allows physicians to murder patients for any reason, whether the person asks to die or not, and be granted virtual immunity from prosecution as long as they follow the government's new reporting rules.

For decades, the active killing of patients has been illegal in the Netherlands, but tolerated in cases in which "terminally ill" patients in great pain allegedly ask repeatedly for it. In reality, the law is openly ignored.

Opponents of the new law are concerned that it will broaden the already rampant killing, especially given the economic impetus to cut back medical services. The Netherlands today has one-third of its work force on unemployment, welfare, or disability.

The new law stipulates that any doctor who administers voluntary or involuntary euthanasia must inform the coroner after each killing and report that he has paid strict attention to all legal requirements. But, the coroner is not allowed to do an autopsy to confirm the cause of death. The public prosecutor is not allowed to investigate beyond a review of the doctor's own report.

The Netherlands policy is being promoted as a model for other countries, including the United States. The governments of Italy, Austria, and Germany, along with every medical association in Europe, and the Vatican, all oppose it.

Briefly

● **ITALIAN** Justice Minister Giovanni Conso on Dec. 1 recommended disciplinary action against 19 judges who were found to be members of secret freemasonic lodges. Conso also recommended that three other judges be transferred to new positions. The decision ended a Justice Ministry investigation of alleged ties to freemasonry of 75 judges.

● **ISRAELI** Prime Minister Yitzhak Rabin addressed the European Parliament in Brussels on Dec. 1, and called on Europe to support the Middle East peace agreement by giving Palestinians financial support and Israel a better trade deal. "This is a justified demand," he told reporters afterwards. "We want quick negotiations so that our people can realize that our efforts in the field of peace are understood not just by beautiful words but by deeds."

● **KING HUSSEIN** of Jordan, in a speech on Dec. 1, urged Arab leaders to mend their rifts and draw lessons from changes sweeping the world, including the collapse of the Soviet Union. "Our [Arab] nation has got to appreciate these changes and pragmatically deal with them in accordance with its own capabilities, potential, aims and the aspirations of its people and their yearning for total freedom from backwardness, oppression and plundering," he said.

● **JAPAN AND CHINA** will resume security talks early next year, which have been suspended since 1989, Japanese Defense Agency officials said. The Japanese Foreign Ministry is expected to send officials to China in January to attend a bilateral security conference.

● **PHILIPPINE** lawmakers restored the death penalty on Dec. 1. President Fidel Ramos welcomed the move and said it "would boost his campaign to break up the private armies of political warlords," according to Reuters. The death penalty was abolished by former President Corazon Aquino in 1986.

Pollard clemency fight revives broader spy probe

by Jeffrey Steinberg

The public plea to obtain presidential clemency for convicted spy Jonathan Jay Pollard has reopened a nasty can of worms that could implicate high-ranking former national security officials, and at least one well-known leader of the Anti-Defamation League of B'nai B'rith (ADL), in espionage.

Pollard was part of an espionage effort which was described by former federal prosecutor Joseph DiGenova, interviewed in the *New York Times*, as "the largest physical compromise of United States classified information in the 20th century." DiGenova, whose views reflect those of a broad range of senior Pentagon and U.S. intelligence officials, told the *Times* that if Pollard is granted presidential clemency, he would fight to have the Justice Department's damage assessment report on the Pollard spy ring declassified. This lengthy secret report, submitted to Pollard's sentencing judge, details the national security consequences of the Pollard spying. The report was buttressed by another secret memo, an affidavit by then-Secretary of Defense Caspar Weinberger, providing an assessment of the damage.

Although federal prosecutors had promised Pollard a reduced sentence in return for a guilty plea that would avert a complicated and security-compromising trial, Judge Aubrey Robinson gave Pollard a life sentence, which meant that he would not become eligible for parole for 10 years.

During his state visit to Washington, D.C. in November, Israeli Prime Minister Yitzhak Rabin formally asked President Bill Clinton to grant clemency to Pollard and release him from prison on the basis of the eight years he already served. At the beginning of December, Israel's Attorney General David Lebai met with his U.S. counterpart, Janet Reno, and also lobbied for Pollard's release. Rabbi Avi Weiss of New York City and Rep. Charles Schumer (D-N.Y.) have led a high-profile campaign for Pollard's early

release that saw hundreds of lobbyists descend on Capitol Hill last month.

President Clinton referred the clemency request to Attorney General Janet Reno, and announced that he would make a decision on the Pollard case as soon as he receives formal recommendations from the Department of Justice (DOJ).

With those DOJ recommendations expected any day now, a ferocious public debate has broken out over the pros and cons of the clemency request. New evidence has surfaced on the seriousness of the damage done by the ex-Naval Investigative Service analyst's spying. The *Washington Times*, citing DOJ officials who oppose the early release of Pollard, reported that there is an ongoing criminal probe of possible co-conspirators in the mid-1980s espionage. "We're strongly opposed to the release of Jonathan Pollard. It would be disastrous for pending prosecutions," an unnamed DOJ official told the *Times*.

