

EIR

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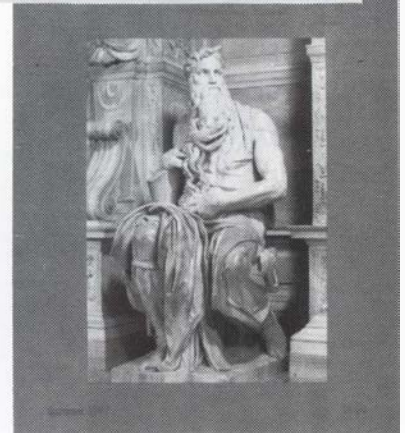
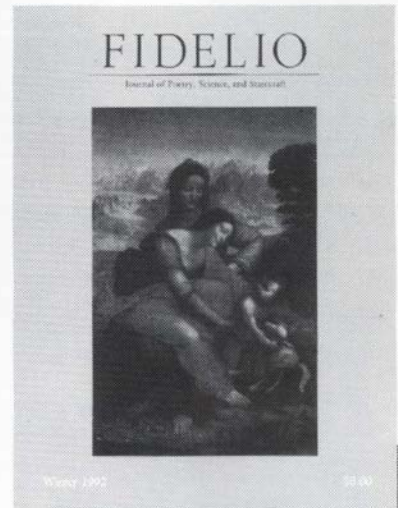
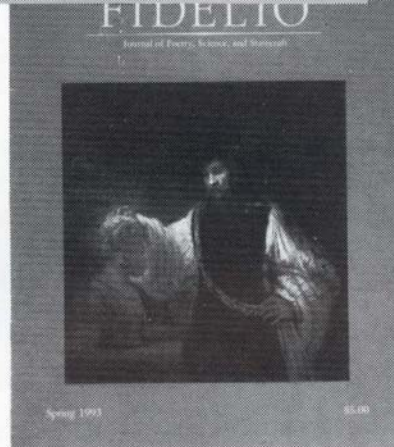
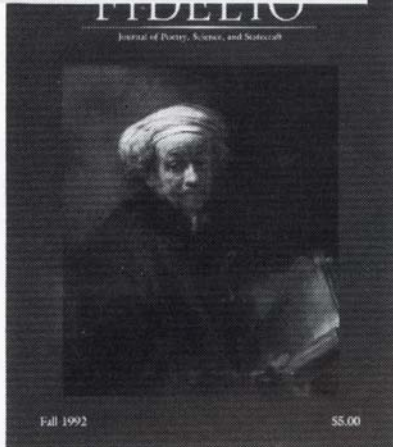
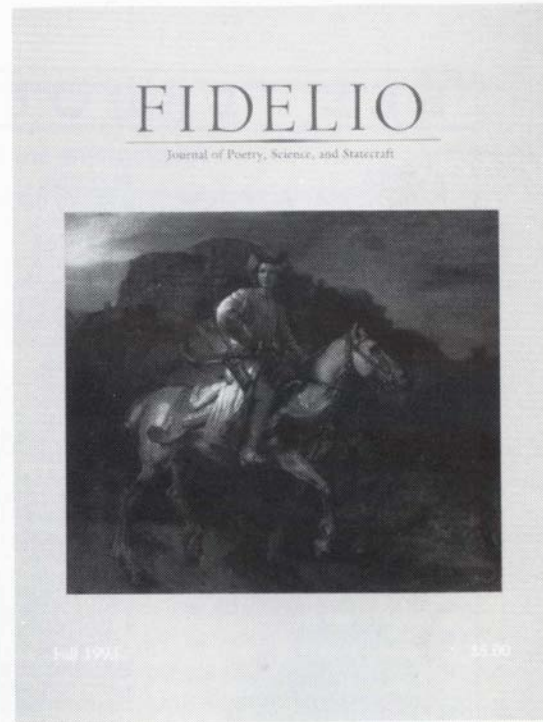
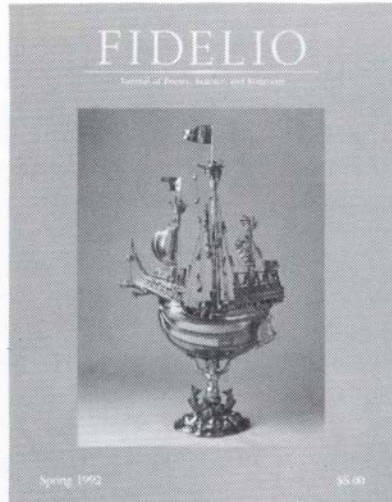
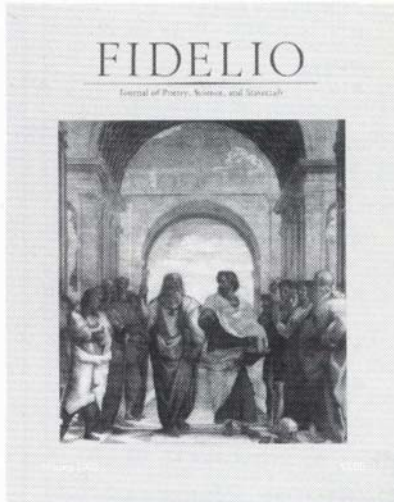
EIR bolsters resistance to 'Zapatista' threat
LaRouche published in Croatia and Russia
Nigeria draws the line, sets example in Africa

**Will the public schools
survive to the year 2000?**



"I hope to convince you that, in order to solve the political problem in experience, one must take the path through the aesthetical, because it is through Beauty that one proceeds to Freedom."

— Friedrich Schiller



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From the Editor

The *Feature*, by Michael Minnicino, exposes plans by free-trade fanatics to privatize, deregulate, and then strip the assets of America's 150-year-old public education system. The looting of the nation's \$700 billion per year education "industry," is, in the words of a recent Hudson Institute study, "the greatest business opportunity since Rockefeller discovered oil." The same Hudson study specifically recommends the shock therapy approach of Jeffrey Sachs, as the model for destroying public education.

Also this week:

- The top Jeffrey Sachs-allied shock therapists have been ousted in Russia, but the Third Rome imperial foreign policy remains intact. See *International* lead story, plus Lyndon LaRouche's letter to a Moscow weekly and his interview with a Croatian newspaper, for a strategic perspective; and in *Economics*, his timely memorandum on "The Failure of Communist Economics."

- Africa: An unexpected flank was opened by one of Africa's potential superpowers, when Nigeria's new head of state General Abacha announced that "the military still remains the only institution in the position to put an end to the drift toward total collapse," and declared an end to the days of applying the Structural Adjustment Programs of the International Monetary Fund to the Nigerian economy. Meanwhile, France brutally pulled the plug on the African franc zone countries, and Algeria has plunged into civil war. See *Economics* for in-depth coverage of the battle for Africa.

- Ibero-America: Turn to the *Investigation* for news of how *EIR* is catalyzing the resistance to the "Shining Path North" invasion of North America, by defending the military institutions in a way that resonates with Nigerian General Abacha's move. Part of our exclusive report is the Mexican government's fact sheet on this genocidal operation.

- United States: Admiral Inman's well-aimed counterattack against the media hounds is one signal of how heated the policy debate has become around the Clinton administration and official Washington. See *National*, also for reports on who is running "Whitewatergate," the deep splits over Russia policy, and a review of the facts on the role of Communist secret services in media smears of Lyndon LaRouche following Olof Palme's murder.

Nora Hamerman

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Nigeria draws the line against disintegration

by Lydia Cherry

In an announcement that sent tremors throughout the world of Anglo-American finance, Nigeria's new head of state Gen. Sani Abacha said in a speech laying out the 1994 budget on Jan. 10, that "the military still remains the only institution in the position to put an end to the drift toward total collapse." To halt the collapse, General Abacha declared that the days of applying International Monetary Fund Structural Adjustment Programs ("SAP") to the Nigerian economy were over, and announced measures to restart investment in the physical economy. Among the steps were decrees fixing interest and currency exchange rates, imposing controls on foreign exchange trading and imports, and, most important, providing that 60% of all bank credit will be directed to agricultural and manufacturing enterprises.

Three days later, Nigerian Finance Minister Kalu Idikaa Kalu said that although \$4.3 billion is needed to service external loans in 1994, only \$1.8 billion, or 23% of the country's expected foreign exchange income of \$8.1 billion, has been set aside for the purpose. "The reduced 1994 appropriation for debt service is attributable to the serious financial constraints arising from the fall in oil prices and the sharp drop in our foreign exchange resources," he said.

The Nigerian government's announcement that it is reversing the policy line of the last seven years came as a total surprise, and was received with little joy by a western establishment already greatly preoccupied with Russia's increasing resistance to genocidal International Monetary Fund (IMF) reforms and shock therapy. It appears that Nigeria is taking advantage of a window of opportunity provided by Russia's resistance to insane economic policies to embark on its own initiatives. Noted a Voice of Nigeria radio commentary on Dec. 16: "Gen. Sani Abacha is consistently pleading for understanding and support from the international community . . . the sort Russia is enjoying from the West, even in its turbulent political experimentation."

The London *Financial Times* was particularly critical that

the new budget announced by Abacha "gives priority to some notorious projects such as the Ajaokuta steel works, the aluminum smelter, and the new capital in Abuja." A Washington-based think-tank source moaned: "Nigerians can really do *whatever they want now*." The source made the comparison to Russia's problems with democracy and market reforms, where "they had an election and they got a surprising result from the right, and they are not in a firm position." She insisted that the Abacha speech represents "a very major development" because "anything that happens in Nigeria has such a spillover in the rest of Africa," particularly in places like East Africa where "they have been resistant to the pain of structural reform anyway."

Those who have sought to destabilize Nigeria using the phony pretext of human rights violations have had the rug pulled out from under them. A U.S.-based human rights source says that his Nigerian compatriots, who were earlier working with western countries to bring down the government, are now at a loss as to how to proceed. This is complicated by the fact that General Abacha "has taken over the entire trade union movement." On Jan. 17, Adams Oshiomhole, deputy president of the umbrella Nigeria Labor Congress, reiterated that grouping's strong backing for the head of state's shift away from free trade. "We are in full support of this aspect of the government's policies. We have been disappointed with the working of the free market. It has created far more distortions in the economy. We have been very critical of SAP. We haven't seen it working and we don't believe it can work." Nigeria Labor Congress president Pascal Bafyau added: "Their cherished SAP in recent years has undoubtedly led to the pauperization of the working class."

There is also, according to wire service reports from Lagos Jan. 18, "tension within Nigeria's umbrella Campaign for Democracy [CD] pressure group," a coalition closely allied with the western human rights crowd that feeds at the

Ford, Rockefeller, and MacArthur foundation troughs. CD Secretary General Chima Ubani has accused CD Chairman Beko Ransome-Kuti of collaborating with the new government.

Military under attack

General Abacha took over the government in mid-November, in the midst of destabilizing strikes prompted by the transitional government's decision to bow to western pressure to raise oil prices sevenfold. The oil price rise was the last straw. The economic reforms of the last seven years under military leader Babangida nearly crippled the country. In the past year, those deadly reforms were combined with heavy western pressure for multi-party elections, which Nigerian leaders kept warning could split the country into several entities.

According to Nigerian sources, it was General Abacha who told Babangida that he had to step down. Attempts to have an election, however, turned out to be a disaster because there was so much manipulation of the whole exercise by the "Project Democracy" crowd in Europe and in the United States. A key part of the western formula was to destroy the institution of the military. Nigeria has been blasted non-stop by the western media over the last year, with numerous "sanctions" placed on the country by its former colonial master Britain, as well as the European Community and the United States.

A Nigerian businessman, Lawal Idris, described to *EIR* the Babangida years: "After seven years of this we are nowhere; we are far worse off than when we started. They [the IMF] know it; we know it. Nigeria certainly isn't the first country that has been given IMF loans, conditionalities, etc. It does no one any good."

The reform process begun by Babangida in 1986, though modeled on the IMF, was under Nigerian auspices rather than the IMF's per se. Yet the results were the same. Between 1980 and 1990, per capita annual income fell from \$1,030 (1976 dollars) to \$250, while Nigeria paid accumulated interest payments equal to nearly the whole of its 1980 debt—yet as of 1989, its debt stood at \$32.5 billion. Any attempt to increase industrial capacity met howls of rage from the West.

The first speech that the new head of state made that caught the attention of the international community—the "Project Democracy" crowd called it unrealistic and meaningless—was delivered Dec. 22 to the Nigerian Institute of International Affairs, where Abacha called for a "Marshall Plan" for Africa: "I am convinced that bold and imaginative solutions are now required to deal with the problems, if African countries are not to be perpetually saddled with crushing debt burden." Africa's development was being destroyed by foreign debts which totaled \$275 billion last year, he said. This is 73% of the continent's Gross Domestic Product (GDP) and took more than 30% of its hard currency earnings to service.

Three days later, the military leader from the Muslim north stressed that "national salvation" for Nigeria "lay in the observance of the teachings of Jesus Christ to love your neighbors as yourself," according to Lagos Radio. "General Abacha called on Nigerians to eschew religious bigotry and learn to live together in harmony."

Back to the drawing board

General Abacha began his budget speech with reference to Nigerian history and the fact that Nigeria has been long recognized as one of the two potential superpowers of Africa. "At the birth of this nation 33 years ago, expectations were high and the possibilities for greatness were almost limitless. We appeared set for grand attainment to fulfill what the rest of the world saw as our manifest destiny to lead the black race into the mainstream of human civilization. But just as it seemed as if our sun was rising, twilight came and we have been groping ever since waiting for a new dawn. That we must recommence our journey to greatness is clear enough. What is not clear is the state of the vehicle with which to embark on that journey. Nigeria is today like a vehicle which has been reduced to a cannibalized contraption. . . . The sensible thing to do is to commence in earnest extensive repair works, having established the causes and sources of the damage. This, in a nutshell, is the assignment with which this administration is now saddled. . . .

"We make no pretensions about capability but, ironically, the military still remains the only institution in the position to put an end to the drift toward the yawning abyss of total collapse of the nation. . . .

"It has been said that the true test of a nation's progress is not how much it adds to the abundance of those who already have too much, but how well it is able to provide for those who have too little. . . .

"With the existing interest rate regime, it has become clear that real producers were being penalized while peddlers of paper money, crafty manipulators, and idle speculators were milking the economy dry. No responsible government would fold its arms and watch such a trend continue unchecked. . . .

"The international community must also come to understand the implications of these various programs. . . . It is no longer enough to insist on reforms whose pattern of effect has now been catalogued country after country, and yet for the international community not to appreciate what are the likely outcomes of changes that it advocates. Nigeria, like other African countries similarly situated have implemented structural adjustments of their economies. They are carrying the heavy burden that their debts place on their shoulders and they are saddled with the effect of a painful and conflict-ridden democratization of their policies. . . . This administration believes that equal attention must now be devoted to the management of peace within our societies. Peace can no longer be assumed."

Gaza-Jericho accord is caught on an economic snag

by Muriel Weissbach-Mirak

In early January, the Palestine Liberation Organization (PLO) and Jordan signed an agreement on coordinating economic and monetary policy in the Occupied Territories to come under Palestinian self-rule. The deal means that Jordanian banks, which were shut down after the 1967 war, will be reopened in the West Bank and Gaza, under the supervision of the Central Bank of Jordan, which will report in turn to the Bank of Israel.

The Jordanian dinar, which already circulates there, is to be used as the main currency, though "international and Arab currencies" (the Egyptian currency, to be circulated in Gaza, and the dollar), will be used, not as legal tender, but as a "means of settling accounts between the Palestinian National Authority and the projects financed by the World Bank," according to the PLO Economic and Planning Commission. The PLO will have considerable say in policy decisions, as Jordanian banks will be opened only "after PLO consultation" and a "Joint Technical Committee will take care of all financial, fiscal, and monetary issues in the Occupied Territories."

A Board of Governors meeting of the Palestinian economic council which took place days later in Tunis approved the priorities discussed between the PLO and World Bank, and appointed the engineering consultants and project designs. The projects, which include municipal roads, schools, housing in the camps, and solid waste treatment for water, could begin immediately. Progress could be visible within two months.

The PLO-Jordanian agreement came after months of study and discussion, not without controversy. A 26-page document finished by the PLO economics unit in October argued for using the Jordanian dinar and giving the Central Bank of Jordan a major role during the interim period, in coordination with the Palestinian authorities. Meanwhile, the study proposed that steps be taken toward rendering the CBJ a federated central bank, governed by the Palestinian and Jordanian states together. This has not happened, however, and more probably a Palestinian central bank will remain on the agenda. PLO leaders have stressed the importance of an independent central banking authority, to permit control over monetary and economic *policy*, a prerequisite to real sovereignty.

Jordan's apprehensions

What created tensions between the PLO and Jordan prior to the agreement was Amman's apprehension that Arafat may have made arrangements with Israel, during the November Paris talks on economic cooperation, which would be detrimental to the Jordanian economy. Jordanian economist Fahed Fanek reported there had been leaks that the PLO and Israel had agreed to free trade between the two, but would have established a "customs union" against Jordan. His Majesty King Hussein issued a clear message to Arafat, in an address to the officers corps at year's end, that the PLO must finalize cooperation with Jordan, otherwise Jordan would make preferential agreements with Israel. Jordan had, in fact, received permission from Israel, which has controlled banking in the Occupied Territories since 1967, to reopen its branches, without PLO approval. Shortly thereafter, the deal on banking was cut with the PLO.

The Italian daily *Corriere della Sera* offered an explanation for the triangular rivalry that seemed to have emerged among the trade partners in the region; it said the fight between Israel and Jordan over which one would sign an economic cooperation agreement with the PLO, had arisen because both wanted to have access to the World Bank funds, estimated at \$2 billion. This would explain the Israelis' efforts to control banking in the territories, and Jordan's eagerness to get back in.

In addition, as the customs union issue demonstrates, there is a race between Jordan and Israel for control over the Palestinian market and produce. The Israelis say they fear cheap Jordanian products, Fanek explained. Jordan can sell electricity at 65% of the Israeli price, and can offer cement at about two-thirds the Israeli price. "So Israel wants to keep the West Bank as a captive market," said Fanek, sending its produce in, but keeping Jordan's out through tariffs.

The free-market trap

What lies beneath such silly reasoning is the economically wrong idea that "markets" determine wealth. In reality, the only parameter for real wealth in an economy is the productive power of the labor force. To produce wealth in the Middle East means therefore increasing the standard of living and skill levels of the Palestinian population particular-

ly, through massive infrastructure and the introduction of advanced technologies. By replicating the process in several countries, through cooperative efforts for regional infrastructure, the economy of the entire region is fundamentally transformed. Real demand develops for industrial and consumer products which any technologically advancing society needs.

Instead of focusing on these tasks, the debate has narrowed to the free-marketeer's visions of quick profits from selling goods produced through existing technologies, even if antiquated. The debate has reached points of downright absurdity. For example, Uri Menasce, a board member of the Chamber of Industry in Tel Aviv, told the German economics daily *Handelsblatt* at the end of December, "Israel and Jordan produce 35% more cement than they use. So it is irresponsible to waste \$400 million to build a cement factory in the autonomous area." The remark was made to discourage Palestinian plans to develop an independent construction sector.

In light of the absence of any adequate housing for the Gaza residents, currently sandwiched into refugee camps, a vigorous construction industry is an obvious must. Furthermore, even if Israel and Jordan did have the cement required for hundreds of thousands of new housing units, the sound economic argument would be in favor of developing Palestinian cement factories, and related construction activities, as a way of training unskilled labor. (For the same reason, instead of importing nuclear energy, for example, it is important for a developing economy to master the technology for itself, as part of the process of educating a modern labor force.) Another absurd argument thrown into the debate is that since Israel and Jordan have ports, at Haifa, Ashdod, and Aqaba, there is "no need" for the port which the PLO plans to build at Gaza. Implicitly, this view assumes that no real growth will occur, which would necessitate expansion of transportation for trade.

Water and the Syria-Israel conflict

The same faulty methodology is evident in the fight over water. While the January meeting between U.S. President Clinton and Syrian President Hafez al-Assad seemed to focus on political and military matters, the economic reality of Syrian-Israeli differences cannot be ignored. Several scenarios have been circulated, allegedly representing the content of the face-to-face talks between Clinton and Assad. Among them, an American offer to take Syria off the terrorist list in exchange for peace with Israel; an arrangement for the Golan Heights, giving Syria de jure sovereignty, but still allowing Israel de facto access; an American offer to provide "peace-keeping troops" to patrol the formally demilitarized Golan Heights, etc.

What is really behind the scenarios? The French daily *Libération* interviewed Gen. Ariel Shaliv from the Jaffee Strategic Studies Center of Tel Aviv, in its Jan. 19 issue. Regarding the Golan Heights, Shaliv said "Israel should withdraw from most of Golan, and evacuate most of its settlements, which would not remain under Syrian sovereignty."

To *Libération's* request for further clarification, General Shaliv explained: "In my view, a strip of two to three kilometers should stay in our hands, to control our border area as well as to keep control over the water from Lake Tiberias [Sea of Galilee]. The border would have to be modified, even if that's difficult for Assad to accept."

The small strip of land in General Shaliv's plan corresponds to an option for Israeli withdrawal developed in the Jaffee center, and first leaked to the press in October 1993. At that time, the Israeli daily *Haaretz* wrote that both the Shamir government and that of Rabin had blocked publication of the study, the former because the study discussed territorial compromise, and the latter, because public knowledge of the study might hurt ongoing negotiations with the PLO. The study elaborated precise plans, with maps, for military withdrawal from the Golan and the West Bank, along special guidelines. According to *Haaretz*, the study "emphasized an important principle: Israel must do everything in order to protect the water assets now in its hands." The study contemplated Israeli withdrawal from the Golan, with continued Israeli supervisory rights over water, which includes the source of the Jordan. The maps *Haaretz* published showed the Golan back in Syrian hands, except for "a buffer averaging more than 10 kilometers wide around the Sea of Galilee" according to a *Jordan Times* report Oct. 10, 1993. Such a buffer would quarantine monopoly over the water.

It is well known that Israel's military seizure of the Golan Heights corresponded to its plan to take the water. There will be no solution to the "territorial" question of sovereignty until the water issue is totally redefined. Instead of fighting over scarce water supplies, which, in any case will be insufficient within less than a decade, the focus should be on developing advanced technological means, like nuclear plants, to desalinate sea water. The difference in the two solutions is a fundamental difference of economic thinking, one wrong and the other right.

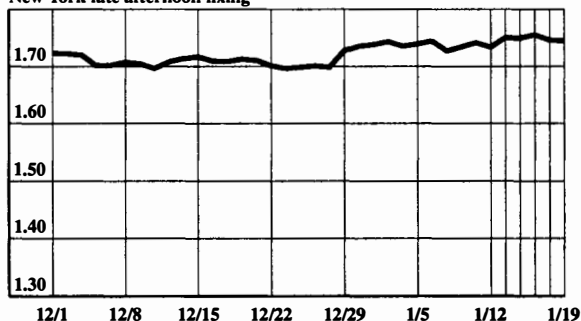
Which economic method prevails will determine the success or failure of the talks, whether with Jordan or Syria and Lebanon. If the free-market philosophy prevails, there will be trouble ahead. In this context, news of the program for the Jan. 27-Feb. 1 Davos world economic forum in Switzerland is disquieting. According to *Le Figaro* on Jan. 19, the symposium will unveil plans for a Middle East Free Trade Agreement (MEFTA), a NAFTA for the Mideast region. Among those expected to attend Davos to work this out, the paper reports, are protagonists of the peace negotiations: PLO chief Yasser Arafat, Jordan's Crown Prince Hassan bin-Talal, Lebanese Prime Minister Rafic Hariri, Israeli Foreign Minister Shimon Peres, members of the Egyptian and likely Syrian governments, as well as various economic experts from the region.

According to *Le Figaro*, "preparatory discussions have been held for several weeks in secret" on this MEFTA, and further discussions are to be pursued "at the highest level" in various capitals before the meeting.

Currency Rates

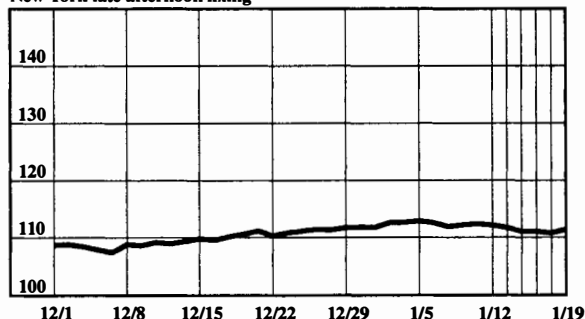
The dollar in deutschemarks

New York late afternoon fixing



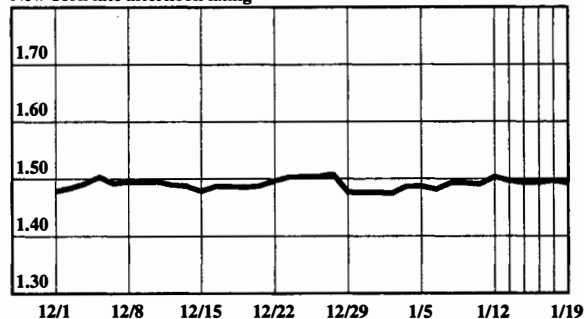
The dollar in yen

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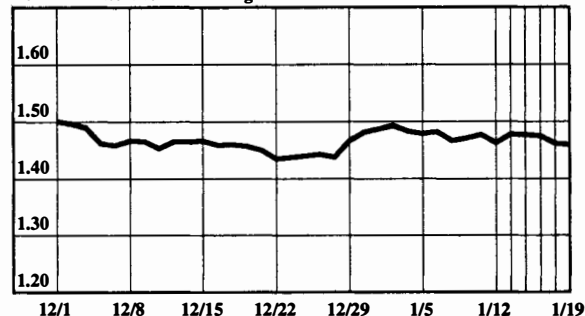
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



African scientists reject malthusianism

In our issue of Jan. 7, we reported the extraordinary challenge delivered by the African Academy of Sciences to the malthusian propaganda buildup to the U.N. International Conference on Population and Development, which is to be held in Cairo, Egypt in September of this year. As Paul Gallagher wrote (p. 4), the short document authored by J.K. Egunjobi of Nairobi, Kenya, the head of programs of the African Academy of Sciences, "is meek and humble, but blessed and true. It nobly defies the dogma of the World Bank, the International Monetary Fund, the Club of Rome, and the sterilization mafia of Johns Hopkins University." We publish the full text of Egunjobi's statement below (subheads have been added).

The Cairo conference is the third of the U.N.'s World Population Conferences which are being held every ten years. The first, in Bucharest, Romania in 1974, was key-noted by such leading lights of the malthusian anti-population movement as John D. Rockefeller III and Club of Rome chief Aurelio Peccei. That conference, contrary to the plans of its organizers, saw a fight for human life waged by the Vatican and some Third World governments, and spearheaded by Helga Zepp, then a leading associate, now the wife, of Lyndon LaRouche. The second World Population Conference took place in Mexico City in 1984.

In 1993, the British Royal Society and the U.S. National Academy of Sciences prepared a "Joint Statement on Population by the World's Scientific Academies," which was adopted at an international conference in New Delhi Oct. 24-27, 1993. The Joint Statement is a typical malthusian tract, fraudulently assuming that no technological breakthroughs are available to the human species, to solve the problems of the availability of food, water, and energy for a growing world population. Professor Egunjobi's dissenting report was presented to that New Delhi meeting.

Africa needs people

The African Academy of Sciences has studied the draft statement intended to be issued at the Population Summit of the World Scientific Academies, and wishes to comment as follows:

1) Care must be taken to acknowledge that while current rates of population growth and even absolute rates of population sizes may be and are a problem for particular countries, for Africa, population remains an important resource for development, without which the continent's natural resources will remain latent and unexplored. Human resource development must therefore form part of the population/resource issue. The forthcoming 1994 U.N. International Conference on Population and Development must receive the message clearly.

2) Part of the complexity of the population issue is that there are wide variations both between and within regions and countries. Consequently, the strategic planning needs of each country and region could vary very dramatically. Therefore, defining population as a global problem without qualification obscures this dimension. There cannot, therefore, be one target for all countries at all times. An African agenda would be very different.

3) Population policy is not only about fertility regulation. Fertility is only one parameter that requires management. Policies relating to the entire health sector, migration and urbanization and socio-economic conditions (especially that of women) in a nation are important elements in an effective population policy.

4) For most African couples, marriage is not only for companionship, but also, most importantly, for procreation. The statement completely ignores that, for certain parts of Africa, infertility is a major problem. Family planning should also be designed to look into the problems of infertility, so that couples who so desire may be able to procreate and meet their life desires.

5) To imply that family planning is the panacea for fertility regulation and even development, is at least simplistic. An understanding of the social and cultural milieu of African societies is central to an analysis of the success or failure, or the intrinsic value or otherwise, of family planning programs. In Africa, many of the so-called impediments to family planning have a rationality which requires careful assessment.

6) Whether or not the Earth is finite will depend on the extent to which science and technology are able to transform the resources available for humanity. There is only one Earth—yes; but the potential for transforming it is not necessarily finite.

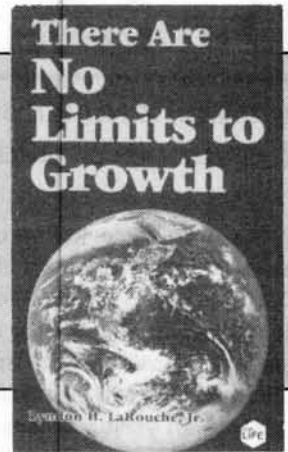
7) The international economic environment in which Africa's development policies and programs are defined and executed is an important variable in the population debate. The contribution of the North to Africa's population predicament must be acknowledged in any suggestions as to how that situation is to be confronted.

8) The Summit statement should envision specific actions and collaborative strategies by the various Academies in the wake of the Cairo conference. A special panel on population and development could be set up by the Scientific Academies to develop and refine such actions and strategies.

Overpopulation Isn't Killing the World's Forests— the Malthusians Are

There Are No Limits to Growth

by
Lyndon H. LaRouche, Jr.

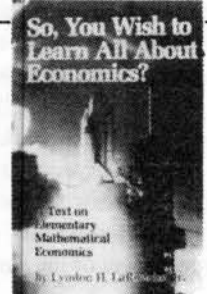


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The failure of communist economics

Lyndon LaRouche analyzes the bankruptcy of Marxian economics, and the alternatives available to Russia, in this memorandum issued on Jan. 8.

It is obvious, of course, that communist economy failed for reasons which are intrinsic, ultimately to its design. On this ground, however, largely through a misapprehension of the actual causes for the collapse of the Bolshevik economy, the argument is made that the free trade model in the West, a model argued to be a successful one, is the alternative to the so-called Karl Marx economy. This line of argument, which is the prevailing sophistry advocated in support of Yegor Gaidar, from the West, and otherwise advocated in the West generally, is the ruling perception, although an absurd one. Like many of the policies in the West and elsewhere today, this one is absolutely absurd.

Let's take this apart piece by piece. I think it necessary to perform this surgery for the information of people in eastern Europe as well as other parts of the world. First of all, Karl Marx specified no form of economy such as communist economy; Marx's work is essentially premised upon the work of the physiocrats, namely Dr. Quesnay and his *Tableaux Economiques*, on the work of Adam Smith, and more immediately, David Ricardo. In other words, Marx is essentially a special office, or special department, of the British East India Company school of economics, despite his criticisms of rival members of the same school.

The British school of economics

This is not accidental, since Marx's work on economics occurred under the direction of one of the three stooges who controlled variously all of Lord Palmerston's assets, Karl Marx included. Marx was essentially a Mazzinian, i.e., he belonged to the Young Germany collection of Giuseppe Mazzini British intelligence assets, together with people like Moses Hess originally; but he was passed in London to the supervision of the third stooge—the most aristocratic of the three—Urquhart, who was Marx's mentor and who steered him through economics.

So what Marx produced as economics is essentially a criticism of the British model of capitalism, the British model as defined by the work of such fellows as David Ricardo. It is a parody of Ricardo, with a throwback to Quesnay's *Tableaux Economiques*. Marx simply indicated that communism would be the negation of certain features of this British

economy, and all of Marx's criticisms are premised on the assumption that the British economy is the only model of capitalist economy, which is frankly, of course, absurd. The American System existed before the British East India Company had elaborated fully the system which Marx criticized, the American System being based and derived largely from the work of Leibniz and Leibniz's allies among the mercantilists, so-called.

The key feature of all these—Russian communism in fact, as well as Karl Marx's three volumes of *Capital*, and the British system—is that they all converge upon the entropic model of economy devised by that fabulous incompetent, the late John Von Neumann, who has a certain affinity, shall we say, to the circles out of which we obtained George and Paul Soros in Hungary. The specific lunacy of John Von Neumann to which I refer here, a lunacy which is in fact embedded in both the physiocratic doctrine and the Adam Smith doctrine of the British East India Company, is his argument that all economics can be reduced to solutions in terms of simultaneous linear inequalities—that is, essentially the positivist dogma of John Von Neumann which affects his work in many areas, as well as economics. It is also the dogma, for example, which underlies Prof. Norbert Wiener's theory of cybernetics.

Apart from all the fancy footwork and studies of random theory—we might say the nonsense field of random numbers—by both John Von Neumann and by Wiener, there is nothing to the system of either which is not essentially representable in a way consistent with simultaneous linear inequalities. Yes, there are anomalies which do not lend themselves to that; but those anomalies are actually things which occur which the system does not allow, which the system tries to explain away, which it cannot. But the essential feature of any system which is based on an "n person" zero sum game, based on simultaneously linear inequalities, is that such a system is incapable of generating a real profit.

In the case of the physiocratic system, going back earlier to the 18th century, the physiocrats, at least some among them such as Quesnay and Turgot, would allow for the admission of profit of a certain type. In the case of the physiocrats who advocated this, the profit that occurred was nothing

but the bounty of nature, not to be explained by anything contributed to labor by man. Man was treated essentially as an animal whose labor contributed nothing to nature; but man, by doing certain things, through mining and agriculture essentially, incurred nature's capacity to generate a bounty, and that profit was nothing more than a division of the bounty contributed through the means of mining and agriculture by nature. Man's labor did not contribute a bounty.

In Adam Smith and others, as particularly in the idea of comparative advantage, the only source of profit is reducing the cost of labor in one way or the other, or simply by cheating and stealing, looting. So actually the economy generates no profit. In point of fact, the economic systems of the physiocrats, especially those of Quesnay, of Adam Smith, of Ricardo, of James Mill, of John Stuart Mill's "marginal utility" followers, as well as Von Neumann, are all entropic. That means that from the beginning of some paleo-historic time, when the human population was less than 10 million, there has been no growth in the physical economy of mankind, except that one would say the physiocrats are tapping natural resources and looting them. Of course this same incompetent, unscientific, physiocratic dogma is the basis for the ideological environmentalist, malthusian environmentalist crew, and was the basis for the malthusian doctrine in the first place. It is a doctrine which comes into biology by way of those who are foolish enough to think Darwin was a scientist.

The source of profit in the Soviet economy

With that said, let us return to Russia. The problem of the Bolshevik economy essentially was that it was a negation of capitalist economy in its civilian sector, and thus it is characterized in most of the civilian sector by a lack of willingness to accept improved technology, a stubborn peasant resistance to technological progress, a kind of Bolshevik, Matushka Rus, physiocratic doctrine.

The contradictory element shows up in the Soviet economy, in particular, and is in the military-industrial sector, which, while based upon the Soviet economy as a whole, nonetheless had a very special characteristic, which all of us who studied these strategic matters in the days of the Cold War knew very well: The Russian scientific industrial complex could make brilliantly applicable weapons systems out of junk with a capacity that the Americans could never rival. It was in the military-industrial complex of Russia that all of the generated profit of the Soviet system was created, and the by-product of the application of science to the production of better combat systems, and there the matter lies today.

The military sector of Russia was an economy essentially of exception. It was a war economy section which lay outside what is otherwise the general economy of Russia. The result is that the dismantling of the military industrial complex means the collapse of the Russian economy to a Third World condition.

The problem is a very elementary one. True profit can come from only one source: increases in the productive powers of labor per capita and per square kilometer and per household which are based essentially on the generation and assimilation of scientific and related progress, especially fundamental scientific progress such as new discoveries of principle. The only other source of profit, which you might call pseudo-profit, is by exploitation and looting or swindles. In a capitalist economy modeled after the physiocrats in general—Turgot being an interesting partial exception, but especially in the Adam Smith, Ricardo, Marx, Mill tradition, and also of course John Von Neumann—there is no profit except by theft, looting, swindle. The profit comes at the expense of the system in a physical sense, and thus the higher the rate of profit, the greater amount of profit allowed, the more rapidly the entropic process of collapse of the entire physical system proceeds.

