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From the Editor

It is simply impossible to describe how packed with information this issue of *EIR* is, nor was it possible to even come close to putting the headlines of all the most important stories on the cover.

First of all, *EIR* got the exclusive English publication rights for Brig. Gen. (ret.) Paul-Albert Scherer's latest strategic overview, which appears in our *Feature*. Managing editor John Sigerson burned the midnight oil all week to translate this in time for you.

A strong theme in our other articles is the resurgence of terrorism. In *International*, I recommend reading the articles on how the São Paulo Forum plotted with terrorists in Havana, on the bombing of the Hydro-Quebec electric tower, and on the conspiracy to wreck Mexico's presidential republic, as background to the assassination on March 23 of Mexican presidential candidate Luis Donaldo Colosio, which brought the drama of Ibero-America right to the U.S. border. In *National*, Lyndon LaRouche deems that the murder may be linked to the attempted "Whitewatergate" of the U.S. President; see also our report on the assassination threat to Nation of Islam Minister Louis Farrakhan, which LaRouche views as very real and linked to the same British-steered forces.

You will also find the most impressive array of interviews we've ever printed in a single issue. They include two Taiwanese patriotic intellectuals' warnings of the threat that war could be provoked between the two Chinese states; the assessment of how South Africa could avoid a shooting match, by that nation's former military intelligence head; an overview of rapid changes in French and Mediterranean politics by a French author and presidential candidate, whose small party just registered notable gains in regional elections; an account of Latvia's fight for sovereignty by a journalist, lawmaker, and leading participant in those events; and a discussion of explosive issues of the AIDS epidemic with the medical director of Washington, D.C.'s Abundant Life Clinic.

It is a devastating world picture. Next week's expanded *Feature*, on "Lord Palmerston's Multicultural Zoo" as presented to the recent Schiller Institute conference, will contain a diagnosis of the British geopolitical disease afflicting so many countries in historical depth. This is the only path to a cure.

Nora Hamerman

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Corrections: In Vol. 21, No. 9, p. 23, in the article "Physical Economy Is the Basis of Human Knowledge," Part I, it should read at the bottom of the right-hand column that "a collapse has been in progress continuously over the past 30 years," and not 40 years as erroneously printed. Also, in Fig. 4 on p. 30, the labels were inadvertently reversed. "Productive workers per person" should be on the right, and "Productive workers % of labor force," on the left of the graph.

In Vol. 21, No. 10, p. 20, in Part II of the same article, the second sentence in the second paragraph should read: "Consequently, to the degree a successful effort is maintained to regulate any physical process according to the specifications of such a mathematical system, that physical process will have imposed upon it in this way an entropic form of degeneration," and not negetropic as printed in error.

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The FDIC whistles past the graveyard

by John Hoefle

The Federal Deposit Insurance Corp.'s *Quarterly Banking Profile* for the fourth quarter of 1993, released March 15, claimed that FDIC-insured U.S. commercial banks made a record profit of \$43.4 billion for all of 1993, and that the U.S. banking system was the most profitable it has been since the FDIC was created and began keeping statistics in 1934, in the wake of the Great Depression.

These statistics bring to mind the old joke about the man whose upper half was on fire and whose lower half was frozen. "On average, you're doing just fine," said his statistician.

With the U.S. economy locked in a deepening depression, in which real economic activity is rapidly collapsing, and with the gigantic speculative bubble known as the derivatives market suffering an increasing density of ruptures, the FDIC's claims of record-setting profits for the U.S. banking system are nonsense.

"The impressive fourth quarter results capped a year in which commercial bank earnings soared to unprecedented levels," the FDIC said. According to the FDIC, the banks earned \$11.1 billion in profits for the fourth quarter of 1993, the second highest quarterly profit ever recorded, after the \$11.5 billion for the third quarter of the same year. With \$10.8 billion in reported profits in the first quarter of 1993, and \$10.4 billion in the second quarter, the four quarters of 1993 are the four most profitable quarters in U.S. banking history.