In 1986, *Washington Post* editor Bob Woodward published a front-page story revealing that Pollard had not acted alone, but was abetted by a high-ranking official in the Reagan administration's national security apparatus who was providing the Israeli government with code numbers on specific secret documents. Woodward dubbed the unknown second spy "Mr. X." According to Woodward's story, the Israeli spy unit, Lekem, headed by senior Mossad officer Rafi Eytan, passed code numbers of specific top secret files to Pollard, who would retrieve the documents and photocopy them at a safehouse provided by a prominent attorney, Harold Katz, who had dual U.S. and Israeli citizenship. Katz was later implicated in an insider trading scandal that rocked the Israeli Air Force. He was linked to the activities of Drexel Burnham's junk bond swindler Michael Milken.

Time magazine reported on Dec. 13 that at least one

crucial U.S. national security document that Pollard provided to Israel made its way into Soviet KGB hands. The document, which *Time* described as "a huge National Security Agency compendium of frequencies used by foreign military and intelligence services," cost the United States billions of dollars to assemble. But once Pollard passed it on, the data became worse than useless; foreign agencies, aware that their codes had been compromised, would likely have used the frequencies to transmit disinformation. Moreover, "officials fear the data in the book were so specific that its discovery may have cost informants their lives."

LaRouche and EIR are right again

EIR was the first publication to reveal the Soviet angle on the Pollard spy ring. In two special reports, published in 1986 and 1987, *EIR* documented the collusion between the Lekem unit under Eytan, a longtime ally of former Israeli Defense Minister Ariel Sharon, and the Soviet KGB and GRU.

In 1986, *EIR* also published a dossier on a dozen top officials of the Department of Defense who were then under investigation by the Pentagon's General Counsel as suspected Pollard collaborators. Rather than hunting for an elusive "Mr. X," *EIR* exposed the existence of an entire "X Committee" in and out of government that was behind a vast Israeli spy apparatus engaged in passing vital American national security secrets to Moscow in return for exit visas for thousands of Soviet Jews to enable them to move to Israel.

EIR also was the first news agency to publicize the role of top officials of the ADL in the Pollard spy ring. Ruth Sella, wife of Israeli Air Force Col. (later promoted to general) Aviem Sella, Pollard's recruiter and handler, was employed by the ADL as an attorney working directly under then-national ADL chairman Kenneth Bialkin. On the day of Pollard's arrest, Bialkin flew to Israel to confer with government officials on a damage control strategy.

There are also ties between Pollard and ADL Washington, D.C. fact-finding director Mira Lansky Boland. Lansky Boland was Pollard's graduate school classmate at the Fletcher School of Diplomacy at Tufts University in a program directed by Dr. Uri Ra'an. In the 1960s, while working for the Mossad, Ra'an was assigned as the liaison between the spy agency and the ADL. Boland retained her ties to Pollard after the two graduates went to Washington, D.C., where he went to work for the Navy and she joined the CIA and then the Defense Department, before going to work full-time for the ADL in 1982.

On May 11, 1993, *Village Voice* reporter Robert Friedman revealed in a lengthy cover story about ADL espionage that "Pollard wrote to friends that a prominent ADL leader was deeply involved in the ADL spy operation." Although the Pollard letters, written to members of the Gush Emunim movement in the Israeli Occupied Territories, named the names of several prominent ADL officials involved in his spying activities, the names have never been made public.

Pattern of corruption

Justice Department and Pentagon officials have been expressing outrage at the prospect of an early Pollard release from prison. The *Washington Post* editorialized on Dec. 7 that Pollard should be forced to serve out at least the minimum sentence, two more years, and then make his pitch for parole.

The controversy at the Justice Department involves far more than just a matter of the fairness of Pollard's sentence. The department is under the gun for a series of cases involving corruption, unbridled violence against private citizens, and political influence peddling on the part of such private groups as the ADL.

Lyndon LaRouche, whose own case was heavily contaminated by ADL pressure on Justice Department prosecutors, commented on the complexities of the Pollard case in his Dec. 8 weekly "*EIR's* Talks" interview with Mel Klenetsky: "This is a complex business. . . . You have to compare the Pollard case with something on the other side, which is the Demjanjuk case [see p. 66] and the case of me and my friends. Now in the Demjanjuk case, it is perfectly documented that a systemic fraud upon the court existed. And anybody who looks at the record knows that in my case, I'm a victim of a massive fraud upon the court. Now, the fear in the Justice Department is that if it cleans up some more garbage, like the [Randall] Weaver case or the cover-up in the Banca Nazionale del Lavoro (BNL) Atlanta case, sooner or later, the whole Justice apparatus as we knew it under Bush, will come under scrutiny and the whole thing will blow up. Therefore, they say, we'll turn LaRouche free, we'll give him parole, but we're not going to exonerate him, because that will uncork all the worms.

"Then they confront the Pollard case. Some people in Israel, who are not bad people, are saying through Rabin: free the guy. He worked for us. And the Justice Department reacts, saying: if we free Pollard, somebody is going to say, 'What about LaRouche, who certainly did nothing of that sort? You are going to let the ADL get its boy out, and yet the person victimized by the ADL remains under stigma? No, it doesn't function.'

"Then, you mention on top of it that there are certain aspects of the Pollard case which have not yet hit the public, which really stink. Some of the garbage which Pollard was stealing ended up promptly in Moscow, through people like Shabtai Kalmanowitch. And this was very sensitive information which resulted in the deaths of some American agents.