Actually, as British imperial looting of the world attests, during the 19th century, the rise of British economic power came solely from looting the rest of the world, so the net effect upon the world was one of a decay of the world economy to satisfy the appetites of the British parasite, pretty much like a cancer. It develops no profit, and neither does the communist system. You notice it in Karl Marx. It is emphatic both in the concluding parts of volume I of *Capital* and throughout volume III, and also in his fallacious fraudulent model of expanded reproduction and notions of simple and expanded reproduction in volumes II and III of *Capital*, that this is a purely *entropic* model which is intrinsically analogous, though less radical in form, to John Von Neumann's silly, stupid, fraudulent notion of economy as an "n person" zero sum game, that can be based upon a set of linear inequalities. This is the same problem that afflicts us with the lunacies of Norbert Wiener—cybernetics—as applied to man, economy, and language, though his theory does have some machine applications.

That's the nature of the situation. The only conceptual system which accounts for profit is the system of physical economy developed by Leibniz, which accounted for the profit coming from two sources, both related to the increase in the productive powers of labor. One is the increase of the productive powers of labor through the heat-powered machine, a subject which Leibniz originated and developed in some length, in parallel with similar work of Christian Huygens.

The second, which Leibniz was rather unique in conceptualizing, even though others before him knew of this but they hadn't conceptualized it in the Platonic sense, is technology. There are cases which are crucial for the entire theory. This is the aspect of economics on which I focus my attention most greatly, in which principal discoveries applied in the form of machine tool or equivalent elaborations result in an increase in the productive powers of labor by an improved machine, yet without necessarily any increase in the amount of power

throughput per capita for the person and the machine.

It is through this combination of increase of heat power and technology that mankind increases the productive powers of labor, and it is from this source alone, these kinds of physical scientific innovation in the modes of production alone, that true profit is generated and that mankind was enabled, by approximations of this principle to emerge from an early Cenozoic human population of less than 10 million potential population-density to modern society.

From the standpoint of the Russian nation, the Russian scientist is generally the key to seeing what the solution is, what the alternative is to this hopeless choice. The choice is Buridan's ass, shall we say, between the straw of the old communist way of civilian economy and the useless, leached-down hay of the British free trade model.

So we have thus the Russian system, which had only one element which is capable of producing profit, even though it was not producing essentially for the civilian economy, and that was the military-industrial complex, which applied scientific discovery including fundamental scientific discovery, the discoveries of principle, to machine-tool principle elaboration and to improved military devices, which is a form of productivity. The same form of productivity increase applied to the civilian sector will give us the kind of economy we desire in terms of net result, i.e., one which has a real profit rate of growth in increasing the productive powers of labor per capita and per square kilometer, through raising the standard of living, through the reinvestment of this margin of increase which we would call profit.

Otherwise, the Russian system is a complete failure, analogous to the intrinsic failure of a free trade model, and all free trade models are inherently entropic and lead to nothing but disaster. The higher the rate of profit in a free trade model, the higher the rate of collapse of the economy as a whole.

Of course, in the 19th century and 18th century, there were no free trade models. They didn't exist. Even in Britain they did not allow free trade through the 18th and 19th century. They demanded it of France, which collapsed the French economy in the six years from 1783-89, and brought in the Shelburne-Bentham assets, the French Jacobins, to destroy and largely decapitate French science and the French econo-

my at the time. They demanded it of the American colonies from 1783-89, and the freed colonies, the young United States, collapsed because of free trade, until the Philadelphia convention of 1787 set into motion what became the form of the federal republic which instituted anti-British free trade, the anti-Adam Smith model of economy called the American System of Hamilton, et al. In France, in the continent of Europe, and in the case of Friedrich List in Germany, and elsewhere, you see that every successful economy of the 18th and 19th centuries, with the exception shall we say of Britain, relied upon internal dirigist development of a state sector combined with a growing private sector, whose existence depended upon the infrastructure provided either directly or through regulation by the state sector. It is this two-sector model of economy which every successful economy practiced, which Britain itself practiced in a certain manner at home. The difference in Britain is that Britain's wealth came not from its own production, but from its looting of its colonies and other parts of the world. Without the City of London's role in looting, aided by the British Navy and other forces, Britain would have collapsed long ago.

There is no case for a free trade economy, until rather recently, until some lunatic followers of Milton Friedman and so forth decided to try to have one: some so-called pure capitalist economy based on globalist free trade, which is the shortest road to a dark age one can conceive. The only approximation of a free trade model prior to this time was the usury model of the early 14th century which caused the collapse of the European population by one half through famine and disease, and the general collapse of the level of civilization of Europe into what was called by the middle of that century "a new dark age," which is pretty much what we're headed to now unless we get rid of those fellows, or at least the influence of those fellows, who are represented by the bureaucracies of the International Monetary Fund (IMF) and World Bank today, as well as Harvard people like Jeffrey Sachs, a complete lunatic.

My discovery applied to Russia

To come to the final point pertaining to, in specific, the Russian question. In a report which is in the process of publication now, on the nature of my discovery in the 1948-52 period of work on this matter, I indicate that the fundamental questions of physical science must be determined from the standpoint I employed and developed over the 1948-52 period, in respect to questions of economy: that the question of scientific discovery depends not upon theorem-proofs, but upon hypothesis.

The history of hypothesis is the key to defining a foreseeable increase in the productive powers of labor of mankind, resulting from scientific progress dictated by that choice of line of hypothesis, that successful hypothesis, a successful hypothesis which is known in Plato as higher hypothesis. Now what it proves—the higher hypothesis, one alternative

higher hypothesis against another—is the reflection of this hypothesis in terms of increasing man’s power over nature. The question of knowledge of nature is not a contemplative question, but is a practical question of increasing mankind’s power over the nature of mankind as a species, or mankind as a nation as a surrogate for a species.

Therefore economy, physical economy, the increase of the rate of profit, real profit, physical profit per capita and per square kilometer on this planet, or as we explore space analogously, is the measure of which method of hypothesis of higher hypothesis is preferable in increasing man’s power over nature, and thus is a higher hypothesis which is in closer correspondence with the laws of the universe. From comparison of different modes of higher hypothesis which the history of scientific discoveries has enabled us to do, if we look at scientific discovery from the standpoint of hypothesis rather than theory, it enables us to think in terms of a still higher level, which Plato identifies as “hypothesizing the higher hypothesis,” to generalize on the subject of variability among various possible higher hypotheses.

That is true knowledge. This is true for physical science in a very obvious way; but as I’ve indicated, the basis for scientific truth is not located adequately, i.e., with necessary and sufficient reason, in terms of isolated laboratory experiments, no matter how many of them. The test of knowledge is whether the mode of hypothesis used to generate new discoveries of principle leads man toward an increase in potential population-density or not. The comparisons among different kinds of species of higher hypothesis are made in terms of their effect in terms of potential population-density increases. Thus the epistemological basis for certitude or relative certitude in scientific knowledge, i.e., physical science, depends upon the science of physical economy. Without basing the notion of physical science on physical economy, there is no adequate, sufficient reason on which to premise a theory of scientific method. It is only in terms of physical economy, in terms of increasing the per capita and per square kilometer density of man’s power over nature in this universe, that we can have an epistemological standpoint from which to judge with necessary and sufficient reason what is the proper principle of scientific method.

We have in Russia, in the scientific and military industrial complex as a whole, people who are actually good scientists—as a matter of fact they were one of the best set of scientists on this planet, before they were subjected to this process of dispersion by Gaidar’s methods, Sachs’s methods. From the standpoint of the Russian nation, the Russian scientist is generally the key to seeing what the solution is, what the alternative is to this hopeless choice. The choice is Buridan’s ass, shall we say, between the straw of the old communist way of civilian economy and the useless, leached-down hay of the British free trade model.

The Russian scientists, particularly those who have looked at and studied the military-industrial sector of Russia,

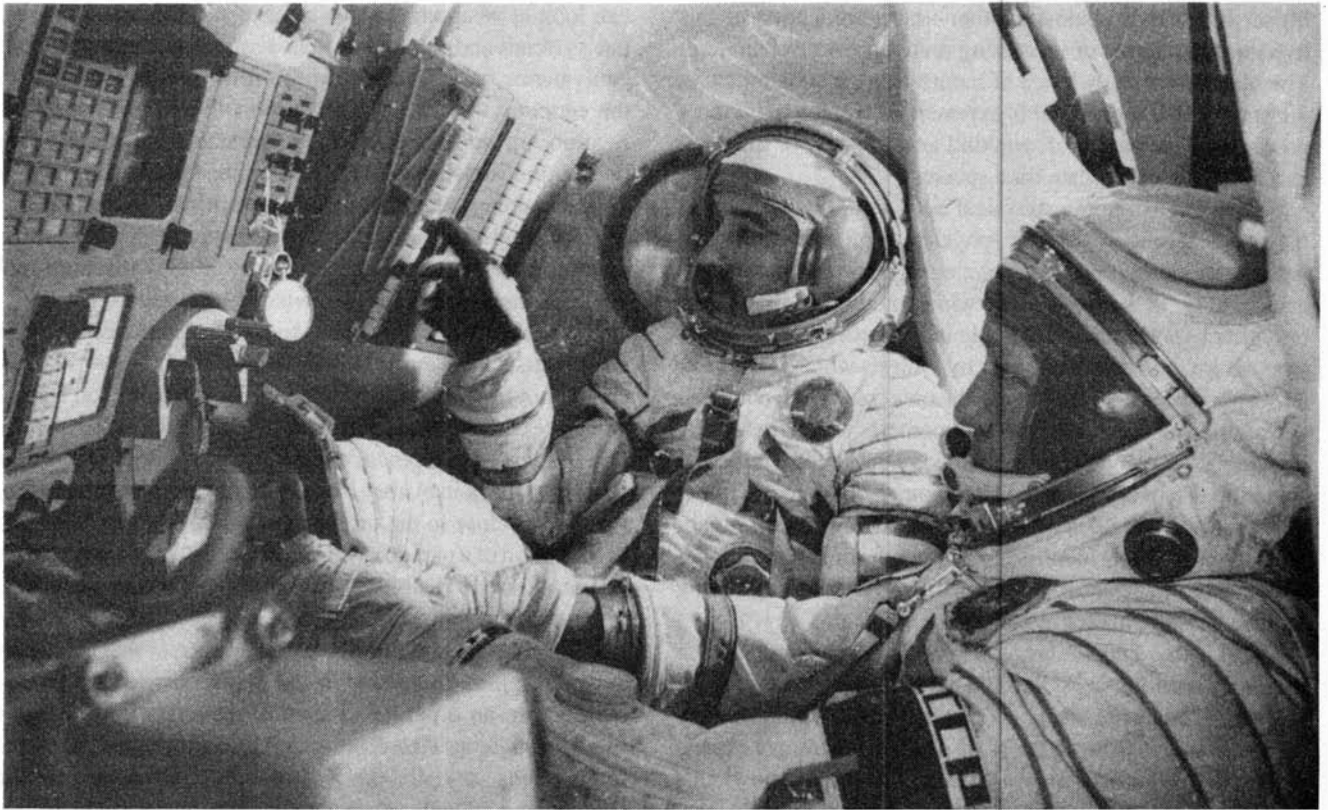
can look at weapons systems, not just individual weapons, but systems and applications in terms of its fire power or equivalence, as equivalent to the form fire power takes in the economy, which is called productivity; and seeing the relationship between physical principle and this notion of fire power, the Russian scientist can understand exactly how a good economy should function in terms of increasing the relationship between scientific progress in respecting principle, the conversion of these principles into machine tool applications and then into knowledge and product.

The other aspect is obvious to the Russian scientist, as to all scientists who are true scientists around the world: You should not learn science from a textbook; nor do you learn it from a textbook and experiment, even though experimentation is a very noble practice and a necessary one. One learns it by going back in history in the form of a classical education, to study as close to the original source as possible, the form of a solution of a paradox which represents an original discovery of all kinds of things, beginning in formal knowledge today with the Pythagorean theorem.

The child must replicate the experience of that discovery by the original discoverer in the child’s own mind and by building up an ordering of these discoveries in the child’s mind through the 19th century and through reflections on the implications, say, for the Russian child, of what were the sources and influences on Dmitri Mendeleev which produced his great Periodic Table discovery. The Russian scientific child now has an intimate personal knowledge of the inside of the mind of many thousands of leading discoverers before him or her, in terms of those moments of discovery in which the hypothesis provided the solution. We know that all human discovery occurs not as a group principle, not by a consensus, but rather by an individual experience within an individual human mind, as within the mind of Pythagoras or perhaps from the time of Plato, the mind of Theatetus, Theodorus, and so forth.

Thus we realize that while society must take general responsibility for providing things like infrastructure and maintaining credit and monetary systems on a state basis, and protecting its private sector with suitable means of economic protection, that the likely implementation of innovations derived from scientific and related progress will best come through the farmer, who is a technologically progressive farmer, or the entrepreneur in the goods production sector of industry, who is a progressive entrepreneur in terms of technology, who uses technology to increase productivity and to produce a better quality product, a more useful form of product, or to produce new kinds of products which improve the consumption by industries and households.

Therefore every Russian scientist who thinks through this problem as I’ve posed it, will see that we need this combination—with the state sector, which is infrastructure, which is credit systems, which are the essential social systems of education and health care, with private doctors, of



Cosmonauts Georgi Ivanov (Bulgaria) and Nikolai Rukavishnikov (U.S.S.R.) in training for a Soyuz mission during the Soviet period. It was in the military-industrial complex of Russia that all of the generated profit of the Soviet system was created.

course, plugged into the state apparatus, the infrastructural side of the health care apparatus. But in agriculture and in manufacturing industry and in related construction crafts and so forth, we must prefer private initiative, which places the emphasis upon the mind and will and courage of the individual entrepreneur, who is progressively minded in technology, and who defines a better product as improvements in technology, productivity, or technology defining new kinds of products, more useful and which enhance the total package of consumption by industries and by households. We need that kind of mixed economy which is anticipated implicitly by Alexander Hamilton in his famous three papers, especially *Report on Manufactures*, when he was treasury secretary under George Washington and by the successors of Hamilton including, in Germany, Friedrich List, and such successors in Russia who understood the matters from this standpoint. Even though Stolypin carried out many aspects of the reforms designed by Count Sergei Witte which the czar would not allow Witte to do (but the czar would allow Stolypin to do), it was Witte who understood the essential implications of this principle probably largely through his collaboration with such people as Dmitri Mendeleev.

That should be generally in our discussion and analysis of the problem from the standpoint from which we examine the Russian question and the possibility of a Russian internal

intellectual policy-shaping solution to the crisis which afflicts Russia and the former Warsaw Pact and Soviet bloc today. A similar situation applies in a different way to Poland, to the Czech Republic, to Slovakia, to Hungary, and to the people who are now in unified Germany from east Germany. That is the major point to be made in this connection.

A final note

Finally, negatively in the same connection, it should be obvious, implicitly, from what I just said that I agree with everything French Nobel laureate Maurice Allais has said, demonstrating the criminal **stupidity** of the bureaucracy of the World Bank and IMF and **like-thinking** institutions [see *EIR*, Nov. 26, 1993, "Fight Over Global Free Trade Erupts in France"]; but also that Allais's analysis does not go far enough, because he does not consider the physics side of the thing, the Leibnizian principles of physical economy, which go beyond his treatment merely of monetary financial systems and of costs, objective costs, from the economic standpoint of physical economy, which Allais does consider. Up to that point, everything he says is valid, it is important, and is right! Politically right. The opposition to him on these issues is fanaticism of a very bad kind. What Allais does not do, which we must do, is to go to the deeper applications of this, on which my work places the emphasis.

France abandons Africa to the International Monetary Fund

by Jacques Cheminade and EIR Staff

At the African summit in Dakar, Senegal, on Jan. 10-11, the CFA franc, the currency of the French-speaking African countries, was devalued 50% against the French franc, the first change in parity since 1948. This drastic devaluation, denounced by one African spokesman as “collective murder of Africans,” took place in a meeting where the central figure was not France’s Minister of Cooperation Michel Roussin, but Michel Camdessus, the managing director of the International Monetary Fund. On Jan. 12, the IMF officially welcomed the devaluation. According to BBC radio, Camdessus said that the decision would “pave the way for negotiations” with these 14 African countries, and clear the way for \$2 billion in new aid, including an increase in World Bank assistance, as well as in measures of “debt relief” by western governments.

France’s abandonment of the franc zone countries of the African Financial Community—Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Ivory Coast, Madagascar, Mali, Niger, Senegal, Togo—became official when French Premier Edouard Balladur wrote a letter to the franc zone heads of state last September. It was backed up in a heavy-handed speech by Edmond Alphandéry to a meeting of 14 ministers at Abidjan, Ivory Coast, which subordinated all new French aid to the adoption of “structural adjustment” measures—i.e., IMF austerity recipes.

Thus the administrative heirs of Gaullism have buried the Africa policy defined by the late Charles de Gaulle in his Brazzaville address and decolonization project, which had made France’s role in fostering the development of the former French colonies into productive nations, a central aspect of the national mission of postwar France.

Even worse, it is being claimed, with towering hypocrisy, that the “courageous” decision to devalue was taken by the African countries themselves in accordance with their national interest! Cooperation Minister Roussin wrote—with a straight face—in the Jan. 13 issue of *Le Monde*: “Today, the African nations are taking their destiny into their hands. On the political plane, democracy is moving forward: We’ve seen it in the Central African Republic, in Gabon, and in Mali, where elections have taken place under the eyes of international observers; we’ve seen it in Ivory Coast, where the transition took place in accordance with the Constitution.

“On the economic plane, the states of the franc zone are

providing themselves with the means to rejoin the international community. Their heads of state have taken the decision to set new parities. This courageous measure was necessary; it was taken with all due seriousness.”

Roussin went on to rehash the whole IMF argument: The CFA franc’s parity change “will bring an end to the sharp anticipations which have led to a continuous and growing capital flight. . . . In bringing down the costs of production, it will allow growth to return to these countries. The reduction in public deficits will reduce their arrears which had reached dizzying heights.”

“This is a collective murder of Africans by the IMF and France,” a civil servant in Mali told the Reuters news agency. The London *Guardian*’s Will Hutton wrote that Camdessus promised that growth will now occur, but in fact, “while growth is uncertain, the drop in living standards is not.” France’s *Libération* newspaper reported that the devaluation scenario “had been carefully arranged between Paris and Washington,” and predicted that “in the next two months” there could be “social explosions” in various African countries and that the “first phase” of results will be a “depressive one.”

The effects of the devaluation

The principle of devaluation is not bad in itself. It could be argued that it makes it possible to spur economic growth by favoring exports and retaking the domestic markets, especially by discouraging fraud and smuggling. One might add that, in principle, it leads to an increase in rural revenues, especially for producers of raw materials for export, such as cacao, coffee, or cotton, because they receive more in local currency for a price at a fixed exchange rate. Ultimately, the state revenues would increase to the extent they depend on foreign trade. It could also be underlined that the CFA franc was “overvalued” with respect to the currencies of competing producers.

This reasoning, however, hasn’t the least economic value, because its standpoint is purely financial, and its logic is contradictory to a productive economy today.

First of all, an ill-prepared devaluation, without drawing up a plan to shift national production to account for imports whose prices are suddenly doubled, brings ruin to the urban populations. Civil servants and employees, whose numbers were once myriad, are brutally thrown onto the jobless rolls or have their living standards cut in half, with no prospects

for other jobs in a productive economy. Inflation becomes inescapable and strikes the basic, necessary products—automotive fuel, milk, canned sardines, rice, whose prices have already increased from 30 to over 100% in the 14 relevant countries, or are even unavailable—thereby robbing the poorest of the poor. Measures to cap prices on basic necessities will quickly prove ineffective, despite governmental efforts, due to price mania and a general loss of confidence.

The establishment of government stocks of these products—under advice from the World Bank and IMF—is tantamount to putting a tourniquet on a wooden leg. The emergency food aid agreed to by France may ease the pain, but can hardly cure the illness.

Even more serious, the monetarist logic of “competitive devaluation” creates the immediate—and “normal”—risk of imitation by the principal competitors. If Nigeria, which alone carries as much economic weight as the entire franc zone, responds by devaluing its own currency, the naira, a mad race will have begun. The outcome can be foreseen: The CFA franc will become inconvertible. Some of the states in the zone, such as Gabon, will not tolerate it and will prefer to ride off on their own by leaving the franc zone. With that, the leading instrument, alongside the French language, of French influence in this part of Africa, will evaporate.

The “logic” behind the devaluation of the CFA franc is hence twofold: the ruin of the living standards of the countries on which it is imposed, accompanied by a flight forward into competing devaluations and austerity measures, and the opening up of what was heretofore the private hunting ground of Paris to the Anglo-American companies.

Open door to the Anglo-Americans

The grain cartel company Cargill is already attempting to take control of the cacao network in Ivory Coast (with help from the failure of the “francophone” trade corporations) and a “petroleum war” is spreading throughout the Gulf of Guinea, from Cameroon to Angola, via Nigeria and Gabon, with the American multinationals working hard to erode the position of Elf-Aquitaine, the French petroleum company. The power grab by Occidental Petroleum in Congo is just a harbinger of far vaster operations.

Of course, Roussin held out a crumb of social and budgetary protection to the “courageous” Africans. As he wrote in *Le Monde*: “Therefore, France supports the decision of its partners. But it takes into account all the risks. Lest the public foreign debt of the African states of the franc zone become too heavy, France cancels the entirety of debts tied to public aid assistance that was extended to the least developed countries (LDCs) and half the debts tied to public aid assistance for development extended to medium-income countries (MICs), being a combined arrears and debts of FF 25 billion, being 6.6 for the LDCs and 18.4 for the MICs. Hence, this is a considerable effort.”

Well, not really. No matter what, this debt could not have been paid—considering the actual means that African

countries have—and the loans were agreed to for reasons having to do with political influence, or for the past few years, in order to settle the interest due on the previous debt, and not for actual development aid.

The sledge-hammer argument by the partisans of devaluation is that Paris could not indefinitely continue to assure the monthly payments of its protégés to the World Bank and the “paychecks of the African functionaries.” “Just to keep these countries’ heads above water, it would have cost [France] FF 50 billion this year,” notes Jean-François Couvrat in *La Tribune*. In any case, notwithstanding the franc zone, capital flight has become uncontrollable (FF 5 billion over the first half of 1993) and since Aug. 2, the sale of CFA notes was suspended outside the African countries in the franc zone.

Monetarist logic in Africa

Is there some terrible fate that strikes the African countries, some inevitable cycle of aid and impoverishment? The truth is that the cause does not lie within the African countries, but within a long-term trend in the world economy.

The excuse that Messrs. Ballardur, Roussin, and Alphanéry can give, therefore, is that they were no more than cogs—or bankruptcy trustees—in an evolution for which they themselves were not, from the very outset, responsible. Their failure consists in not having called a halt to the general catastrophic evolution in the world economy (the “monetarist logic”) and in having capitulated without showing any political fight.

For years, the “franc zone” facilitated a stable, dynamic trade between the former capital and former colonies thanks to the advantage of a fixed exchange rate. Insofar as the fixed rate could not be maintained, it was because trade was bled white over the years as a result of the collapse of raw materials prices—a global phenomenon reflecting the collapse of the Anglo-Saxon monetarist model—on top of the mistakes in French aid itself.

The franc zone had long been a haven of relative prosperity. From 1960 to 1981, the period when capital controls and flexible exchange rates reigned in the world, the rate of growth in the African franc zone countries reached an average of 5% per year (as against 3% for the rest of the subcontinent). And even between 1981 and 1986, the per capita gross national product continued to grow in the countries in the franc zone, while it decreased in the rest of Africa. Growth in the countries of the franc zone collapsed, the victim of two phenomena outside of Africa: the drop in raw materials prices and the strong-franc policy of French Socialist Party governments. In effect, the franc zone countries watched while the competitiveness of their products was eroded vis-à-vis their neighbors—especially Nigeria—which massively devalued their currencies, following the recommendations of the IMF. As a result, brutally, the economic growth of African franc zone countries became among the weakest on the already horribly tested African continent. Per capita growth is now

negative, and enterprises that turned inward toward the domestic markets are collapsing.

Faced with this situation, the mistake of the African leaders—inspired and egged on in their leanings by the French African lobby—was to plug the holes by all-out borrowing. Between 1980 and 1990, the public deficit on average surpassed 6% of the gross domestic product. In 1987, the deficit reached 13%. The debt, three-quarters of it held by France, exploded, going from 28% of the GDP in 1980 to 110% ten years later for all of sub-Saharan Africa. In Mali, for example, 60% of the government revenues and half of export revenues are swallowed up by debt repayment.

Over the years, this foreign indebtedness was compensated for by aid from France: Between 1987 and 1993, Paris more than quadrupled its “adjustment aid.”

The problem is that this French aid—whether by Socialist governments or not—has followed a patronizing custom in taking little account of the actual imperatives of development. It has disappeared into the gulf that grows ever deeper between revenues and expenses, most often in pure losses. Revenues have collapsed in the wake of gross mismanagement that sacrificed the rural areas, and expenses have exploded as a result of supporting cliques close to power, especially in the army and civil service. In total, 50-60% of French public aid will have served as debt repayment and payment for the civil service, and most of the rest will have been more or less directly diverted overseas into international financial markets, with only 5-10% having actually contributed to the national economies, and not in the best of circumstances, at that.

Thus, the decision by Messrs. Balladur, Alphantéry, and Roussin to abandon the African countries of the franc zone is no innovation, but a consequence of an inevitable evolution under way for a long time and due to France’s submission—both in its general policy and in Africa policy in particular—to the monetarist model of the Anglo-Americans and the IMF. The Socialist governments, which had the trump card in hand to change policy, bear particularly heavy responsibility in this development.

Today, only 1% of France’s foreign trade is with the franc zone and, viewing its former partners as a burden, is delivering them over to the IMF—like a used Kleenex. Obviously, that is morally and economically unacceptable.

The solution is not easy, nor should it be merely “African.” It requires a change in policy, on an international economic and financial scale, by the French government—going from a monetarist logic to an infrastructural and productive logic—and, in francophone Africa, structural reforms corresponding to the change in French policy, coherent with that kind of renewal, which can only be reestablished in the context of a broader Franco-German design. The current policy will leave Africa helpless before a chain-reaction of devaluations, lead to the ruin of its infrastructure (especially public health and education), and turn the franc zone into nothing more than a pious memory.

Interview: Rabah Kebir

The IMF is fostering civil war in Algeria

Rabah Kebir is the leader of the Islamic Salvation Front (FIS) outside of Algeria. He gave the following interview to EIR in Germany in mid-January.

We publish this interview in the perspective of the necessary dialogue which is the only way to assure peace in Algeria. The two conditions for such dialogue are the adoption of a national design for growth, based on the country’s industrial and human capacities and rejecting the International Monetary Fund’s conditionalities; and the freeing of political prisoners. The industrial nations must base policy toward Algeria on this perspective, the only one which can prevent social chaos and a rupture between the intellectual elites and the majority of the population. The ongoing, terrible civil war cannot be truly ended except through a common project which gives Algeria a program, a memory, and a future—all together. The definition of the role and place of Islam in this project belongs, clearly, to the Algerians themselves.—The Editor

EIR: Can you tell us about the FIS, its background and program?

Kebir: The Islamic Salvation Front is the leading party in Algeria. It was founded in 1989 and took part in the municipal and departmental elections. It won in 852 municipalities, i.e., 50%, and has governed them for a year and a half in a manner which the citizens have found satisfactory. The FIS program is to develop the economy of the country along Islamic lines. The FIS is based on Islamic principles, because that is our heritage. It has chosen the peaceful road to changing the policy of the country, which was run by the FLN for 30 years, and led to catastrophe in all domains. The FIS has tried to defend the Algerian people and, as a result, has won two elections, municipal and legislative, the second time by an overwhelming majority.

The FIS wants to distribute the wealth of the country equitably among the citizens, guarantee employment for everyone, and eliminate corruption and mismanagement from the Algerian administration.

EIR: At your Dec. 17 press conference in Bonn, you said the FIS was not responsible for the terrorist attacks against foreigners. Who was responsible? You also spoke of certain groups “out of control” and of the danger of revolution.

Kebir: In my view, there are two ways to effect political change: the peaceful way through dialogue, and revolution. The FIS has chosen the peaceful way, which is why it partici-

pated in elections twice, despite the fact that during the second election campaign, the FIS leaders had been unjustly imprisoned. But the FIS chose to run in the elections, so as to prevent bloodshed among Algerians. The regime used violence in June 1991 during public demonstrations, and a second time after annulling the elections. It repressed citizens with exploding bullets (*balles explosives*). There are video tapes which testify to the repressive methods used to kill people brutally. In this situation, the FIS cannot stand with arms folded and ask people to do nothing, when they are being massacred.

As for the killings of foreigners, we have said time and again that this is not FIS policy. The FIS has nothing against foreigners, but against the Algerian dictatorship. We want the Algerian people to choose freely their course and their leaders, we do not want to have bad relations with foreigners. We need foreigners for the development of the country, for cooperation, and foreigners have always been welcomed by the Algerians. But this time, I think it was the hand of the special services which acted.

Every time there is a call to dialogue, to calm and national consensus, the special services, who benefit from violence and anarchy, do terrible things. The first time, for example, they killed Boudiaf; the second, there was an assault at the airport; and this time, the killing of foreigners. They are the ones who killed the foreigners. It may be that there are uncontrolled elements among the population. At a time when the FIS leadership has some in prison, some in exile, and

some underground, it is not easy to control the population.

EIR: Is there proof of who killed Boudiaf?

Kebir: In my view, it is clear that it was the special services and the generals who organized the murder. The presumed assassin was in the hands of the regime. Since then, in prison, he has still not been put on trial. In the airport affair, those considered guilty were executed.

EIR: What motive would they have had to kill Boudiaf?

Kebir: They had called Boudiaf out of exile to fight against the FIS. Boudiaf at the time was an honest man, who had not been involved in Algerian power politics. His hands were clean, and that is why he was eliminated. He must have been thinking of doing certain things which would not have coincided with the interests of the military, indeed, which could have divested them of power. They decided, therefore, to liquidate him.

EIR: The Algerian general Mohammed Touati proposed in December opening a dialogue with "FIS leaders who respected the law of the land." You answered with five conditions [the liberation of political prisoners; a free and independent committee made up of judicial, political, and religious representatives; prosecution of those responsible for "bloody and murderous acts"; abrogation of emergency laws; and a neutral country as the site for dialogue]. Shortly thereafter, an FIS communiqué announced a call to armed struggle. Can

Algeria, a chronology

June 1991: President Chadli Benjedid and Army crack down on FIS after riots over the June 4 weekend. Incoming Prime Minister Sid Ahmed Ghozali equally blames FIS leaders and ruling National Liberation Front (FLN) bureaucracy for violence.

September-November: Ghozali government fails to break with IMF-dictated "free market" reform policies.

Dec. 26: FIS wins in first round of elections, riding on popular anger at corruption, economic decline, and "martyr image" due to government repression.

January 1992: Army carries out cold coup to prevent runoff election (and likely FIS victory) on Jan. 16.

March 5: Government outlaws FIS.

April 23: FIS underground newsheet issues call to arms: "After vain calls for dialogue, the people should move from words to rifles."

June 29: President Mohamed Boudiaf is assassinated, one week after IMF forces regime to increase already murderous austerity. Algerian and international media blame FIS for killing, without any documentation. Iranian

government applauds the murder.

July 9: Prime Minister Ghozali replaced by Belaid Abdessalam, who had denounced privatization.

Nov. 11: Draconian IMF-dictated import curbs are imposed, which "will save Algeria \$570 million." Suspended imports are meat, fruit, fish, and chocolate; quotas are set for cereals, vegetables, sugar, flour, tea, and spare parts for farm machinery.

Aug. 21, 1993: Redha Malek, a hard-line anti-Islamist, becomes prime minister at the behest of the IMF and western creditors, replacing Belaid Abdessalam, who refused to negotiate a new debt accord with the IMF.

Aug. 23: Kasdi Merbah, a former premier and security chief, is ambushed and killed near Algiers. Government blames Islamic militants. *EIR* reports that it is widely believed that many recent assassinations of political figures (including Boudiaf) are linked to a power struggle within the regime, and are not the work of Muslim militants.

Nov. 10: French Interior Minister Pasqua orders arrests of more than 80 persons suspected of being FIS members and using French territory to conduct FIS support operations, after increasingly violent attacks on French citizens in Algiers.

you explain?

Kebir: First, Mohammed Touati is a criminal. He is the mind behind the terror in Algeria today. He is a criminal who should be brought before a court of law. It is he who has trampled on the law and the Constitution. The law states that elections must be respected. If the forces in power are serious, they should take into consideration our five conditions, including the prosecution of criminals.

EIR: What was the response to your conditions?

Kebir: Torture. After my press conference, they went to the Algiers mosque, arrested hundreds of youth, tortured them, and put them in prison. That was the response.

EIR: On Jan. 25, there will be the National Conference. Will the FIS attend?

Kebir: This conference is nothing but a facade. They are not serious. First of all, all those parties who respect their principles have decided not to go to that conference. It is only an attempt to gain time. Even the Dialogue Commission, which prepared the conference, said that the dialogue would begin only *after* the conference. They know that the conference will be fruitless. Until there is a real dialogue—real negotiations between the FIS as the principal party and the ruling power, on our conditions—there will never be a solution to the crisis. And the parties know this, the FFS, the FLN and Ben Bella, which is why they are demanding that the FIS be present.

EIR: The government has spoken of possible participation of FIS “representatives.” Are these former FIS members, or individual personalities?

Kebir: This is another sign that the government is not serious. If they want to negotiate, they should not nominate a Dialogue Commission, but rather let such a commission be made up of the main parties elected by the population, among them the FLN, the FFS, and the FIS. The government knows that the “personalities” are ex-FIS members who, having been rejected by the FIS and the people, can represent nothing.

EIR: What is your view of the International Monetary Fund?

Kebir: We do not respect the agreements made between Algeria and the IMF. And the Algerian population will not accept them in the future, because they were made by an illegitimate government. The IMF is considered to have a certain responsibility in the Algerian crisis. The FIS wants to build a government based on broad popular consensus, with all the viable forces in the country, to overcome the crisis.

EIR: Which are the viable forces?

Kebir: We are ready to work with all those who accept the principle of Islam as the basis of the Algerian state. All who accept this are asked to cooperate with us, and we think that the majority of the Algerians agree. In these conditions, we are not ready to accept the conditionalities of the IMF; they have as

their aim to trample on the sovereignty of Algeria. No Algerian can accept these conditions, except those in the current government, who unfortunately have no national dignity.

EIR: What would you do, if you were in government?

Kebir: We would like first to develop our agriculture, because people who are hungry cannot work. The FIS is based in the first place on agriculture, and secondly, on light industry, industry which serves agriculture, the food-processing industry. We can succeed, with cooperation with all those countries which agree, and which accept negotiations for credits with which to build agricultural and light industrial infrastructure. If tomorrow, we can feed the entire population and find dignified labor for every citizen, we can continue to develop industry and technology. But our primary objective is to combat famine and unemployment.

EIR: Would you accept an offer of a coalition, an alliance against the IMF?

Kebir: Certainly. The IMF policy today is a colonialist policy, which wants above all to safeguard its own interests. It does not take the suffering of the population into consideration. There is a catastrophe in Algeria right now. Every day, people lose their jobs, unemployment grows and grows. What is the aim of the IMF? One might ask if it is not to precipitate the country into an internal confrontation, into civil war. But this will not happen.

EIR: What could France do to contribute to solving the crisis?

Kebir: France is involved in one way or another in what happens in Algeria, because the policy of [Interior Minister Charles] Pasqua against our brothers in France represents another face of France for us. France knows that it cannot ignore what happens in Algeria, there are economic and historical ties. But France must know what the Algerian people want, and if it wants to help, it can. France could play a very interesting role. But not by continuing in the Pasqua policy; this is not in the interest of France, to help a government rejected by the population, founded on dictatorship and torture.

We are ready to cooperate with France and other countries. We know we do not live in isolation; the world has become a small village. We want to cooperate with everyone. Contracts must be in the mutual agreement of the two peoples. France, with its historical, economic, and cultural links, could play a role in favor of the Algerian people.

EIR: What is your forecast for Algeria?

Kebir: The Algerian regime has tried to impose its methods by force, and I think it has failed. For the last two years, it has not achieved what it wanted to do. Now, if there are some “wise men” in the regime—and I think that there are—they will think of seeking an opening with the FIS leaders currently in prison. Under these conditions, a further degeneration could be avoided.

Business Briefs

Free Trade

World economy has become a black market

Under postwar Anglo-American control, the world economy has more and more developed into a huge black market, charge French economists Jean François Couvrat and Nicolas Pless in a new book, *The Hidden Face of the World Economy*. They review the last four decades of world market development and conclude that the emergence of offshore trade and banking centers, illegal export and import markets, and drugs and arms peddling is not an exotic phenomenon of the world economic system, but an integral and intended part of it.