By comparison, the banks' reported profits of \$32.2 billion in 1992. That figure was also a record, topping the \$25.2 billion in profits reported in 1988. It easily surpassed the \$18.3 billion reported in 1991 and roughly doubled the \$15.6 billion and \$16.9 billion reported in 1989 and 1990, respectively. The banks reported an average return on assets (ROA) of 1.21% for 1993, the FDIC said, "marking the first time

since the creation of the FDIC that full-year ROA exceeded 1%." By comparison, the banks reported an ROA of 0.93% in 1992, and 0.53% in 1991.

Lower loan-loss provisioning

According to the FDIC, "The largest contribution to banks' increased earnings [in the fourth quarter] came from lower loan-loss provisioning, reflecting improved asset quality." Because of the alleged improvement in the U.S. economy, the level of non-performing assets held by the banks has decreased, thereby reducing the amount of money the banks must set aside as reserves against future loan losses. The banks set aside just \$3.8 billion in the fourth quarter, more than 40% less than the \$6.4 billion they set aside in the fourth quarter of 1992. For all of 1993, the banks set aside \$16.6 billion in reserves for possible loan losses, a decline of \$9.5 billion from the \$26.1 billion set aside in 1992, and the lowest annual total since 1984. The banks charged off a net \$17.5 billion in bad loans in 1993, down 32% from the \$25.6 billion charged off in 1992.

Overall, the level of reserves against possible loan losses in the U.S. banking system actually dropped \$1.8 billion, or 3.4%, to \$52.6 billion at the end of 1993 from \$54.5 billion at the end of 1992. "The improvement in asset quality that began two and one-half years ago remained strong through the end of the year," the FDIC said. "Both noncurrent loans and other real estate owned registered their largest quarterly declines ever in the fourth quarter, falling by a combined \$11.1 billion." These bad assets, which peaked at 3.19% of total assets during the second quarter of 1991, dropped to only 1.61% of assets at the end of 1993, according to the FDIC's statisticians. "In dollar terms, troubled assets are at their lowest level since 1986," the agency said.

The idea that asset values are rising, in an economy

caught in the midst of a deflationary spiral, is patently absurd. Asset value statistics may be rising, but the actual values of the assets are not.

Another "source of earnings improvement" cited by the FDIC was "increased net interest income." The banks reported \$36 billion in net interest income for the fourth quarter, up \$947 million from the fourth quarter of 1992. For the year, the banks reported \$139 billion in net interest income, up \$6 billion (2.7%) from the \$133 billion reported in 1992.

The increases in interest income reported by the banks over the last several years is a direct result of the Federal Reserve's policy of manipulating interest rates and U.S. monetary policy to boost banks' income. That covert bank bailout, which Fed Chairman Alan Greenspan discreetly called "rebuilding balance sheets," represents market manipulation and insider trading on a scale that would turn Michael Milken and Ivan Boesky green with envy.

So far, then, the two biggest sources of the banks' record profits are a nonexistent increase in asset quality, and a covert bailout from the Fed, paid for by looting the economy.

Derivatives boost non-interest income

The third major source of earnings improvement for the banks, the FDIC said, was non-interest income. Non-interest income rose more than \$3.3 billion in the fourth quarter from the fourth quarter of 1992, and rose by \$9.3 billion to \$75 billion for all of 1993, from \$65.6 billion in 1992. "Non-interest income contributed 23.4% of the commercial banks' total operating revenue in 1993, up from 20.5% in 1992 and 17.1% in 1991," the FDIC said.

One major component of this non-interest income is the banks' trading activities, including their derivatives trading. Trading revenues account for some 40-50% of profits at the big money center banks.