"Now, the further thing is that Pollard was not a lone agent of the Israeli intelligence service. Pollard was a contractor, under a Navy contract, who had privileged access. But to access the documents, he had to first get the codes. Who gave him the codes? We don't know, but it had to be someone in the Joint Chiefs of Staff or the Defense Department apparatus. The dirty finger of suspicion points to Richard Perle and others."

Justice Department, FBI misconduct coming under increased attack

by Edward Spannaus

Is a long-overdue housecleaning in the U.S. Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) about to take place? It may be too early to say, but misconduct by federal prosecutors and law enforcement officials is coming under increased scrutiny, and there are signs that some people in Washington—as well as a group of federal judges around the country—want to clean up the mess left over from the Reagan-Bush years.

The leading indicators of a movement in this direction are the following:

- Federal judges continue to issue rulings castigating the DOJ for prosecutorial misconduct and abuse of power. The latest is the dismissal of the felony indictment against Sen. David Durenberger (R-Minn.) on grounds that prosecutors violated the Constitution and misled the court. This followed by only a few weeks the scathing attack on DOJ conduct issued in the case of John Demjanjuk, wrongly accused of being Nazi concentration camp butcher Ivan “the Terrible” Marchenko, where a federal appeals court ruled that Justice Department lawyers suppressed evidence, committed “fraud on the court,” and were overly eager to please outside pressure groups such as the Anti-Defamation League (ADL) of B’nai B’rith.

- The FBI and the U.S. Marshals Service, both components of the Justice Department, are under investigation for their roles in an August 1992 shootout in a remote area of Idaho. The investigation reaches to the top level of both agencies, and could result in high-level shakeups and disciplinary actions.

Judges revolt

There is a rising mood of anger and frustration among many federal judges around the country, primarily on two scores:

- 1) Congress’s increasing creation of mandatory minimum sentencing laws, under which judges lose the ability to exercise any discretion in punishing offenders, and are unable to tailor sentences to the circumstances of a particular defendant. Many judges are refusing to try drug cases altogether, believing that the mandatory sentencing laws are unjust and counterproductive.

- 2) Supreme Court rulings which have stripped trial judges

of their ability to control misconduct by federal prosecutors. Some Capitol Hill sources maintain that federal judges are issuing increasingly harsh rulings in cases of prosecutorial misconduct because of their frustration over recent years’ Supreme Court rulings, which severely restrict their ability to fashion remedies to redress wrongdoing by prosecutors and law enforcement officials.

Last January, the *Washington Post* ran a prominent six-part series of articles on prosecutorial misconduct, which was widely regarded as setting the agenda for reforming the DOJ after 12 years of Republican rule which had built the federal law-enforcement system into a powerful police-state machinery with few if any constraints. The series opened by noting that the Justice Department budget had gone from \$2.3 billion in 1981, to \$9.3 billion in 1993, and that the number of Justice Department lawyers had doubled over that 12-year period.

At the same time, the *Post* noted, Justice Department policies and Supreme Court rulings gave prosecutors much more power, and made it more difficult to hold prosecutors accountable for improper or illegal tactics. “These tactics,” said the *Post*, “include manipulation of grand juries, failure to disclose evidence favorable to a suspect or defendant, government intrusion into the relationship between defense attorneys and clients, intimidation of witnesses, and blitzkrieg indictments or threats of indictments designed to force capitulation without the need for a trial.”

Steps have recently been taken to implement two of the reforms advocated in the *Washington Post* series. The DOJ recently changed its policy of seeking multi-district indictments of targets—a tactic used principally against pornographers, but also used in other cases such as those involving Lyndon LaRouche and his associates. Steps also may be under way to merge the DOJ’s encrusted internal watchdog, the Office of Professional Responsibility, with the Department’s Inspector General’s office.

Recent rulings

On Dec. 6, U.S. District Judge Warren Urbom in Minnesota dismissed a felony indictment against Senator Durenberger, while blasting two members of the Justice Department’s Public Integrity Section for gross misconduct.

Durenberger had been indicted last April on two felony charges, stemming from a 1989 probe by the Senate Select Committee on Ethics which charged that he had falsified his expense accounts.

Judge Urbom found that Justice Department prosecutors had improperly presented sections of the Senate Select Committee on Ethics report to the Durenberger grand jury in violation of the "speech and debate" clause of the Constitution, which protects members of Congress from inquiry by other branches of government.

Furthermore, Judge Urbom found that two attorneys from the DOJ's Public Integrity Section had misled the court, when they flatly denied that passages from the Select Committee on Ethics report had been presented to the grand jury. The fact that the DOJ's lawyers had used ethics committee proceedings only surfaced after Judge Urbom ordered a full *in camera* inspection of the grand jury proceedings, which unearthed the ethics committee documents. Only at that point did Justice Department prosecutors concede the point.

The *Washington Post* commented: "Urbom's criticism of the Justice Department's conduct is the latest in a series of judicial findings that have threatened major, high-profile prosecutions and raised questions about the Department's ability to police the conduct of its lawyers."

This followed the Nov. 17 ruling by the U.S. Court of Appeals for the Sixth Circuit in the John Demjanjuk case, which blasted the Justice Department's Office of Special Investigations (OSI) for withholding evidence and defrauding the court (see *EIR*, Dec. 3, 1993, p. 64).