The two economists say that the problem goes back to the illegal financing operations during the Second World War. The postwar dominance of the victorious western powers, led by the United States, has allowed this modern piratical system to balloon into an illegal, unregistered, and untaxed economy with a larger volume than the entire current U.S. economy. "The underground economy exists in symbiotic relation with the visible economy, and the bankers are the interlink," they conclude.

Monetarism

Oxfam condemns IMF policy in Africa

The damage which International Monetary Fund policies are doing to Russia "should encourage northern governments to reconsider their support for IMF policies in Africa" as well, Kevin Watkins of Oxfam, a private relief organization, wrote in the Dec. 29 London *Guardian*. While proposed solutions only amount to some debt relief, and no mention is made of substantial projects to alleviate the devastating economic conditions in Africa, Watkins condemns "the blind faith of the Fund's managers in monetarist cures."

"For more than a decade, the IMF has effectively managed budgetary policy in Africa, imposing deep cuts in public expenditure, punitive interest rates, and severe credit squeezes," Watkins wrote. The result has been "the deterioration of social welfare provisions, in-

cluding the virtual collapse of health and education services. Meanwhile, high interest rates and the disintegration of economic infrastructures have contributed to a collapse in investment and fuelled a vicious cycle of deindustrialization and mass unemployment.

"To make matters worse, the IMF has emerged as a central actor in Africa's debt crisis. Having made the mistake of plugging financial gaps with high-interest credits in the early 1980s, the Fund has received some \$2 billion more in debt repayments from Africa since 1985 than it has provided in new loans. Uganda, the world's fourth poorest country, now faces an IMF debt service bill of over \$200 million over the next five years."

Finance

Speculation hitting base metals market

"Base metals are booming on pure financial speculation, because there are so few places to invest," the metals specialist of a continental European bank told *EIR* on Jan. 13. "Just at the same time Asia 'glamor' markets like Hongkong are being sold off by these same firms, Goldman Sachs and other such large global financial players are moving big into base metals, triggering a price rise somewhat like that in 1988. But unlike commodity price rises in 1988 or in the mid-1970s, today there is no relation whatsoever to any underlying economic reality of increased demand," he said.

"Since November, for example, nickel is up 40%, zinc up 15%, lead up 22%, and so on. But large metals funds like Goldman Sachs's J. Aron and Co. are simply buying the whole lot. Stocks are at postwar highs because of the depressed world demand, and mining capacities in lead, zinc, and other industrial metals has been shut down significantly because of the lowest prices since 1945. The result is a pure speculative opportunity to play metals like, say, stocks. The driver is low interest rates, making funds desperate to find markets they can manipulate in the short run. It's the ultimate of the speculative cycle."

According to commodity and financial market sources, the fall in all Asian stock markets since the new year began is a calcu-

lated profit-taking by the large international investment fund managers, who calculate that profits can only be had by seeking new "underpriced" markets.

Population Policy

World not overpopulated, say Swiss organizations

The Swiss organization Declaration of Bern and two church-linked aid organizations, Lenten Sacrifice and Bread for All, have published a pamphlet in advance of the World Population Conference in September in Cairo rejecting the idea of overpopulation and repudiating state-mandated population policies, the *Neue Zürcher Zeitung* reported Jan. 10.

The groups compare the population density of Brazil with the more than 20-times higher population density of the Netherlands. They criticize several population control practices, such as sterilization, and attack the World Bank and International Monetary Fund for making new credits dependent on population control measures, thereby using up considerable portions of national health budgets.

Middle East

Peres rules out leading role for World Bank

Israeli Foreign Minister Shimon Peres, writing on how the economics of peace can be financed in his book *The New Middle East*, rules out a leading role for the World Bank in the development of the Middle East. "Some experts have suggested working through the World Bank. However, the World Bank is not the optimal vehicle under existing conditions in the Middle East. First, the Palestinians do not belong to it. Second, it is a cumbersome, slow-working body and it will take years before we see any aid. Lastly, Egypt could not enjoy any benefits because of its outstanding debts, and Israel is not included in the countries entitled to its aid," he wrote.

Peres calls for the concentration "of all investment money in a bank set up exclusively for this purpose," pointing out that only 1%

Briefly

● **THE PLO** will set up the Palestinian Development Bank to channel foreign aid to future Palestinian autonomous areas, according to Ahmed Korei (also known as Abu Ala), director general of the PLO's economic department, Reuters reported Jan. 13. The bank will have initial capital of \$250 million, put up by the self-rule authority and private concerns, including foreign banks.

● **GTE**, the second largest cellular phone service provider in the United States, announced plans Jan. 13 to eliminate 17,000 jobs, nearly 25% of its telephone operations work force, over the next three years. It will reduce its customer contact centers from 171 to 11, merge 19 regional centers into a single facility, and shrink its satellite communications facilities.

● **INDONESIA** is facing a rapid increase in AIDS cases, according to Health Minister Suyudi. At least 20,000 Indonesians are believed to be infected with HIV, and experts fear that the number will increase to 500,000 by 1995.

● **IRAN'S** new \$1.1 billion, 150,000 barrel per day hydrocracker plant is putting 3 million liters of kerosene and gas oil onto the market, ending these import needs, the Iranian news agency IRNA said on Jan. 11.

● **10,000 GERMAN** farmers demonstrated against the General Agreement on Tariffs and Trade in Mainz on Jan. 10, the largest farm demonstration there in 180 years. The Schiller Institute and the Civil Rights Movement-Solidarity participated with a banner reading "Production Instead of Speculation."

● **FOOD SHORTAGES** are severe in many parts of Africa, in Haiti, Iraq, and the Caucasus, the U.N. Food and Agriculture Organization magazine *Food Outlook* warns. World cereals output in 1993 is estimated at 1.878 billion tons, 4% less than 1992, while food aid is estimated at 11.4 million tons, one-third below 1992.

of the necessary capital would be required to establish the bank. Another reason is "socio-psychological," since it would promote regional cooperation. "Every child knows the concept of a bank; Israelis often say 'better banks than tanks,'" he wrote. Such an arrangement would allow for dealing "quickly and effectively" with the region's needs.

Peres suggested that funds can be generated from within the region, especially with the decrease of arms purchases, from oil-producing countries, and from international private investment in the development of physical infrastructure, including desalination. Here European and other foreign contractors could extend long-term credit under "reasonable conditions." A third source of funds would be resources earmarked for humanitarian purposes.

Trade

Uzbekistan, Kazakhstan announce economic union

Uzbekistan, the most populous state in Central Asia, and Kazakhstan, its oil-rich neighbor, have agreed to abolish trade tariffs and form a common market up to the 21st century. Both countries will now be far less dependent on Russia.

Kazakhstan President Nursultan Nazarbayev and Uzbekistan President Islam Karimov told journalists on Jan. 10 that goods, services, capital, and labor will move freely between their countries and economic policies will be coordinated.

"We don't want to scare anyone, but according to our estimates, Kazakhstan could satisfy most of our needs and Uzbekistan could satisfy most of the needs of Kazakhstan," said Karimov.

Dope, Inc.

Philip Morris patents brand name for marijuana

Philip Morris has patented in France the name "Marley," in preparation for the legalization of

marijuana. The Jan. 10 London *Independent* reported that the estate of the late Jamaican reggae singer Bob Marley is planning to sue the company for using the name.

According to the *Independent*, "there is a growing feeling that marijuana should be legalized, and that whatever form that takes, the free market and the big companies is the logical place for it to end up." According to British advertising executive Geoffrey Howard-Spink, the business would first be done by the existing dealers. The big companies "would come in when the market has settled down."

Philip Morris has been accused of collaborating in building organized crime networks throughout the former Soviet Union (see *EIR*, May, 21, 1993, p. 20). It is one of the biggest suppliers to the Russian and Polish mafias controlling the central European cigarette black market, as well as to the Italian and Spanish crime syndicates that flooded Europe with black market cigarettes, then heroin, and finally cocaine.

Labor

Pensions underfunded by \$53 billion in U.S.

Single-employer pension plans were underfunded by \$53 billion at the end of 1992, a 40% increase over the \$38 billion in underfunding for 1991, the Pension Benefit Guaranty Corp. (PBGC) reported Jan. 6, according to UPI.

The PBGC said the 1992 gain was largely due to the decline in interest rates, which have left invested funds yielding less interest. But the agency added that "at the same time, funding by many companies did not keep pace with growing liabilities because of weaknesses in the law."

The PBGC said underfunded plans had assets of \$182 billion and pension liabilities of \$235 billion in 1992, with approximately 72% of the underfunding (\$38 billion) in plans sponsored by 50 companies, mainly in the steel, auto, tire, and airline industries. About three-quarters of the underfunding is in plans sponsored by financially healthy firms and does not necessarily pose a risk to the participants or to itself, the pension agency claimed.

Will U.S. public education survive to the year 2000?

by Michael J. Minnicino

The boys and girls now entering public school as kindergarten students may find, when they are ready for high school in the early twenty-first century, that the public school system no longer exists.

America's 150-year-old commitment to universal public education was born in controversy, and has never been without vocal detractors from every political and religious persuasion. But, despite sometimes-violent disagreement over content and method, few of these critics have ever truly claimed that the concept of universal public education was wrong; they have all agreed with historian Henry Steele Commager, who pointed to that concept in the 1950s as one of the great "bulwarks of the Republic."

Today, for the first time, that concept is about to be abandoned, sacrificed to free enterprise fanatics who see the physical looting of education as, in the words of a Hudson Institute analyst, "the greatest business opportunity since Rockefeller discovered oil."

Already, public schools in Baltimore, the District of Columbia, Miami, and some other smaller cities are under the management of profit-seeking private corporations; similar arrangements are being discussed around the country. Many states have introduced forms of "free enterprise competition" into their school systems, and are investigating the changes in state law necessary to authorize further such competition. Influentials in both the Republican and Democratic parties are investigating how to break popular resistance, and convince citizens to vote for school vouchers which would allow millions of parents to pull their children out of the public system. Individually, none of these developments sounds particularly threatening, but they represent the wedge end of a conspiracy that wants to see the privatization, deregulation, and looting of education in America—and, ultimately, the devolution of education back to a form like the old British imperial system, where 1 or 2% were trained to rule, a few more were tracked as middle management, and the vast majority, if schooled at all, were taught to



Bush administration Secretary of Education Lamar Alexander addresses a press conference of the America 2000 Coalition for Better Schools on Sept. 11, 1992. During the Bush administration, Alexander kicked off the gamut of kookish "outcome-based education" reforms; today, he is one of the leaders of a mafia of radical free enterprisers who want to sell off the public school system to the likes of Alexander's business partner Chris Whittle.

"know their place" as unskilled and semi-skilled labor.

The proponents of this devolution make it no secret that they will use the widespread discontent with the current state of education—including growing hatred of the very outcome-based education (OBE) reforms that they helped implement!—to mobilize what they call "a populist revolt" to finish off the public system. Cynically, they have targeted the poor and inner-city populations, the people who have been most ill-served by the system, to be the shock troops of this revolt.

Milking the sacred cow

Competent economists have always viewed education as part of the overhead that a healthy society willingly pays to ensure that it has a population able to make discoveries and to implement those discoveries in the universities and on the factory production line. In the economic collapse during the 1980s, however, education became viewed as a fiscal annoyance, whose burgeoning costs did not produce corresponding "productivity." As the depression deepened in the nineties, the \$600-700 billion which we spend to educate ourselves increasingly became an object of lust by speculators who saw future mental capabilities of our young as merely a new asset to leverage, to strip, and to gamble with.

The speculators' current desperate need for those assets is suggested by Lewis Perelman, a Hudson Institute education theorist who recently shared a podium with Vice President Al Gore. Perelman has advised corporations to view education as a "socialist monopoly" which must be broken up and

privatized in the same way the former Soviet Union is being looted by western speculators and local mafiosi; in fact, Perelman even cites the program of Harvard's Jeffrey Sachs, the organizer of eastern Europe's "shock therapy" hell, as the model to follow.

Darwinian competition

The money-making possibilities of education were emphasized by economist Milton Friedman back in the 1970s—about the same time that he called for the legalization and taxation of dangerous drugs—and have been pushed by the members of Friedman's cult with increasing insistence since that time. When the Reagan administration started a new wave of industry deregulation, including trucking, airline, and ultimately banking, many wanted to add education to the list.

The first systematic organizing for deregulation came from Chester Finn, Jr., a Friedmanite neo-conservative and former White House aide under Richard Nixon, who had become, oddly enough, the legislative director for liberal Democrat Sen. Daniel Patrick Moynihan (N.Y.). Starting with his 1978 Brookings Institution report, "Scholars, Dollars, and Bureaucrats," and continuing with a stream of articles through the early 1980s, Finn advised Reaganites to declare war on what he called "the liberal consensus"—a conspiracy of the Ford and Carnegie Foundations, the two national teachers' unions, plus universities like Harvard, Stanford, and Columbia, which had destroyed quality and

achievement in education and replaced them with sex ed, permissiveness, and feel-good therapies.

Finn's critique, if imprecise in its details, was hardly inaccurate. However, his solution was not to stop the destructive programs, but was the usual free enterprise cant about deregulation, balancing the budget, and letting the "invisible hand" correct things through competition. To this end, Finn created what is now popularly known as the "excellence movement." With Diane Ravitch, a conservative education writer, he created in 1981 the Education Excellence Network, and quickly received a \$375,000 grant from the Reagan Department of Education to publish a national newsletter. He soon recruited White House Chief of Staff Ed Meese, who told a conference of school administrators in 1981 that he was committed to excellence, and "excellence in education demands competition—competition among students and competition among schools."

"Replacing academic classrooms with hyper-learning technology offers a potential commercial market opportunity worth a few hundred billion dollars a year in the U.S. alone—and several times more in the rest of the global economy. This is the greatest business opportunity since Rockefeller discovered oil."

—Lewis Perelman

By "competition," Finn and his followers meant a fundamental break with the once-honored idea that a republican education system must make every effort to give every student the best possible education. People started to talk of education as a Darwinian test-bed that should determine which schools and which students were fit to survive. Finn particularly pointed to 1960s social legislation—War on Poverty programs like Head Start, and various desegregation and equal opportunity plans—as responsible for overall mediocrity. Again, Finn was roughly accurate: These programs are often idiotic, usually wasteful, and sometimes destructive. But again, a real solution was avoided; the mediocrity to which everyone now pointed had its source in the collapse of the United States as an industrial economy, not in a few programs that allowed ghetto students to enter college more easily.

Support for Finn increased, as it became clear that he was providing a very plausible justification for slashing federal education costs. This growing popularity of Darwinian competition in education is also behind the success of the move-

ment to reverse the Bilingual Education Act of 1968. The movement started in Dade County, Florida in 1980, as part of a taxpayer revolt: A citizen group complained that printing county signs and informational pamphlets in Spanish was a waste of money; soon the organizing became racially tinged, and the final referendum included openly hostile gestures like the prohibition of civil marriage in Spanish and the destruction of already-posted public transportation signs in Spanish—all in the guise of making English the "official language" of Dade County. Soon, California, Virginia, and Tennessee passed similar laws, and Conservative Republican Sen. S.I. Hayakawa of California unsuccessfully attempted to introduce an "English Language Amendment" to the Constitution.

In 1983, Hayakawa and Michigan ophthalmologist John Tanton founded "U.S. English," a group to coordinate anti-bilingual efforts, which increasingly came to rely on the simplistic argument that the immigrants were not being forced to "compete" hard enough: Immigrant students should be forced to learn in English, and the best of them will rise to the challenge, just like previous generations of immigrants—the rest can be left by the wayside. In 1985, Reagan administration Education Secretary William Bennett came on board, and demanded huge cuts in bilingual education funds, claiming that the preferred approach should be, in his words, "sink or swim."

The English-only propagandists and Secretary Bennett had to ignore abundant evidence that bilingual programs had only a small effect on assimilation; skilled job availability, based on the health of the economy, is the prime determinant of the speed of assimilation, with parental education levels as a secondary co-factor. By 1988, the English-only movement fell into disrepute, after several newspapers reported evidence that U.S. English co-founder Tanton was connected to racist organizations and had received funding from a group, the Pioneer Fund, originally created to popularize Adolf Hitler's eugenics policies.

The voucher mafia

After he left Washington in 1981 to become a professor at Vanderbilt University in Tennessee, Finn's rise to national prominence was sponsored by Tennessee's Gov. Lamar Alexander. The Reaganite governor asked Finn to create an education reform plan along free enterprise lines, which became Tennessee's 1983 "Better Schools Program," the first major state reform in the nation. The core of the plan was competition, but carefully watered down and called "consumer sovereignty," so as not to appear a frontal assault on the public system. The plan allowed Alexander to raise state taxes, promising a corresponding rise in "results" as measured by test scores; teacher wages and advancement were effectively indexed to the same tests.

The beauty of the plan, from Finn and Alexander's view, was that they could raise taxes and slow pay increases, but, if the results didn't materialize, they could then blame the

teachers for not implementing the plan. The state affiliate of the National Education Association attempted a counterattack, but this fell apart, particularly after Albert Shanker, the president of the rival American Federation of Teachers, publicly supported the Tennessee plan, and announced that the AFT would start a large-scale campaign to organize Tennessee teachers out of the NEA and into his union.

After letting the initial version of the plan sink in for a year, Alexander announced in 1984 his support for public school vouchers, a plan that would allow parents to choose their children's public school, thus forcing schools to compete for voucher dollars. Alexander was the first ranking state or national official to call for vouchers, and he became widely touted as the "education reform expert" among state governments, a role that was enhanced when he became chairman of the National Governors Conference in 1985.

Several governors used Alexander as the model for reforms in their states: Democrats Michael Dukakis of Massachusetts, Rudy Perpich of Minnesota, Chuck Robb of Virginia, and Bill Clinton of Arkansas; and Republicans Richard Thornburgh of Pennsylvania and Thomas Kean of New Jersey. Each raised taxes, indexed wages, and authorized choice among public schools, to varying degrees. (Governor Clinton so threatened teacher wages in 1985, that the NEA put out bumper stickers reading, "No More Clintons in 1986!" This was scrupulously forgotten by the time of Clinton's presidential campaign in 1992.)

Education writer Thomas Toth has noted with insight that what linked each of these governors was a commitment to the philosophy of a "post-industrial economy" and the belief that education should reflect the end of industry in their state. Indeed, Perpich of Minnesota began his ambitious "competition" efforts in 1983 with a speech which noted that "knowledge will be the steel of this post-industrial society."

The efforts of this gubernatorial mafia of education reformers were further popularized by the National Governors Conference 1986 report, *Time For Results*, a bestseller which was published over the signature of Alexander, and largely written by Finn and by Governor Perpich's education guru, Joe Nathan of the Humphrey Institute at the University of Minnesota.

Chester Finn gained additional clout with his appointment in 1985 as assistant secretary of education to William Bennett. He used the position to organize for "education choice," the political jargon for a full voucher program that could be used by parents to pay for private or parochial schools, as well as public schools. In his first testimony before Congress, the new assistant secretary charted what became the standard populist line: "Education choice would free parents from governmental control," and would give poor parents the same option for private schooling, now limited to the wealthy.

Finn's line was taken up immediately in "A New Agenda for Education," an influential 1985 report by the Heritage Foundation which demanded that "education must be opened

to competition through a system of tax credits and vouchers. In this way effective education programs can clearly stand out from ineffective ones." Simultaneously, Stanford University's Institute for Research on Education Finance and Governance released "Politics, Markets, and the Organization of Schools," by Brookings Institution Senior Fellow John Chubb and Stanford Professor Terry Moe, which purported to show that private and parochial schools were more "productive," and offered the first comprehensive voucher plan. The "Chubb-Moe thesis," as it soon became known, got much wider circulation in 1990, when it was published commercially as *Politics, Markets, and America's Schools*. The latter book was uncritically endorsed by almost everyone who might benefit from government subsidy of private education, including most Roman Catholic and evangelical Christian organizations.

Having set the ball rolling, Finn did not stay on with the Bush administration in 1988. However, his protégé Lamar Alexander became George Bush's secretary of education, and Finn is known to have written most of Alexander's important policy material, including Bush's "America 2000" plan.

'Time to take ownership'

The second Reagan administration, with Bennett and Finn discussing "free enterprise competition" at the Department of Education, inspired several large corporations to begin planning to turn public education into a new profit center. At the low end, there was the creation of firms like Cover Marketing Services, which still distributes millions of free book covers and binders, complete with highly paid advertisements. More ambitiously, the nation's fast-food chains, after a long wait, decided that the time was ripe to make a concerted onslaught on the nation's highly regulated \$4.8 billion school breakfast and lunch market. Burger King, for instance, was able to set up 14 "Burger King Academies," working with local high schools, and other chains had similar operations, in which students got academic credit for training to sling burgers.

However, the U.S. Congress stymied efforts for further corporate encroachment by refusing to waive the stringent meat inspection requirements of the National School Lunch Program; these inspections were costly, and made the fast food too expensive for competitive bidding. However, in 1992, Congress passed what is jocularly known as the "Pizza Hut exemption." Sponsored by Democrat Rep. Dan Glickman of Kansas (Pizza Hut's home state) and backed by Bush White House Chief of Staff John Sununu, the measure specifies that the toppings on the pizzas will no longer be considered meat—and therefore do not require inspection!

Other corporations openly planned fundamental changes in the education system. The Xerox Corp.'s chief executive officer, David Kearns, who had previously moved his company into investments in certain textbook publishers, set up in 1986 the Institute for Research on Learning, "dedicated to

train the so-called untrainable.” The IRL was devoted to new forms of computerized learning, and was really a nonprofit offshoot of the artificial intelligence research group at Xerox’s nearby R&D facility.

In 1987, Kearns collaborated with Hudson Institute Senior Fellow Dennis Doyle—a former assistant to Secretary Bennett, and an early collaborator of Finn at the Education Excellence Network—to write *Winning the Brain Drain: A Bold Plan to Make Our Schools Competitive*. In 1988, this book netted Kearns an invitation to retire and join Lamar Alexander’s Education Department as deputy secretary, where he became the chief fundraiser for President Bush’s New American Schools Development Corp. (NASDC), a semi-public corporation set up in 1991 to have corporations help fund new experiments in education that would ultimately result in 535 new schools (one for each U.S. congressman and senator). At one of the initial meetings for NASDC, Kearns told the assembled corporate leaders, “It is time to take ownership of the schools.” Kearns now directs NASDC under the Clinton administration.

Also in the mid-1980s, Control Data Corp. began to upgrade its education work significantly. CDC is the marketer of the PLATO program, one of the first and certainly the most widely used software for so-called computer-assisted instruction (CAI). A Minnesota-based corporation, CDC was also influential in the Minnesota Business Partnership, a forum of corporate chief executives which was the crucial sponsor of Governor Perpich’s 1983-88 education competition reforms, along with the Humphrey Institute. Anticipating the possibility of vouchers which would vastly increase the market for alternative schooling, CDC began research preparing for a chain of private schools heavily reliant on CAI.

When CDC realized in 1985 that vouchers were still a long way off, it sold its research and planning package to corporate trainer John Golle, who created Education Alternatives, Inc. (EAI). Golle opened one school in 1987 and then another in 1989 on the CDC plan: The principal was called “executive director,” and there were no science, art, or physical education teachers; remaining teachers got an average \$5,000 less than in the public schools, and had to fit their talents to the computer-assisted “Personal Education Plan” of each student. But, EAI, like CDC, was also losing its gamble; in 1989, vouchers were still not imminent, and without them, the corporation’s private operations would not survive. So, in 1990 Golle put his plan for private schools on hold, and sold himself as a private operator of public schools; in that year EAI won the contract to run an experimental school in Dade County (Miami), Florida. In the three years since then, EAI has become a major component in the privatization conspiracy, as we shall see below.

The story is similar for Herbert Christopher “Chris” Whittle, a man who became rich while still a University of Tennessee student in the 1970s, by selling condensations of textbooks. By the eighties, Whittle was the multi-millionaire

owner of a conglomerate which produced books, magazines, and various “cribs” used on 300 campuses. In 1989, he launched Channel One, a plan which offered any secondary school in the country \$50,000 worth of television equipment and satellite dishes—free! The school could use the equipment for anything they wanted, except for two one-hour periods, wherein Whittle would provide “social studies programming.” The catch is that the required two hours includes commercials, which the teachers may not turn off; Whittle can charge advertisers huge rates for this commercial time, because he can deliver a captive audience of teenagers far larger than any television network or combination of networks.

Whittle’s move to Channel One was financially backed by what was then Time, Inc., which bought 50% of Whittle; and by Associated Newspapers Holdings, a British corporation controlled by the Viscount Rothemere (owning Britain’s leading tabloids, including the *Daily Mail*), which owns 33%.

The Channel One project was opposed by every national education group, including the NEA and the AFT, the National PTA, many consumer and children’s advocate groups, and Roman Catholic education activists; legal restraining orders were sought in several states. Whittle countered this with millions of dollars of lobbying, and, so far, he has successfully beaten back all challenges. Channel One is now installed in over 12,000 schools (and growing), and Whittle’s commercial messages now must be seen by one-third of all teenagers in America. The poorer schools, which cannot afford electronics, make up the majority of Whittle’s installations; for instance, 65% of all Roman Catholic high schools, historically an underfunded segment of the school structure, have been wired to Whittle.

The Edison Project

Riding the wave of his Channel One success, Whittle in late 1990 decided that voucher programs would soon become widespread, and that a chain of private schools, competitive in tuition with parochial schools, would make a killing. He created a new division called the Edison Project, and announced plans to create 200 new, highly modern K-12 “campuses” by 1996, with 1,000 targeted by the end of the century. Why did Whittle think he could win the gamble, when several other players had lost? Whittle had an inside track: He owned the secretary of education!

When Lamar Alexander left the Statehouse in 1987, he went to work for his longtime friend, Chris Whittle, whom, it was said, he was grooming to run for governor of Tennessee. Alexander bought four shares of Whittle Communications for \$10,000. Five months later, Alexander was offered the presidency of the University of Tennessee, and to maintain the semblance of probity, he sold the four shares back to Whittle—for \$330,000. After a few months at the university, George Bush offered Alexander the Education portfolio, and the Tennessean had to sell his house, which he had bought

one year earlier for \$570,000. Luckily, he was able to sell it quickly—to the second-in-command of Whittle Communications.

Fallback options

The 18 months since Fall 1992—when things appeared to be riding high for Finn, Whittle, et al.—did not go as planned for the education looters. For one thing, George Bush (or his handlers) refused the demand to make education in general, and voucher “choice” in particular, the focus of his campaign. The Republican President, ever the political animal, correctly perceived that the nation was not yet ready for a full push for voucher/deregulation, and realized that the National Education Association, the largest lobby in the country, would organize opposition to Republican education policy no matter what the party did. The GOP campaign made tentative probes, pushing what Bush called “a GI Bill for America’s students,” which was a \$1,000 per student qualified voucher plan. As soon as Clinton countered this—somewhat cynically, given his own past history—by claiming that Bush was abandoning the public school system, Bush dropped the subject completely. He distanced himself from Whittle’s group.

The Bush White House also took a hand in watering down the original conception of NASDC as a scheme for giving corporations a free hand in breaking up and taking control of public education. The free trade fanatics had planned NASDC as a vehicle for controlled revolution (Finn and Alexander’s “populist revolt”); it was to open the floodgates to experiments of all types, from highly structured, corporate-centered factories to touchy-feely academies that would delight liberals. The specific experiments in themselves were less important than the general goal of convincing the majority of Americans: 1) that public education was obsolete and needed to be “re-invented”; 2) that this radical tinkering required freedom from “monopolistic” regulations—that is, deregulation; and 3) that the best ideas could come from the full and profitable participation of the nation’s corporations in this educational renaissance. As Finn more or less said in his 1992 open letter, the plan would work if the federal government kept its nose out, and just set up rigid national test goals and standards; then, enraged parents, sometimes with corporate sponsorship, could be unleashed locally to tear down the area schools or teachers which were not being “accountable” and falling below national test standards.

This original plan of Finn and Company was designed to make all education in America “outcome-based”—and rigorously so—except the specific “outcomes” will be somewhat deregulated and determined locally, often at the behest of local employers. In this system, the New Age brainwashing programs which now officially go under the name “outcome-based education” will have their place, especially to pacify students who would have no hope of employment, and could be convinced that “self-esteem” was more important than a job. Indeed, many of today’s most grotesque

OBE plans went into operation during Finn, Alexander, and Bennett’s watches at the Department of Education. Predictably, all three men are now *vociferous public opponents* of OBE, sex education, the NEA liberals, etc., and often speak or write on behalf of groups fighting New Age education reform—all the better to get parents enraged, without anyone asking what the real purpose of education should be. Unfortunately, quite a few people devoted to stopping New Age brainwashing, including several well-known religious figures, have fallen for the trick, and are mouthing the privatizers’ line that the public system is too corrupt to save and must be abandoned.

But, the White House got cold feet on NASDC too, and thought Finn’s plan would appear too pro-business. Over the strenuous objections of neo-conservative think-tankers, it was mandated that any methods, technologies, or test data coming out of NASDC experiments could not be later used for profit. The corporations responded in effect: “Philanthropy is one thing, but you are asking us to give money away!” Despite an unprecedented series of invitations to Camp David and other fundraising, NASDC’s Kearns could only garner \$50 million of the \$200-300 million requested, and only \$10 million of that was liquid—much of it was brow-beaten out of Kearns’s own Xerox Corp. Up until the end of 1993, in fact, Kearns had only been able to raise \$57 million; in December of that year, Walter Annenberg gave NASDC \$50 million, doubling the group’s funds.

Bush managed to enrage everybody with his timidity. The \$1,000 qualified voucher plan was okay, said free enterprise extremists, but unless it is tied to complete deregulation, it will be used to meddle in private schools; so the Cato Institute, the Heritage Foundation, the Ludwig von Mises Institute, and columnist Pat Buchanan all denounced the President on this issue in 1992. Meanwhile, the truncated NASDC managed to fund just 11 projects. The neo-conservatives were disgusted, because this was hardly the desired revolution. The liberals blasted it as a sellout to business anyway. A typical left-liberal response was from *The Nation*, which is an unqualified supporter of the National Education Association, OBE, and other New Age reforms: “True, a minority of the plans could be considered liberal or progressive reform efforts—one proposal for schools controlled by Los Angeles teachers and community leaders, for instance, and another uniting the efforts of longtime reform advocates [and OBE architects] James Comer, Howard Gardner, and TheodoreSizer of Yale, Harvard, and Brown, respectively. But a clear majority of NASDC’s grants went to proposals that conform to at least the broad outlines of the private-sector, market-driven philosophy embraced by Bush, Alexander, and their camp followers.”

Perhaps the Bush who will be most remembered for helping to destroy education in America will be the ex-President’s son, George W. Bush, the managing partner of the Texas Rangers baseball team and pre-candidate for governor of Texas, who is now one of the leaders in the fight to deregulate



A 19th-century view of childhood without public education, from George Cruikshank's illustrations for *Hard Times*, by Charles Dickens. This scene is captioned "The Breaking-Up at Dotheboys Hall."

his state's education, and introduce competition. "I call for the abolition of the regulatory powers of the Texas Education Agency," announced Bush the younger this year, regurgitating the standard Finn-Alexander line. "We must govern locally to encourage new kinds of schools, new kinds of teaching methods, new educational entrepreneurship, and new standards of excellence if our children are to compete in the next century." Young Bush's "new" proposal actually comes from a 1990 report, "Choice in Education: Opportunities for Texas," published by the Texas Public Policy Foundation, but written by John Chubb, a charter member of the privatization mafia, now with Whittle.

Defeat in California

By early 1993, it was clear that the full-scale looting of the system through competition would only occur quickly, if Proposition 174 passed in California. The ballot initiative called for giving \$2,600 (a little over half the current average cost) to the parent of every California student. This money could be used to send that student to any school in the state—with "school" defined as any institution with 25 enrollees meeting certain, but not all, California curriculum and teacher certification requirements. The Whittle group saw this as a make-or-break situation: Although Time-Warner, Inc. had kicked in some more money and Phillips, the Netherlands-based producer of interactive TV equipment, had invested, most high rollers refused deals with Edison until it became clear that government money would somehow be made available to private education. Whittle was nowhere near the \$2.5

billion needed to take on the public system.

Lamar Alexander toured California, giving speeches saying, "This is inevitably going to pass. This is the Berlin Wall of American political issues. One day it's going to collapse, and one day in America, low- and middle-income children will have the same choice as rich people." (Alexander's turn of the phrase was borrowed from colleague Finn, who used the Berlin Wall analogy in a 1991 book: "They've torn down one in Berlin. How about demolishing our own?" Whittle also uses it in speeches.) Former Secretary of Housing and Urban Development Jack Kemp, a pre-candidate for the 1996 GOP presidential nomination, as well as ex-Secretary Bennett, and the grand old man of looting, Milton Friedman, joined Alexander on tour.

The measure went down to defeat by a 2 to 1 margin. That defeat has been the cause of an extraordinary public laundry-washing by the GOP. The California Teachers Association (the state affiliate of the NEA) led a \$10 million opposition campaign with massive TV advertising. But, the supporters could barely raise \$1 million from the state's usually openhanded conservative moneybags. At the last moment, Republican Gov. Pete Wilson announced that he could not support the proposition: If all the students in California private schools—and thus not costing the state anything—were suddenly to queue up for their \$2,600 voucher, it would cost the state over \$1 billion, and the state didn't have a spare billion. Wilson agreed that the measure would greatly reduce education expenditure in the long term, but there was no way the state could get past the initial \$1 billion "nut."

Syndicated columnist Robert Novak called the refusal to get behind the voucher-dereg plan "shameful"; neo-conservative strategist William Kristol was "appalled"; the *Washington Post's* David Broder also called it "shameful," and reported, as have several commentators, that this and upcoming planned battles for vouchers and deregulation "could be the start of the road back to the White House in 1996." In late 1993, twenty-nine governors said they either had or were working on voucher plans; 19 states have major organizations to promote such changes. This issue, wrote Broder, has "become the central part of the 'new paradigm' aimed at giving conservatism fresh intellectual battle cries powerful enough to replace the vanished anticommunist slogans of the Cold War and less divisive than the crusade against abortion." The fact that Kemp campaigned for Proposition 174, and that Alexander announced for the GOP presidential nomination right after the vote, confirms Broder's analysis.

It is fairly clear that California's business interests did not support Proposition 174 for roughly the same reasons that corporate money did not flow to NASDC. Corporations were sending the message that they are not going to make any investments *until they can be assured of getting a lot more control of curriculum*, enough control to ensure that the schools will provide them with a pool of pre-trained labor. That is, corporations will provide the investment to allow states to get over the initial voucher hurdle, if the states will

take up the cost heretofore spent by the corporations on initial employee training. You may not think that training someone to put on a paper hat, punch buttons, and say, "You want fries with that?" costs a lot of money, but it costs a large fast-food chain ten of millions per year. If the school system does it for the chain, then it is worth a contribution of a few million.

The 'public/private partnership'

However, all this Republican self-criticism was too late to help Whittle and Co. In October 1993, as polls were predicting exactly the 2 to 1 defeat which occurred, Whittle announced that the Edison Project would follow the path of Education Alternatives, Inc.: The chain of private schools would be put on hold, and the project would contract itself as the private manager of public schools.

Whittle's announcement, plus a stream of related developments in the four months since, confirm that the privatization mafia had decided to attack the public system through a more piecemeal approach, assuming that the continued collapse of the overall system would eventually assure vouchers nationally:

- Whittle begins negotiations with several large school districts, and is called in for consultation by Gov. William Weld of Massachusetts; Edison Project officials identify their goal as the management of a dozen systems by 1995. Keeping together his old team, Whittle adds former Carter administration staffer Hamilton Jordan and Deborah McGriff, the former superintendent of Detroit's schools.

- EAI, in the second year of managing nine Baltimore schools for \$27 million annually, wins an expansion to take over maintenance and security at two additional schools. Shortly after, on Nov. 16, 1993, the Maryland State Board of Education announces that it will take over any of the state's high schools that don't meet certain test standards, and force the local operating body to "reconstitute" that school; elementary schools are to be added to the list in 1995. The Maryland State Teachers Association attacks the order, correctly noting that the State Board is planning to hand its problem schools to private firms. EAI is exultant, expecting what it calls the "public/private partnership" to vastly expand, and suggests that a 10% shift to private management nationally is a feasible, near-term goal.

- The Minneapolis School Board hands the system's entire 75 schools to Public Strategies Group, Inc. for \$220 million annually. Although the school board will still set overall policy, PSGI has substantial powers, and the whole system will be "performance-based"—the company will make money in relation to greater test scores and other criteria. PSGI President Peter Hutchinson, a former Minnesota commissioner of finance, is a senior fellow at the Humphrey Institute and worked with Joe Nathan there.