In testimony to the House Banking Committee's hearings on derivatives on Oct. 28, 1993, Keefe, Bruyette & Woods director of research David Berry reported that the combined trading revenue of the top seven U.S. derivatives banks (Citicorp, Chemical Banking, J.P. Morgan, Bankers Trust New York, Chase Manhattan, Bank America, and First Chicago) had \$6.2 billion in trading revenue through the first three quarters of 1993, compared to trading revenue of \$5.2 billion in all of 1992 and \$5.4 billion in all of 1991.

Full-year trading revenue at those seven banks likely topped \$8 billion for 1993. Morgan reported fourth quarter trading revenue of \$606 million, the highest quarterly trading revenue ever reported by a U.S. bank, giving it a trading revenue of \$2.1 billion in 1993, more than double 1992's \$959 million. Citicorp had \$427 million in trading revenue for the quarter, giving it a full-year trading revenue of \$1.9 billion, compared to \$1.3 billion in 1992. Chase Manhattan reported \$167 million in trading revenue in the fourth quarter, giving it \$715 million for the year, compared to \$468 million in 1992.

According to the FDIC, the notional value of U.S. banks' "off-balance-sheet derivatives" portfolios rose \$3.1 trillion (35.5%) during 1993, to \$11.9 trillion from \$8.8 trillion at the end of 1992. The banks had \$7.3 trillion in derivatives at the end of 1991, and \$6.8 trillion at the end of 1990, according to the FDIC. The seven banks named above, account for 90% of the derivatives activities of U.S. banks, according to the Fed.

As of the third quarter of 1993, Chemical Banking had a derivatives portfolio with a notional value of \$2.4 trillion, an 86% growth over the previous 18 months. Bankers Trust had \$2 trillion in derivatives, a 107% increase over 18 months; Citicorp had \$2 trillion in derivatives, up 39% over the same period; and J.P. Morgan had \$1.7 trillion, an increase of 64%.

Hooked on volatility

That derivatives have become the primary focus of these big banks, is clear. An unnamed Citicorp executive was recently quoted in *Fortune* magazine as saying that derivatives trading is "the basic banking business of the 1990s." Earlier this year, Chase Manhattan's deputy risk manager, Michael Davis, told the *New York Times* that his "bank's biggest fear would be a long period of calm and stability in the markets, which would lull companies and investors into slowing their trading activities."

But the volatility upon which the big banks have come to depend, is what will also destroy them.

That point was driven home in the first quarter of this year when the big hedge funds, among the most speculative players in the financial casino, lost a reported 25% of their \$75-80 billion in assets. That means losses of as much as \$20 billion. However, these hedge funds are highly leveraged, borrowing as much as \$20-40 for every \$1 in assets, amplifying the losses to as much as \$400-800 billion.

To cover their bank loans, the hedge funds dumped massive quantities of their bond holdings, sending the world's bond markets into panic. Rumors spread that various financial institutions, including Goldman Sachs and Bankers Trust, were in serious trouble. Interventions by the Fed and other central banks prevented the total meltdown of the financial system, but the turmoil in financial markets is escalating and the power of the central banks to save the system is waning.

At a March 7 meeting of the Bank for International Settlements in Basel, Switzerland, the Group of Ten central banks agreed on a secret strategy to attempt to bring the derivatives markets under control, but such action is far too little, and far too late.

With \$12 trillion in derivatives and only \$3.7 trillion in "on-balance-sheet" assets, and \$297 billion in reported equity capital, the U.S. banking system cannot survive the imminent collapse of the derivatives bubble. No amount of FDIC statistical hyperbole can save them from the coming tidal wave.

Pope scores U.N. anti-natalist agenda

by Kathleen Klenetsky

Pope John Paul II met with the head of the United Nations Fund for Population Activities at the Vatican March 18, to inform her in no uncertain terms that the Holy See has grave concerns about the U.N.'s upcoming International Conference on Population and Development (ICPD), which is scheduled to take place in Cairo this September.

The ICPD is the fourth such international population conference which the U.N. has convened since the 1960s, and it is intended to set the stage for a renewed crackdown on population growth, especially in Third World countries.