Moreover, during the summer, three separate federal judges in Chicago overturned guilty verdicts in cases of the notorious El Rukn street gang, finding that a federal prosecutor had failed to disclose evidence that could have discredited his two star witnesses. Federal Judge Marvin E. Aspen said that his ruling was "the most painful decision" he had ever rendered, and that it was a "tragedy" that convictions of some of Chicago's "most hardened and anti-social criminals" had to be overturned. Aspen said that the prosecutor, in his zeal to obtain convictions, "was willing to abandon fundamental notions of due process of law."

It is not only liberals who are calling for cleaning up the DOJ. Syndicated columnist Paul Craig Roberts wrote recently that the DOJ itself should be a prime candidate for application of the newly revived independent prosecutor statute. "Evidence is piling up that prosecutorial misconduct and abuse of power are routine at the Justice Department," Roberts wrote. "Only after a thorough cleansing will the Justice Department again be worthy of its name."

The Randy Weaver case

Misconduct by FBI officials and U.S. Marshals is the focus of an ongoing DOJ investigation into the shootout between FBI agents and Randall Weaver which took place in Idaho in August 1992. The hitherto secret DOJ investigation

of the Weaver case was first reported in the Nov. 25 *New York Times*, and then subsequently by other services. The *Times* said that Justice Department investigators have told FBI officials and agents, and also federal prosecutors, that "they could face civil or criminal charges, including obstruction of justice and violations of civil rights law."

Those being investigated include top officials of the FBI's Hostage Rescue Team (HRT), as well as FBI Criminal Investigative Division head Larry Potts. The *Times* also reported that investigators have, or soon will have questioned former Marshals Service head Henry Hudson, former Attorney General William Barr, former FBI Director William Sessions, and FBI Deputy Director Floyd Clarke. Potts, Clarke, and HRT leader Richard Rogers were all key witnesses defending the FBI at the House Judiciary Committee's hearings on Waco last April.

The probe concerning the Weaver case centers on the actions of the FBI's Hostage Rescue Team and its commander, Richard Rogers—who reportedly has refused to cooperate with the investigation. After receiving a briefing from the Marshals Service—a briefing which some FBI officials regard as "flawed"—Rogers and Potts made the decision to change the Hostage Team's rules of engagement, giving FBI agents the green light to kill any armed adult male in the area, whether or not he posed any immediate threat. It was in carrying out this policy that an FBI sniper shot and killed Randy Weaver's wife. Earlier, Marshals had killed Weaver's 14-year-old son.

FBI agents say they were given a briefing by the U.S. Marshals which portrayed Weaver as a Rambo-type who wanted to kill as many federal agents as he could. But later, according to some FBI officials, they came to regard Weaver as "a hapless malcontent" who had withdrawn from mainstream society rather than confront it. "Despite his belligerent talk," wrote the *New York Times*, "there is no evidence that he initiated any illegal conduct even after his wife and son had been killed."

Top Hooverite is out

Floyd Clarke, the number-two official in the FBI, is already on his way out of the Bureau, and will retire in January. The *New York Times* reported that Clarke will become a "vice president for corporate integrity" at a New York financial firm led by corporate raider Ronald O. Perelman.

Clarke is regarded as the top-ranking official of the "neo-Hooverite" triumvirate in the Bureau which includes, besides Clarke, Oliver "Buck" Revell and John Otto. Former FBI Director Sessions and his wife Alice both accused Clarke of leading the "cabal" which sought, and got, Sessions's ouster earlier this year. Clarke is also said to have been close to Bush's attorney general, William Barr. Barr had told Bush that Clarke should become FBI director if Bush won the 1992 elections. Earlier press coverage described Clarke as the FBI's "pipeline" to the Justice Department.

Kevorkian exposés show Satanist at work

by Linda Everett

For over 42 months, Jack Kevorkian, Michigan's homicidal maniac, has methodically carried out 20 known murders. But, for the first time, Kevorkian's "controlled experiment," in which citizens are the subjects to be brainwashed, is beginning to crack. The "compassionate retired pathologist" veneer is slipping for Kevorkian, who was for years "unemployable" and living on welfare. Since he began his movement to "help people kill themselves"—a beginning which he compares to the birth of Christianity—his Michigan and California medical licenses have been suspended, and he has been exposed as a "student of Lucifer," a modern-day Dr. Mengele who endorses Nazi experiments and performs bizarre experiments such as transfusing blood from corpses into live subjects.

Kevorkian violated Michigan's law against assisted suicide five times since it passed in February. So far, he has been charged in three of the last four deaths he's caused since August. In each case, Kevorkian was released based on his promise to stop killing. In each case, he killed again, once within hours of his arraignment. When bail was increased in November, Kevorkian refused to pay and was incarcerated. He was released after his bail was paid by a rankled opponent who said he was tired of hearing hourly media reports about how "this is the end for poor Jack," who staged a hunger strike in jail.