- The District of Columbia school system announces in December 1993 that EAI has won a contract to manage 15 of the district's schools. Superintendent Franklin Smith notes

that this will be the first step in a reform that will include the creation of "charter schools" independent of the system; he hopes to get a Fortune 500 company to directly take over at least one district high school.

- California Governor Wilson appoints Sanford C. Sigoloff as interim state superintendent of schools. Sigoloff is not an educator but a "corporate turnaround strategist" who specializes in restructuring corporations that over-invested in junk bonds in the 1980s.

In addition, the last year has seen moves by over two dozen other corporations to take over bits and pieces of various school districts. Ombudsman Educational Services runs programs for students at risk of dropping out for 23 districts around the country, for instance. Berlitz runs the Spanish-language programs for several schools.

What's really going on?

The developments just listed are being widely touted by influentials in both national parties as the wave of the future, especially for bankrupt urban districts, and are getting a suspiciously uncritical reception in the news media. People have forgotten what happened when the free trade fanatics deregulated the airline industry in the early 1980s: At first, there were new carriers popping up, and everybody was offering to take you anywhere for next to nothing. After about two years, this stopped, and fares started going up—way up—and you couldn't even get to certain locations without great difficulty and expense; finally, lines started collapsing so fast that now there are fewer carriers, less infrastructure, and a much older fleet.

EAI's success is almost entirely dependent on its first model school, South Pointe Elementary in Miami. It is here that prospects, including Baltimore officials, are shipped to show them the clean classrooms, and personal computers everywhere. It is a skill. Through various means, South Pointe students each get budgeted \$2,000 more than their fellows in the rest of the system; the computers are largely donated by IBM, which is coincidentally negotiating to market some of EAI's software. Similarly, the Baltimore schools that the District of Columbia officials were shown to convince them to go with EAI are well-budgeted at what is suspected to be a massive loss to EAI. In business terms, these are "loss leaders," items sold below cost to "get a foot in the door" or to build up sales volume. The higher costs, the layoffs, and the shutdowns come later.

The only way private companies can make money operating public schools in the long term is by looting wages. Many people know this, and it is openly stated in the financial press. Wages represent 93% of the cost of public education; that is a "labor intensity" almost double that of any other kind of business in America. Private schools are less labor-intensive—63-75%—and some partisans have used this figure to say that private schooling is more productive; actually, private schools, particularly parochial schools, pay less, use more volunteers, and often just "do without."

When EAI entered the Baltimore school system, it got rid of the full-time positions for music, art, and physical education teachers, as well as for school nurse and school librarian, adding these responsibilities to remaining staff. The firm had wanted to fire all the para-professional teacher's aides, and replace them with cheaper labor, but the Baltimore Teachers Union held a boycott to prevent this. (As it stands, the union's grievances have mounted, and they recently filed suit to remove EAI.) The firm has also replaced the custodial and administrative staff with sub-contractors for maintenance, food, security, and financial management.

Both EAI and Edison plans call for increasing use of low-paid graduate students from university education departments, called "apprentices" by Edison and "instructional interns" by EAI. In their private school plan, at least, Edison also wanted to supplement the custodial and front office staff with unpaid student labor which would have the opportunity of learning the "work ethic." Edison also wanted parents to volunteer two hours per week to the school. While EAI says that they will reduce class size from its current national average of 25 to around 15 students, Edison's Chubb says, "I think that it is frankly a waste of money to push classes down to a dozen-to-one." The more scholarly Benno Schmidt, a former president of Yale, says, "There could be a class of 1, or 100, or even 1,000. Our model is to get away from the highly inflexible instructional group dynamics we have had since the nineteenth century."

Computerizing the teacher

The key to looting wages will be "changing the technology to personnel ratio," in the official jargon, otherwise known as replacing people with machines.

Dennis Doyle, Kearn's collaborator at NASDC who is now with the Hudson Institute, admits that success of Edison, EAI, and the like "will depend on electronic technology—such as interactive computer disks—to increase the rate and depth of learning, so kids will learn twice as fast at half the cost." Edison's original plan, quietly being downplayed for the time being, suggested that *the central position of the teacher in the classroom would ultimately be replaced by a computer center*, with faxes and other communications technology; the new-style teacher would be mobile, checking student progress on computerized, personalized lesson plans. EAI has similar plans and even now assumes that it will make 20% of its revenues from marketing the technology and software to the schools it manages.

Lewis Perelman, a former colleague of Doyle's at Hudson who has become an influential educational "futurologist," is advising corporations to go even further, and accept a scenario in which the physical school building itself will be abandoned as an obsolete concept, and whatever future investment in education there is, will only go to labor-saving technologies—what Perelman calls "hyper-learning." "Replacing academic classrooms with hyper-learning technology," says Perelman, "offers a potential commercial market

opportunity worth a few hundred billion dollars a year in the U.S. alone—and several times more in the rest of the global economy. This is the greatest business opportunity since Rockefeller discovered oil. Yet it is being thwarted by a thicket of legal and regulatory barriers, and vested interests, that can only be cleared by forceful, cunning attack by unapologetically ambitious, entrepreneurial business leaders."

Perelman, a Harvard protégé of Jay Forrester, the co-author of *Limits to Growth* (which became the "Bible" of the zero-growth movement in the 1970s), headed "Project Learning 2001," a 1989-91 Hudson Institute program which ultimately included many of the heads of those corporations planning to make money in privatized education. Perelman's conclusion was that, although "Chris Whittle just might be the Henry Ford of learning," private-sector management of public schools must only be seen as a brief phase, leading to complete deregulation—starting with the amendment of those state constitutions which prohibit private profit from education—and ending in total free trade: "Privatization requires eliminating government ownership, operation, and subsidy of education and training institutions—freeing the \$400 billion plus in annual education-related spending to become a true market for private, profit-seeking enterprise." Further, says Perelman, privatization is the global trend: Public education should be treated as a "socialist monopoly"; he quotes Harvard economist Jeffrey Sachs to prove that we should not tinker with it as they did in Poland; we should sweep it away, no matter how much pain such "shock therapy" causes.

Hit and run on information superhighway

Such radical changes can be organized, says Perelman, because, in hard economic times, the primary educational concern of parents becomes: Will this schooling best prepare my child for a job? So, cut out the middleman; let the corporations control the schools and have them achieve the outcomes they want for their new employees; parents will accept this lowered expectation of what their child will become, because at least the child is reasonably assured of a job with the school's corporate "godfather." (For people who wonder what corporate-sponsored schools looked like before the days of public education, a glance at Charles Dickens's 1855 *Hard Times* is instructive. There you will find a great Dickens villain, schoolmaster Thomas Gradgrind, and his corporate master Boundersby; Dickens tells us that Gradgrind named one of his sons after Thomas Malthus and another after Adam Smith, so his polemic against the evils of free trade in education would not be lost.)

For much of the population, in Perelman's view, there will not actually be a need for physical teachers. He gives the example of the recent Civil War series on PBS television: The series reached millions for a few million dollars of production and distribution costs; to get the same "lesson" out via the education system would take thousands of lecturers in classrooms totalling many millions more dollars. Similarly, "Ses-

ame Street" reaches a vast preschool audience at the cost of one penny per viewer, whereas Head Start and other preschool programs cost many times more. If you assume that the "TV version" of knowledge is adequate, and Perelman does, then it is far more productive to replace teachers with TV, letting students study on cheap terminals, or perhaps even at home, and "test" via an interactive system. Most corporate training is susceptible to computer learning, which is why corporations spend 300 times more on computer and televised learning than schools.

If you want creative graduates who will almost definitely ask a lot of questions "outside the lesson plan," you need teachers. If your goals are lower, then interactive TV is fine. There is an ominous preview of this in Whittle's current Channel One operation: Channel One's so-called social studies programming—for which students get academic credit—is modelled on the mind-numbing MTV rock 'n' roll cable channel. "News items" average 18 seconds each, and announcers speak at a frenetic 140 words per minute, about double the speed of an average teacher.

Perelman's dystopia is not science fiction; it is being implemented very fast. It is, in fact, a large reason behind the dizzying changes in the telecommunications industry over just the last six months—all moves toward the "information superhighway." The current trend started in early 1991, when the executives of Time-Warner, Inc., the organized crime-linked conglomerate which is Whittle's parent, announced that they were making a major commitment to the new communications technologies which would allow cable TV to expand from today's 50-75 channels, to the 500-600 channel range, including 150 interactive channels that could link a household with the video store, the bank, and vast data libraries, among other things. A pilot project linking several thousand Queens, New York households by fiber optic cable was unveiled. At the time, observers marveled at the size of Time-Warner's gamble: In the past, the market for interactive services had not materialized, and no one knew how strong a fight the telephone companies would make to control certain telecommunications services coveted by the interactive system. Steve Ross, the mafia-linked entrepreneur who put together the Time-Warner combine, surprised everyone with his confident reply: "The greatest role interactive TV will play is in education."

Although Ross may have jumped the gun in 1991 based on overconfident Whittle political analysis, recent developments have vindicated the prediction. In 1993, the Clinton administration made it clear that it would not oppose the deregulation of the telecommunications industry; this meant that phone companies would not have to compete with the cable operators, but could combine with them to dominate a vast range of entertainment and other services. Preparatory to a deregulation announcement—which was made by Vice President Gore on Jan. 10, 1994—huge mergers were announced throughout 1993: Bell Atlantic and TCI, the latter the nation's largest cable operator and a major shareholder in

several cable broadcasting companies, merged for \$26 billion; Time-Warner, the second-largest cable operator, announced a \$2.5 billion deal with U.S. West; Southwest Bell joined cable giant Cox Enterprises of Atlanta for \$1.2 billion; and three similar deals of a smaller size were announced between other cable and phone companies. The day before Vice President Gore's announcement of the "information superhighway" deregulation, the Bell Atlantic-TCI combine said that it would give 26,000 schools—one-quarter of the nation's total—free access to the superhighway, and would foot the cost of cabling the schools into TCI's high-speed voice, video, and data links. At his speech the next day, Gore gushed over the move, saying, "That's leadership." Two years ago, as a candidate, Gore had called TCI Chairman John Malone "the leader of the cable Cosa Nostra"; Malone is well known for business practices bordering on the homicidal.

The cost of hard-wiring 26,000 schools is minimal for TCI, as has been the cost of satellite links to 12,000 schools recently completed by Whittle for Time-Warner. It would be nice to think that these schools are being given the technology to enable them to access the data banks and libraries of the world, and all the tools to help their students become the scientists and artists we need to survive. Unfortunately, these linkages are being made on the basis of the brutal calculation that schools will continue to collapse in the coming years—spurred on by escalating drives for privatization—and that these pieces of electronics may well be all that is left of education in America.

An expanded version of this article will appear in a forthcoming EIR special report.

For further reading

- Ben Brodinsky, "How 'New' Will the 'New' Whittle American School Be? A Case Study in Privatization," *Phi Delta Kappan*, March 1993
- Richard Clurman, *To the End of Time: The Seduction and Conquest of a Media Empire*. New York, 1992
- James Crawford (ed.), *Language Loyalties: A Source Book on the Official English Controversy*. Chicago: University of Chicago Press, 1992
- Henry Giroux, "Schools for Scandal: Whittling Away at Public Education," in Giroux's *Subversive Pleasures and Critical Practices*. New York: Routledge, 1994 (forthcoming)
- Joe Nathan (ed.), *Public Schools by Choice*. St. Paul, Minnesota: Institute for Learning and Teaching, 1989
- The Nation*, special issue on education, Sept. 21, 1992
- Lewis Perelman, *School's Out: Hyperlearning, the New Technology, and the End of Education*. New York: William Morrow, 1992
- Susan Rose, *Keeping Them Out of the Hands of Satan: Evangelical Schooling in America*. New York: Routledge, 1988
- Arthur Schlesinger, *The Disuniting of America: Reflections on a Multicultural Society*. New York: W.W. Norton, 1992
- Thomas Toch, *In the Name of Excellence*. New York: W.W. Norton, 1992

Russia sheds Gaidar, but steps up Third Rome aims

by Konstantin George

Whiplashed by the acute economic crisis, the Russian cabinet's leading shock therapists, Deputy Prime Minister Yegor Gaidar and Finance Minister Boris Fyodorov, have been ousted in the wake of the Clinton-Yeltsin summit which began on Jan. 13. Moscow is witnessing the slow emergence of a new government, anchored by Prime Minister Viktor Chernomyrdin, which will move away from the ravaging shock therapy of the past two years—although what policy will replace it, is far from clear.

Yet whatever happens domestically, the Yeltsin regime's foreign policy goal is to consolidate Moscow's hold over the entire former Soviet Union during 1994, reannexing all the republics along Russia's western borders which became independent (possibly excepting Lithuania, for broader geostrategic reasons). Belarus has in essence already been absorbed. Moscow is now intent on controlling Ukraine, its main target, and the Baltic republics of Estonia and Latvia.

Lyndon LaRouche, asked to comment on the Russian developments in the weekly "EIR Talks" radio interview on Jan. 19, stressed that it is useless to try to dissect the political situation respecting Yeltsin and his advisers. What's going on in Russia, he said, is that a "Third Rome" patriotic ideology, based on the military and the security forces, is dominant. "They own Yeltsin, and they are the backers of Zhirinovskiy, the Rush Limbaugh of Moscow," he said. "What, apparently, Washington generally refuses so far to recognize, is that the Third Rome is not a faction, or tendency, within Russia. The Third Rome *is* Russia: That is, whenever Russia is pushed and threatened with destruction by outside forces, as Sachs's policy and International Monetary Fund policy are doing . . . this forces the Russians into a situation where they view the outside world as the adversary, as a threat to the land of Mother Russia, or, in a spiritual sense, Matushka Rus. Under those conditions, the Russian peasant will rise

with his axe and say, 'No! Russia, Moscow, must rule the world. We must keep these adversaries at bay by having Russian world power domination.' "

Industry lobby to the fore

The consultations in Moscow over the shape and policies of a new government featured two meetings between President Yeltsin and Prime Minister Chernomyrdin, Jan. 18 and 19, plus a meeting of the Russian Security Council on Jan. 19, chaired by Yeltsin, and attended by (among others) Chernomyrdin and the new first deputy prime minister, Oleg Soskovyets, an industry lobby stalwart. On the evening of Jan. 19 it was announced that the new government had been formed, though only the deputy prime ministers were named: Soskovyets and two conservative figures, Aleksandr Zaveryukhin and Yuri Yarov. From the Gaidarite wing, Anatoli Chubais was kept on as deputy prime minister for privatization.

While no details were released by the Russian media, the key event denoting the new policy orientation was the Russian Security Council meeting, which discussed a program for "the development and production of weapons and military equipment." Russian radio reported that the Security Council discussed "promising new military technologies," and Yeltsin "promised to put them into a concrete phase of production to upgrade the combat capabilities of the Russian Army."

This was consistent with a terse statement released by Yeltsin on Jan. 17. The western media dwelt on its first part, where Yeltsin emphasized the continuation of the "reforms." But in the next breath, Yeltsin said the "reforms" will "proceed from the democratic principles which form the basis of the new Constitution, and especially and above all taking into account the national and strategic interests of Russia." By implication, the "reforms" to date, the Gaidar free market

policies, were against the “national and strategic interests of Russia.” The point was made explicit by Yeltsin’s supposed rival, Vladimir Zhirinovskiy, who called Gaidar’s departure “the downfall of an agent of Washington and the World Bank.”

To understand the symbiosis between Yeltsin and Zhirinovskiy, where both play their role in promoting a Third Rome imperial policy, it is useful to note that Zhirinovskiy, during his first days in Parliament, did not attack Yeltsin. He praised Yeltsin’s decision to have Chernomyrdin play the key role in creating a new government: “So long as there is Chernomyrdin, there is stability.” He reiterated his support for the Yeltsin “presidential system” and the new Constitution, which created a presidential office with dictatorial powers.

Strike wave looms

As soon as President Clinton left Moscow, the old government’s top shock therapist, Deputy Prime Minister Yegor Gaidar, held a press conference Jan. 16, announcing his resignation. Two days later, the cabinet’s other shock therapy champion, Finance Minister Boris Fyodorov, stepped down. Gaidar’s departure is confirmed by Yeltsin; Fyodorov can only remain if he drops his conditions for staying, namely that credits to industry cease, and that Central Bank head Viktor Gerashchenko, who has authorized these credits, resign.

The main orientation of Chernomyrdin, and his close ally Soskovyets, is to form a government acceptable to the directors of Russia’s major industrial enterprises, to stem the epidemic of plant closures, and to meet the urgent social demands of the industrial labor force, before all hell breaks loose. Chernomyrdin and Soskovyets have been sounding out not only leading industry directors, but also leaders of the conservative Agrarian Party, for possible inclusion in a new government, as the Zaveryukhin appointment confirms.

On Jan. 17, Russian trade union leaders warned that, barring quick government action, a wave of industrial strikes would break out in February. In numerous industrial enterprises, they said, conditions have become intolerable. Workers have not been paid in months. Heavy industry, thanks to Gaidarite financial restrictions, has been unable to pay its bills, not only for wages, but also energy. A growing number of plants have been closed because fuel supplies were cut off. On the weekend of Gaidar’s resignation, Sibpribormash, the largest military-industrial plant in Siberia, was forced to close down after the local power plant cut off energy; Sibpribormash owed it 5 billion rubles. The fuel cutoff may soon spread to the homes of the workers, in the dead of the Siberian winter.

Yeltsin also risks a full-scale political showdown with the new Parliament, more intense with the Federation Council upper house than with the State Duma lower house. The largest bloc of deputies in the Federation Council consists of

industry directors from the provinces, who will demand the reversal of industrial shutdowns and bitterly fight any privatization schemes which would undercut their power as a lobby. Their muscle was flexed in the Jan. 12 initial vote for chairman of the Federation Council. Yeltsin’s candidate, Deputy Prime Minister Vladimir Shumeiko, received 81 votes, compared to 79 votes cast for Pyotr Romanov, director of the Yenissei Chemical Kombinat (Amalgamation) in the Krasnoyarsk region of Siberia. Twenty-four hours of arm-twisting produced a 98-52 victory for Shumeiko the next day. Yet, while the industry bloc in the Parliament is now unorganized, it may coalesce into a coherent majority resistance bloc against the further gutting of industry.

Escalation against Ukraine

The mid-January escalation against Ukraine came as expected, in a double blow. The first was the Clinton-Yeltsin Moscow summit, to which Ukrainian President Leonid Kravchuk was brought, and forced by the superpowers to sign away Ukraine’s administrative possession of a nuclear arsenal, the cornerstone of Ukrainian security. On Jan. 16 came the long-scheduled presidential elections in the Ukrainian region of Crimea, which has a two-thirds ethnic Russian majority. The results, as expected, cleared the way for Crimea’s secession from Ukraine, and its joining Russia. A clear majority was received by the three candidates who had campaigned for joining Russia. Of these three, Yuri Meshkov led with 40% of the vote.

The Russian leadership wants the tactical flexibility to delay pulling Crimea out of Ukraine until after the March 27 Ukrainian parliamentary elections. Meshkov announced on Jan. 18 that he will face, in a Jan. 30 runoff, Nikolai Bagrov, who campaigned for Crimea to remain as an autonomous region of Ukraine, and who came in second with 18% of the vote. Barring a miracle, Meshkov will win. The next step, as he also announced, will be a referendum on Crimea’s leaving Ukraine and joining Russia, to be held March 27.

During this January-March time frame, parallel secessionist operations in the heavily ethnic Russian eastern Ukraine will unfold. Barring drastic moves by Kiev to turn around the economy, pro-Russian secessionist candidates will do very well in eastern Ukraine, above all in its coal and industry hub sub-regions of Donetsk and Lugansk. Ukrainian observers from Kiev who toured the Donetsk and Lugansk regions in mid-January have confirmed to *EIR* the alarming situation there. The mood has turned against independence, which people have been led to believe is the cause of their misery. There is a broad-based desire to join with Russia, as a route to economic “rescue.”

Thousands of ethnic Russian Ukrainian coal miners have commuted across the border to the Rostov region of Russia to become guest workers in Russian coal mines. There, at wages below what Russian miners receive, they still get three times what they would have earned in the Ukrainian mines.

There is also, month by month, an increasing outflow of scientific and technical cadres from Ukraine to work in Russia.

On Jan. 19, the leader of the Crimean Tatars, the number three ethnic group in the region, Iskender Mehmetov, was badly wounded in an assassination attempt in the Crimean capital of Simferopol, which killed both his driver and his bodyguard. Mehmetov was the economic adviser to Bagrov, the candidate who opposed Crimea's secession. This was the second hit against a Crimean Tatar leader in less than three months. In November, a prominent Crimean Tatar, Yuri Osmanov, was shot and killed.

A Russian 'sphere of influence'

As to the Baltic countries, on Jan. 14, at the peak of Clinton's stay in Moscow, the Russian military command issued an order authorizing Russian forces in the Baltic republics of Estonia and Latvia to "shoot to kill" if "attacked" or "provoked" by local authorities or troops. They referred to a Jan. 10 incident in Riga, where Latvian officials detained two Russian generals for several hours.

Three days later came the strongest imperial statements to date by Russian Foreign Minister Andrei Kozyrev. Addressing a Moscow conference on Russian policy toward the Community of Independent States and the Baltic republics, Kozyrev declared on Jan. 18 that Russian troops have no intention of leaving the CIS and the Baltics: "We should not withdraw from these regions which have been in the sphere of Russian interests for centuries, and we should not fear these words." He called the "protection" of the "Russian-speaking population" in the former Soviet Union "one of Moscow's main strategic interests." The Russian news agencies Tass and Interfax stressed that Kozyrev had specifically included Estonia and Latvia in his definition of regions from which Russia will not withdraw. Again, citing both the CIS and these two Baltic republics, Kozyrev added that "though military domination is not in Moscow's interests, it would be dangerous to create a vacuum because it might be filled by unfriendly forces."

On Jan. 18, Deputy Prime Minister Aleksandr Shokhin reported that he had been offered the post of economics minister, or, as an alternative possibility, the newly created post of "Minister for the CIS," a new position consistent with Russia's imperial emphasis on the "Near Abroad"—the new designation for the countries which were formerly part of the Soviet Union.

The Kozyrev declarations have created a profound shock in European capitals, above all in Germany, and in all the states of central and eastern Europe. It remains to be seen whether European and American leaders will wake up in time to the fact that a drastic change in western policy, breaking with the policies of the International Monetary Fund, is the only way to preempt Russia from becoming a superpower adversary once again.

Moscow paper prints LaRouche open letter to Russian leaders

The Moscow weekly Opozitsiya (circulation 20,000) the week of Jan. 10 published a letter from Lyndon LaRouche "To Russian Leaders," dated Dec. 5, 1993. The headline included the return address: "Federal Prison, Rochester, Minnesota, U.S.A." Preceding the letter was a short introduction signed by Viktor Kuzin, head of the Bureau for Human Rights Defense without Borders, whom the editors also identified as a deputy of the Moscow City Council (abolished in October). We publish here the text of the newspaper's introduction and the letter itself (subheads have been added by EIR):

The name of the American economist and political figure Lyndon LaRouche (b. 1922, Rochester, New Hampshire) is not widely known in Russia. The movement founded by him in the early 1970s, which actively exposes international financial centers' looting policy of global expansion against underdeveloped countries and regions, not so long ago might not have attracted favorable interest here, insofar as any criticism of the institutions of so-called western democracy was considered in bad taste among our liberally inclined fellow citizens. Today, however, after "Gaidar and his team" have run roughshod across Russia with their "shock therapy," and consolidated their gains with the October bloodbath, L. LaRouche, with his persistent warnings against the consequences of the IMF's monetarist chimeras—which inevitably and universally lead only to the destruction of the national economy rather than its reform, to social catastrophe, and to the demolition of the state in the form of its rebirth as a mafia entity and loss of independence in domestic and foreign policy—has become closer to us and more readily understood. It is difficult to refute the arguments of L. LaRouche, a convinced anticommunist and a person "from over there," who knows from the inside what he is writing about. Not to listen to them, knowing that their author paid for his convictions with years in prison, is impossible.

Text of LaRouche's open letter:

A time of troubles for Russia

Dear Friends,

My thoughts are very much with you during this time of troubles for Russia, which is also a time of troubles for this entire planet. I wish to share with you at this time a few thoughts, chiefly in my capacity as an economist, which may be useful for your consideration at this time.

I ask you to look around the world with the eyes of an

objective scientist; to take the map of this planet and spin it, look at South America, Central America, sub-Saharan Africa, Arab Africa, the Middle East, South Asia, Southeast Asia, China, and of course the areas of Russia, western Europe, and so forth.

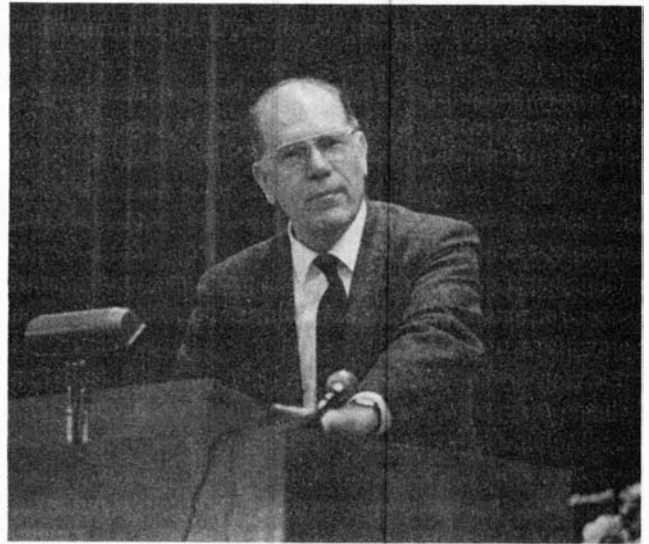
I ask you to look at the statistics, especially the following figures. Measure this planet in terms of per capita and per square kilometer economic characteristics. By that I mean physical economic characteristics, not money. Ask yourselves in terms of nutrition, clothing, shelter, education, and health care of the average member of the family; ask yourself in terms of quality of machine tools, durability conditions, capacity in terms of agriculture, in terms of manufacturing; ask yourself in terms of liters of usable water; kilowatts of power; ton-mile-hour capacity of freight transportation and so forth; and ask yourself what the planet looks like today, as compared to 30 years ago. See how many parts of the world, including my own United States, are much worse off today than they were 30 years ago. Western Europe: much worse off than it was 30 years ago. Africa: vastly worse off than it was 30 years ago. Look at the threats in China, economic threats; the threats of collapse of sufficient food supplies to maintain the population per capita and per square kilometer.

Now look at the former Soviet Union and eastern Europe. We see that the condition of life in the former Warsaw Pact sectors of eastern Europe, is today vastly worse than it was in 1989. In point of fact, in physical parameters—per capita, per square kilometer—the eastern European economy is below 30% of its actual rate of output of 1989.

It can't go on like this. Our planet cannot go on like this. There are madmen who publish books, or who are the subject of books published by others in ever-wider circulation, which speak of the division of this planet between 80%, toward the South of the planet, in a new barbarism, a new dark ages, from which something might emerge 100 years or so from now; and that during the 100 years or so between, in about 20% of the planet, the population might live in some civilized form of life. Such utopian models, I think, are insane. They cannot work. And we cannot go in this direction we're now going.

For example: We know, as you know better than I, that in the former Soviet Union and in Russia today, the danger of disintegration threatens chaos and mass death. Disintegration must be avoided *urgently* or else horrible consequences—the plunge into a Dark Age—were almost inevitable.

In the United States itself, if you look at the parameters which I've indicated, you'll see that we're rapidly approaching a point in the process of ongoing, now-accelerating collapse of income and tax revenue per capita in the states of the United States, at which, two or three years from now at the present rate, the United States, as a political entity, will begin to collapse because the tax revenue base and the income base per capita are no longer sufficient to maintain



Lyndon H. LaRouche, Jr.

essential functions of state, local, and federal government. A change must come.

The axiomatics of policymaking

Now I turn your attention also to a related subject. Let's look at this problem on a global scale, from the standpoint of geometry. I speak first of all of a simple classroom schoolboy Euclidean geometry, based largely on the *Thirteen Books of Euclid*. In such a geometry we learn, as we assimilate it, that no theorem in that geometry can exist as a part of the geometry, unless it can be **proven** consistent with a set of axioms and postulates upon which that geometry as a whole is premised.

What we are seeing around the world today is not bad policies, but something much worse. Let's think of policies as theorems. What we see is a set of policies in which every improvement is worse. Why? Because the root of our problem is a set of axiomatic or postulational assumptions about policymaking, which means that every theorem that is consistent with the existing assumptions about policy, will probably be a worse policy than the policy which it replaces as a reform.

The problem lies with the axioms; the problem lies with the underlying assumptions. And we see that no nation on this planet is likely to survive, unless the presently prevailing assumptions, the axiomatic and postulational assumptions, are somehow, appropriately changed.

We see that in the past 30 years approximately, not exactly coincidentally since the successful assassination of President Kennedy by certain forces in the West (the same forces which attempted to kill President Charles de Gaulle of France), the direction has been downhill.

The United States, which is this mighty fortress of industrial potential, the agricultural potential at the end of the

Second World War, is now disintegrating, and a process of disintegration has been in place essentially since the middle of the 1960s, especially since 1970. Since 1970, by using physical parameters, not these deceptive monetary figures, we see that the United States has been in an accelerating process of internal decay over the past 20-25 years.

We see a similar process in Europe, beginning with Britain, which is the worst case. Britain is now a formerly industrialized nation, a garbage heap, in which large parts of the populations of England's cities are reduced almost to the gibbering level of culture of baboons, no longer having man-like features. We see the spread of the same disease, the collapse of industry and agriculture willfully, by mad policies, on the continent of Europe.

We must rebuild this planet

And thus, my friends in Russia, I ask you to turn your attention to the world as a whole as well as the time of troubles which confronts you, and perhaps perplexes you, inside Russia itself. Those of us around this world who are concerned with such matters, must devise and put forth a clear policy of reconstruction not merely for one nation or another, but for the planet. And as to the nations in each case, each nation must find its place, its indispensable role, its historical role in rebuilding this planet and pulling human civilization back from the abyss toward which it is veering—like a mudslide heading toward the edge of a cliff.

I think the solutions exist. I have indicated in various of my writings, what those solutions are. I think we can say, that the policy, under which the nations of North Eurasia are played against one another in conflict, must come to an end. The past 200 and more years of that kind of game must come to an end. The nations of continental Europe such as France and Germany and others, together with the people of the former Soviet Union, must work together to establish a zone of economic development based on application of scientific and technological progress to improve the habitability of this planet, and to improve also the yields of physical-consumption needs and productive potential per capita and per square kilometer.

From Brest in France to Vladivostok, we must create such an order involving Japan, China, and other nations, to spread this new direction upward in our planet's affairs from that center, the heartland of North Eurasia. We must do this not as some kind of utopian global system, but we must do this as a set of nations based on the principles of a sovereign nation-state republic managing its own affairs, but in cooperation with other nations to the common benefit of all.

I hope that during the coming period, my wishes for the well-being of a nation in its time of troubles may come true, and I would hope that I should be able to contribute some thoughts and ideas which will be useful to you, in your efforts to make those wishes of mine come true.

Thank you.

Historical dilemma institutional crisis

by Mark Burdman

London *Financial Times* senior commentator Joe Rogaly put his finger on what is essential in the current political crisis erupting in Britain. Rogaly warned on Jan. 18 that 15 years of Thatcherite free trade have effectively wrecked the "civic infrastructure" of the United Kingdom, destroying all morality, undermining all sense of the laws of political economy, and shaking all institutions to their knees, including the monarchy, the Church of England, the government, and the Parliament.

Rogaly thereby identified the underlying dynamic in the wave of scandals erupting in Britain. Implicitly, he also identified the political and historical dilemma now facing the British establishment, whose upper echelons, including individuals closely linked to the House of Windsor, have determined that it is impossible to have Prime Minister John Major remain in power, at a time of profound institutional crisis in the United Kingdom. However, it is precisely the process involved in removing Major, by a systematic multiplication of damaging scandals, that has the simultaneous effect of drawing more attention to the moral bankruptcy of the House of Windsor and the Church of England. This is a downward vicious spiral, made worse by the fact, underscored by London sources to *EIR*, that the British elites, in their present mode of thinking, have really *no alternative* to Major, including the thought of having Foreign Secretary Douglas Hurd act as a transitional Conservative prime minister for some months.

Sources close to Royal Consort Prince Philip confess privately that the monarchy is now in its worst crisis in at least 100 years. One London source reported to *EIR* on Jan. 18 that the entire institutional structure dating from the 1688 "Glorious Revolution," involving delicate power arrangements among Parliament, church, monarchy, and the City of London, is disintegrating. This structure includes the 1701 Act of Settlement, by which arrangement it was mandated that no Roman Catholic could ever become monarch of Great Britain. It is a sign of the times, that the Jan. 14 conversion of the Duchess of Kent to Roman Catholicism, has catalyzed a number of calls, published in the London *Times*, *Daily Mail*, and elsewhere, for the Act of Settlement to be set aside.

But this push to abrogate the Act of Settlement brings up the same dilemma. The values of the "Glorious Revolution" embody a philosophical rejection of the values of the 15th-

faced by Britain as accelerates

century Golden Renaissance, which rejection began to take root under King Henry VIII's Venice-manipulated reign in the 16th century. Ideologically, it took the form of the so-called "British Israel" belief-structure, whereby Britain was defined by its elites as "God's chosen Protestant nation," in eternal conflict against Rome. Philosophically, it was expressed in a nominalist-Aristotelian worldview, in the philosophies of Thomas Hobbes, John Locke, David Hume, Adam Smith, Jeremy Bentham, John Stuart Mill, and, more recently, Lord Bertrand Russell.

The British have devoted enormous energies to erecting this gnostic worldview, which has underpinned the British Empire from its inception. Tossing it aside would present grave risks, throwing overboard a gigantic historical investment. Yet paradoxically, *not* doing so, and continuing to venomously oppose the ideas of the Golden Renaissance, will ensure Britain's own continued deconstruction over the period ahead.

'The civil infrastructure was systematically destroyed'

It is all this, which makes the Jan. 18 Rogaly commentary so compelling. The piece had a polemical title, "It Is a Moral Issue," attacking the Thatcherite attempt to decouple morality from economics. The author affirmed that "the discipline of what was once called political economy, and is now described as economics, has become amoral, a series of algebraic abstractions designed by the most expensive witchdoctors in history. The more abstruse their equations, the less they tell us." He says this would have "horrified" every past economist, whether Adam Smith, Karl Marx, John Maynard Keynes, or even Friedrich von Hayek, "whose morally driven deconstruction of collectivist modes of thought laid the foundations of late-20th-century anarchic individualism. All would have doubtless felt obliged to agree that while cash flow is fine on paper, we carry something more in our hearts."

Rogaly reported on the recent statements by Michael Portillo, chief secretary to the Treasury, who warned about a spreading "cynical poison" that is affecting all institutions, undermining respect for them—the "new British disease." What Portillo omitted, however, Rogaly stressed, was that it was "his heroine, Lady Thatcher," who contributed massively to this process of deconstructing institutions in Britain.



The Duke of Kent, head of the United Grand Lodge of Freemasonry. His wife has converted to Catholicism, as scandals and political intrigues are ripping apart the British establishment.

Charged Rogaly: "During the 1980s, Thatcherites de-professionalized the professors, destroyed the sense of vocation of teachers and nurses, and poured scorn on social workers. The civic infrastructure was systematically destroyed, anything with a tradition was regarded as a vested interest to be 'taken on' and, ultimately, 'privatized.' The Tory right's political pantheon infected the decade with the false belief that everything good is bought and sold, while nothing that does not have a price is of value."

Now, Rogaly noted with irony, the Thatcherite right wing, typified by Portillo with his "moral crusade," is "panicking" at the effects of their own policies, as the nuclear family, notions of responsibility, and respect for authority collapse. The reason is that "if for 14 years you preach disrespect for everything save the profit and loss account, the result is the 1990s." The "extreme Anglo-American model" is "nihilistic in its effect," he warned, expressing the hope that Portillo and Hurd could get together and work out a new approach for Britain.

'Bring the buggers down!'

The state of affairs in Britain is underscored by the fact that Portillo is himself the central protagonist in a story that has been making the rounds in London for the past several weeks. While *EIR* has no information that would lend confirmation to the story, the fact is that it is being widely discussed throughout high-level British gossip circuits that Portillo has been the homosexual lover of another member of the Major cabinet, Social Affairs Minister Peter Lilley, also a Thatcherite true-believer. The story being circulated is that

Portillo and Lilley share a home in northern France, where they receive a regular supply of young boys from southern France. The story was supposed to have broken in a British tabloid's Sunday edition Jan. 16, but did not, for reasons unknown. One well-informed British journalist told *EIR* Jan. 18 that "the government would fall like a house of cards" if the story were published. A confidant of the British royal family commented Jan. 17 that "many hope that this Portillo-Lilley matter will be big enough to bring the buggers down," i.e., collapse the Major government.