'Future of humanity' at stake

According to a text of the pope's remarks released by the Vatican, the Pontiff warned Nafis Sadik, who is serving as secretary general of the Cairo event, that the "very future of humanity" could be threatened if the Cairo conference proceeds along its current anti-natalist, anti-human course.

The pope's public intervention into the process leading up to Cairo came just two weeks before the last preparatory committee meeting prior to Cairo opens in New York. That meeting is supposed to hammer out the final details of the draft declaration which will be presented to the Cairo conference for approval and implementation.

In his comments, the pope adamantly insisted on the inviolability of the family. Couples should be able to decide, "free from all social or legal coercion, the number of children they will have and the spacing of their births," he stated. "All propaganda and misinformation directed at persuading couples that they must limit their family to one or two children should be steadfastly avoided."

John Paul II reaffirmed the Catholic Church's opposition to abortion, which he described as a "heinous evil," and sterilization, which, he warned, poses "a most grave threat to human dignity and liberty when promoted as part of a population policy."

The pope explained to Sadik that his fears about the direction which the ICPD is headed stem from the church's concern for the sanctity of human life: "The Holy See seeks to focus attention on certain basic truths: That each and every person . . . has a dignity and worth that is unconditional and inalienable; that human life itself from conception to natural death is sacred; that human rights are innate and transcend

any constitutional order; and that the fundamental unity of the human race demands that everyone be committed to building a community which is free from injustice and which strives to promote and protect the common good."

From this standpoint, the "draft final document" which the U.N. bureaucracy has put together for Cairo "is a cause of grave concern to me," John Paul stated. He added that the document's proposals, which include making "family planning" services, including abortion, available to all individuals of childbearing age by the year 2015, contradict "certain basic principles."

Moreover, he said, "many of the principles which I have just mentioned find no place in its pages, or are totally marginalized."

"What is at stake here," the pope warned, "is the very future of humanity. Fundamental questions like the transmission of life, the family, and the material and moral development of society, need very serious consideration. . . . There is a tendency to promote an internationally recognized right to access of abortion on demand, without any restriction, with no regard to the rights of the unborn, in a manner which goes beyond what even now is unfortunately accepted by the laws of some nations."

Well-founded fears

The pope's fears are well-founded. Although the ICPD's draft program of action pays rhetorical obeisance to economic development and family life, and expresses opposition to involuntary population control, the real purpose of the Cairo meeting is to enforce new measures to drive down population levels—despite the fact that population growth has been declining over the past decade in many parts of the globe, in some cases precipitously.

In addition to calling for the massive expansion of contraceptive services, the draft program also states that "women should have access to safe abortion services," an objective shared by a number of countries, including the United States, which have been playing key roles in shaping the Cairo agenda.

U.S. State Department Counselor Tim Wirth, who will lead the U.S. delegation to Cairo, gave a briefing on U.S. population control policy and its strategy vis-à-vis the ICPD conference, last January. Wirth declared that the Clinton administration had made population control a "top priority" in "global affairs," and that it intends to retake the leadership of the international population control drive. He added that "the centerpiece" of this effort will be the Cairo conference, which "will be for population" what the U.N.'s 1992 eco-fascist extravaganza in Brazil "was for the environment."

Wirth said that the administration has already made a sharp increase in the U.S. contribution to world population programs, and that it is prepared to double its contribution to \$1 billion by the year 2000, in order to restrain population growth.

‘Cairo conference planners are far worse than Hitler’

Excerpts from the weekly radio program “EIR Talks” of March 24. Mel Klenetsky interviewed Lyndon H. LaRouche, Jr.:

EIR: Mr. LaRouche, this coming September the United Nations will have a conference in Cairo, to limit population. The pope last week indicated that he was very concerned. He met with the secretary general of the conference, and he expressed grave concerns that the conference will coerce countries into limiting family size, forcing abortion and sterilization programs, and so on. You have written extensively on these population issues. Should nations be forced by international agencies to comply in these matters, and in effect give up their sovereignty?