Kevorkian told police of the latest murder on Nov. 23 by announcing that "the first medicide has been accomplished." His victim was a Chicago physician, Dr. Ali Khalili, 61, who had bone cancer. Khalili was found in the apartment Kevorkian rented to kill his 19th victim a month earlier. He was gassed with carbon monoxide. We're told that Khalili was in "unspeakable pain." Yet, from the time he was first diagnosed, he refused all chemotherapy prescribed by the Mayo Clinic; was medicated for "anxiousness"; and only received a very low dose of morphine via an intravenous pump—which could have easily been adjusted for more appropriate relief. Khalili also could have used a newly approved, non-sedating drug called Mestatron, which wipes out bone cancer pain for six months.

Sanity questioned

Oakland County investigators, after finding evidence of Kevorkian's role in an Oct. 22 "suicide," including receipts for the purchase of 35 carbon monoxide canisters (enough

for 20 more murders), obituary forms, and films of future victims' death requests, sought a high bail for Kevorkian at his Dec. 1 arraignment in that death.

Oakland County Medical Examiner Dr. L.J. Dragovic ruled that *all* of the Kevorkian deaths that have come before him were homicides; that is, someone else, other than the victim, was actively involved in causing the death. Last year, Dr. Dragovic, among other doctors and psychiatrists, told *EIR* he was concerned that a "psychiatric disorder may be a motivating factor in these deaths. It's a question of insanity." Kevorkian, 65, reportedly has never had a relationship with a woman. His penchant to kill vulnerable women was so pronounced that police officers at the crime scene were reminded of Jack the Ripper and his female victims. One judge told *EIR* that after observing Kevorkian in court, he sensed that Kevorkian had another agenda, which "reminds me of something along a sexual or pedophilia line. . . . It's the same kind of thing, like a serial rapist."

Attorney Constance E. Cumbey, an investigator of New Age kookery, told a Michigan radio host that Kevorkian is a follower of Lucifer and Alice A. Bailey, who founded the Lucifer Trust in 1921. Cumbey said that excerpts of Bailey's latest anthology, *Death: The Great Adventure*, were found filled with Kevorkian's annotations. Bailey's writings, which are influential in the New Age movement, show virulent hatred of Christianity—which explains Dr. Death's attacks against Judeo-Christian tenets. Bailey embraced Aryan racism and believed that one helped the "inferior" ranks of humanity by killing them, allowing them to return via reincarnation—in which Kevorkian also believes.

In his 40-year obsession with death, Kevorkian has studied every ghoulish detail about inflicting death upon another human being—and still has had time to paint with human blood and build "Mercitron" machines to terminate the life of a client answering his ads for death services. He has also advocated "terminal human experimentation," in which condemned prisoners volunteer to die by having their organs harvested under anesthesia, or to undergo experiments from which they would never recover. In his book, *Prescription: MEDICIDE*, Kevorkian said experiments on the brains of living prisoners could "unravel the mechanisms of a criminal mind—a *capitally* criminal mind" (emphasis in original).

Newsweek on Dec. 6 exposed even more horrific proposals to carry out experiments on comatose, mentally incompetent, or uncommunicative patients, including infants, children, and all living intrauterine, aborted, or delivered fetuses. That Kevorkian sees our more vulnerable citizens as so much lab material is hardly surprising. In a 1986 article, he wrote that Nazi experiments on concentrations camp prisoners, such as dropping them into icy water to see how quickly they froze to death, were "not absolutely negative. Those who can subordinate feelings of outrage and revulsion to more objective scrutiny must admit that a tiny bit of practical value for mankind did result."

Is George W. Bush as bad as he looks?

by Brian Lantz

George W. Bush, son of former President George Herbert Walker Bush and managing partner of the Texas Rangers baseball team, is now a candidate for governor of Texas, portraying himself as an opponent of outcome-based education (OBE). A number of people active in opposing New Age school reforms in Texas have known the Bush family since the 1960s, when their party of choice, the Republican Party, was a very small club. They are now being reminded that George W.'s father did win the state of Texas in the 1992 presidential election. "Maybe," they say, "George W. Bush is our best hope. Maybe George W. isn't as bad as he looks."

But George W. Bush is *worse* than he looks. In his educational proposals, he is fronting for the same dirty Wall Street crowd as his father did while occupying the White House. The "choice in education" reforms are being bankrolled by the junk bond and "venture capital" crowd of Michael Milken, Henry Kravis, and others. Corporate raiders are now eyeing the public education system of the United States. As Milken told *Forbes* magazine (March 16, 1992): "I think education in this country is going to be a multihundred-billion-dollar industry. That's where I'm going to put my time and money."

Satanic outcome-based education, being instituted throughout Texas in public schools, is also the curriculum of the "choice in education" mafia. The New American Schools Development Corp. (NASDC) and the Edison Project, among others, have been created to implement the OBE New Age agenda. Who better than convicted felon Michael Milken to teach children to be greedy, immoral little monsters?

Privatization of the schools

George W. Bush is a supporter of the Edison Project and advocate of "schools of choice." The Edison Project is a for-profit venture now planning private-sector takeovers of public schools around the country. Bush, who prefers to refer to vouchers as "scholarships," is making the Edison Project, and similar privatization schemes, a major part of his campaign for governor.