Scandals are erupting in Britain at the rate of one or two *per day* at this point. They range from the matter of British arms sales to Iraq in the 1980s and the attempts by John Major to clumsily claim, before an official inquiry into the matter, that he was unaware that such sales were occurring; to suspect British military and economic dealings with Malaysia dating from the Thatcher period; to the "gerrymandering" practice of Tory-run municipalities, such as the Westminster City Council of London, which sold housing selectively to potential Tory supporters and denied these buildings to the homeless; to shadowy financial dealings and sexual liaisons of various cabinet ministers and leading Conservative parliamentarians. One "wild card" scandal, is the government's role in the coverup of Syrian responsibility for the Dec. 21, 1988 bombing of the Pan American Flight 103 jet over Lockerbie, Scotland; certain intelligence-linked influentials in Britain are trying to expose this sordid story, and should the full details emerge, this would have consequences far beyond the Major government as such.

A Michael Novak option?

In such an atmosphere, it is not surprising that a public figure like the Duchess of Kent has become a moral rallying point for many, in the sense that her conversion seems to have been motivated by moral motives, as a positive resolution of numerous personal crises over the recent period. It is also not surprising that certain Britons, mainly but not exclusively British Catholics and/or recent converts from the Anglican Church to Catholicism, should speculate that there could be a large-scale conversion to Catholicism in the United Kingdom. Such speculation is further fuelled by reports that Princess Diana is involved in preparations for conversion to Catholicism, the prospect of which has leading lights of the Church of England trembling, because it could catalyze a wider popular move toward Rome.

Were such a spiritual movement to be linked to the worldview expressed by Pope John Paul II on such matters as opposition to malthusianism and his characterization of Thatcherite free trade as "savage capitalism," there could be an uncharacteristically positive evolution in Great Britain. Recall that in May-June 1992, in the days leading up to the so-called Earth Summit in Rio de Janeiro, Brazil, the spiritual head of the Church of England, Archbishop of Canterbury Dr. George Carey, attacked the Vatican for its opposition to

British moves to place the population control issue prominently on the agenda. This becomes all the more important in 1994, the year of the U.N. Third International Conference on Population, a malthusian extravaganza planned for September in Cairo.

Should leading Britons not have the courage and moral integrity to bring about such a positive shift in policy, the Catholic conversion issue could quickly be judoed in the manner characteristic of the British establishment, to bring about the opposite result in terms of policy content. Especially as it is known that the current pope's health is failing, certain wily Britons would obviously hope to shape the papal succession by a classic "penetration from within." The fact that the Duchess of Kent's husband, the Duke of Kent, is head of the United Grand Lodge of Freemasonry, the "Mother Lodge" of Freemasonry which has been involved in various battles with the Catholic Church over the past decades, is germane to such a possible strategy.

The same threat is underscored by the fact that some of the most vocal British Catholics are themselves confirmed Thatcherites. Lord William Rees-Mogg, who penned an article in the *London Times* Jan. 13 promoting the abrogation of the Act of Settlement and the possibility of a Catholic becoming monarch, is a business partner of speculator George Soros and Lord Jacob Rothschild. During 1993, Rees-Mogg was notorious for campaigning for Thatcher to make a bid to return as prime minister. Unless Rees-Mogg is deciding to repent for his former ways, his praise for the Duchess of Kent as representing an alternative to the "scrabbling around for short-term gains, sexual or financial," reads hypocritically, in light of his outspoken Thatcherite commitments.

By the same token, the *Daily Mail*'s Paul Johnson, another advocate for ending the Act of Settlement, is a former Fabian turned Thatcherite, who authored an article in October 1993, reprinted in the Italian weekly *L'Espresso*, promoting the establishment of U.N. "protectorates" over destroyed Third World nations, with one big power appointed to administer it "like a colony." He bemoaned the absence of leaders like Thatcher from the world scene, saying that "there is not the necessary vision to face the geopolitical problems in the world."

What such nominal Catholics would be hoping to do, as was hinted at by the *London Times* Jan. 15, is to use their influence to shift the worldview of Catholics, in Britain and internationally, away from that of the current pope and toward the views expressed by Catholic neo-liberal Michael Novak in the United States (see *EIR*, Jan. 29, 1993, "Anti-Christian Economics: The Case of Michael Novak"). But if the British are playing around with such an option, they should only be aware that having a "Catholic cover" for the same genocidal policies the British elites have promoted over the past few centuries, and with passion during Thatcher's reign, will only ensure Britain's own destruction as well.

Peru bombarded with new threats

by Cynthia R. Rush

The U.S. State Department and Washington think-tanks such as the Inter-American Dialogue (IAD) haven't let up on their arrogant insistence that Peruvian President Alberto Fujimori meet their phony criteria for what constitutes "democracy." They want him to roll back the gains made after he closed down the corrupt Congress in April 1992 and launched a successful war against the narco-terrorist Shining Path.

On Jan. 18, Assistant Secretary of State for Inter-American Affairs Alexander Watson, and former IAD president Richard Feinberg, now at the National Security Council, arrived in Lima to reiterate their demands that Peru dismantle its Armed Forces, emasculate its tough anti-terrorist legislation, and purge the Armed Forces of officers such as Army Gen. Hermoza de Bari Rios, the leading architect of Peru's successful anti-subversion strategy. "There are still legitimate concerns about Peru's protection of human rights," Watson said prior to leaving Washington. To underscore this point, the U.S. Embassy in Lima scheduled the duo's first meeting not with the President, as protocol would dictate, but with the pro-terrorist National Human Rights Coordinator and members of the political opposition.

In fact, Washington's policy toward Peru in the recent period has been characterized by insults and offensive behavior. On Jan. 12, several Lima newspapers reported on the early December letter sent by U.S. chargé d'affaires Charles Brayshaw to Justice Minister Fernando Vega, ordering the latter to meet with the "Goldman Commission," an inter-American delegation led by American University professor Robert Goldman. Brayshaw explained that the commission had proposals on how to "immediately" reform Peru's justice system to make it "respected and respectable."

Justice Minister Vega handed the letter back to Brayshaw, characterizing it as "insolent," and angrily demanded "respect for Peru's right to govern itself, especially when it comes to the administration of justice." As the daily *Expresso* editorialized Jan. 12, "Peru doesn't need lessons and much less orders on respecting human rights or judicial improvement." Despite poor wages and difficult conditions, Peru's Armed Forces captured Shining Path leader Abimael Guzmán "with refined and intelligent methods," the daily added, "to be compared with the [U.S.] strategy used, for example,

to combat the group of Davidians entrenched in Waco, Texas. Let's see who should give lessons to whom."

Defense of terrorism

At the center of Washington's policy is the premise that everything Fujimori has done to combat narco-terrorism and defend Peru's sovereignty is "undemocratic" and should be reversed. Speaking at a Washington congressional seminar on Jan. 7, Watson said that Fujimori's 1992 closing of the Congress was "a terrible mistake which cannot be justified." This, despite the fact that the Congress itself had prevented the Army from pursuing Shining Path by sabotaging anti-terrorist legislation. According to the daily *Gestión*, behind the U.S. demand that the government weaken its new anti-terrorist legislation through "judicial reform," stands longtime State Department strategist and "Peru expert" Luigi Einaudi.

Fujimori has responded feistily to these affronts to his government. Responding to Watson's comments on his 1992 "self-coup," Fujimori said Jan. 17, "I reaffirm [that action] and insist that the measures of April 5 [1992] were not only necessary for Peru but for regional security, which is so often debated in international forums." He said that Watson would find an excellent environment in Peru in terms of respect for human rights, and added, "I bet that in some of our jails there is greater respect for human rights than in American jails."

But the "accidental" death Jan. 11 of one of Peru's leading anti-terrorist strategists, Gen. José Picón Salas, was a grim reminder that bucking the Anglo-Americans may exact a high price. Picón Salas and 12 others died when their Army helicopter crashed under mysterious circumstances at the Cuzco international airport. Fujimori immediately called for a thorough investigation of the crash, saying that he thought that explanations such as a fuel leak or poor maintenance made little sense. He had traveled on the same helicopter just a week before, he reported, and added that there were many "who might have sought vengeance" against the general.

Indeed. Like General Hermoza Rios, commander of Peru's Armed Forces, General Picón Salas was a thorn in the side of Washington "democrats." As head of the Supreme Council of Military Justice, he was not only the person responsible for trying and sentencing the top leaders of Shining Path through the system of "anonymous judges" he set up. He also prosecuted and sentenced those Army officers who plotted to overthrow Fujimori in November 1992 with the backing of factions in Washington. One of those officers, Gen. Rodolfo Robles, flaunted his foreign backing when he took refuge at the U.S. Embassy in Lima, where he gave a press conference charging the Army high command, and particularly General Hermoza Rios, with setting up a death squad and violating human rights. In May 1993, General Picón took the unusual step of granting an interview refuting Robles's accusations and suggesting that Robles was mentally unbalanced.

Book Reviews

Diatribes against the Armed Forces whitewashes Colombia's narco-terrorism

by Valerie Rush

The Palace of Justice: A Colombian Tragedy

by Ana Carrigan

Four Walls, Eight Windows, New York, 1993

303 pages, hardbound, \$22.95

Rarely has a book so crudely propagandistic received such favorable press in such a short span of time as Ana Carrigan's diatribe against the Ibero-American military. This apology for narco-terrorism is aimed against the armed forces of the entire continent, which remain among the few surviving institutions still capable of defeating the spreading narco-terrorist insurgency in whose service Carrigan has hired out her pen.

Barely was her book published when the premier mouthpieces of Anglo-American policy, the *New York Times* and *Washington Post*, came out with reviews on Nov. 28, 1993 that wept crocodile tears over Carrigan's "revelations" of Army brutality in Colombia and over the poor Indians and peasants who, in Carrigan's words, are the "politically invisible casualties" of the power-mad Armed Forces. Where were these "journals of record" in 1989, when the U.S. military bombed thousands of black Panamanians—the "politically invisible casualties" of George Bush's "Operation Just Cause"?

The destruction of first the Panamanian and then the Salvadoran militaries under "anti-drug" and "human rights" auspices was only the beginning. The Haitian Armed Forces have since become the international human rights lobby's favorite whipping boys; the Peruvian military is threatened with the so-called Cantuta University scandal, and the Mexican Armed Forces are an intended victim of the Zapatistas' "indigenous revolution."

Colombia's Armed Forces have repeatedly tangled with the self-proclaimed human rights lobbies over the years, but the latter are apparently gearing for a major new assault, as Carrigan's book would suggest. For example, the foreword to her book is written by Conor Cruise O'Brien, former U.N. official and a leading Anglophile geopolitician, who de-

nounces Colombia's "pseudo-democracy" for allowing the military to supposedly rampage without restraints, and yet who has not a word to say about that pseudo-democracy's U.S.-endorsed deals today with the same narco-terrorists who are the idealized heroes of Carrigan's book.

State terrorism, or terrorism against the state?

Carrigan's fairy tale of a power-crazed military run amok is the latest in a series of attacks on the Colombian Armed Forces which have come out recently. In late 1992, a 580-page Spanish-language book, *El Terrorismo de Estado en Colombia (State Terrorism in Colombia)*, was published by a handful of international non-governmental organizations (NGOs). That book contains a virtual "hit-list" of 500 of the country's most effective counterinsurgency officers, including photographs, military background and training, even personal data.

One source of information for *El Terrorismo de Estado* was reportedly former Colombian Attorney General Alfonso Gómez Méndez, whose wife, Patricia Lara, is a left-wing journalist and M-19 propagandist. In fact, Colombia's Attorney General's office has consistently functioned as a branch of the pro-terrorist British intelligence asset Amnesty International since January 1988, when the last attorney general with integrity, Carlos Mauro Hoyos, was gunned down by the cocaine cartels.

It came as no surprise, therefore, that another former Colombian attorney general was an important source for Carrigan's book. In fact, Carlos Jiménez Gómez—who receives honorable mention in Carrigan's acknowledgements—is not merely the attorney general who *on his own authority* met with the heads of the Medellín Cartel in 1984 (just a few weeks after they had assassinated anti-drug Justice Minister Rodrigo Lara Bonilla), and tried to broker an amnesty deal for those butchers.

Jiménez went on to greater infamy by publicly demanding a reversal of the government's policy of extraditing drug traffickers, by filing charges against the National Police for using herbicides to eradicate marijuana crops, by slandering and persecuting Lara Bonilla's successor, Justice Minis-

ter Enrique Parejo González, and, in 1991, by hiring himself out as the lawyer for the Medellín Cartel's number-two, Jorge Luis Ochoa Vásquez.

Another source for Carrigan's book, we are told, is the son of former Colombian President Alfonso López Michelsen, Juan Manuel López Caballero. López Michelsen, known alternately in Colombia as "The Chicken" and "The Godfather," is the country's leading political broker for the cocaine cartels. As President, López facilitated the growth of Colombia's drug trade by forging the tax breaks and banking mechanisms, such as the so-called *ventanilla siniestra* (sinister window), that gave the cartels their eventual stranglehold on the nation's political and economic sectors.

López Michelsen, who has been a long-standing opponent of extradition, is the mentor of drug legalization lobbyist and presidential candidate Ernesto Samper Pizano, and is known to have accepted generous cartel contributions to his (failed) 1982 re-election bid. In April 1984, López outdid Jiménez Gómez, by waiting barely one week after Lara Bonilla's assassination before holding secret meetings with his killers to try to mediate a government amnesty for them. He issued a public appeal on their behalf in July 1984, and has repeatedly acted as the cartels' go-between with the Colombian government ever since.

Lies and anonymous testimony

It is precisely in these mob connections of Carrigan's sources that the real story of what happened during the M-19 guerrillas' November 1985 siege of the Colombian Justice Palace lies, since—as Carrigan states from the outset—her intention is to "discredit" the official conclusion that it was the drug cartels, using the M-19 as their footsoldiers, which ordered the siege that destroyed the nation's legal archives and left half of the Supreme Court dead.

Carrigan's so-called investigative journalism, based largely on *anonymous* testimonies as well as on the "confessions" of the M-19 itself, has served up a soap opera about idealistic M-19 youth who had the misfortune to believe that, with the help of the Supreme Court, they could symbolically put the Colombian government on trial for violating a peace treaty with the M-19.

Through a combination of faulty planning and plain bad luck, Carrigan claims, the M-19's plans went awry. Instead of negotiating with the M-19, the "cowardly" Belisario Betancur government handed full authority over to the military to retake the Justice Palace. A full-scale assault was launched, despite the pitiable pleas of the M-19's hostages—who included nearly a dozen Supreme Court magistrates—and within 24 hours the entire building was reduced to rubble and everyone left inside to ashes. Carrigan concludes that the military's rampage had "killed two birds with one stone," by eliminating both the pesky M-19 and an "overly independent" Supreme Court that was allegedly prying too closely into military corruption and dirty war tactics.

Carrigan's tale is constructed from a tissue of lies. Not only is her book a coverup of who and what the M-19 is, and what the nature of the judiciary's war with the drug interests was, but she also distorts the fundamental issue of what the role of the state must be in protecting the national interest.

Carrigan is obsessed with the fact that, throughout the siege, President Betancur refused to accept a phone call from the president of the Supreme Court, an intimate friend of his and the M-19's most prominent hostage. The M-19 nonetheless succeeded in broadcasting over national radio the judge's pitiful appeal for a cease-fire and negotiations. And yet Betancur knew only too well that there was nothing he could say to his friend, because there was nothing to negotiate—an M-19 surrender and release of the hostages were the only course that could leave the national institutions intact and credible. The terrorists had already rejected those terms.

Meet the M-19

Although Carrigan describes the M-19 as a group of disenchanted political activists whose worst fault is their ineptness, she chooses to leave out a few relevant details about them, such as: their kidnap/murder of labor leader Raquel

The red dye

Conor Cruise O'Brien's authorship of the foreword to this book is a red dye identifying it as part of the British oligarchy's plans to murder national sovereignty and political freedom everywhere—including allying with the drug mafias to achieve this. The former Irish cabinet minister and high-level U.N. official in the Congo, born in Dublin in 1917, most recently disgraced himself as the mouthpiece of Margaret Thatcher's efforts to shore up the communist dictatorship in East Germany.

In October 1989, while the brave citizens of Leipzig were marching nightly demanding freedom from their Soviet oppressors, O'Brien denounced the specter of a reunified, free Germany in the *London Times*, under the headline: "Beware a Reich Resurgent." O'Brien's Oct. 31 piece fretted that the Soviets were too preoccupied with internal problems to militarily put down the East German resistance: "If this view of the Soviet Union is correct, then German reunification is now inevitable. We are on the road to the Fourth Reich: a pan-German entity, commanding the full allegiance of German nationalists and constituting a focus for national pride." Not long before this fulmination, O'Brien had called for legalizing drugs and dismantling the war on drugs.—*Katherine Notley*

Mercado in 1976; their documented involvement in drug- and arms-smuggling as early as 1981 (the Jaime Guillot Lara case); their mutual admiration society in the mid-'80s with Nazi-Communist narco-terrorist Carlos Lehder, whose terrorist forces in the Quintín Lamé Brigade sometimes jointly deployed with the M-19; their assassination attempt against Interior Minister Jaime Castro; their kidnapping of Colombian politician Alvaro Gómez Hurtado in 1988, killing his bodyguard during the assault; to name but a few.

Despite the eyewitness report of one magistrate's driver that the terrorists shot most of the judges through the head execution-style, Carrigan would convince the reader otherwise by endlessly filling her pages with alleged transcripts of chummy conversation between the judges and their captors—all based on the recollections of her "anonymous" survivor. She also relies heavily on a clandestine ballistics report purporting to prove that the bullets which killed the judges did not come from M-19 weapons! This, despite the fact that—as Carrigan herself admits—the fires raging throughout the building had reduced corpses and weapons alike to unidentifiable ash.

Most outrageous is Carrigan's insistence that the drug mafias had nothing to do with ordering the assault, despite the fact that:

- The Supreme Court justices had been receiving daily death threats from the cocaine cartels throughout the month preceding the siege, which took place on *precisely* the days that the Court was considering granting constitutional approval to extradition of drug traffickers.

- The M-19 had a long history of collaboration with and financial dependence on the drug traffickers (see *EIR* Special Report, "Bush Surrenders to Dope, Inc.").

- The U.S. State Department's report on the incident concluded that "very solid evidence" had been found that the M-19 "had been paid \$5 million by one of the chief narcotics groups down there for the precise purpose of destroying the legal records and intimidating the judges so that there wouldn't be any more extraditions."

- Then-Justice Minister Enrique Parejo González publicly accused the M-19 of working on behalf of the drug traffickers.

The story of Enrique Parejo is particularly poignant, because Carrigan exploits him as a source to claim that the Betancur government was paralyzed by cowardice and incapable of standing up to the military. Parejo, intimate friend of Justice Minister Rodrigo Lara Bonilla, stood up to the mob and courageously pursued the anti-drug agenda of his martyred friend, whom he succeeded. Refusing to sell out to the mob as many of Colombia's leading figures have done, he was abandoned by the Colombian political establishment. He barely survived a mafia assassination attempt in Budapest in 1987 and has been condemned to live as a virtual recluse in his own country ever since. Today he is a broken man, who has been politically captured by the anti-military left.

I prefer to remember Enrique Parejo as he was in 1985, who understood only too well the nature of the M-19. Only days after the siege, Parejo held an angry exchange with foreign journalists: "I want you to keep in mind a fact which is of utmost importance. The guerrillas did not arrive at the Palace of Justice with the purpose of talking. . . . They entered killing. They sought out as their immediate targets of action the four judges of the Constitutional Hall and the judges of the criminal court, the same judges whose lives had been threatened previously for giving favorable opinions on extraditions. . . . One cannot have many illusions about the fate the judges were to suffer. . . ."

"So President Betancur gave the order to burn and shell the Justice Palace?" a reporter asked, to which Parejo replied: "My God, why are you asking me these kinds of questions? Those who began the action were not the government, nor the Army; they were guerrillas. They came in killing. Do you believe that, while armed guerrillas were arriving—just look at the arsenal which they brought with them—the response of the government should have been, 'Gentlemen, keep calm, let's talk'?"

Parejo was asked if the military might have carried out the massacre, given the fact that the Council of State had only recently made a "far-reaching and historic judgement condemning the Army for tortures"—an argument Carrigan revives in her book. Parejo responded with the obvious answer that every Council of State judge emerged from the conflagration alive, unlike those of the Supreme Court. He accused the journalists of sounding like attorneys for the cocaine cartels, concluding: "By God, let us not distort the truth. Let it not be thought that the criminal assault here was by the government, that it was the government which seized the Justice Palace, that it was the government which went in there shooting, that it was the government which murdered the judges of the court, when there is testimony of those same judges who say the guerrillas murdered the judges in cold blood—in cold blood. And this doesn't seem to worry you, eh? You are not grieved and disturbed by these crimes?"

Although a core group of leaders of the M-19 perished in the Justice Palace conflagration along with their hostages, it was the Colombian Armed Forces and *not* the M-19 which ultimately suffered the biggest blow from that incident. Thanks to the mobilization of narco-terrorist forces in and around the international human rights lobbies, and to such international media as the *New York Times* and *Washington Post*, the defenders of national sovereignty in Colombia got smeared as the bad guys while the M-19 within a few short years were granted a full political amnesty, brought into the Colombian government, given a major hand in writing the new national Constitution, and given a boost in their drive for the presidency.

The cocaine cartels have not accidentally followed in M-19's footsteps every step of the way. And that is what Ana Carrigan's book is really all about.

Sovereignty of nation-states coheres with natural law

On Jan. 7, the Croatian weekly cultural and political magazine Hrvatski Rukopis (Croatian Handwriting) carried an interview with imprisoned U.S. statesman Lyndon LaRouche, conducted in December by political and military analyst Srečko Jurđana. Hrvatski Rukopis is published by the same companies that own the main Croatian daily Vecernji List, for which Hrvatski Rukopis had been the weekly literary and cultural insert, until recently when it began independent publication. Its current circulation is about 15,000, with a great influence in the intellectual and political layers of the country, and the appearance of LaRouche's interview sparked an intense discussion in Zagreb and elsewhere in the country. The two leading national dailies, Vecernji List and Vjesnik, have announced the intention to excerpt the interview, and other papers are demanding more interviews and exclusive commentaries from LaRouche on the Balkan situation.

Q: After having spent five years in prison for political reasons, under what juridical and political circumstances would it be possible to obtain your release? Also, how do you comment on the fact that the prosecution of the members of your organization continues (again four of them have been convicted to up to 39 years of jail)?

LaRouche: On this question, as is probably known now, a parole has been granted by the National Parole Commission which will keep me under probationary restraint for a period of up to ten years, perhaps less.

This occurred I think, in large part, or was assured at least in large part, because of the massive international as well as national support for some form of relief for me from incarceration. That's all to the good. It should have been better. I should have had a hearing which would have resulted, in all reasonable expectation, in a complete vindication; but the strength of my political adversaries is sufficiently great that I think that those who might have granted me this relief in the current administration, were not yet impelled to do so. It would have involved the wrath of my enemies at least, I think, in their perception. That's what I get, the best information I have.

To understand this, let me give an answer which antici-

pates in part the basis for responses to the following questions.

There is a long battle in Europe. If you date modern European history from the 15th century, events leading up to and through the 1439-1440 Council of Florence, there has been a continuing battle between two tendencies, one of which is based on wealthy family foundations and trusts which careen across the political landscape like self-esteemed, quasi-immortal gods of Olympus, and those contrary forces which have tried to fulfill the Christian proposition, the notion of a Christian republic, as also defined more rigorously around the time of the Council of Florence, as a part of those proceedings.

I represent the latter view. The powerful, would-be immortal gods of Olympus, through their own folly, are bringing the roof of the world down upon the heads of us all, including themselves. At the time when a ruling power sees itself collapsing, at the time of the *Götterdämmerung*, the Twilight of the Gods, of the Olympian gods, the gods tend to be more ruthless. More ruthless dictatorships emerge at times when ruling forces are weak and require, in their own view, the ruthlessness of dictatorship to retain their power, and to wreak vengeance as it were upon any hostage they can whom they see as a representative of the forces which imperil their power.

We did represent a great peril to their power, on two points.

There are two issues in which the Anglo-American oligarchy, my opponent faction, has been absolutely determined, throughout particularly the postwar period—since Versailles as well. One is to keep the southern part of this planet, which now includes the Balkans and southern Italy and Turkey, and so forth, in subjugation; not to allow these portions of the planet to have equal access to means of technology to sustain themselves. Many of these people speak of condemning 80% of the planet to an age of barbarism while only 20% in the northern region especially, would survive that—they would hope.

The second aspect of their policy since Versailles, but essentially since World War II and Yalta, has been the view that if the Anglo-Americans can establish certain kinds of an



In this televised broadcast during his presidential campaign on Oct. 31, 1988, broadcast, Lyndon LaRouche warned of the danger of war in the Balkans, with Russian backing for Serbian conquest of the other Yugoslav republics.

agreement with their putative adversaries in Moscow, that between these two forces, they represent such force, that whatever these two adversarial forces agree to, becomes law for the rest of the world. It's a view which has been expressed by Henry Kissinger, for example, in telling the people of the Third World, that when Washington, London, and Moscow agree, the rest of the world will jump, and nobody else should try to make policy.

I threatened that policy first of all with my commitment, which was first rooted in me from what I saw during World War II in India and Burma, for justice for the so-called Third World; and that has put me at odds with the Anglo-American establishment. I also have considered an abomination the notions of Yalta, New Yalta, and similar agreements, global imperial agreements between the Anglo-Americans on one side and Moscow on the other; and I fought to replace those agreements by a new basis which is more in keeping with a moral standpoint.

In succeeding in presenting the Strategic Defense Initiative (SDI) and in finding a precise echo of my proposal to Moscow coming as official policy from President Reagan, I made myself the object of the most intense hatred imaginable from both the Anglo-American and Moscow forces which were committed to that agreement. They were out to kill me,

but it was too risky, they didn't wish to make me a political martyr, so they sought to defame me and defame my associates, and hoped that the movement associated with me would go away under those circumstances.

That hatred, once set in motion, continues; and I think that explains the circumstances which surround me and my associates at this time.

Q: You have been frequently emphasizing the danger of Europe falling into a "Thirty Years' War" pattern. First: Whose benefit would this pattern serve? Second: After almost four years of war against Croatia and Bosnia, do you see the chances for a Thirty Years' War all over Europe growing or diminishing?

LaRouche: I would say, take the second part of the question first, that after almost four years of this Balkan war launched from London with support from other quarters, including [former Secretary of State Lawrence] Eagleburger, Brent Scowcroft, and forces in Moscow, the likelihood of a Thirty Years' War all over Europe is greatly increased by this continuing Balkan war.

Whose benefit does this serve?

Let's take the case of the insane man who *believes* he will benefit when in fact he will not; and we should speak of

benefits to London and so forth in those terms. They have spread a disease for which there is no cure, so to speak, in their Balkan policy.

The policy under which the Balkan war was unleashed by Mrs. Thatcher's government and continued by the Major government, that policy, if continued, will destroy them all. So the benefit which motivates them, *is an illusory one*.

What they are attempting to do—and this has been increasingly the commitment of the British Foreign Office since the coming to power in England during the 18th century of William Petty, the Second Earl of Shelburne, the major-domo, so to speak, of both Barings Bank and the British East India Company. Remember the British East India Company *ran* England through the work of Shelburne and especially Shelburne's chief of intelligence, Jeremy Bentham, from at least 1783, when Shelburne dictated the terms of the Treaty of Paris, to the present day. The dominant force in British policy is the *imperial policy* developed under the direction of Shelburne and institutionalized around Jeremy Bentham, who is the predecessor for the James Mills, the Castlereaghs, the Cannings, and most notably, Lord Palmerston, and after Lord Palmerston, the British liberal imperialists typified by the Fabian Society.

These fellows have had the view that to establish a British Empire, or a British hegemony over little empires (which would in fact amount to a British Empire worldwide), they had to play contending forces against each other. They saw continental Europe and continental Eurasia, if unified, as the major threat to the existence of a British Empire, as they saw the United States, as long as it remained a true republic, a threat to that Empire; and therefore, from the time of the French Revolution—from the time of the American Revolution, in point of fact—the British imperial faction which controls the Foreign Office, has moved on a policy of divide-and-conquer to set forces which should be allied in cooperating with one another for peaceful economic development to mutual benefit, to set them against each other in bloody warfare and thus to perpetuate, by divide-and-conquer, the potential for either a British Empire or some kind of one-world system which in effect would be the same thing.

And that's our problem here, that, as Mrs. Thatcher's government said, and as she has emphasized in her recently published memoirs, her concern was that the unification of Germany, and she, together with people under British control like the Bronfmans, directly attempted to try to keep the Iron Curtain up. As Mrs. Thatcher said in her memoirs, and as she said at the time and her spokesmen said at the time, she was taking all measures to try to preserve the Iron Curtain, to prop up the Bolshevik regime in Moscow; to prevent the unification of Germany, to prevent Germany from taking a lead in rebuilding Europe along the lines proposed by me and by Alfred Herrhausen, the Deutsche Bank banker who was assassinated on British orders.

The Balkan war was unleashed by Britain *openly*, with

the support of the Gorbachov faction in Moscow, which backed the Milosevic Serbs, with the idea of creating a bloody situation in southeastern Europe which would prevent the realization of a unified Europe unified in East-West, North-South development.

That's the motivation, and that is Mrs. Thatcher expressing the unbroken tradition from the evil Lord Shelburne and dirty Jeremy Bentham to Major, Hurd, and others in Britain today.

Q: Why were Britain and France so effective in imposing their chosen arbiters (Carrington, Vance, Owen, Stoltenberg) in the conflict? Why is it that they face practically no resistance to their policy of spreading the war—first all over Croatia and then all over Bosnia—and of establishing the “Serbian gendarme” in the Balkans? And second, can you explain what seems to be the ambiguity of the United States concerning Balkan affairs? One part of the administration follows almost blindly the British policy—division of Croatia and Bosnia and reward for Serbia. The other part opposes this policy—personified by Owen—and seems inclined toward Germany. What is exactly the position of the United States?

LaRouche: You have two phenomena here. You have a kind of British or Anglophile, Anglo-American, a transatlantic Anglophile establishment dominating the United Nations and other institutions. The illusion that the United Nations is anything but an instrument of Anglo-American policy has been blown aside by these recent developments. To the degree it existed, it was essentially always an illusion.

Now, there is another factor besides this influence and power of this particular faction, the Anglo-American faction—the one that killed President Kennedy, to put a fine point on it. That is, as we see clearly, in almost every government in Europe except France, which is only a partial exception, and in the United States itself, we see that those elites, these entities associated with the so-called gods of Olympus, that is, the powerful trusts and foundations which are quasi-personalities with a quasi-immortal existence which have cumulatively vast financial and property powers and which control most of the elite outside of government and even to some degree inside government; these elites who rule the society, *are decayed*; they are decadent, they are corrupt.

In Germany (whatever comes in Germany), the moral and intellectual quality of the elites, scientific, military, and so forth and so on, today is far below the moral and intellectual quality which existed as recently as the 1970s; and those of the 1970s were weak relative to those of the Adenauer period.

We see in Italy, that Italy has been dismembered, by capitulation beginning 1976, to the IMF conditionalities. We see that France is preserved because of peculiar circumstances centered around such institutions as the National School of Administration, which produces a great deal of the

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intellectual-administrative elite of French business, banking, and government.

Thus, under these circumstances, with weak, vacillating governments, governments which are unwilling so far to face the reality that the entire policy of the Anglo-Americans is bankrupt, tend to coast; that is, the United States government, for example, refused to buck the British on this issue of the Balkans. Thus, there was no military action as tentatively promised in the period of the late winter-spring of 1993 to stop the fascist genocide of Milosevic's allies—just as there was no intervention earlier in the atrocities against Croatia.

Therefore, the combination of policy and the *weakness*, the moral-intellectual weakness and decadence of the leading elites of these nations, is a key factor which must be taken into account.

This moral weakness comes in part from the adoption of the so-called post-industrial, neo-malthusian policy typified by the Club of Rome. This has resulted in a moral corrosion of the institutions of learning, of the education of the elites, and of the policies and moral impulses of leading institutions. This has been accompanied by a *secularization* in western Europe.

European civilization is based on *Christian republican principles*. When you secularize in the way which has been done by certain freemasonic factions led from London, with the purpose of destroying the Vatican and also of destroying Judaism as a religion and Christianity, and then turning around to destroy Islam at the same time; this revolt against monotheism, means there's an affirmative, satanic impulse against monotheism which has cut the umbilical cord of the baby in the womb; and the baby is threatened with dying, therefore. That is the general picture you have to see before you can explain what seems to be the ambiguity of the United States concerning Balkan affairs.

I think I just have stated it. You have special factors included, the fact that Brent Scowcroft and Lawrence Eagleburger were key in shaping Bush administration policy toward the Balkans.

Now, it must be recognized, that both Brent Scowcroft and Lawrence Eagleburger are *nothing but* assets of that section of the British Foreign Office which is called today Chatham House, for which Henry Kissinger has worked all his life, and on whose behalf Kissinger Associates functions. Kissinger Associates obviously functions as an instrument of

greed for the interests of Henry Kissinger and other persons. But it's controlled, axiomatically, by its master, which is the British Foreign Office—the Chatham House vehicle. These people are agents of Britain, just as certain forces in France, which tend to cooperate with them, are also, de facto, agents of Britain in the tradition of the fact that Napoleon III was nothing but a political catamite for his master, Lord Palmerston of Britain.

The United States, under these influences, *has no policy*, except this lunatic policy set up under the Bush administration, that is, the policy of so-called democracy and free trade: to set up a world empire, crushing all opposition under this strategic policy of democracy and free trade. Until that changes, that will be the situation.

Q: What does the term “united Europe” mean under the present circumstance of genocide going on undisturbed in its core? Is a united Europe—the result of divergent interests—possible at all?

LaRouche: The term “united Europe” in general is a farce *unless*—and I say unless with emphasis—France succeeds in drawing Germany, however reluctantly at first, into unity with France in opposition to GATT. GATT will destroy the human species in its present form. The resistance to GATT, initiated from France, if it succeeds in drawing Germany in to that policy and drawing other countries into supporting that policy, *will create* a positive united Europe, not of a single nation, not a one-world united Europe, but a united Europe of the nations. In that case, it would be a very useful development.

Q: If we agree that the nation-state concept is being threatened by the actual geostrategy, can you exactly define what powers, and for what precise reasons, are threatening it? Can you describe the position of the nation-state in relation to “united Europe” and to “Euroasian continental development”?

LaRouche: The idea of the nation-state, the modern republican nation-state as prescribed implicitly by Nicolaus of Cusa in various writings, is implicit all along in the very essence of Christianity.

Once we raise the question of man—individual persons—as in *imago Dei* by virtue of the capacity for creative reason, which sets mankind apart from all animal life, we

invoke the issue of *capax Dei*, that the individual is not only in the image of God, but he must participate in the work of God, in God and in God's work. This idea of the *participation of a people as a group of individuals in God's work*, involves language.

Of course, I am the first to emphasize that language does not contain *literal* ideas but rather that language is a medium by which we generate, in a lawful way, certain paradoxes by which creative discoveries from the mind of one person are transmitted as *paradoxes* to others who, by attacking the paradox with their creative faculty, generate a replication of that idea. Thus have the great discoveries of mankind over many thousands of years been transmitted to the children and youth and so forth of each generation in this paradoxical form. But nonetheless, the literature, the education, the organization of the family, of a nation, is the means by which the individuals may participate *together* in the administration of their affairs and in the administration of the role of the individual as *capax Dei*. That requires the nation-state.

For a long time, medieval Europe relied upon Latin as a *lingua franca* for western Christianity. That was an attempt to realize the requirements of *capax Dei* through a common language, i.e., a literate form of Latin. However, this language did not reach down to the majority of people as such; and thus it was important, as Dante Alighieri and others emphasized, to use the spoken language of the people, to bring that language up to its literate level for communication of ideas, and to build nation-states, republics, under natural law—each under natural law and all together as a community of nations—through the use of a literate form of language used by all the people for their participation in their society.

When we look at matters from this standpoint, *there is no conflict between the idea of a nation-state and Eurasian continental development*. In truth, if we understand ourselves, our problems, and our principles, it is necessary that each nation-state be *sovereign*. However, insofar as the nation-states are *under natural law in their internal affairs and regulate their affairs with one another according to natural law*, they thus reflect the principle of *imago Dei* and of *capax Dei*; and thus all great works are better accomplished precisely because the individual member of each nation-state is efficiently participating.