LaRouche: You have to be very plain-spoken about this business. The people who are pushing the agenda of this Cairo conference are comparable to Adolf Hitler only in the sense that they’re far worse.

Don’t kid yourself about this abortion and birth control. If you cut the birth rate, who is going to support the aged? We’re already doing this in the United States, remember. We’re saying we’ve got too many old people, so let’s kill them. That’s called “cutting entitlements”; it’s called forcing people to sign living wills; it’s called putting caps on medical care. It’s run through insurance companies and things like that, with the consent of government, which tolerates it.

We’re already beginning to murder people who are over 55 and 65, murdering them by imposing policies which result in their deaths, when anybody with any brains knows that imposing those policies is going to kill people. So you’re using the enactment of legislation or administration to murder people. You ask, “Are you going to shoot them with a gun?” “No.” “Are you going to hit them with an axe?” “No, we’re not going to do that. We’re going to starve them, we’re going to let them die of organic and infectious diseases. We’re going to let them die of hypothermia, because their checks don’t cover heating”—and things of that sort.

So what they’re doing to entire nations with these economic measures, such as International Monetary Fund conditionalities, is to create the calculable conditions in which the death rate will be greatly increased, to the point that you introduce chaos and breakdown of whole countries, and the

disappearance of whole countries as in parts of Africa today, such as Zaire. Zaire is going down the drain because of IMF conditionalities, pure and simple.

So these fellows at the Cairo conference can be thought of as a bunch of Joseph Goebbels, Adolf Hitlers, Hermann Goerings, and so forth. They may not wear swastikas, but they do the killing on a much greater scale than Hitler ever dreamed of doing it.

EIR: The United Nations is looking to implement different types of approaches, sanctions, regulations, and other things to force nations to comply with population reduction. Former President Bush spoke about limiting the use of science, in developing Third World countries, i.e., technological apartheid. Can you give us a sense of why this whole approach, which destroys the notion of national sovereignty, is one of the most heinous crimes? Why is the nation-state’s sovereignty important to begin with?

LaRouche: First of all, you have to take some facts about Georgie-Porgy Bush. Bush’s father, Prescott Bush, in the beginning of the 1930s, was the chief executive officer for Harriman and Company.

Harriman and Company controlled the German banks, because they controlled, as the U.S. banking representatives, the deals which had been made with the German banks [for] bailing out the German war reparations payments. So Georgie-Porgy Bush’s father, Prescott Bush, as chief executive officer for Harriman and Company, 1932-33, on orders from Harriman, put Adolf Hitler into power in Germany by moving the money into Hitler’s Nazi Party to enable the coup to occur.

Now this was not accidental. Just before, in 1932, the Harriman family co-sponsored a conference on eugenics in New York City, at the American Museum of National History. At this conference, they had, as the chief invited guest, Adolf Hitler’s leading race theorist, Ernst Rüdin. At the end of the conference, Harriman’s family elected Rüdin the head of the International Eugenics Society, and praised the Hitler regime for its racial purification policy. That policy has been a tradition of the Bush family to the present day.

Some people who thought they were right-to-lifers, thought they had a deal with George Bush; they didn’t know who George Bush was! It’s like the fellow who says, “I go to church because I like the way Satan preaches.” This is the kind of evil, which the Harriman family represented, which is one of the reasons I have so much trouble with Senator Moynihan, because he’s a Harriman protégé, and will lead in the same direction as Bush.

Again: the media is controlled by these powerful families, they brainwash your neighbors and you’re afraid to have an honest opinion, because you’re afraid your neighbors, your employer, or somebody will come down on you, create a lot of problems for you. So you believe things or put up with things which you in your right mind would not believe.