Bush announced his candidacy for governor on Nov. 8. According to his campaign press secretary, Deborah Burs-tion-Wade, Bush is "quite interested in a test project aimed at parents, kids, and families who would not necessarily be

able to afford" a private school. Gov. Ann Richards, attempting to diffuse the school choice issue, has reversed herself and announced that she will consider an experimental voucher program. Texas teachers' unions, instead of fighting from a principled stand, have taken a lesser-of-two-evils position, supporting the idea of "charter Schools," experimental schools in which existing, mandated curricula and contracts are suspended to allow New Age programs to be tested on children. Aware that a change is in the air, Houston's School Superintendent Petruzielo held a press conference in early November to announce that that district's next Bellaire-area middle school may be contracted out to a private company to operate.

In Texas, the major vehicle for "choice in education" propaganda is the Texas Public Policy Foundation. George W. Bush is an active member of the board. In 1990, the institute produced and disseminated a little study titled, "Choice in Education: Opportunities For Texas." The Education Task Force that produced this promotion for school privatization was chaired by John E. Chubb, Senior Fellow at the Brookings Institution in Washington, D.C. Mr. Chubb is also a "core-team member" of the Edison Project.

The Edison Project is being promoted in Texas by George W. Bush and the Texas Public Policy Foundation; it is bankrolled by the Dutch multinational Phillips Electronics and the London-based Associated Newspaper Holdings. The spokesman for the Edison Project is Chris Whittle, creator of the commercial Channel One TV cable network for schools. Henry Kravis, President George Bush's crony and the leveraged buyout operator who put together the RJR Nabisco junk bond buyout, was sought out by Whittle for financing of the Edison Project, according to *U.S. News and World Report* of Aug. 16, 1993. The chairman and CEO of RJR Nabisco sits on the board of NASDC.

The Edison Project incorporates the "Great Books" curriculum of Mortimer Adler: Adam Smith, promoter of opium trade and usury, passes for economics; Thomas Hobbes replaces the Founding Fathers; Aristotle's "ethics" replaces Christian-Platonic morality; politics boils down to greed. Edison schools will be divided into "houses" of 90 students combining two or three grades. Each student would have his own personal computer. A network would make available system-wide electronic "assemblies" and lectures, thereby cutting teacher costs.

To make more money, Edison schools would lease out floor space. Retailers will sell videos and hawk other artifacts of "pop" culture to uplift grade schoolers. Psychologists would have their offices nearby. Whittle's Channel One TV network will air in Edison schools, complete with paid commercials targeting the youth market. Condom ads? Robocop XXX? "The school model is priced down to the pencils and erasers. There is ample margin to attract investors," says Edison Project operative John Chubb (*U.S. News and World Report*, Aug. 16, 1993).

National News

Welfare 'reform' will bring back slavery

A special task force assigned by President Clinton to examine methods of implementing his campaign pledge to "end welfare as we know it," has produced a draft discussion document which puts heavy emphasis on shunting welfare recipients into low-wage "workfare" programs, and also makes it a priority to reduce the number of children born to people on welfare.

According to published reports, the administration's reform proposal calls for limiting to two years the length of time an individual can receive welfare benefits; after two years, he or she would be forced to take a minimum-wage "community service" job, if one were unable to find employment in the private sector.

The plan contains an explicit anti-family bias in its emphasis on reducing the pregnancy rate among welfare recipients. Administration spokesmen are stressing the problem of teen pregnancy, in an obvious attempt to build public support for the proposal. However, reportedly, the draft proposal suggests that individual states be allowed to limit payments for any additional children born to women on welfare, a vicious policy already adopted by several states, led by New Jersey—despite criticism that it will lead to more abortions and even greater impoverishment for children whose mothers receive welfare.

LaRouche comments on George Bush knighthood

Former President George Bush was received into the Order of the Bath by Queen Elizabeth II on Nov. 30, finally joining Ronald Reagan, Caspar Weinberger, and Norman Schwarzkopf in the league of knighted Americans.

Lyndon LaRouche, who ran for President against Bush in 1988 and 1992, remarked in his weekly radio interview "EIR Talks" the next day that he "thought that was

rather funny: While Margaret Thatcher is traveling around the world as a baroness, Lady Thatcher, presumably reaping in great amounts for autographing broomsticks, George Bush, whose presidency was the most benighted perhaps in the 20th century in its own way, has been viewed by the British monarchy, perhaps as barren as Margaret Thatcher's policy. *This is a very bad joke.*

"In a sense," he concluded, "it reveals the fact that the crowd in Britain around the monarchy, including the people who owned Margaret Thatcher, are still running U.S. policy; and that people go to London to be knighted as a part of the British Empire for the greatest blunders in U.S. history. It's really quite an ugly, disgusting spectacle."

Minnesota to have outcome-based diplomas

Minnesota expects to be the first state to completely change its graduation requirements to reflect "outcome-based education" including with state-approved testing leading to an "outcome-based" diploma, by the year 2000. OBE stresses "affective learning" and narrow job-related skills, rather than traditional academic excellence. It has been widely denounced as New Age brainwashing.

The legislature approved \$4.4 million last spring for 13 school districts to develop outcome-based tests and to train teachers. The state has identified 25 "content" or "academic" outcomes, which have been divided up among the 13 pilot site districts. They must also, according to the Nov. 29 *St. Paul Pioneer Press*, work on assessments for six "comprehensive" outcomes, which include "broader goals," such as "makes life-work decisions." Teams including teachers, parents, and community and business representatives are developing the testing models. The Rosemont district team will work on three content outcomes, such as: "understands relationships among living things and their environments; understands the physical world, earth, and space; and understands the interaction of people and economic, political and governmental systems."