The problem today is that these concepts of republic have been replaced by democracy. We have today a rule not only by Locke, who is in practice a satanic figure in his influence but more specifically, from the British side, British liberalism derived from the same principle as Locke but based on and flowing from Bentham's *Principles of Morals and Legislation*, which makes so-called free trade and democracy a substitute for natural law, in fact uses chaos theory—which is what free trade really is—as a substitute for natural law. Under those conditions, you can have no good society but only chaos and man against man.

Locke produces a society which corresponds to Hobbes's

“each in warfare against all,” because *there is no moral principle which governs society. The nation-state republic depends upon the existence of a moral principle, natural law; a notion of the sacredness of the individual, of the family as an institution, and of the importance of the state as protector of the family and individual and protector of the good works of the family and individual to the benefit of all.*

Those notions are the notions of the nation-state. To the extent we have tried to substitute a Locke—or shall we say a Hobbes-Bentham-Locke—order of society in opposition to Christian society, we get this kind of hell which we're getting today.

So in response to this question of the nation-state, one must understand the nation-state from a Christian standpoint. That's where it was created, it did not exist before then. Yes, we had nationalities, we had empires; but the idea of the nation-state is a *Christian development*. Even though it occurred late in the history of Christianity, 1500 years approximately after the birth of Christ, nonetheless, it is a fulfillment of a Christian principle; and it is on that principle that the state stands. As long as the state is formed on that basis and that principle, and relations are so ordered (as Augustinus attempted to define that), then we have the kind of world order in which the nation-state is an essential furtherance of the goal of the broader development of mankind as a whole.

Let me add to what I've already said. On Eurasian continental development, look at Russia; and I'm sure that some people in Croatia, for example, have a little better insight into Russia than some of the ideologues in particular from western Europe and the United States.

The Russian people have never recovered fully, culturally, from the scars left on the culture by the long Mongol occupation. The result is what we call the Third Rome paradigm after Philotheus of Pskov (1510), who pronounced that on the basis of the corruption of the first Rome and then the second (Constantinople), that Russia must protect Matushka Rus from the corruption of the world around it, by establishing a new Rome, a Third Rome of Muscovy, which must be a world empire *forever*.

This is an *instinctive feature* of certain parts of the Russian population, in that we have institutions such as the military and the military-industrial complex in Russia, the only physically, objectively unifying institution in Russia at the present time. If that institution were to *blindly* respond to the present crisis by trying to reunify and hold together and defend Russia, then you would have nothing but a Third Rome imperialist dictatorship coming up in Moscow, something which is already quite visible.

It is possible that sections of the Russian intelligentsia can introduce into the situation a new conception of Russia as a nation-state republic. My efforts and my advice to people is to focus on that; not to interfere in the internal affairs of Russia, but to provide what is necessary in terms of proposals, discussions, and so forth, to catalyze that latter process

into being—with the view that through large-scale infrastructure-building programs done in cooperation among sovereign nation-states, we can rebuild the Eurasian continent as a center of peace and peaceful development for the globe.

Q: It has been claimed very often that Germany was a “primary target” of the new British-French “Entente Cordiale” and of a catalyzed process of continental destabilization through the war against Croatia and Bosnia. Yet, can you define the policy of Germany itself? In some respects—like the Juppé-Kinkel letter to the European Community—Germany seems merely to conform with the dominant way of thinking, and this is hardly an adequate position for an economic superpower and “primary target.” Germany seems to be rather satisfied with its present position within the EC, not wanting to disturb it by accepting “distant” challenges. Is Germany really capable of playing a strategic role, or has it been—in a post-World War II world—definitively transformed into a political “paper tiger”?

LaRouche: One has to go back, in France, to the case of [Giuseppe] Mazzini. Remember we had, in addition to all the other things that happened in the 19th century, we had the rise of Mazzini as a British agent; and that has to be emphasized, and people have to stop blocking on that.

Mazzinian freemasonry in all its forms is an outgrowth of British intelligence’s subversion of the nations of Europe and elsewhere, including the Balkans. The Balkan war can be traced back to the interventions of British Mazzinian freemasonry.

There are some organizations which have come out of Mazzini’s work, which have become patriotic and thus, in a sense, have evolved away from their origins. But the principle is that.

Now, what is the Entente Cordiale? The Entente Cordiale was set up in 1898 to 1904 with France’s Théophile Delcassé under the direction of Britain’s Lord Gray. But what was its root?

In 1849, a Mazzinian, a puppet of Palmerston by the name of Louis Napoleon, was made the President of France in a coup d’état against the French monarchy. The same Louis Napoleon, again under the protection of British intelligence, was made Napoleon III.

We have this Napoleonic idea in France, which was Anglophile, and which in the late 19th century was in contrast to policies such as those of [French Foreign Minister Gabriel] Hanotaux, which were policies which were for *independence* of British control. By a maneuver, Hanotaux, who was collaborating with Russia’s Count Sergei Witte for a railway system and other economic cooperation from Brest to Vladivostok, was toppled in 1898 over the Fashoda incident, and the British took over; by 1904, they set up the Entente Cordiale.

The Entente Cordiale, combined with British operations in the Balkans, set off the conflicts which became the First

World War, which were an attempt to prevent continental Europe from developing the kind of unity which Count Sergei Witte hoped to bring about.

So today again, as Margaret Thatcher came to power and reacted as an instrument of British imperialism, the danger in the British view that Germany would draw France into a generalized development of eastern Europe and the former Soviet Union, caused the British to activate every asset they had in France in this Napoleon III tradition, in the Théophile Delcassé tradition, this so-called French revanchist tradition, as it was called at the turn of the century, in order to prevent continental Europe from unifying.

The forces which Britain controlled and influenced in France to this effect, were the same forces, the same Mazzinian parentage, which account for the Serbian fascists of Milosevic being deployed to destroy other parts of former Yugoslavia.

Now, as to Germany. It is very obvious to anyone from the outside, as it was to de Gaulle, that because of the blight put upon Germany by the post-World War I and post-World War II occupation, Germany was crippled ideologically by brainwashing by occupation (we might say under Anglo-American *Vergewaltigung* [rape]), from expressing itself in opposition to a specifically British policy. Because this would be to raise the question of Britain’s actual war guilt in World Wars I and II, first for setting up the war and secondly, for putting Hitler into power in Germany (which the Anglo-Americans did, not the Germans), in order to overthrow von Schleicher, to prevent cooperation among France, Germany, and Russia in economic development in Eurasia at that time.

So therefore, Germany, insofar as it submits itself to this so-called collective war guilt, the doctrine of World War I and World War II, is *impotent* to take an intellectual initiative of the type required.

Germany can take such initiative only in a certain form; and that is provided that France (or the United States, but France in particular), do as de Gaulle did with Adenauer, that France take the lead in fighting Britain, and that Germany support France. That’s the formula.

So therefore the Entente Cordiale, by pitting Mitterrand’s France against Germany, prevented Germany from continuing and sustaining a positive politics under the present condition. There only is a minority in Germany which would have the courage to tell the truth about these processes; and without the ability to tell the truth, then Germany is crippled and is prevented from defending its own true interests in these matters. This should be understood.

Q: How do you explain the sudden shift from Croatia to, exclusively, Bosnia? I have in mind the following references: Croatia is a relatively homogeneous nation-state, with great economic and intellectual resources that could transform it into the most prosperous and leading factor of the area, while Bosnia is a practically nonexistent multi-nation state, which

has absolutely no perspective without Croatia. Yet, the preservation of Croatia—with one-third of the territory occupied by Serbs—is not the issue (on the contrary, the military liberation of a territory is strictly forbidden by the Security Council), while the preservation of nonexistent Bosnia seems to be of utmost interest, to the extent that Croatia, the first Serbian victim, is now threatened by sanctions (while at the same time Serbia develops a perspective of getting rid of sanctions). How would you comment on these paradoxes?

LaRouche: The Anglo-American forces behind Milosevic, that is, the British faction, British Foreign Office, Thatcherites, plus the Chatham House assets such as Eagleburger and Scowcroft in the United States, were not merely concerned with destroying Yugoslavia; they were concerned with creating a Balkan war climate in Yugoslavia with the purpose of setting up the North-South conflict, the so-called Europe versus Islam, or North Eurasia against Islam, conflict. And to do that meant creating atrocities.

You can see, if you look throughout the Islamic world, including the Arab world, the traces of this consistent pattern. You also have it expressed in policy papers throughout the world. You see it, for example, in the work of Luigi Einaudi, an American of Venetian extraction of the Venetian Einaudi family, whose purpose is to destroy the Spanish- and Portuguese-speaking nations south of the U.S. border in the Americas, who has laid out policies to do just exactly that. You see it in the policy of destroying Africa, all of Africa, North Africa as well as black Africa, and also the former Republic of South Africa.

These policies are afoot; and therefore the Balkan policy has been shaped to conform to the emerging global policy of writing off 80% of the world to new barbarism and preserving only 20% of the world as a quasi-civilized region for the next 100 years or so.

The question of Croatia: The British look at Croats and so forth, as Slavs, and therefore expendable. Also they see the fact that Croatia has an economic development potential, a superior one, and therefore they wish to destroy it; because their purpose is to destroy these kinds of policies. One simply has to open one's eyes to the malicious character of the forces in London (and in other quarters working with London) behind this, or such as the Club of Rome, to realize what the motives are and why they really do things. And one must never make the mistake of attributing an honorable motive—even a misinformed honorable motive—to any of the forces behind these atrocities. They are evil.

Q: Which world powers might be interested in forming a "new Yugoslavia," and what would be the consequences of this monster-country?

LaRouche: The British don't care about Yugoslavia any more. They care about Yugoslavia only in a negative sense to create, if anything, an entity which can be used for further destabilization of Europe as a whole. That's its purpose.

They have no intent of building up an entity to the benefit of the peoples of any part of the region.

Q: What is your personal solution—or "grand design"—for the present European and world situation?

LaRouche: I have practical work that I must do toward the ends which were expressed in my 1982 *Operation Juárez* policy paper, for example, implicitly, together with other things I did with non-aligned nations (so-called) over the period from 1974-75 to the present, in order to bring economic justice to the so-called developing nations, which was one of the initial motives which brought me into the political arena in the first place, something from the last war.

It is also expressed, in my responses to the anticipated and actual collapse of the so-called Iron Curtain in 1989. My notion of the great Triangle, the Productive Triangle, the area from Paris to Vienna through Prague to Berlin and back by way of the Ruhr and Lille to Paris, as a productive triangle which has the greatest historic concentration of productive potential of any part of this planet. This potential must be used as a center, a focal point for the radiation of development along lines of transportation and communication to other centers throughout the world, beginning with, of course, Europe and Eurasia.

Thus must be done with a view of delivering justice, economic justice in particular, to the peoples of the so-called developing sector.

I don't view beyond that any perfect model of a planet because I believe that the world is not a *perfectible*, in the sense of absolutely perfectible, domain, but rather as a continuing domain, as Plato would say, a *Becoming*, in which there are certain tasks of ongoing development, not finished perfection, but ongoing development, which are mandatory for the successful continuation of the human species on this planet at any time; and therefore I would say that, to the extent I have a "grand design," it is of the nature of *Becoming* as exemplified by the *Operation Juárez* paper from August 1982 and from my 1989-90 work in particular on the European Triangle.

I would say also that what I did in connection with the SDI, Strategic Defense Initiative, in negotiating with the Soviet government through the relevant back-channel for the Reagan administration or for the U.S. government during Reagan's period, this also expresses my sense of a *Becoming*; that is, to activate, in the Russian intelligentsia, a sense of a science-driver development program, which I think emphasizes, by bringing to the fore, creativity as the policy on which an economy is to be based, emphasizing what creativity really is. It is the *imago Dei* of the individual.

My grand design, I think therefore, is to realize that science-driver economic programs, together with other things which have the same effect, constitute the basis for building society upon the keystone of the principle of *imago Dei* and the associated principle of *capax Dei*. That is the grand design as I see it.

International Intelligence

Ukrainian protesters arrested in Moscow

Members of the Moscow branch of Rukh, the Ukrainian independence movement, and of a Ukrainian cultural association called Slavutich were arrested by Moscow police on Jan. 14 outside the American Embassy in Moscow, where they had delivered an appeal addressed to President Clinton. The following information on the arrests was issued by the Moscow-based Bureau for Human Rights Defense Without Borders.

"The Organization of the Ukrainian National Rukh . . . held a protest demonstration against signing of the Russian-American-Ukrainian agreement on the nuclear disarmament of Ukraine. The political section of the U.S. Embassy was informed about the demonstration and requested to accept a political statement from the organization. The text was delivered at 14:00 to the security guard at the north gate of the Embassy, who issued a receipt for the document (security did not permit any other way to deliver it). Then, at 14:30 the delegation . . . went to the 'old' U.S. Embassy building, where all four were arrested within 15 seconds by a police unit, and taken to the 11th Police Station. The detainees were pressured to sign a protocol containing such phrases as: 'active picketing, shouting of slogans, and interference with traffic.' None of this applied to the peaceful nature of the demonstration. The detainees refused to sign the protocol."

Three of the four participants in the demonstration are citizens of the Russian Federation.

Cardinal hits European 'cowardice' in Balkans

"Europe is dying in the Balkans," charges Cardinal Roger Etchegerray, head of the Justice and Peace organization, in a letter to Roman Catholic bishops. The letter is the sharpest statement made by the Vatican to date on the genocide going on in the Balkans.

The letter is covered in the Italian daily *Corriere della Sera* on Jan. 12, under the headline, "The Vatican Excommunicates Europe."

"What is at stake is the peace of Europe," writes Etchegerray. European leaders have shown "shameful cowardice," "a criminal sin of omission," and "collective abdication" in dealing with the Bosnia issue. The letter warns that no peace based on partition of Bosnia or exchange of territories should be allowed. "Man is not made to live according to the laws of the jungle," it says, denouncing "ethnic cleansing" as "against nature."

The letter affirms: "We need more courage to make peace than to make war. It is a criminal omission of assistance, to let people kill each other and to have a peace that is the rotten fruit of fatigue and annihilation. . . . A peace based on trading territories cannot last very long." Any "exacerbation of nationalism" will only bring about a "false peace."

The attitude of European leaders, in the face of such a situation, has "the macabre shape of the most shameful cowardice."

The letter advises that "peace is possible in the Balkans" on condition that "the international community, at all levels, has the courage to fully take on its responsibility, to have human rights, humanitarian rights, and national rights respected."

Anti-Semitism seen as minimal in Germany

The biggest threat in Germany today is not anti-Semitism, but the unbridled hedonism among its population, warned Franz Oppenheimer, a German Jew who emigrated with his family to the United States 60 years ago and returned to his hometown of Mainz for the first time in autumn 1993, in an essay in the *Frankfurter Allgemeine Zeitung* on Jan. 12.

In Germany, as in the rest of Europe and the United States, the threat is "not nationalism—that has died out; nor super-patriotism—that has disappeared completely; not elitism, but illiteracy; not the police-state,

but capitulation to crime; not anti-Semitism, but the vanishing of any religion; not the worship of the state, but the worship of consumer goods—in short, deadly threats are consumerism, unbridled hedonism, and anarchic permissiveness. There, as well as in all our states, war has been declared on our Judeo-Christian, occidental heritage, and we are about to lose that war."

All the talk about "anti-Semitism" and "xenophobia" and the alleged return of Nazism in Germany is rubbish, Oppenheimer stated, as there are also tensions among different groups of foreigners, and even skin-head violence is more like hooliganism than the Nazis' rampages.

Oppenheimer expressed his astonishment about the results of an opinion poll carried out by the German government among 1,000 citizens of the United States recently: 54% reportedly said that they believed Germany was threatened by a return of national socialism, and 52% said they considered the Germans anti-Semites. "In reality, there is hardly any other country in the world in which anti-Semitism plays such a small role as in Germany," Oppenheimer concluded.

Russia to beef up intelligence services

It is urgently required that Russia upgrade its countermeasures against western espionage, especially to protect the nuclear technology sector and other essential sectors of the economy from penetration by western agents and saboteurs, Sergei Stepashin, head of the Russian Federation's counter-espionage service, declared in Moscow on Jan. 10.

Stepashin attacked the "aggressive methods" of the western agencies that he said are working inside Russia, as constituting a threat to the national defense system, so that a ruthless intervention from the Russian side was required to defend the country's security interests.

Along the same lines, intelligence analyst Friedrich Wilhelm Schlomann reports in the monthly *European Security* that Yev-

Briefly

geni Primakov, the head of Russian foreign intelligence, said in November 1993 that "Russia continues to be a big power, and a big power also needs a strong intelligence service."

The main emphasis of the Russian post-KGB operation is the West, Schломann says, particularly Germany, where a doubling of activities from the Russian side has been reported. The SWR—the service that replaced the foreign intelligence functions of the KGB—has been working hard to maintain the functioning of the pre-1990 agent operations in western Germany, as well as keeping control of things in eastern Germany, after the fall of the communist regime there.

The most dangerous operation, however, and also the most efficient one, is being carried out by the GRU (military intelligence), which is seeking to make sure that no intelligence gap occurs when the last Russian soldier leaves German soil at the end of August.

Walesa calls NATO partnership 'blackmail'

A spokesman for the Polish government on Jan. 11 confirmed reports that Polish President Lech Walesa has denounced President Clinton's Partnership for Peace plan as "blackmail." The plan, which was supported by other heads of state at the NATO summit early in January, is intended as a substitute for immediate full NATO membership for the countries of the former Soviet bloc.

The spokesman noted that the Polish government, in a full cabinet meeting, had nevertheless felt compelled to join the Partnership on a provisional basis, until a detailed final plan was arrived at and a final decision could be made. He added that after Russian Third Rome ideologue Vladimir Zhirinovskiy called for the partitioning of Poland, which has had some echoes in the West, Poland badly needs strategic assistance.

One of the worst outcomes of the Partnership for Peace is that it has broken up the Visegrad alliance reached in 1991 among the Czech Republic, Poland, Slovakia, and Hungary, be-

cause the Partnership for Peace demands individual rather than collective plans to move toward eventual NATO membership.

President Walesa criticized President Clinton for listening to Russian demands that precluded full NATO membership: "At the moment there is no sign of partnership. There is Russia, which threatens; there is the organized West, which is afraid; and there are those of us in the middle, who say: There's nothing to be afraid of, one should only try to increase the potential for western Europe, both physically and technically. We understand the reasons why the West, and particularly the United States, is so concerned about Russia's reaction. We are also concerned about Russia's reaction."

Does Douglas Hurd want a new Russian Empire?

Is British Foreign Secretary Douglas Hurd trying to restore the European borders that existed before World War I to the advantage of Russia? This question emerges from an article by Dr. Jonathan Eyal, research director of the Royal United Services Institute in London, in the London daily *Independent* on Jan. 13.

Hurd recently gave a speech saying that the waters of the Vistula River are "both Polish and Russian." Eyal says that this idea is certainly "outdated," since the last time the Vistula crossed Russian territory was before World War I!

Hurd's statement is only one sign among many, that the idea of the Russian Empire "lives on in the minds of the West," writes Eyal, in an article entitled "This Affair Will End in Tears." "The West has put in place all the elements for future appeasement," he writes. "As in the '30s, military preparedness is being reduced as the security risks are mounting. As then, a series of self-serving justifications shroud unpleasant realities."

It is pure hypocrisy to keep praising Yeltsin's "democracy," and it is silly to portray the success of Vladimir Zhirinovskiy as solely a "wake-up" call for the West. Zhirinovskiy touched a deep "feeling of national humiliation" among Russians, said Eyal.

● **JAPAN** is planning to overhaul its basic military doctrine, the Defense Ministry announced on Jan. 6. The new doctrine could include plans for shooting down ballistic missiles, according to some ministry officials. The troop strength of the Army would remain unchanged, but its mission would be transformed.

● **A UNITED NATIONS** spokesman on Jan. 12 made short shrift of any talk at the recent NATO summit about air strikes against Serbian targets. Plans have been made, the spokesman said, "for the widest possible variety of scenarios, from perhaps probable ones to those including air support, which would at this point in time be highly improbable."

● **ARIEL SHARON** of Israel's Likud party toured the United States in January, supporting the claims of militant Israeli settlers and raising money for them to oppose the Israeli government. Sharon told the *Washington Post* that he is now resigned to implementation of the first phase of the Israel-PLO agreement, which will turn over Gaza and Jericho to the Palestinians.

● **IGNATZ BUBIS**, a leader of the German Jewish community, predicted large-scale Jewish emigration from Russia to Israel in 1994, in a statement in December. As if in response, the Coordinating Council of the Jewish Community of Birobidshchan, the capital of the Jewish Autonomous Region in the east of Russia, announced on Jan. 9, that the election success of Vladimir Zhirinovskiy had "strengthened the wish of Jews to emigrate."

● **YELTSIN ADVISER** Andranik Migranyan, a member of the advisory Presidential Council, wrote in the daily *Nezavisimaya Gazeta* that Russia needs its own "Monroe Doctrine," based on the idea that "all geopolitical space in the former U.S.S.R. is Russia's sphere of interest." Russia cannot abstain from the conflicts going on along its borders, he said.

EIR helps build resistance to 'Zapatista' threat

by Carlos Wesley

The terrorist upsurge launched by the so-called Zapatista National Liberation Army (EZLN) in Chiapas, Mexico on New Year's Day, threatens the security of every country of the Western Hemisphere, including the United States. That was the message presented at a series of seminars and news conferences held on Jan. 19 and 20 in Washington, Caracas, and Lima to announce the simultaneous release in English and Spanish of *EIR's* new Special Report, "Shining Path North Explodes in Mexico: Zapatista Narco-Terrorists Are Part of the Plot to Annihilate the Nations of Ibero-America."

The report was rushed into publication to mobilize people against the wave of narco-terrorism now threatening all the Americas, said Dennis Small, *EIR's* Ibero-American affairs editor, one of the speakers at the Washington event. "It is not just Mexico. But the United States itself that is threatened. That is why we have called the Chiapas upsurge Shining Path North," a reference to the Peruvian narco-terrorist gang on which the EZLN is modeled.

More than a dozen diplomats, journalists, and others braved a cold so bitter that it forced the U.S. government to shut down, to attend the Jan. 19 press conference in Washington given by Small and *EIR's* Mexico City Bureau editor Carlos Cota.

Who and why

"How is it that we were able to put together such a comprehensive report just 19 days after the upsurge in Chiapas?" Small asked. "The reason is because we have known this was going to happen, and have been warning about it for the past 13 years."

Small cited *EIR* founding editor Lyndon LaRouche's comment on the insurgency: "This is not an indigenous movement. This is, together with the Guatemala insurrection, orga-

nized from the outside," by foreign intelligence services, including British intelligence, chiefly working under the cover of foreign anthropologists and missionaries. The aim is to splinter Mexico and the other nation-states of the Americas with ethnic warfare, like that in former Yugoslavia.

Already in 1979-80, said Small, LaRouche and *EIR* were warning about Zbigniew Brzezinski's threat that the United States would not allow another Japan to develop on its borders, following the discovery of significant oil deposits in Chiapas and other southern states that would have allowed Mexico to finance a massive industrialization program. *EIR* also exposed the malthusian policies of Global 2000 and the 1974 National Security Council memoranda that were developed under Henry Kissinger, which called for halving the population of Mexico and other Third World countries, or even depopulating them entirely.

This is the "why" of Chiapas, said Small.

Against this stands the "LaRouche Doctrine," which states that "all nations are absolutely sovereign," and have the right to technological progress. LaRouche says that it is in the national interest of the United States for it to promote growth in Mexico.

As to the "who," Small gave a detailed presentation of the international forces behind the "indigenist" terrorist insurgency being run by the Anglo-American bankers. Among those listed in the *EIR* report are Harvard's Chiapas Project, out of which have come 27 books and 21 doctoral dissertations; the Cuban-run São Paulo Forum, to which belongs the PRD of Mexican presidential candidate Cuauhtémoc Cárdenas, and the URNG guerrilla group of Guatemalan Nobel Prize winner Rigoberta Menchú; the Inter-American Dialogue, a Washington-based pro-drug-legalization bankers' think-tank, which last year set up a project on "Ethnic Divisions and Consolida-

tion of Democracies in the Americas"; the World Bank, the Inter-American Development Bank, and other components of the Anglo-American financial intelligence network.

The media's 'big lie'

EIR's Mexico City Bureau editor Carlos Cota gave an explosive report on the situation on the ground in Mexico. He attacked the media's "big lie" that Mexico's military intelligence was taken by surprise by the EZLN's initial assault. The Army knew what was going to happen and had the capacity to deal with it, but there was a political decision by the government of President Carlos Salinas de Gortari, not to take action. In fact, the Army was forbidden to move against the EZLN even *after* they launched their offensive. It wasn't until the EZLN itself attacked a military base, that the Army was allowed to shoot back in self-defense.

As evidence that the intelligence was available, Cota cited a report issued shortly after the outbreak by Mexico's Department of Interior (see accompanying text). The report confirms that "these are no Indians," said Cota. He discussed the role of the liberation theologians around Samuel Ruíz, "the red bishop" of San Cristóbal, Chiapas. He also denounced the so-called human rights lobby and the media for spreading unfounded accusations of "genocide," "torture," and "murder" by the military against unarmed Indian civilians. Some of those making the charges admit that they have not even entered the contested area, and one mass grave opened by investigators turned out to contain the corpses of 10 uniformed EZLNers, killed in battle and not by execution, as had been alleged.

The people running the EZLN are part of an international apparatus, many of them foreigners, who are trained in guerrilla warfare. On Jan. 19, the daily *Reforma* reported that the EZLN command staff includes the German Karl Lenkersdorf Schmidt and his mistress, Jeanine Archimbaud (or Janina Archinbaum, according to an earlier report).

Political victory for the guerrillas

Although hamstrung by the government, Mexico's Armed Forces succeeded in recapturing nearly all the towns taken over by the EZLN in Chiapas. But, while being defeated militarily, the EZLN has been achieving one political victory after another. On Jan. 16, President Salinas announced a blanket amnesty for all those involved in the violence. Earlier, he had ordered a unilateral cease-fire by government forces.

Then his newly appointed peace commissioner, former Foreign Minister Manuel Camacho Soliz, agreed completely to the terrorists' demand for recognition. "The EZLN must be recognized as a political, military, and ideological reality," he said. "I have referred to you as the EZLN, respecting the name that has given you identity." Camacho also accepted the idea that Ruíz would mediate the talks, as demanded by the terrorists. Moreover, against everything stated by the

government's own intelligence report, Camacho lent credibility to the EZLN claims that they are an "indigenous movement," by saying that "western language is no good. We must speak as they speak." On Jan. 19 he went one step further by having a message repeatedly broadcast by radio in several Indian dialects, stating: "It is necessary for all Mexicans to beg forgiveness from the indigenous for all the suffering they have lived through."

In Caracas, Venezuela, Alejandro Peña introduced the *EIR* report on Jan. 20 to nearly 100 professionals, military people, and students, noting that Venezuela had narrowly escaped a Chiapas-styled outbreak during last December's elections, thanks to a timely intervention by LaRouche's associates, who denounced an attempted takeover by the Radical Cause party. But the danger is not yet over.

The same day in Lima, *EIR*'s Peruvian representative Luis Vásquez told over two dozen businessmen, diplomats, military officers, and government officials that there is no comparison between Chiapas and the 1989 protests against the International Monetary Fund's policies in Venezuela, nor with last year's anti-austerity riots in Santiago del Estero, Argentina. The Chiapas upsurge is not directed against the neoliberal free market policies of the Anglo-American bankers, but is intended to protect those policies.

Vásquez said that the Chiapas insurgency was facilitated by the so-called Truth Commission, a leftist operation launched against the Mexican Army last year, and by the murder, in May of last year, of Cardinal Jesús Posadas Ocampo, the archbishop of Guadalajara. Posadas was a staunch opponent of Salinas's neoliberal economic policies, exemplified by the North American Free Trade Agreement (NAFTA). But he also fought vigorously against the proponents of Marxist liberation theology, such as Bishop Ruíz, who seek to divide the church. By appeasing the EZLN, warned Vásquez, "the Mexican government has handed the armed left in Latin America its biggest victory since Fidel Castro led the Cuban Revolution. This could be the beginning of an irregular war that in a matter of months could involve more than 250 million people in North and Central America," he said.

Already, Indian "leaders" on the bankers' payroll are descending on Chiapas in droves and calling for the violence to be replicated in other places. A Canadian delegation sponsored by the leader of the International Center for Human Rights, socialist Ed Broadbent, returned from Mexico denouncing alleged "abuses of the right of indigenous people." The Canadian delegation was headed by Ovide Mercredi, "Chief of the Assembly of First Nations," who was accompanied by two anthropologists and one expert in "aboriginal" affairs. Two years ago, there was an "Indian" uprising in Quebec.

In Chile, Aucan Hilcaman, a leader of the Mapuche Indians, called for "the return of all the lands that were in the hands of the Mapuches before the arrival of the Spaniards, and for refounding the nations of Latin America, to make

them fit for 'indigenous cultural forms,' " reported the Buenos Aires daily *El Cronista* on Jan. 18.

Resistance builds

In Mexico, there is beginning to be resistance to the government's policy of appeasement. Indigenous communities are staging marches demanding that the Army stay and that the self-proclaimed human rights agencies leave, since they are providing cover to the EZLN. One such march was staged in Ocosingo.

The Jan. 13-19 issue of the weekly *Siempre* carried a seven-page spread titled "The EZLN War: Support for Cárdenas and a Pretext for U.S. Intervention," which featured LaRouche's statement that the insurgency was not an indigenous phenomenon, but steered by foreigners. In its Jan. 20-26 issue, the magazine's editorial attacked the "irresponsible and opportunist, even fanatical, attitude that certain partisan politicians and media have adopted, when they accuse the Mexican Army of having acted as assassins in Chiapas, an accusation that rests, more than on evidence, on suppositions and on the discrediting of the Armed Forces." The editorial pointed out that the EZLN leaders armed themselves with modern weapons while they gave the Indians "wooden guns."

Sources in Mexico say that Cárdenas has been stung by the *Siempre* coverage and is readying a major counterattack against LaRouche and *EIR*.

The LaRouche statement also appeared in *La Estrella de Panamá* and Argentina's *El Informador Público*, among other publications.

Columnist Ariel Remos, of the Miami-based daily *Diario Las Américas*, on Jan. 12 reported that the events in Chiapas are "part of what was agreed at the Havana meeting of the São Paulo Forum" last July. Similar reports have been written by columnist Patricio Rickets of the Peruvian daily *Expreso*.

Mexican government assesses EZLN threat

The following is a report issued by Mexico's Department of Interior (Gobernación), with material supplied by the National Defense Department and Attorney General's Office, on Jan. 7, 1994.

Introduction

Beginning in the first hours of Jan. 1, a difficult situation has developed in four municipalities in the state of Chiapas: San Cristóbal de las Casas, Ocosingo, Las Margaritas, and Altamirano.

A violent and armed group attacked the capitals of these municipalities, destroyed offices and archives, assassinated

and physically attacked policemen and civilians, took hostages, stormed businesses, seized the local radio station of Ocosingo, released prisoners from the region's detention and rehabilitation centers, attacked installations of the Federal Electricity Commission, and even fired upon a Red Cross ambulance on its way to assist.

The information available on this violent and aggressive group which is operating in the state of Chiapas has made it possible to determine its principal characteristics and many of those presumed to be responsible for leading it. Thus, we know that its leaders come from different origins, national and foreign; experts in combat, highly trained and educated, they have planned, trained, and now lead the actions of this radical group. It's different with the others; these are locals, Indians, manipulated or pressured, who have taken part in the violent actions. This is not an Indian movement nor a peasant action. This is the work of professionals manipulating those who are disaffected and who have recently suffered adverse economic conditions.

As has been widely reported, several Indian and peasant towns have rejected the aggressors. One angry Indian community in the town of Oxchuc managed to capture six members of the aggressor group, displaying them in the plaza and handing them over to the Mexican Army, which has already placed them at the disposition of civilian authorities. A similar reaction occurred in different parts of Altamirano municipality, which feared that the aggressors would return and called upon the media to request aid from the Mexican Army. The Indian and peasant organizations of Chiapas have turned to the authorities, demanding the Mexican Army provide protection and offering their full participation in suppressing the aggression. This has also been reported by international and national news agencies. For this reason, it is important to reiterate that this is not an Indian or a peasant movement, but rather the actions of a radical group led by professionals who are deceiving, and even impressing, the Indians.

As is explained in this text, throughout the last year there was information on various illegal activities by groups operating in this border zone. Among these were trafficking in weapons and military supplies, isolated attacks against local police and ambushes against members of the Armed Forces, threats against producers to obtain economic or logistical support, extorting money through sale of "safe-conduct passes," violent land invasions, establishment of training camps, and reports of calls for sedition, taking advantage of the impoverishment of the region.

They have adopted a political language which leaves no doubt of their determination to do battle with the Mexican Army and State. They hide behind the name of Emiliano Zapata, who is profoundly respected by our people, to pursue their violent objectives. They show a double face: friendly and courteous to the tourists in San Cristóbal de las Casas, and extremely virulent and bloody against our mixed-race and Indian compatriots in Ocosingo. While the *comandantes*

and their groups of followers have high-powered weapons, the Indians—many of them no more than 15 years old—have small arms, machetes, and wooden rifles used in training, in hope of capturing firearms.

This group, in its training camps and presence of identified foreigners, resembles other violent factions which operate in the Central American countries. They have been encouraged also, and on occasion aided, by those who, perhaps in good faith, confuse tasks of a religious nature with social struggles, without regard to the means employed.

Local and federal authorities have responded from the first moment these illegal activities were detected. During 1993, in May and June, the assassinations of Mexican soldiers and other criminal acts were investigated, resulting in subpoenas being issued—with or without detainees—before the respective judges, and in all cases, the demands of the non-governmental organizations (NGOs) dealing with defense of human rights were listened to, and answered. The government of the state of Chiapas proceeded to carry out, as is their obligation, the arrest orders issued by the competent judges. Arrests were made, put at the disposition of the judges, and weapons confiscated. Some of these actions produced local reactions from groups of sympathizers, probably without a profound understanding of the cause. The Public Ministry's office intensified its operations against drug-trafficking, and continued to monitor the training camps for illegal activities, and to take action as appropriate.

The particular circumstances of ancestral backwardness in the region, intense and massive illegal migration of citizens from countries south of the border, and a history of abuse of authority in the past made it necessary to act with particular caution during 1993. Many of the actions undertaken were modified, and some arrests were suspended in response to the demands on behalf of respect for human rights made by social and religious groups of Chiapas, many of them ignorant of the growing clandestine activities of the armed group of aggressors.

The authorities showed particular calm and flexibility. Order and the promotion of a new way of acting, and adhering to law, dialogue, and harmony in order to combat long-standing problems, advised special treatment. In many cases this attitude and response by the government allowed for solutions to some demands which otherwise would not have been possible; in other cases, unfortunately, this blocked preventive and justifiable actions which would have permitted more efficient action by the government against the final gestation of this clandestine and extremist group.

It was decided, for this reason, to increase the federal and local government response to social demands and long-standing problems. The programs of the [National] Solidarity [Plan] in the state of Chiapas are the most intensive in the country. In the last five years, federal investment has grown tenfold, going from 70 million new pesos to 750 million new pesos in 1993. This has permitted, as the secretary of social

development has reported, the construction of hospitals and 80 health centers, rehabilitation of more than 4,000 schools and construction of almost 2,000 classrooms, construction of more than 3,000 kilometers of roads and highways, the introduction of electricity to 1,200 communities, and the construction and rehabilitation of 500 potable water systems.

In addition, the 110 municipalities of the state have received municipal funds, and 19 regional funds have been set up for the Indian communities so that they can finance their productive projects; more than 60,000 coffee growers in the state who have seen the international price of coffee collapse in the last years have been helped, and credits have been given without collateral to 90,000 other peasants. Beginning in August 1993, a special program was undertaken to combat backwardness in this area in particular, with an additional investment of 40 million new pesos for highways, a hospital in Altamirano, schools, and productive projects.

In the area of agriculture, the federal government has carried out unprecedented actions in the state, in particular in the area under attack: More than 2,000 legal cases, constituting more than 90% of the cases left over from 1992, were resolved; 90,000 hectares of land were restored or granted, primarily to Indian communities, nearly 6,000 hectares were regularized; and aid given for production increases. Also, resources for social programs in the state of Chiapas increased more than tenfold during the last five years. Finally, in August 1993, a special program for the jungle and border areas was developed to respond more quickly to the demands of this region.

The presence of a broad range of social organizations which have maintained a permanent dialogue with the government has allowed for many social advances. Clearly, an organization of a very different nature hid behind this effort to join social participation and the government's responses, not for the well-being of the citizens of Chiapas, but to prepare the violent blows of the past days.