Poland at the gates of hell after four years of IMF plunder

by William Engdahl

Following four grueling years of negotiations between the government of Poland and the committee of western creditor banks, Poland early in March announced it had finally reached agreement on repayment of its \$13 billion in private bank debt, part of more than \$40 billion in total western hard currency debt which has accrued since the debt and political crisis of the early 1980s. Under the terms of the agreement, Poland is forgiven 45% of its defaulted \$13 billion owed the banks. But far from grounds to cheer, the agreement merely signals that western bankers feel Poland has been adequately softened up by International Monetary Fund (IMF) shock therapy policies to be ready to become an eastern version of Mexican *maquiladora* cheap-labor production for western multinationals. The recent speculative frenzy on the Warsaw Stock Market by foreign investors signals anticipation of just this.

It has also been just more than four years since Poland was forced to adopt IMF shock therapy policies, the initial precondition for negotiating with western creditors and potential investors under the transition government of Tadeusz Mazowiecki. Poland's finance minister under that government was Leszek Balcerowicz, an iron-hard supporter of the shock therapy program worked out for Poland by Harvard's Jeffrey Sachs, in close cooperation with officials of the IMF. It should be noted that publicly, Sachs profiles himself as an IMF "critic," but in reality, he and the IMF work together.

At the end of October 1989, Poland became the first eastern European country to adopt IMF shock therapy. Under the government's "Program of Stabilization and Systematic Changes," measures put forward by Balcerowicz at that time included severe punitive taxes on wage increases and an end to worker bonuses; accelerated tax payments and sharp cuts in state subsidies, in order to cut the budget deficit; removal of state price controls and a cut in credit to state enterprises; and, a radical depreciation of the zloty, to allow Poland to earn more hard currency by dumping its goods onto western markets.

Poland was advised by the IMF on its economic policy, and the entire focus, it was told, was to reduce the severe inflation and increase the role of what the IMF called "market forces." What has resulted?

Not all of the elements of the Balcerowicz plan were harmful to the economy. Some, such as selective ending of

subsidies, cancellation of central quotas for enterprises, and a prohibition of government borrowing from the Central Bank at a zero interest rate to cover deficits, could be desirable under any intelligent economic program. But this was not the core of Sachs's shock therapy.

Prescription for disaster

The bulk of the Sachs-Balcerowicz plan was a prescription for economic disaster. Initially, under a program to kill inflation, Poland experienced hyperinflation, much as Russia did after January 1992. The hyperinflation resulted partly from a state budget deficit financed by new unbacked money, but mainly resulted from the freeing of prices to so-called market levels, and elimination of various state budget subsidies. By January 1990, inflation reached 80% per month. Of course, one can argue that this is the cost of abandoning the unrealistic price structures of socialism, and was a one-time inflation.

But what actually resulted from the supposed anti-inflation program of the IMF beginning in 1990, was suppression, instead, of the real, physical economy of the nation. Within one month in early 1990, production fell by 31%, trade fell by over 50%, real wages fell by 30%, and prices rose by 80%. The government imposed interest rates on loans of 38% per month, while wages were allowed to rise only 0.3% per month, and the convertible zloty was allowed to fall to 9,500 zlotys per dollar.

Industrial firms had no capital for wages or machinery, trading firms had no money to finance inventories, and individual consumers had no money to buy goods. Predictably in this situation, state enterprises reacted by cutting production as inventories of unsold products piled up, households cut spending, and farmers were unable to sell their milk, meat, wheat, and vegetables. The first 500,000 unemployed appeared in the early months of 1990.

The madness of IMF equilibrium theory

But the IMF and Sachs were quite happy with the results. They in fact expected it, as their only goal was not the improvement of the overall production of Poland's economy and living standard of the Polish population, but only the development of what they called a Polish *equilibrium* in its external balance of payments, and only secondarily, to

achieve internal so-called equilibrium.

Domestic equilibrium was reached, as production drastically decreased to match demand, which had decreased even more. As well, the forced export of food to the U.S.S.R. ended any chance of increasing the available domestic supply. At first, people reacted favorably to the new situation, expecting that it was a short-term sacrifice on the way to capitalist "free market" paradise. Food appeared in the shops, albeit at far higher, uncontrolled prices. People drew on their savings to live for the first months of shock therapy.