Additionally, team members "will listen to people in business and higher education to see what kinds of skills and knowledge graduates will need to be successful in life. Then, working backward from what students should know, they'll develop ways to test whether they've mastered those skills and knowledge."

Students rally to back fired algebra teacher

Georgetown, Virginia high school students rallied to support their algebra teacher who had been fired last spring for giving out too many failing grades. In a recent interview that appeared in the Dec. 2 *Daily Press*, Adele Jones, a 10-year tenured teacher, defended her teaching practices against officials who demanded that she "ease up on her grading and change her teaching style." Jones's efforts on behalf of her students included arriving early to help them, offering tutoring until 5, 6, or 7 at night, making herself available to students at home, and devoting her free planning period to help them. "I tell the students: 'You're going to have to work hard. I don't believe in excuses. Math is math. Either you know a mathematical concept or you don't,'" she said.

Three hundred students at Sussex Central, where Jones taught, staged a walkout after her firing. Her defenders included both those who passed her classes and those who had been flunked. Some wore signs reading, "I failed Ms. Jones' class and it was my fault."

Buffalo proclaims 'Marian Anderson Day'

The Common Council of Buffalo, New York passed a resolution on Nov. 30 declaring Dec. 4, 1994 "Marian Anderson Day" in honor of the great singer Marian Anderson, who died at the age of 96 on April 8. The resolution acknowledged a concert in Buffalo on Dec. 4, the Schiller Institute's "A Trib-

ute to the Voice of the Century," as part of a series of concerts featuring "artists performing Ms. Anderson's traditional repertoire of lieder, opera arias, spirituals, and choral works."

In motivating the resolution, which was sponsored by Councilman David A. Collins and unanimously passed, the Common Council noted:

"Whereas: Marian Anderson, one of the greatest artists of classical music performance in the past 200 years, passed away in April 1993; and

"Whereas: As one of the first African American artists to break the color barrier in the performance of the classics, she was a true pioneer in her chosen field and an inspiration, both as a performer and a standard bearer, to countless people; and

"Whereas: Described as the embodiment of integrity and of the beautiful soul of classical culture, Marian Anderson could have made a career in Europe, where she was appreciated as an artist, but instead chose to display her talent in the United States, where her perseverance and dignity served as an example and inspiration to people of all races and backgrounds; . . .

"Now, therefore be it resolved: That the Common Council of the City of Buffalo join with the sponsors of 'A Tribute to the Voice of the Century' in honoring both the memory and living spirit of Marian Anderson; and . . . that this honorable body proclaim Saturday, December 4, 1993 'Marian Anderson Day' in the City of Buffalo."

Iran-Contra report blasts Reagan and Bush

Iran-Contra special prosecutor Judge Lawrence Walsh released the final conclusions of his investigation early this month, which holds President Ronald Reagan responsible for "setting the stage" for the illegal activities that were conducted on his watch, and which accuses his vice president, George Bush, of lying outright about his familiarity with the guns-for-hostages swap.

The full report, which is soon to be released, has already been read and denounced by Reagan and Bush's lawyers.

According to the report, while there is "no credible evidence that President Reagan violated any criminal statute, he nevertheless set the stage for the illegal activities which ensued." The report notes that Reagan made comments which left National Security Council staffer Lt. Col. Oliver North feeling as though he had "an invitation to break the law."

The report also said that Bush's claims that he was "out of the loop" were a lie, and that "contrary to public pronouncements, Bush was fully aware of the Iran initiative." Sources say that there remain seven unanswered questions about Bush's knowledge, which Walsh intended to raise at the trial of Reagan Defense Secretary Caspar Weinberger. The trial was scuttled when Bush, as President, pardoned Weinberger.

Schlesinger denounces flawed foreign policy

Former Defense Secretary James Schlesinger charged the Clinton administration with falling prey to that American ideological flaw known as "exceptionalism," while "turning a blind eye to the incongruity of our own actions," in an opinion column in the Dec. 5 *Washington Post*.

He cited several examples:

In Haiti, the United States has not hesitated to use the food weapon for political ends, even while denouncing the Serbians and Saddam Hussein for doing the same to achieve their political ends. Schlesinger cited the Harvard study on starvation in Haiti, and described Haiti's ousted President Jean-Bertrand Aristide as "badly flawed."

In former Yugoslavia, the Clinton administration blamed Germany, France, and Britain for its own policy failures, and then compounded the problem by announcing plans to abandon a "Euro-centric" policy for an Asia-oriented one.

In Asia, the United States continues to bash Japan, and then expects the Asians to greet its claims of a new priority toward their part of the world without skepticism, and otherwise "presumes to instruct them on how they should conduct themselves," he wrote.

● **CLARK CLIFFORD** was excused from trial by the New York State Supreme Court in the case involving the Bank of Commerce and Credit International's secret ownership of Clifford's First American Bankshares. Clifford, 75, was excused because of his age. His associate, Robert Altman, was acquitted earlier this year.