In conclusion, the path of social action for the benefit of the communities of the area and the state as a whole was adopted. This path had already brought results and those [projects] which take longer, had begun to bear fruit. Thus, direct preventive actions were avoided, in response to demands which, we reiterate, ignored the increase of subversive activities. But social action can not persuade those who already had irrevocably resolved on violence, independently of responses to social demands. This explains why the events of the first days of January were not thwarted earlier.

Ever since Dec. 30, the local and federal governments and the Mexican Army had identified a suspicious movement in the jungle which foretold of an impending important action by groups of aggressors which had retreated into isolated areas of the jungle after several actions carried out in July. This was the third time that year that such reports had been received. Therefore, security measures were reinforced and police and Mexican Army detachments in the area were

strengthened. However, the aggressor movement turned out to be broader and more extended, launching violent actions in places where they had not previously carried out actions, such as San Cristóbal de las Casas. They moved in very small groups, joining together near population centers, which made their detection more difficult.

From the onset of the attacks by the radical group, the response of the authorities was to protect the civilian population and call for peaceful dialogue. On Jan. 1, the governor called in writing for the intervention of the Mexican Army,

This is not an Indian movement nor a peasant action. This is the work of professionals manipulating those who are disaffected and who have recently suffered adverse economic conditions.

under Article 119 of the Constitution of the United States of Mexico and Clause III of Article 42 of the political constitution of the state of Chiapas. In order to avoid the further loss of civilian lives in these towns, the Army did not counterattack the first day. On the second day, the Mexican Army suffered a direct attack on its barracks, to which it responded efficiently. It also responded to calls for help from other towns in the area, again proceeding with the objective of defending and protecting the population. The Mexican Army has acted, and will continue to act, in accordance with the law and in fulfillment of its constitutional responsibilities.

In every case, the Mexican Army has placed the results of its investigations at the disposal of the local or federal public ministry, whichever is the relevant authority, to be acted upon according to the law. The Public Ministry has deployed its personnel to speed up prior investigations and to act according to its legal responsibilities.

At every point, and as in recent years, there has been complete access by the media, which has freely exercised its responsibilities. This, too, has been taken advantage of by this aggressive and radical group to promote its combat objectives. Despite that, the rights of the media to inform the population will not be limited. The places where their personal security cannot be guaranteed will, however, be pointed out to them. An office of official information has been established in the zone to continuously provide reports on the events as they occur.

Therefore, and with a desire to broaden the public's knowledge of the circumstances in Chiapas, this document is presented with extensive information on the events, the identity of the radical group and the various interests which joined in its formation, the actions which the federal and

local governments have taken to respond to this threat, and the most important lines of action which will be followed in the coming days. These are the objectives of this report.

The Mexican Army will continue to act with great respect for human rights and the population until it has clearly and decisively responded to the call for order and security made by the inhabitants of that part of the state, and handed over to the Public Ministry's office the prisoners and evidence in its possession. Subpoenas are being drawn for persons presumably linked to the criminal activities of the recent period. Social organizations, collective farms, and Indian communities will be respected. Excesses or abuse of the law will not be tolerated.

Together with several state and national social and peasant organizations, as well as with various religious and national political organizations which have rejected violence and called for dialogue, a commission has already been set up to immediately aid the neediest sectors of the population. There will be a broader response to the social demands of the inhabitants of the jungle and the border area of the state of Chiapas.

The federal government has responded immediately to guarantee supplies of food, blankets, and medicine. It has also set up public health programs to attend to emergencies, prevent diseases, and reestablish hospital functioning which was sabotaged by the aggressors. Housing has been built or repaired to provide for families. Together with local authorities, soldiers of the Mexican Army are protecting and distributing this federal aid. At the same time, necessary services which had been destroyed by the aggressors, are being repaired and installed. This is particularly true of infrastructure, such as water and electricity, and schools, hospitals, and roads, all so vital for this zone and which had already been built. Thus, new efforts to attend especially to this area of the country will be made in addition to the pacification actions.

1. Background

During the past decade, the structural problems affecting the state of Chiapas have led to the emergence of several social movements for the defense and promotion of the communities' interests. These are legally established organizations. However, extremist and violence-prone ones also emerged. In 1967 and 1970, the People's Armed Commandos and the Mexican Insurgent Army carried out training operations in different parts of the area, but without going beyond these.

Later, in the 1980s, some groups radicalized their activities in the fight for land and promoted illegal takeovers of farms, which led to violence. These conflicts were isolated and in most cases were met with a legal response aimed at conciliation.

In the 1990s, social action intensified with the support of many peasant, popular, and Indian organizations. But despite these advances, for armed and violent groups whose leaders were professionals, and with the support of many civil and religious organizations, this in no way changed their plans.



A Zapatista guerrilla in Chiapas, Mexico. As the Mexican government's report underlines, "This is not an Indian movement nor a peasant action. This is the work of professionals manipulating those who are disaffected and who have recently suffered adverse economic conditions."

They continued isolated acts of violence and radicalized their goals for armed struggle. It was here that the so-called Zapatista National Liberation Army began its operations.

In this document we describe the most important characteristics of this aggressor group, its forms of recruitment and training, its organization, and the bases where it carries out its operations, the weaponry, communications, and equipment it uses, description of its recent actions, and the operations it has carried out since Jan. 1, 1994. Also, we provide information on its leaders, which has been confirmed by direct testimony from individuals in the region.

2. Description and objectives

The so-called Zapatista National Liberation Army is an extremist, violent, professional, and well-trained organization. Its profile is highly ideological and it uses language characteristic of extremism.

Its operational strategy since 1993, and under cover of other organizations in the years prior to that, involved encouraging invasions of rural properties and spreading violence through ambushes of the Army and of public security forces and seizure of their weapons. Its proposals have been radical: attacking strategic public and military installations. It has taken advantage of social problems to recruit members and employs self-described "catechists," some of them identified, to gain access to Indian groups living under precarious

conditions. It has not hesitated to pressure entire families to bring new members into its violent cause. Eyewitness testimony and recent actions confirm this. Its intention has been to expand its cadre base to combat the Mexican state and its government.

It has rules and internal discipline, and various instruction manuals on the use of weapons, attack plans, combat strategies, security and communication systems, and disciplinary measures. Literature from the Clandestine Revolutionary Party People's Union (Procup), which helps distribute its publications, was found in its camps.

The so-called EZLN has been present since 1993 in five Chiapas municipalities: Ocosingo, Las Margaritas, Comitán, Altamirano, and Chanal. In these zones, it has an organized network of cells which are in constant communication with each other through civilian radio bands. It has 15 training centers in various areas: 6 are in Margaritas, 5 in Ocosingo, 2 in Sabanilla, 1 in Altamirano, and 1 in Chanal.

3. Recruitment and training

This armed aggressor group has been supported by various ideologues and clerics—of different denominations—all acting individually. They have had the task of training cadre and organizing within communities. This has enabled them to move from convincing groups of rural inhabitants, to recruitment, and later to training in practices of subversion

and terrorism.

These earlier conditions have enabled the activists, when they encounter resistance, to use the threat of confiscation of property or expulsion from the community against those who don't want to participate. According to the testimony of recruited peasants, they have even used children as hostages to force the participation of their parents.

The dynamic of a community group under its control is gradual: Productive activity is almost totally paralyzed, municipal and even educational activities are abandoned. Coopted or pressured groups devote their efforts to building training camps, and the families prepare food to meet the needs of the members of this radical and violent group, who

The Indian and peasant organizations of Chiapas have turned to the authorities, demanding the Mexican Army provide protection and offering their full participation in suppressing the aggression.

come from distant towns to receive paramilitary instruction. They also build refugee centers for those of the population who don't participate.

Later, recruited groups enter into a period of organizational preparation. According to captured manuals and eyewitness testimony, they carry out actions and sometimes sell their animals and belongings to get weapons.

During this phase, instructors are provided in physical training, martial arts, in the operating of civilian radio bands to establish and support a network of radio communications. In parallel, doctors involved in the group train Indian peasants in basic health and first aid procedures.

The instructors, made up of Mexicans and foreigners, make up a nucleus, apparently well-trained in guerrilla warfare and terrorism. It would appear that in the case of the Mexicans, some were activists in guerrilla groups that were dismantled in the seventies, who separated themselves from the many who returned to live a life of productivity under the law. There are clear indications that these groups are closely related to the Clandestine Revolutionary Party People's Union and the National Liberation Forces.

In the case of the foreigners, it is possible that they have had some guerrilla experience in the countries to the south of Mexico. That those arrested are of various nationalities of that region, and their level of training, suggest this. Among those arrested are one Nicaraguan and, it would appear, one Guatemalan.

Recruited groups train one or two times a week, or semi-monthly and, according to the area, the times vary; when part

of the town is in the movement, they train in areas close to the community, from 17:00 to 22:00 hours, and later, from 14:00 to 18:00 hours. They train in small groups so that they are not detected by security forces. Their training is in weapons and explosives handling, personal defense, target practice, and ambush maneuvers.

4. Organization and bases of operation

According to available information, three kinds of bases of operations are presumed. First is an uncovered circular area, where members of the movement train, normally located near the caves closest to the community. The second type are mobile units, regularly occupied by the so-called insurgents, that are comprised by: "study schools," which are only for regional and middle-level leaders, "training areas," "radio station," "armory and kitchen." The last type are the so-called "bases," which are made up of various buildings and a "training area" for irregular combat.

The various kinds of bases of operation are all located in hidden areas topographically difficult to reach. Getting to them requires four hours' travel through semi-open stretches in areas of dense vegetation.

Among the main centers of operation of the UZI [Zapatista insurgent units] are: San Juan, in Las Margaritas; San Marcos, in Ocosingo; Livingstone, between Ocosingo and Altamirano; La Grandeza or La Garrucha, between Ocosingo and Altamirano; Delicias Pacham, Morelia, in Altamirano; Peña Guadalupe, in Ocosingo; Chalam del Carmen; El Carrizal, in Ocosingo; Buena Vista de Flores; and Santa Rosalía in Comitán.

Clandestine installations that have been discovered are linked to each other, since they belong to the clandestine organization Zapatista Union Force—Armed Struggle. They use the same communications system and codes; they are ruled by the same orders; their methods of training, and the places and hours of training are the same, and coordination is invariably through civilian radio band. Strategically, they are distributed for maximum penetration throughout the southern area of Chiapas state.

Information in hand suggests that the structure of the movement in each community is made up of three regional heads who act as political commissars in charge of recruitment and indoctrination of the population. They operate through periodic meetings, including showings of political-revolutionary movies, held in so-called safe-houses. Later they hold meetings of groups from several communities. One of these is called "Assembly Center."

The population is meanwhile organized in two parts: the bases of support and reserve, made up of women and the elderly, and another support group, which are the so-called "Zapatistas" which are made up of minors. From these groups are selected the four- or five-person commissions charged with managing the flow of food and money; they are also in charge of the transfer of weapons and guarding the camps. These commissions are changed every 72 hours.

The so-called "Militia Squads" operate as a paramilitary apparatus. Each squad is made up of a "sergeant," a "corporal," a radio-operator, a health adviser, and 20 militants.

5. Weapons, communications, and individual equipment

The weapons and individual equipment are purchased for the cadre through their so-called "general commands." They have the following kinds of weapons: American-made, 16-round 22-caliber rifles; American-made, 5.56-caliber AR-15 rifles; American-made, 30-caliber M-1 carbines; various other kinds of rifles, pistols, and revolvers, as well as British-made STEN rifles; CK rifles of unknown fabrication which could be, according to informants, Soviet made, 7.62 caliber, 10-round Sks-Simonov carbines, used especially by guerrilla units. The majority of the weapons are new.

With regard to their radiocommunications network, the communities have radio operators with CB equipment which transmit on a class-B band, between 26.965 and 27.552 Mhz, according to the number of channels. The radiocommunications equipment has 23 or more reception-transmission channels, which operate between 24:00 and 06:00 hours.

The kind of equipment generally used are Cobra radio-transmitters, models 19-Plus and 148-GTL, using 5/8 antennas model Alley Cat. So far, part of their code has been broken and some of their transmissions recorded. It is believed that there are 172 radio stations, located in Altamirano and Ocosingo. The key code uses the CB band combined with others, which reveals deployments of Army units and public security forces.

A radio technician with the guerrilla group is the one who supervises the communications network. The base transmission station of the subversive "General Quarters" has the identification code Cicara; it would appear to be the so-called "Center of Instruction El Caracol," located in the same community, in Las Margaritas.

The individual equipment of each cadre consisted of a cartridge belt, material for cleaning weapons, canteen, knife and weapon, and ammunition. Regarding their uniforms, they were produced by the communities with the material purchased locally; they included brown shirt, red bandana for tying at the throat, cap, and khaki-colored pants. The uniforms were marked by ranks, ranging from "activist" to "colonel."

Regarding the combination of colors chosen for their military uniforms, these are very similar to those used by Guatemalan guerrilla units which operate along the border with Mexico; in the case of the latter, their uniform is a khaki shirt and brown pants.

6. Leaders

The various organizations and associations of the region have established among themselves a network which has practically given rise to a confederation of leaders. By combining their leaderships, the result has been a paramilitary

organization which has headed up the armed actions of violence of recent days, and which calls itself "Zapatista National Liberation Army."

It is necessary to distinguish between the Indian groups and their leaders, and those ideologues—clerics and so forth who are involved—who call themselves "catechists" but who carry out subversive activities, and the political activists, the majority of whom have histories from radical organizations, some of Central American origin.

In fact, the coincidence of interests between the religious activists and the political extremists has produced various organizations which in practice have imposed themselves on legitimate community and peasant organizations, and which have used them and changed them. The government has been very careful not to confuse the different kinds of organizations and their leaders, so as to respect the authentic leadership of the communities.

We already have the identifications of many of the leaders of the communities of Altamirano, Ejido Morelia, Delicias Pachán, Guadalupe Victoria, Edén del Carmen (Ocosingo), Chalam de Carmen (Ocosingo), la Grandeza (Ocosingo), Florida (Ocosingo), Nuevo Sacrificio (Ocosingo), La Laguna (Ocosingo), La Arena (Ocosingo), Mendoza (Altamirano), Flor del Río (Margaritas), Nuevo San Marcos (Margaritas), Guadalupe el Tepeyac (Margaritas), El Caracol (Margaritas), Plan de Santo Domingo (Margaritas), Arroyo el Porvenir (Margaritas), San Isidro (Margaritas), San José del Río (Margaritas), San Antonio de las Flores (Margaritas), Ejido Veracruz (Margaritas), El Rosario Río Blanco and the community of Margaritas itself.

Regarding the political organizations subjected to the interest of radicalized leaders, we have detected the following: in Las Margaritas, there is the Union of the Armed Zapatista Revolution of Mexican Liberation. It has the support of the Zapatista Revolution Organization and of "La Radio" Organization, which carries out proselytism and logistics.

In the area between the municipalities of Ocosingo and Chiapas de Corzo, operates the National Independent Peasant Association Emiliano Zapata (Anciez), whose ideology is similarly radical, which split from the Emiliano Zapata Peasant Organization (OCEZ), considered lacking in sufficient levels of radicalism.

It must be reiterated that, since the launching of the confrontations, the government has offered dialogue. This offer has been answered with more violence. Violence, as the President of the Republic has stated, does not yield greater freedom nor more democracy, only hatred and political obstinancy. Despite this, there is a willingness to deal benevolently and even to consider a pardon for those who abandon hostilities and any form of violence.

The government reiterates its irreversible commitment to defend the state of law, reject violence, appeal to peaceful dialogue, and dedicate itself to solving the social challenges that should be a common objective and the patriotic response of the entire nation.

Inman strafes weak flank of Clinton's media adversaries

by Jeffrey Steinberg

Adm. Bobby Ray Inman's surprise withdrawal as President Clinton's defense secretary-designate on the eve of his confirmation hearings may go down as one of the best executed political flank attacks in recent American history. As a consequence of the respected four-star admiral's blunt explanation of his decision to withdraw from the Pentagon post at a Jan. 18 press conference in Austin, Texas, the Wall Street, London, and neo-conservative circles that have recently declared war on the Clinton presidency find themselves on the receiving end of an adept counter-offensive against the Fourth Estate and its allies in the Congress.

In measured words, Admiral Inman provided the press with an hour-long chronology of the factors that led to his decision. Citing a "new McCarthyism" led by East Coast syndicated columnists, Inman explained that he decided that the price of enduring daily press "offensives" was too great to warrant his return to public service, after having already devoted 30 years of his life. Inman's remarks were directed at the majority of Americans who live "outside the Washington Beltway" and who, he calculated, are as furious as he is with the trial-by-press antics of the media. Inman castigated the media for their hounding of President Clinton, characterizing the charges surrounding the Whitewater Development Corp. (see p. 67) as "legitimate issues in the 1992 election" and "probably very legitimate issues for the 1996 election. But what do they have to do with governing for the country in January 1994?"

Admiral Inman reported that he had received warnings from Republican Party friends in Washington that Senate Minority Leader Bob Dole (R-Kan.) had struck a deal with *New York Times* columnist and longtime Inman-hater William Safire to coordinate attacks against the defense secretary-designate and President Clinton in the Congress and the

press. The crux of the deal was that Dole would lead the attack against Inman's confirmation and Safire would turn up the heat on President Clinton's role in the Whitewater Development scandal.

This, Inman said, convinced him that, while his swift confirmation by the Senate was virtually assured, partisan politics would likely derail his efforts to secure strong bipartisan congressional support for the "fundamental" changes that he intended to pursue in defense spending and procurement procedures:

"The public has already clearly indicated a minimal support for tax increases," he explained. "So the amount of money available to spend on national security is going to continue to decline in the overall aggregate. Now that says you've got three choices. You can either draw down the forces you have and have less commitment to the outside world; or you can have sort of a hollow force that isn't ready, that couldn't respond; or you can fundamentally change the way you go about spending the money, take some risks that somebody might occasionally cheat and save \$50 billion that we spend every year trying to avoid that process. And if you do that, you can afford the force levels and the commitment in the outside world that the other reviews have said you need. But that's a wrenching change."

Almost immediately after his withdrawal announcement, the major national media drew together in an effort to dismiss the Inman resignation and his call to arms against the media's "McCarthyite" ways as the actions of a "coward," suffering from "paranoia." Less than five hours after Inman's Austin, press conference, all of the major news broadcasts were featuring the identical formulations, comparing Inman with Richard Nixon and H. Ross Perot. By then, some of Admiral Inman's most "committed" Senate backers, including John

McCain (R-Ariz.), had gotten cold feet and jumped into the media's self-defense campaign by endorsing the "Inman is paranoid" formulation first floated by Dole.

The media handling of Inman's resignation will remind many *EIR* readers of the media's frenzy against Lyndon LaRouche, particularly following the March 1986 upset electoral victories of two LaRouche associates in the Illinois Democratic Party primaries for lieutenant governor and secretary of state. Overnight, thousands of articles and news stories appeared across the country, each brandishing the identical formulation of "LaRouche, political extremist."

In fact, Admiral Inman made a direct reference to his past dealings with Lyndon LaRouche and the press's fixation on it in response to a question from an Austin reporter at his press conference. Asked whether he was aware of other specific allegations about to come out, Admiral Inman responded:

"No, none. . . . I was fascinated by the questioning process. The reporters have been out all over the country. Have you ever head Admiral Inman tell a racially oriented joke? If not, has he ever walked out when somebody else told one? That's sort of the nature of a lot of the discourse around the country. Somebody is going back, when I was the director of—deputy director of Central Intelligence, I was asked to meet with Lyndon LaRouche and his wife to debrief [them] on a trip from a foreign country. There have actually been reporters out to say, gee, is there a LaRouchie connection here that we ought to pursue?"

Safire and the ADL crowd

On Dec. 16, 1993, President Clinton announced the appointment of Admiral Inman to replace Les Aspin as secretary of defense just 24 hours after Aspin's resignation was made public. Although the decision was widely acclaimed by members of Congress from both parties, as well as from the defense establishment, a small circle of syndicated columnists associated with the Zionist lobby, wasted no time in launching a highly personal attack against Inman. William Safire led the charge, accusing Inman in a Dec. 23 column of being a "tax cheat" and a man bearing a severe "anti-Israel bias."

Safire was acting as the point man for an across-the-board assault against the Inman nomination by the Anti-Defamation League (ADL)-allied media. Doug Bloomfield, a former official of the American-Israeli Public Affairs Committee (AIPAC), slammed Inman and lamented Aspin's departure in a Dec. 23 column in the widely read *Washington Jewish Week*.

Admiral Inman detailed the origins of his war with the ADL crowd in the press conference, citing his actions as deputy director of Central Intelligence in early 1981 following the Israeli bombing of the Iraqi nuclear reactor in Baghdad. Inman became convinced that Israel was abusing its access to U.S. satellite reconnaissance data by using it for offensive military actions, like the Baghdad attack. He imposed restrictions on Israel's access, a move that prompted a



Bobby Inman at the White House Rose Garden on Dec. 16, 1993, when President Clinton asked him to serve as secretary of defense. In withdrawing his name a month later, Inman has exposed the "McCarthyism" of the media.

reaction from ADL-allied circles in Israel, such as Defense Minister and ADL protégé Ariel Sharon, who flew off to Washington in a fit of rage.

When Sharon failed to convince Defense Secretary Caspar Weinberger to override Inman's restrictive policy change, he went to Safire to get the *Times* columnist and William Casey pal's backing in the fight against Inman. Sharon lost the battle, and, apparently, responded by stepping up an aggressive spy operation against the United States. That spy effort, which drew strong support from the ADL, eventually ended with the November 1985 arrest of Jonathan Jay Pollard for espionage. The Pollard case was particularly serious, since it was widely believed, including by high-level officials of the Justice and Defense Departments, that Pollard had operated as a "false flag" agent, with vital U.S. military secrets being passed via Israel to the Soviet secret services. In his first column following the Inman nomination, Safire made a veiled reference to Inman's role in getting the federal judge to throw the book at Pollard, fresh "proof" in Safire's paranoid world, of Inman's "anti-Israel bias."

The Inman flap once again brings to the surface the issue of the destructive role played by the ADL and its media and congressional allies, especially among the so-called neo-conservatives. Lyndon LaRouche underscored this point in the weekly "*EIR Talks*" radio interview on Jan. 19:

Inman "has essentially said what is true. That the worst sleaze in Washington is typified by though not limited to the *New York Times* and by Bill Safire. That is an attempt to effect a major and much needed change in Washington at this time. There's no chance that any presidency will function in a positive way, unless that factor typified by the *New York Times*, the neo-cons, and Bill Safire is put back in the cage where it belongs."

Michael Gelber will be greatly missed

I announced your justice in the vast assembly;
I did not restrain my lips, as you, O Lord, know.
—*Psalm 40:10*

It is with deep sadness that we report the death of our associate Michael Gelber on Jan. 11, an automobile accident in upstate New York. Gelber, who would have been 43 next month, had been a spokesman and a fighter for the policies and principles of the political movement associated with Lyndon LaRouche for his entire adult life. As those who knew him and worked with him knew, Gelber never gave less than his entire being at any moment.

Michael Gelber became an activist with Lyndon LaRouche's philosophical association, the National Caucus of Labor Committees, in 1972. He was the quintessential organizer, one of those who seek to master ideas at the highest level, and then communicate them in the laborious one-on-one process that many of our readers have encountered. Many times their bylines never appear in *EIR*, but their contribution to our work is inestimable. We were lucky to have had him as an author on Africa for a brief period.

His training in Special Education had perhaps given him a unique sense of organizing. In Boston in the 1980s, for example, Gelber waged a campaign against the malthusian ideologues under the slogan, "Before Hitler, There Was Harvard" which exposed the zero-growth racism of the Harvard eugenicists and anti-immigrationists—outlooks inculcated at Harvard as part of the training of an Anglo-American elite. Gelber also made a name for himself with his 1983 election campaign for mayor; he subsequently ran for other elected offices as well. In the course of those electoral bids, Gelber made the drug-money laundering by Boston's infamous Vault one of his top targets.

Michael Gelber was among those persecuted by the U.S. Justice Department-ADL "Get LaRouche" task force, and served a one-year sentence in federal prison for the good he had done. For a brief period after his release in 1990, Gelber wrote for *EIR*, turning his sharp sense of moral justice to saving Africa from the combined deprivations of Anglo-American geopolitics and International Monetary Fund "conditionalities."

More than three years later, the articles are still strikingly timely. In "IMF runs neo-colonial war on West Africa," (Nov. 16, 1990) he documented how the IMF Structural Adjustment Program in three West African nations had caused a \$5 billion increase in net transfers of resources in

1989—the same SAP which Nigeria has just now, in 1994, sharply rejected. In "Barbarism in Liberia is the result of American pragmatism" (Nov. 2, 1990), Gelber hammered away at the "lifeboat" ethics that covered for Anglo-American malthusianism, quoting George Bush saying that: "Pragmatism should prevail. . . . My criteria for assistance would include: the importance to the U.S. of a given state in terms of its natural resources, strategic position, and influence in Africa." In "Africa's refugees: a moral test for the industrialized world," (Dec. 14, 1990), Gelber exposed the hypocrisy and genocidal intentions of the United Nations High Commission on Refugees and the Bush administration alike.

A love of life

No one has ever been more anxious to return to organizing than Mike was after his prison term. To those who knew him, he was among those people, too often underappreciated, too often unsung, who do so much for humanity. He had a unique flair for being, as it were, egregious with his political foes, often standing alone for right against opinion and against goons whose bulk was many times his slight build. He combined with that a love of life and of people that is difficult to match.

In a eulogy delivered on Jan. 16, Lyndon LaRouche characterized Michael Gelber as someone who locates his identity on the highest level, one of those "who dedicate their lives not only to serving the good but to combatting the evil, even when evil seems to have overwhelming preponderance of force. These are rare and remarkable people who are given to us not by accident, but because of roots in some family experience, a strong moral motivation takes root in them and grows, blossoms, as it did with Michael.

. . . He is one of a relatively tiny few who have stood for more than a pair of decades in the front lines of combat against evil, when evil was supported or tolerated by a majority of his fellow citizens. And not only fought against this evil, but has fought consistently, lovingly, and with dedication to the good.

"We shall miss him very much, but it is within our power only to do certain other things. First, to continue the fight, so that his work shall not have in any case been done in vain. Second, we shall recognize the well-springs of that potential for goodness within him which made him what he was and what he could have become had he lived longer.

"And thus to his family we can say, here is a man who came from the bosom of your family, who brought to society a spark of goodness which is rare in all mankind today, and who developed that spark and served it as only a rare few have done in this time. It is a great loss, but it is also a great joy to have had him."

He will be deeply missed. Michael Gelber is survived by his wife Debra, like him a longtime LaRouche associate, and by his parents, brothers, and the millions of children of this world whom he loved, and lived and fought for.

EIR circulates fact sheet on Victor Gunnarsson and Palme's murder

In view of the circulation internationally of fallacies and omissions in the recent international news coverage of the discovery of the body of 40-year-old Victor Gunnarsson in the North Carolina woods, EIR News Service (EIRNS) released a news bulletin on Jan. 15 reiterating "certain facts about Gunnarsson and the assassination of Swedish Prime Minister Olof Palme."

In August 1992, Herbert Brehmer, a former official of the East German Communist intelligence service (Stasi), was quoted in an article published in the Swedish newspaper *Journalisten*. He said that the effort to identify Lyndon LaRouche as the author of the assassination of Palme, which occurred on Feb. 28, 1986, was concocted by the East German Communist intelligence services, acting upon orders from a higher level. The East German services used their agents in various countries, especially Sweden, to cause this false report to be circulated. The report was picked up later by Reuters and other international press agencies, and turned up in such improbable places as the Vatican newspaper *L'Osservatore Romano*.

The EIRNS release named three principal agencies collaborating with the East Germans in the circulation of this false allegation: 1) the Anti-Defamation League of B'nai B'rith, based in New York City; 2) working in close cooperation with the Anti-Defamation League, the NBC-TV news in the United States; 3) in witting complicity with both the ADL and NBC, U.S. Justice Department attorneys Mark Rasch (now an attorney for the ADL) and John Markham.

In March 1986, shortly after the assassination of Olof Palme, Swedish police arrested Victor Gunnarsson in connection with their investigation of the murder. Gunnarsson was later released and not charged. In the period following his arrest, the Danish newspaper *Ekstra Bladet* and papers in Sweden, began reporting a false allegation that Lyndon LaRouche or his associates were linked to Gunnarsson and therefore implicated in the Palme crime. The Soviet press repeated this defamation. In the United States, NBC-TV producer Pat Lynch, working with Irwin Suall, the national director of the ADL's Fact Finding Division, circulated and broadcast this lie.

This slander against LaRouche was repeated periodically in 1986 and in 1987, even though the Swedish police had discredited the false accusation. Suall, in an effort to fuel these false allegations, traveled to Sweden in the summer of

1986, met with Swedish authorities, and reported back to the FBI. In November 1986, one month after U.S. officials conducted a paramilitary raid on the offices of publications associated with LaRouche, Pat Lynch acted as a liaison between Swedish and U.S. authorities to revive the discredited story. Corrupt U.S. officials working with Rasch and Markham continued to foster this lie into 1987 in an effort to bolster the railroading of LaRouche and his associates.

The ADL was acting as a part of a concert of action with the prosecution, including Mark Rasch, in Boston to attempt to implicate presidential candidate Lyndon LaRouche and numbers of his associates in the Palme assassination. Since that time, evidence has been placed on the public record from government documents and government witnesses, showing conclusively that, at all times, from 1979 to the present, the U.S. government was aware of the *complete innocence of Lyndon LaRouche and his associates of all charges placed against them by the government*.

The evidence shows, in the record of legal motions seeking LaRouche's exoneration filed by attorneys Ramsey Clark and Odin Anderson—before the Fourth Circuit U.S. Court of Appeals and with Janet Reno, the Attorney General of the United States—that at all times the U.S. government not only knew the innocence of the accused, but used subornation of perjury and lying to bring about a false conviction in these cases.

Full documentation is available on request. What follows here, is a chronology of the communist disinformation campaign linking Victor Gunnarsson, the Palme crime, and LaRouche's associates.

Chronology

Feb. 28, 1986: Swedish Prime Minister Olof Palme is shot dead at approximately 11:21 p.m.

March 1: Georgii Arbatov of the Soviet U.S.A.-Canada Institute states, "I do not know who killed Palme, but I know all too well who hated him. . . ."

March 2: Soviet publications *Pravda* and *Izvestia* assert that "right-wing circles" and "western circles" were responsible for the Palme murder.

March 3: *Ekstra Bladet* of Denmark runs a story claiming, "Sources in the police leadership reveal they are looking intensely at right-wing extremist groups, such as the Swedish neo-Nazis and the so-called European Labor Party [EAP]," co-thinkers of LaRouche in Sweden.

March 10: A 32-year-old suspect is picked up for interrogation, but is released the following morning.

March 12: The 32-year-old man, Victor Gunnarsson, is arrested as a suspect.

March 18: NBC producer Pat Lynch, calls the CIA Public Affairs Office (PAO) "to tell PAO that a member of London LaRouche's organization is being accused of involvement in the murder of Sweden's Prime Minister Palme." NBC Nightly News: Brian Ross segment accuses LaRouche of complicity in Palme assassination; ADL Fact-Finding Division director Irwin Suall is interviewed and says that it is "not inconceivable" someone connected to LaRouche could have killed Palme.

March 19: At a press conference at 3:30 p.m. in Sweden, Hans Holmér, the police chief of Stockholm, announces that there is no evidence that merits continuing to hold Gunnarsson, and thus he was being released. An article in the *Washington Post* by John Mintz is entitled: "Suspect in Palme Case Had LaRouche Party Tie: Swedish Group Says Link Was Cut in '85."

March 25: Irwin Suall, national fact-finding director of the ADL, appears on the Phil Donahue Show and accuses LaRouche of being involved in Palme assassination.

May 22: The FBI's London Legate office sends a teletype to FBI HQ in Washington concerning LaRouche and the Palme investigation.

Summer 1986: Irwin Suall travels to Stockholm to look into LaRouche's operations there and is questioned by Swedish investigators. He says he was later questioned further by a Swedish consul official. Suall says he gave the FBI a written report on his findings.

Aug. 26: FBI HQ sent to London Legate office and three field offices (Alexandria, Virginia, Charlotte, North Carolina, and Washington) an airtel concerning the Palme assassination. Contents are still classified for "national security" reasons.

Nov. 3: The Boston FBI office sends a teletype to FBI HQ which in turn forwards it to London Legate, requesting that an agent be assigned to review evidence concerning LaRouche links to Palme assassination.

Nov. 7: London FBI legate responds.

November-December: Pat Lynch of NBC-TV calls U.S. Attorney John Markham in Boston to inform him that Swedish police investigating the Palme assassination want to come to Boston to review documents in Markham's possession concerning LaRouche and Palme.

Dec. 4: NBC TV Nightly News reports having received information that American law enforcement agencies have made notebooks of LaRouche associates available to Swedish police. A UPI wire story, "Sweden Reported Investigating LaRouche Link to Palme Assassination," is filed.

Dec. 5: *New York Times* article: "LaRouche Documents Linked to Palme Case." AP wire story: "LaRouche Notebooks Refer to Slain Swedish Prime Minister, Sources Say,"

by William Welch. Article cites the ADL's Irwin Suall and federal authorities as sources for the report. A UPI wire story datelined Stockholm: "Police Discredit LaRouche Link to Palme Assassination." The article quotes a Swedish source saying, "There is a disproportionately great interest among journalists in the United States about one of the leads we have followed up during the investigation," Hallberg said. "Every time NBC or some other agency from the States calls us about this [LaRouche angle], we look at each other at police headquarters and say, 'Oh no, not again,' he said. . . ."

Jan. 27-28, 1987: Soviet television airs "docu-drama" on "Who Killed Olof Palme" on the first anniversary of Palme's death, which accuses LaRouche, by name, of the crime.

March 20: Swedish authorities contact the FBI to arrange interviews with Americans concerning Palme assassination.

April 14: FBI headquarters sends out a teletype to make arrangements for the Swedish authorities.

April 20: Front-page headline in Swedish newspaper *Aftonbladet*: "New Tracks in the Police Investigation—Main Track Is the EAP."

April 21: Swedish investigators arrive in U.S. Radio Moscow reports: "Swedish police still suspect the extremist right-wing European Labor Party in the Palme investigation."

April 22: Radio Moscow repeats earlier slander citing *Aftonbladet*.

April 24: Swedish newspaper *Expressen* repeats accusation of EAP link to Palme assassination. *Izvestia* repeats *Expressen* accusation.

April 25: *Aftonbladet* and *Dala-Demokraten* report Swedish police and FBI collaboration in continuing the false allegation of an EAP link to Palme assassination.

May 2: Norwegian daily *Morgenbladet* moots Soviet involvement in Palme assassination.

Aug. 20-26, 1992: Swedish newspaper *Journalisten* publishes an article titled "He Laid Wrong Tracks Concerning the Palme Murder," reporting that former East German Stasi agent Herbert Brehmer says that he was assigned to plant "false tracks in the hunt for the murderer." Brehmer describes how he "drew up the outlines" of how to direct the blame at the Swedish European Labor Party. "Three days after the murder of Olof Palme, Stasi officer Herbert Brehmer and Department X were assigned the mission of planting false tracks in the hunt for the murderer. They were to ensure that the crime could only have been perpetrated by right-wing extremists. . . . 'At my desk, I drew up the outlines of how the EAP theory would be conduited into the Swedish police investigation.' . . . But somewhere, Brehmer's plans went wrong. Any tip-off about the EAP was not registered in Stockholm. . . . The graduated historiographer Herbert Brehmer was a specialist in the art of deceiving credulous western journalists. . . . His profession: Disinformation of officer at the Stasi Department X in East Berlin."

Policymakers deeply split over western policy toward Russia

by EIR Staff

One would never suspect it from the accounts of the corrupted U.S. mass media, but Vice President Al Gore's Dec. 16, 1993 attacks on the International Monetary Fund "shock therapy" for Russia (which he delivered from Moscow), reflect a deep-going split in the establishment in the United States and Britain on these questions. Although a fanatical pro-IMF shock therapy faction holds commanding positions in major media, Harvard University, and some other locations, a large part of the establishment (whose views are reflected in think-tanks and governments) has come to realize that "shock therapy" and "radical free-market reform" are counterproductive, opposed to U.S. interests, and even constitute a security threat to the United States, as indeed they do.

This latter view will inevitably triumph, because the IMF policy is totally incompatible with reality. Witness the fact that the Russian politician whom pro-IMF U.S. Treasury Secretary Lloyd Bentsen praised and met with in Moscow—Deputy Prime Minister Yegor Gaidar—was dumped from the government as soon as Bentsen left, while central banker Viktor Gerashchenko, whom Bentsen snubbed, remains in power. The IMF faithful are like a splinter religious group which takes to the mountaintops to greet the promised end of the world, and then, after the promised day passes without incident, forecasts a new "Rapture" day to go up into the mountaintops once again. The longer any nation follows their recommendations for so-called economic reform, the deeper the plunge into poverty and chaos. Reports from Russia say that a growing one-third of the population is now below the minimum income needed to survive.

The sort of hysteria, of obsessional denial of reality, seen in the western "shock" enthusiasts, is familiar to anyone who has worked with actually bankrupt businessmen who refuse to declare (or admit) bankruptcy. The yuppies of the Morgan group, Goldman Sachs, and the seven big Wall Street banks are totally in hock to the \$14 trillion "financial derivatives" bubble, now on the verge of a blowout. They can only sustain that bubble from day to day through Michael Milken-style asset stripping, which, in Russia, they carry out under the name of "shock therapy" and "radical free-market reforms." They refuse to admit any reality—like the fact that the IMF

policies have brought Third Rome Russian imperialism to the fore again in Russia—which would conflict with the looting they require to pull their bankrupt firms through just one more day.

One view from Chatham House

Speaking for those in the establishment who have seen through the "emperor's new clothes," an international economist at London's Royal Institute for International Affairs (also known as Chatham House, to which Henry Kissinger owes his allegiance) told a journalist in early January that a change in U.S. policy "will be necessary to head off the political support that the nationalist right have obtained—because that is really a bottom line—a security threat to American interests.

"I think that it would be quite a gamble to argue 'full steam ahead!' with the IMF reforms now," he said. Even if Clinton were to side with the pro-IMF faction at his Moscow summit with Yeltsin, "he may well find that he's forced to shift tack quite soon."

The entire Russian work force, especially the military-industrial sector, are against the IMF reforms, he said. The Russian elections "weren't a vote *for* Zhirinovsky, but a vote *against* the consequences of rapid market reforms, especially the rapid shedding of labor in huge industrial enterprises taking place under the Gaidar program." Yeltsin himself, he said, "has already decided to make some changes in government, possibly demotion of Gaidar and others. . . . That in itself would signal quite a change. . . . So potentially there is a watershed, and the ability to proceed with this pace of economic reforms is in doubt."

But this is not the uniform or even necessarily the majority view at Chatham House. A Russian political expert there said that it is general policy at Chatham House that IMF-style reforms should not be pushed too far ahead, or else there will be a dangerous backlash. However, there is a split between the economic and political specialists. The economists, having been trained in free-market economics, tend to want more IMF-style reforms than do the political specialists.

From the U.S. Senate, Minority Leader Bob Dole (Kan.), presumed to be the front-running Republican candidate for



Vice President Al Gore. His criticism of the International Monetary Fund's policies toward Russia signals a raging debate among Anglo-American policymakers.

President in 1996, first criticized "shock therapy" for Russia in an Oct. 3, 1993 television interview. He greeted Gore's and Clinton's December remarks to the same effect with a Dec. 21 press release, entitled "Dole Applauds Administration Reassessment: Time for Less Shock, More Therapy." However, Dole's Republican colleague from Indiana, Sen. Richard Lugar, the minority leader of the Foreign Relations Committee, who had provided Dole some support on this question last fall, turned around to endorse the IMF program in a recent interview with *EIR*.

On Jan. 10, on the eve of the Moscow summit, the Fund for Democracy and Development (FDD), an organization founded and led by former President Richard Nixon, gave President Clinton a report on "A New Strategy for U.S. Assistance to Russia and the Newly Independent States." The press release accompanying the study warned of "the danger of shock therapy-style economic reform and the reactionary threat to which it has contributed, the need for careful consideration of 'conditionality' in foreign assistance, and the importance that our assistance package be sustainable."

President Nixon endorsed its conclusions; his office said that he has opposed shock therapy since his trip to Moscow two years ago, when he met Boris Yeltsin and first established the FDD. The study appears to most reflect the views of the Carnegie Endowment's leading Russia specialist, Dimitri Simes, vice chairman of the FDD, and of former Secretary of Defense James Schlesinger, the chairman of FDD's policy panel and also chairman of Lehman Brothers. The FDD boasts several dozen other influential Americans on its boards and committees.

World Bank official: 'Clinton? So what!'

From the side of the financial derivatives addicts and "shock" enthusiasts, a senior World Bank official told *EIR* that it's irrelevant what U.S. President Clinton or Russian President Yeltsin think—in the end, Russia will have to come crawling to the IMF.

"The smoke signals we're getting is that the U.S. has already climbed back from the Gore-Talbott attacks on the IMF," the official insisted in early January, "and there is plenty of support for our point of view—leaning more towards stressing to Russia the need for continued reform." He bragged that long-time World Bank Chief Economist Lawrence Summers, now assistant treasury secretary for international affairs, was acting as an IMF agent.

Told that President Clinton would, however, be forced to face reality once he got to Moscow, the banker just laughed. "So what? So what if Clinton says that?!" he chuckled. "I'm sorry, but I think too much attention is being focused on what Clinton says to Yeltsin about the reform process! I'm sorry, but I can't help myself, ha-ha! We international institutions work with governments, and governments go through phases," like an adolescent, he said. "Governments come—and go! They fall sometimes—but we're always going to be there, working with them. So I'm not terribly worried about what Clinton says or does not say. . . . Clinton will make some kind of a statement—and then everybody's gonna go home!"

"The U.S. is not running the IMF and World Bank, you know!" he laughed. "Do you understand what I'm saying?" Once Russia decides how much shock therapy it will actually implement, he sneered, "We are the institutions, with our guidelines," which will then decide "when to provide assistance, when *not* to provide it, how much to provide, and so on. In the end, it's the Russian government's decision—and then it's *our* decision!"

A top aide to Lady Margaret Thatcher agreed, saying, "There is no question that the International Monetary Fund has more significance than the President of the United States with his administration's objections to shock therapy. It is true that the IMF and World Bank outweigh Clinton. Their reform is needed.

"Clinton said that he was not going to Russia with a check-book, but that he would try to free some of the money put aside in international institutions. The IMF and World Bank are crucial to stabilize the Russian economy and the country. There is no question that economic reform has so far not been successful. But, it is important to continue through with the reforms. If you are right, you must carry on no matter who objects. The West knows that the reforms are right."

Similarly, a source at the British Foreign Office said that Clinton will have to cave in to the IMF on Russia policy, just as he caved in to the Anglo-French entente on Balkans policy, when he gave up his plans to put a stop to Serbian aggression last spring.

Is BCCI deal linked to assault on Clinton?

by Edward Spannaus

"It's a long way from the Persian Gulf to the Ozarks," said the *Wall Street Journal* on Jan. 18, in yet another effort to heat up the so-called Whitewater scandal against President Clinton. The reference was to the Bank of Commerce and Credit International (BCCI), which is tied to Arkansas financier Jackson Stevens, who is tied to James McDougal, who is tied to Madison Savings and Loan, which is tied to Bill Clinton, and so on and so on.

It's not a new track for the *Journal*; in 1992 it was also trumpeting Clinton's ties to Stephens and thus to the BCCI scandal. But it is more ominous now, in light of the growing crescendo around the Whitewater scandal and the recently concluded deal between U.S. authorities and the government of Abu Dhabi, which will reopen the entire BCCI affair.

Presidential candidate Lyndon LaRouche has identified the attacks on Clinton as coming from the circles around George Bush ("the Bushleaguers") and what some call the "asteroids"—the free-spinning intelligence operations which developed in the late 1970s and early 1980s, and which were enshrined as "privatized," "off-the-shelf" operations by the late CIA head William Casey. The fear of these circles, LaRouche said, is that Clinton is moving away from the Bush "autopilot" policies on numerous issues, the most important of which is the fight around Russia and the International Monetary Fund (IMF).

Behind the "asteroids" will generally be found the tracks of British and Israeli intelligence operations. Of interest in this regard was a column in the Jan. 8 *Irish People* identifying Arkansas lawyer Cliff Jackson, the source of most of the sex-scandal mongering against Clinton, as a Bush-linked Anglophile, and asking whether Jackson's offensive against Clinton is "part of a pro-British cabal?"

Furthermore, in the wake of the withdrawal of Adm. Bobby Ray Inman as nominee for secretary of defense, one Washington source said that Inman came to realize that his confirmation hearings would be used to paint him as "anti-Israel," as a springboard for launching an offensive for the impeachment of President Clinton himself.

The BCCI agreement

On Jan. 8, a settlement was reached between the Abu Dhabi ruling family and U.S. officials. The *New York Times* reported that the deal will "open a new window on the bank

scandal" around BCCI, and that it "could bring investigators a step closer to answering the troubling questions of how much influence BCCI wielded in American political and intelligence circles."

Under the terms of the Jan. 8 agreement, the Abu Dhabi rulers will give up claims to \$400 million they had invested in First American Bankshares in Washington; Abu Dhabi will hand over to U.S. authorities bank records and the former number two BCCI official, Swaleh Naqvi, for questioning and possible trial in the United States; and the United States will not pursue any criminal charges against Abu Dhabi ruler Sheikh Zayed bin Sultan.

The deal was negotiated by the U.S. Justice Department, the U.S. Federal Reserve, and the office of New York District Attorney Robert Morgenthau. Among the strange features of the agreement are that the United States has no extradition treaty with Abu Dhabi, so effectively Naqvi will be wrapped up and delivered involuntarily to U.S. authorities. Although former federal prosecutors Joseph DiGenova and Victoria Toensing claim that they "represent" Naqvi, knowledgeable sources say that DiGenova and Toensing in fact represent the government of Abu Dhabi, and point to Naqvi's earlier and apparently not-yet-terminated representation by another Washington lawyer.

The *Wall Street Journal* is not the only source to bring up a possible connection between Clinton and BCCI. *New York Post* columnist John Crudele wrote on Dec. 24 that at least one congressional committee was already quietly investigating the Clinton/Whitewater matter. Crudele said that if and when the congressional probe becomes official, it "will also delve into the dealings of the Arkansas law firm in which Hillary Clinton was a partner and that firm's connection with the scandal-ridden BCCI bank."

And then there was the strange article in the Jan. 16 *Washington Post's* "Outlook" section entitled "Clinton Era Conspiracies!" Presented as a survey of "bizarre theories" being circulated by conspiracy buffs, the article contained a lengthy section on the Mena, Arkansas airport story (see *EIR*, April 24, 1992, p. 50), suggesting that this story, which was widely circulated (and substantially documented) during the 1992 election campaign, "promised to be the weak link in a chain that entangled Clinton not only with Bush but also with Oliver North's secret network of operatives and under-the-counter involvement in the Contra war."

Ironically, this was a story which most of the major news media, including the *Washington Post*, refused to touch during the 1992 campaign—raising the question as to why they are suddenly featuring it now. It was editorial calls by the *Post* and the *New York Times* for a Whitewater special prosecutor, along with similar calls by Sen. Daniel Moynihan (D-N.Y.) and other Democrats, which are regarded as having resulted in the administration's appointment on Jan. 20 of former federal prosecutor Robert Fiske as independent counsel.

Readiness, caution urged toward North Korea

"The world must be firm but calm in handling the row over North Korea's alleged nuclear arms program," Sen. Sam Nunn (D-Ga.), chairman of the Senate Armed Services Committee, said on Jan. 11 in a press conference in Seoul, South Korea. Nunn and Sen. Richard Lugar (R-Ind.), who were on a fact-finding tour, said the West must pursue dialogue while being prepared for any contingency, including sanctions and war.

Nunn said that Washington and Seoul must preserve peace and stability on the Korean peninsula and prevent North Korea from becoming a nuclear state. "Those two goals have to both be pursued. I don't think we can choose between the goals and I don't believe we can afford to sacrifice one goal for the other," he said. The United States and South Korea must work together closely, and with Japan, Russia, and China, to resolve the issue, Nunn added. "This challenge that we face together I think has to be met with determination and firmness and also a sense of calmness. . . . We must make certain that we meet all the contingencies that might befall us: those of the economic, military or security. . . . We ought to say that we are prepared for all contingencies, but we are prepared if necessary to proceed to the United Nations."

Nunn said Pyongyang had three options: to continue its current level of military spending and have its economy collapse, start a war that would lead to its destruction, or join the international community. "It is our fervent hope that they will choose the third, and hopefully in the short run," he said. Nunn called on North Korea to take a step toward diplomatic recognition by the United States by opening all its nuclear sites to inspection.

Regarding economic sanctions against North Korea, Lugar said, "We should be thorough and patient and persistent and know that time is on our side, given that we can cover all contingencies and apply pressure without being provocative." On Jan. 14, after returning to the United States, Lugar said that he "saw no direct threat from North Korea at the moment." Pointing to North Korean leader Kim Il-Sung's expressed desire to visit Beijing, which has been asked by the United States to mediate with North Korea on the nuclear conflict, Lugar said, "The diplomatic routes are being pursued vigorously."

Partial victory claimed against video violence

Sen. Joseph Lieberman (D-Conn.) and Sen. Herbert Kohl (D-Wisc.) said on Jan. 10 that the video company Seaga of America has agreed to withdraw its controversial "NightTrap" video game, which features scantily clad young women being attacked by hooded men who use drills to drain their blood. Kohl said the company had agreed to re-edit the game and not release it until an industry rating system was in place. "When it comes to our kids, we're not going to tolerate this trash," Kohl said.

"This is a major victory for everyone who was offended by NightTrap's depictions of horrible violence against women," Lieberman added. "The headlong rush toward using sex and violence to promote video games may finally be slowing down."

The senators held hearings in December to urge that video games containing violence and sex be taken off the market or carry ratings so parents could decide if they were suitable for their children. They also cited "Mortal

Kombat," which features martial arts characters who tear off the heads of their victims, as an objectionable video game.

The video game industry has agreed to develop a rating system. Lieberman and Kohl said they expect results by their next hearing on March 4 or they will try to pass legislation to require ratings.

China MFN jeopardized by human rights, warns Smith

At a press conference on Jan. 11, Rep. Chris Smith (R-N.J.) warned that many in Congress will oppose renewal of Most Favored Nation preferential trade status for China because of its human rights record. "If Most Favored Nation status came up for a vote in Congress today," he said, "it would be rejected."

Smith had just returned from a six-day trip to China where he met Chinese Deputy Foreign Minister Liu Huaqiu and other officials. Smith said he had "expressed outrage" at the new Chinese eugenics law in a meeting with Lee Honggui, director of the General Office of the State Family Planning Commission, pointing out that it "was reminiscent of the Nazis with its emphasis on weeding out the handicapped and those who are less than perfect."

Although Smith said he felt that there had been improvement in the area of economic gains since his last visit, "the political controls that are on people in some cases have actually gotten worse, particularly in the religious freedom area."

Smith was to have been accompanied by Rep. Frank Wolf (R-Va.), but Chinese authorities did not issue Wolf a visa until it was too late for him to go. Other congressional delegations

concerned with improving business relations have been given red carpet treatment by Chinese officials.

Lugar calls for more 'shock therapy' in Russia

Sen. Richard Lugar (R-Ind.) urged that there be no let-up in the International Monetary Fund (IMF) "shock therapy" policy in Russia, in a press conference on Jan. 14 after he returned from a trip to Moscow and the Pacific region. Lugar complained that the Russian Central Bank had been issuing "sizeable credits" to major enterprises, which were "not producing anything that people need." As a result, said Lugar, Russia was facing "hyperinflation."

While admitting that the economic situation in Russia is "worse than the Great Depression," Lugar said he did not believe shock therapy was the reason. "I don't believe the IMF should let up on its conditionalities," he said. "The predicament of the IMF is that money is being distributed to factories that are not making a profit." While admitting that if unemployment increases "there may be a revolt," he recommended that the Russian government set up unemployment insurance instead of trying to keep "unprofitable" factories in operation. "The Russian people are being hurt not by the reforms, but by this inflation," said Lugar. This must change, he insisted. "Substantial reform is not only required, but is essential," he said.

Lugar explained that "further government-to-government assistance" would be a "dubious venture," and that continued funding would have to be filtered through the international financial institutions (IFIs). But "the IFI funding has not been disbursed to

Russia because of the rampant inflation," he said. Therefore, only with a program that was acceptable to the IMF, the most important of these IFIs, would the money be distributed, he indicated.

Johnston calls for ending Vietnam embargo

Sen. J. Bennett Johnston (D-La.), chairman of the Energy and Natural Resources Committee, speaking in Hanoi on Jan. 10, called on the United States to lift the 20-year trade embargo imposed on Vietnam. "It's time to close the book on the past," said Johnston. "It is time to renew and reconcile our relationship with Vietnam and move on to a new chapter."

Johnston was leading a seven-man committee delegation on a three-day visit, where they examined conditions and acquainted themselves with the spirit of cooperation of the Vietnamese government. Four other members of the delegation, Mark Hatfield (R-Ore.), Alan Simpson (R-Wyo.), Harlan Mathews (D-Tenn.), and Robert Bennett (R-Utah), also called for ending the embargo and restoring diplomatic relations with Vietnam. A sixth member of the delegation, Don Nickles (R-Okla.), said he was leaning strongly toward recognition, while the seventh member, Sen. Arlen Specter (R-Penn.), said he needed more time to think about it.

In related developments, Sen. John Kerry (D-Mass.), a member of the Senate Foreign Relations committee who was also visiting Vietnam, said on Jan. 15 that U.S. specialists were getting the best cooperation possible from the Vietnamese authorities on prisoners of war and those missing in action (POW/MIAs). Alleged "stonewalling" on the part of the Viet-

namese authorities on MIA investigations are being used to prevent the lifting of the embargo. Kerry indicated that the spirit of cooperation by the Vietnamese should evoke an "appropriate response" by the American people.

Black Caucus forces hearings on crime bill

The House Democratic leadership, under pressure from the Congressional Black Caucus (CBC), has agreed to hold hearings on the sweeping anti-crime legislation passed last fall by the Senate and supported by the Clinton administration. That bill proposed increasing prison space, increasing criminal penalties (including mandatory minimum sentencing), expanding use of the death penalty, and allowing juveniles as young as 13 to be charged as adults for crimes involving the use of handguns.

The legislation has been heavily criticized by the Caucus and by black activist groups who held a three-day conference in Washington on the crime issue at the beginning of January. Representatives of the National Black Caucus of Local Elected Officials and other organizations will join with Rev. Jesse Jackson to meet with President Clinton to discuss the measures.

Criticism of the effectiveness, and the humaneness, of the death penalty has been rising. On Jan. 13 Amnesty International called on the White House and governors to impose a moratorium on executions while a presidential commission studies the death penalty. In a report issued by the group, it was shown that the death penalty is used disproportionately in cases involving poor and minority defendants.

National News

State Dept.'s Tim Wirth outlines globalist agenda

An end to drug interdiction and a global campaign for population control head a broad-ranging globalist agenda of the State Department, according to a briefing given by Department Counselor Timothy Wirth on Jan. 11. The department will be reorganized to reflect these priorities pending the Senate passage of the department's authorization bill.

Wirth pledged to double the current \$500 billion spending on population control in the coming years, with the goal of providing "family planning services to every woman in the world who wants them by the year 2000." This genocidal project will be centered on the upcoming Cairo population conference, which "will be to population what Rio was to the environment," said Wirth, in reference to the Eco '92 summit in Rio de Janeiro. He added that trade negotiations with Japan will include an effort to force the Japanese to join in the campaign.

Wirth announced a complete reversal of the past drug interdiction policy and said that U.S. efforts would focus on crop substitution programs and a major effort to spread U.S. law enforcement methods and judicial procedures to Ibero-America. The shift in drug policy is based on a Presidential Decision Directive issued in November.

Wirth, a radical environmentalist, also pledged support for efforts to force nations to abide by the Rio environmental treaty, in order to "conserve what many would call God's creation."

Free marketer attacks support for nuclear R&D

The current issue of the Heritage Foundation magazine *Policy Review* included an article by "energy and environment consultant" Michael McKenna that attacked government sponsorship of energy R&D. After complaining that the \$3 billion in taxes that has been spent on "conservation" since 1980 has been wasted, McKenna opposed all federal support and anything that even smells

like a "national industrial program," and singled out the nuclear industry, especially fusion R&D. "As big as the disaster in renewable energy has been," he wrote, "the fusion program has been worse." Taxes have been wasted on a program "that has never produced a single watt of electricity."

McKenna then rushed to "prove" his argument that the "magic of the marketplace" should determine long-range energy policy: Repeating the sorry statistics that no utility has ordered a nuclear power plant since 1979 and every order placed after 1974 has been cancelled, he asserted that \$10 billion has been spent on "the development of nuclear-reactor design no one wants." He conveniently left out any mention of the sabotage by pro-ecologist policymakers for broad-based R&D into nuclear energy, as well as the success of environmentalists over a decade in shutting down nuclear energy production through scare stories and hoaxes.

Wilder, Alcorn drop out of Virginia Senate race

Virginia Gov. Doug Wilder announced on Jan. 12 that he will not seek the U.S. Senate seat held by Democrat Chuck Robb, who became the subject of much scandal after some of his aides were caught with tape recordings of Wilder's cellular phone conversations. Wilder, whose term ended on Jan. 15, announced his decision in his farewell address to the General Assembly. Another Democratic candidate, attorney Dan Alcorn, announced his withdrawal on Jan. 18, leaving incumbent Robb facing LaRouche Democrat Nancy Spannaus, fresh from her race for governor last year, and Richmond attorney Sylvia Clute.

Rumors have also been circulating that the Democratic Party may now try to back out of holding a primary election, although leading Democrats, who were asked about the possibility, denied that it was legal or in the cards. Clute, who is petitioning for a ballot position, insisted that she would sue if they tried. The state rules, however, indicate that the party need not formally notify the state that it plans to hold a primary until between Feb. 24 and March 16.

Earl Washington death sentence commuted

One day before leaving office, on Jan. 14, Virginia Gov. Doug Wilder commuted the death sentence of Earl Washington to life imprisonment with the possibility of parole. In doing so, Wilder ignored the evidence that Washington is innocent, and put Washington in the absurd legal position that he cannot challenge his life sentence on the basis of the new, exculpatory evidence, because state law prohibits such presentation in capital murder cases 21 days after conviction.

Gerald Zerkin, one of Washington's attorneys, told the press on Jan. 18, "We don't think life in prison is justice for someone who is proven to be innocent. As things stand now, the provision for a new trial is an illusion, not only because the statute [overturning the 21-day rule] does not exist, but because, by virtue of the commutation, Earl Washington is no longer under sentence of death, and therefore likely will not have access to the statute, if it is passed. We will continue to press the issue through any legal means that are available, and most certainly will press it before Governor Allen."

Wilder, in his Jan. 12 State of the Commonwealth address, called for the 21-day law to be overturned and legislation "that would allow Virginia courts of appeal to review new evidence in capital cases involving the death penalty."

HHS group urges Head Start expansion

A 47-member bipartisan advisory panel appointed last summer by Health and Human Services Secretary Donna Shalala has recommended that the federal government take steps to extend the Head Start program for pre-schoolers to much younger children and to help working parents by making some programs available all day and year-round, according to the Jan. 13 *Washington Post*. Although an "overwhelming majority" endorsed the proposals, no consensus was

Briefly

reached by the panel on how to proceed, and no details were provided regarding how the services would be provided.

Head Start funds are applied for by localities to provide pre-school programs for poor children and other "at risk" children. While often providing a useful service in difficult situations, it has also become an avenue susceptible to New Age "early intervention" curricula.

The *Post* quoted panel member Edward Zigler, Head Start's founder and a psychology professor at Yale's Bush Center in Child Development and Social Policy, bemoaning the low ratio of social workers to families, and noting that "this is the first time in Head Start's 30-year life where a serious effort is being mounted to really improve its quality." The Clinton administration has promised funding expansion by as much as \$8 billion by 1997 from its current level of \$2.7 billion. "Friendly skeptic" panel member Douglas Besharov of the American Enterprise Institute cited budgetary concerns, explaining that, by implementing only half the new proposals, the per capita expense would rise to \$10,000, whereas other government child care programs cost \$6,000.

Irish paper: Is 'Get Clinton' effort run by British?

A political column in the Jan. 8 issue of the weekly newspaper *The Irish People*, which circulates widely throughout the United States, questioned whether the British Foreign Office, known as "Whitehall," may be involved in the recent scandal-mongering campaign around President Bill Clinton. Written by regular columnist "Nosey Flynn," the article charged that Cliff Jackson, the publicist for the two Arkansas state troopers accusing Clinton of sexual misconduct as Arkansas governor, is a crony of George Bush and may be working on behalf of the British government.

Jackson, who was at Oxford University at the same time as Clinton, has been behind many of the recent Clinton scandals, including the Geniffer Flowers story, the "draft dodger" flap, and the *American Spectator* hype around Whitewater Development.

Flynn wrote: "It is a matter of public

record that the Tory mob attempted to undermine Clinton's candidacy by demonizing him during the election as an untrustworthy left-wing politico. The conduct of [British Prime Minister] John Major's agents in this country was brazen, although inept. Capitol Hill insiders have said openly that the 'special relationship' with Britain isn't what it used to be."

Flynn noted that Major is furious that Clinton has still not abandoned his threat to appoint a peace envoy to press for a settlement in Northern Ireland. He concluded: "Maybe it's time for the media to take a hard and long look at Jackson and find out who's really behind his 'Get Bill Clinton campaign'? Could it be a Whitehall covert operation?"

Illinois Democrats still fear 'LaRouche factor'

The *Chicago Tribune's* Jan. 17 issue carried a front-page banner headline, "LaRouche Factor Lurking Again in Democratic Primary," which reports fears among the Illinois Democratic Party leadership that LaRouche Democrats could win the primaries, as they did in 1986. The article covers the results of a Jan. 9 poll by Market Shares showing that 65% of prospective Democratic voters in the March 15 primary are undecided.

In 1985, a national Democratic Party poll showed that candidates affiliated with Lyndon LaRouche were likely to win primary elections. In March 1986, when Mark Fairchild won the Illinois primary for lieutenant governor and Janice Hart for secretary of state, the Democratic Party forced its own gubernatorial candidate, Adlai Stevenson, to withdraw and run as a third party candidate.

The *Tribune* pointed out that its poll showed Rosemarie Love, a LaRouche Democratic candidate for secretary of state, leading State Sen. Denny Jacobs, but did not give precise figures. When Sheila Jones, a longtime LaRouche associate running for governor, queried the *Tribune*, she was told that Love, a former Cook County (Chicago) commissioner, was running at 9%, and had a name recognition of 20%; Jones was running at 3% and had a name recognition of 36%.

● **NEW YORK STATE** police chief Thomas Constantine will be nominated to replace Robert Bonner as administrator of the Drug Enforcement Administration, the White House told media on Jan. 12. Constantine is reported to be very close to FBI Director Louis Freeh, and was chosen by Freeh so that the FBI and DEA could operate in tandem.

● **THE MISSISSIPPI** House of Representatives voted 109-8 this month to allow teachers in any state-funded school to permit student-initiated "non-sectarian, non-proselytizing" prayers. The bill was sent to the Senate for approval and does not sanction prayer by the state.

● **GOV. GEORGE ALLEN** of Virginia, in his first address to state lawmakers on Jan. 17, said: "The expensive and misguided experiment known as 'outcome-based education' is graveyard dead and gone. The primary purpose of education is to impart knowledge—useful knowledge—not to adjust attitudes. If our students acquire the knowledge and skills they need, positive self-esteem will follow."

● **AMNESTY** International called on the White House and governors to impose a moratorium on executions while a presidential commission studies the death penalty, according to the Jan. 14 *Washington Post*. Amnesty Secretary General Pierre Sané pointed out that, since 1976, when capital punishment was reinstated, 45 death row inmates have been found to be not guilty.

● **CAN'S RICK ROSS** was acquitted of "unlawful imprisonment" in Washington State on Jan. 19, despite testimony to the contrary by Ross's three accomplices and the victim. Ross, a convicted jewel thief and hero of the so-called Cult Awareness Network, was a leading "cult" adviser to the FBI and Bureau of Alcohol, Tobacco and Firearms when they made their murderous raids on the Branch Davidians in Waco, Texas last year.

Editorial

Let's build for the future

Recent natural disasters that have struck the United States underline the urgent task of reconstructing our national infrastructure, and building in the redundancy that would alleviate human suffering when disasters strike.

The last word is certainly not yet in on the Los Angeles earthquake. There are questions about whether structural weaknesses could have been averted to further minimize damage. There is, for example, an interesting possible synergy with recent flooding, which affected the subsoil and perhaps magnified the effect of the earthquake. And there is reason to fear a far more devastating quake to come.

The state of our scientific knowledge does not allow us to predict an earthquake with any precision, and there is, in any case, a limit to specific preventive measures that can be taken. Yet we must deal with earthquakes, abnormal rainfall, fires, and the like, all of which have plagued California lately.

Questions have been raised about whether timely repairs or structural improvements had been made on the highway system. Some of the over 1,000 people now rendered homeless probably lived in homes which were structurally deficient.

There is, however, a more systematic problem to be faced, and that is the general underinvestment in every part of our infrastructure—the electrical grid, water supply, sewage treatment, transportation—not only in California, but throughout the United States.

The U.S. government in mid-January was forced to shut down operations in the nation's capital, and industry along the East Coast was asked to do likewise, in order to conserve electricity. People in Atlanta were warned not to take baths, because there was a grave danger that the water system could not withstand the stresses of the unusually cold weather. Thus even an unusual spell of cold weather created a strain on marginal East Coast infrastructure.

It is about time that people recognize that a "zero-sum" economy just does not work. We must build redundancy into our system. In a sense, the problem of dealing with national disasters is not dissimilar to that of civil defense. We must prepare alternate roadways

in case a section of the highway system, or its access routes, is blown out. We must have extra supplies of food, coal, and oil to deal with possible emergency shortages.

Indeed, the same thinking which has led to the monstrous dislocation caused by the recent earthquake is now built into planning for the Clinton health system. But we should never put a cap on health care. We must plan so that we can deliver essential support services as they are needed.

Without doubt, the worst problem for the folks in Los Angeles right now, is the collapse of the integrated freeway and highway system, which has turned what was already a system plagued by horrendous traffic jams, into a veritable nightmare.

Viewed from the standpoint of proper policy for the future, there is one piece of good news amidst all the disaster coverage. The Los Angeles Metropolitan Transportation Authority reports that tunnels and stations of the transit system appeared to be unscathed, although the system remained idled by power loss. Unfortunately, even with power restored, Los Angeles is still only in process of constructing a viable mass transit system.

Now is the time to prioritize building mass transportation in Los Angeles that will also operate between major cities in the region. Proposals already exist to build a magnetically levitated train system between Los Angeles and Las Vegas. This should be done. Indeed, the industrial capabilities for the development of this newest rail technology are located within California's aerospace industry, which needs just such an economic stimulus.

Ultra high-speed travel has been generally rejected in the United States because, on first glance, it is much more expensive to run trains at speeds of 160 miles per hour and up. This is the same bankrupt thinking which has marginalized the infrastructure as a whole.

Accidental death is certainly tragic. But we can surely avoid the kind of so-called natural disasters which have befallen Americans in the recent period because of unnatural decisions not to build levees and dams, and not to provide sufficient electrical and other infrastructure capacities.

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- HOLLYWOOD—Conti. Ch. 37
Fridays—8 p.m.
- LANC./PALMDALE—Ch. 3
Sundays—2 p.m.
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- MODESTO—Access Ch. 5
Thurs., Feb. 17—6:30 p.m.
- MTN. VIEW—MVCTV Ch. 30
Tuesdays—4 p.m.
- ORANGE COUNTY—Ch. 3
Fridays—10 p.m.
- PASADENA—
Crown Cable Ch. 56
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Thursdays—4:30 pm
- SACRAMENTO—Ch. 18
2nd & 4th Weds.—10 p.m.
- SAN DIEGO—
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Saturdays—12 Noon
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- SAN FRANCISCO—Ch. 53
(starts Feb. 4)
Fridays—6:30 p.m.

- SANTA ANA—Ch. 20
Sundays—4 p.m.
- W. SAN FERNANDO VALLEY—
CVI Ch. 27
Tuesdays—8:30 p.m.

DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 25
Sundays—12 Noon

FLORIDA

- PASCO COUNTY—Ch. 31
Tuesdays—8:30 p.m.

GEORGIA

- ATLANTA—Ch. 12
Fridays—1:30 p.m.

IDAHO

- MOSCOW—Ch. 37
Wednesdays—7 p.m.

ILLINOIS

- QUAD CITIES—Cox Ch. 4
Mondays—9:30 p.m.

INDIANA

- SOUTH BEND—Ch. 31
Thursdays—10 p.m.

MARYLAND

- BALTIMORE—BCAC Ch. 42
Mondays—9 p.m.
- MONTGOMERY—MCTV Ch. 49
Tue.—11 p.m., Thu.—2:30 p.m.
- WESTMINSTER—CCTV Ch. 19
Tuesdays—3 p.m.

MASSACHUSETTS

- BOSTON—BNN Ch. 3
Sat.—11:30 a.m. (thru Jan.)

MICHIGAN

- CENTERLINE—Ch. 34
Tuesdays—7:30 p.m.
- TRENTON—TCI Ch. 44
Wednesdays—2:30 p.m.

MINNESOTA

- EDEN PRAIRIE—Ch. 33
Wed.—5:30 pm, Sun.—3:30 pm
- MINNEAPOLIS—Ch. 32
EIR World News
Saturdays—9:30 p.m.
- ST. LOUIS PARK—Ch. 33
EIR World News
Friday through Monday
3 p.m., 11 p.m., 7 a.m.
- ST. PAUL—Ch. 33
EIR World News
Mondays—8 p.m.

MISSOURI

- ST. LOUIS—Ch. 22
Tues.—2 p.m., Wed.—5 p.m.

NEW JERSEY

- STATEWIDE—CTN
(Check Local Channel)
Mondays—2 a.m.

NEW YORK

- BRONX—BronxNet Ch. 67
Saturdays—6 pm
- BROOKHAVEN—TCI
(E. Suffolk, L.I.)
1 Flash or Ch. 99
Wednesdays—5 p.m.
- BUFFALO—BCAM Ch. 18
Mondays—6 p.m.
- HUDSON VALLEY—Ch. 6
2nd Sunday monthly—2 p.m.
- MANHATTAN—MNN Ch. 69
Saturdays—12 Noon
- OSSINING—Continental
Southern Westchester Ch. 19
Rockland County Ch. 26
1st & 3rd Sundays—4 p.m.
- ROCHESTER—GRC Ch. 15
Fri.—10:30 pm, Sun.—7 pm
- STATEN ISL.—CTV Ch. 24
Wed.—11 p.m., Sat.—8 a.m.
- SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.

- WESTCHESTER—Ch. 18
Fridays—6 p.m.

OREGON

- PORTLAND—Access Ch. 27
Wed., Feb. 9—6 p.m.
Wed., Mar. 9—6 p.m.
Tuesdays—6 p.m. (Ch. 27)
Thursdays—3 p.m. (Ch. 33)

PENNSYLVANIA

- PITTSBURGH—PCTV Ch. 21
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TEXAS

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Mon., Feb. 7—6 p.m.
The American System, Pt. 2
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Tuesdays—12 Noon
Thu.—7 pm, Sat.—10 am
- LEESBURG—Ch. 6
Mondays—7 p.m.
- MARTINSVILLE—Cable Ch. 8
Some Saturdays—8 p.m.
Some Sundays—1-5 p.m.
- RICHMOND/HENRICO—
Continental Cable Ch. 38
Schiller Institute Show
Tuesdays—6:30 p.m.

WASHINGTON

- SPOKANE—Cox Ch. 37
Sat., Jan. 29—1 p.m.
Wed., Feb. 9—1 p.m.

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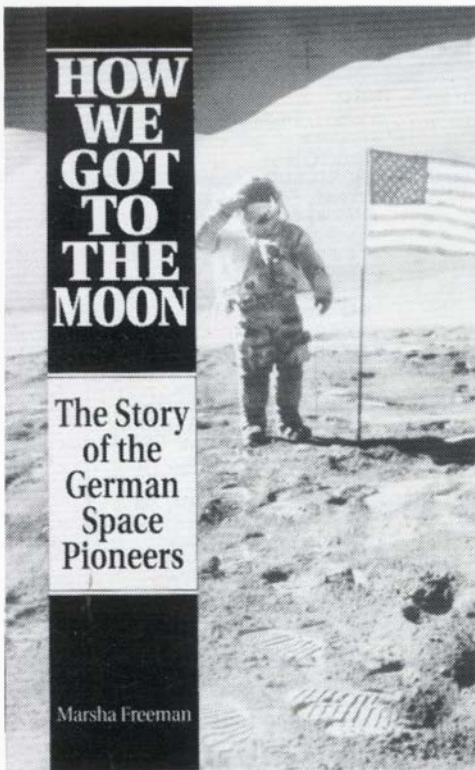
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