● **MINNESOTA** grain farmer Andy Olson addressed 15 members of Poland's new Parliament on Nov. 24, and called for an international farmers' movement against free trade policies, including the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT). Olson was in Europe on behalf of the Schiller Institute, founded by Lyndon and Helga LaRouche.

● **PRESIDENT CLINTON** has appointed former Iowa legislator Paul Johnson to head the Soil Conservation Service. While in the legislature, Johnson sponsored laws taxing fertilizers at the rate of a nickel an acre, and raised registration fees on pesticides. The revenue went to found the anti-farmer Leopold Center for Sustainable Agriculture at Iowa State University.

● **STUDENTS** at the University of Pennsylvania have founded a "First Amendment Coalition" at the university to challenge political correctness. Founder Dave Gentry told the Dec. 3 *Washington Times*, "The Ivy League schools are the trendsetters for the rest of the nation. . . . If we can put a stay on PC at the Ivy League schools, that will speak to the nation."

● **HARVARD BOY**, Vice President Al Gore told an audience of business leaders in Mexico on Dec. 1 that he never had a doubt that Mexican President Carlos Salinas de Gortari could do a good job. "I always knew that a 40-year-old Harvard graduate could be a good President here," said Gore.

Full speed ahead on cold fusion

On Nov. 24, a meeting was held in Asti, Italy on cold fusion research. What was unusual was not the announcement of any special scientific breakthrough nor the quality of technical discussion, but the fact that it was convened jointly by the two largest Italian industrial conglomerates, Montedison and Fiat. Not only did they sponsor the event, they gave a prize amounting to just under \$5,000 to Russian physicist Yan Kucherov, for his inventive experiment in cold fusion.

Major European media were alerted about the meeting, and it received wide coverage not only in Italian newspapers, but also in the German tabloid *Bild Zeitung*, and the British Reuters wire service.

It does not take an enormous imaginative leap to suppose that on the eve of the Dec. 5-9 Fourth International Conference on Cold Fusion, hosted by the Electric Power Research Institute (EPRI) and Stanford Research Institute (SRI), someone finally decided that Europe cannot afford to let this new frontier of science pass them by.

A corroborating signal: Just ten days earlier, Carlo Rubbia convened a meeting to discuss what he called a revolutionary breakthrough in the field of nuclear fission. He has invented a thorium reactor which he says would be extremely cost-effective, and which would forestall the danger of proliferation of nuclear weapons. At this meeting, the two discoverers of cold fusion, Drs. Martin Fleischmann and Stanley Pons, were invited to hold a cold fusion panel. Rubbia is the director general of the European Center for Nuclear Research (CERN), which up until now has been renowned for harboring such vehement critics of cold fusion as Dr. Douglas Morrison.

On Dec. 1, the Japanese Ministry of International Trade and Industry (MITI) held a press conference to announce that a Fleischmann-Pons cold fusion cell had been delivered to them by Technova Corporation, the sponsor of the two scientists. They will be testing it along with another cell given to them from the cold fusion laboratory of IMRA Japan. This is a first milestone along the road of an elaborated four-year MITI

cold fusion research program.

Press coverage of the Asti meeting quoted Dr. Pons out of context, to the effect that he may be able to offer the world home heaters within six years. The reality, as he and Dr. Fleischmann assert, is that there is no reason that such practical applications cannot occur, but the present stage of the work is still basic science. Of course, there are still many breakthroughs being reported on cold fusion, some more plausible than others; but fundamentally, the experiment still needs to be understood and controlled under a variety of conditions.

This is as it should be with such a revolutionary discovery, which challenges many scientific preconceptions. Even were cold fusion to be proven impractical in the end for technical applications, or in the worst case simply wishful thinking; even should it occur (which seems increasingly unlikely) that the high temperatures generated by the experiment, which appear to indicate a non-chemical generation of excess heat from an atomic process, are indeed chemical in origin: Still, not to have a fully elaborated program of cold fusion research at this time is a crime.

This is so, regardless of the technical applications, if the phenomena are finally determined to be atomic in origin. Not only are the gains to be realized from cold fusion processes potentially enormous, but the insight into solid state physics gained by ongoing research, is bound to spill over into many areas of solid state physics. Should cold fusion by some strange chance prove not to be atomic in origin, it would still in all likelihood lead to important possibilities for energy storage.

We welcome the participation of major industries abroad in offering support to cold fusion research. But it is high time the U.S. Department of Energy face the enormity of its mistake when it refused to underwrite a major cold fusion research effort, and instead lent support to the witchhunt climate which drove Fleischmann and Pons out of the United States and forced them to lose precious years while they had to reassemble their work abroad.

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St. Peter
and St. John
Healing the
Cripple, by
Albrecht
Dürer, 1513

What doth it profit, my brethren, though a man say he hath faith, and have not works? can faith save him?

If a brother or sister be naked, and destitute of daily food,

And one of you say unto them, Depart in peace, be ye warmed and filled; notwithstanding ye give them not those things which are needful to the body; what doth it profit?

Even so, faith, if it have not works, is dead, being alone.

--The Epistle of James, 2, 14-17.

*Wishing You the Peace and Joy of this Blessed Season
Throughout the New Year*

The Editors and Staff of Executive Intelligence Review