With the forced devaluation of the zloty under IMF orders, to 9,500 zlotys per dollar, three times what its actual buying power suggested, exports boomed while imports were prohibitively expensive. Enterprises exported everything possible, yielding a surplus on the national current account of \$4 billion in early 1990. But this surplus only fueled inflation. Goods had been removed from the domestic market while zlotys earned by exporters were pumped into the economy, allowing more zlotys to chase fewer goods.

The main impact of the Balcerowicz shock therapy program, bizarrely enough, was directed against domestic credit, through use of drastically high bank interest rates and severe limits on credits to state enterprises. The second part of the attack was to impose a punitive tax on wage increases. This created a situation of radical economic deflation. This, in other words, was an economic depression.

But when Sachs, as an adviser to the Polish government, first announced his shock therapy program in Poland, he predicted an "economic boom" after six months of "pain." Results were otherwise. Industrial production in Poland fell by 19% between 1990 and 1991 under shock therapy. As shock therapy went into its second year in Poland, there was a violent decline of real (accounting for inflation) wages, a severe contraction of social transfer payments, and a reduction of private savings.

In 1993, a United Nations Unicef report on Polish living conditions reported that at least 20% of children in Warsaw were going hungry, and that 50% of families with three or more children were living below the poverty line. One-quarter of all families in 1992 had applied for welfare assistance to support themselves. And by late 1993, more than 8 million of a total population of 38 million were forced to live by means of a meager state pension.

As income of state enterprises was cut by IMF-dictated policy, investment levels were driven below the level needed to replace outmoded or worn-out equipment. The state budget collapsed as firms were generating no profit, and the budget deficit began to explode. Pensions were in danger, and the ability of communes to invest in anything was almost nil. Welcome to the "free market" economy.

The debt must be paid

But the only goal of the IMF policies was to create equilibrium in the foreign balance of payments of Poland, with



Former Polish Prime Minister Hanna Suchocka, whose support for shock therapy led to the defeat of her government in the October 1993 elections.

the zloty fixed at a cheap level against the dollar. Why? So that Poland could resume honoring the illegitimate \$40 billion in foreign hard currency *debt*, the great bulk of which was amassed when interest rates in London and New York suddenly rose more than 300% in 1979 under the high interest rate policies of Prime Minister Margaret Thatcher in Britain and Federal Reserve Board Chairman Paul Volcker in the United States. Poland's dollar debt was in "floating" interest rates pegged in London to the rate of interest on overnight borrowing (LIBOR). As Poland was forced into arrears on its debt service after 1980-81, the unpaid portion of interest was capitalized by western bankers and governments as added debt to be paid, despite the fact that Poland has not received a penny of new money since 1981.

The true purpose of the IMF in Poland or Russia should not come as a surprise. The IMF, after all, is a bankers' collection agency controlled above all by the City of London and Wall Street.

The absence of social protest in Poland was due to a general confusion as to what and who were to blame for the misery created by the IMF shock therapy. Because it was the policy of the government, and there was no clear line of responsibility evident to most citizens, the source of the evil was blamed on "market forces," or Adam Smith's "invisible hand." Previously, economic problems were blamed on Warsaw communist central planners, a clear target for the rage of the population. What a brilliant deflection!

The human toll

By the end of 1991, Polish unemployment had reached 2 million. IMF shock therapy was working. The government

defended itself by arguing it had signed "Letters of Intent" with the IMF which mandated the strict austerity measures. What did Poland get in return? Misery and collapsing production, organized crime, a growing black-market economy, criminality, social misery, and a debased population.

When Polish voters signaled their clear revolt at IMF shock therapy in January 1991 during the elections in which Lech Walesa became President, the IMF and U.S. Embassy in Warsaw delivered open threats to the Polish government, to force it to keep Balcerowicz and the IMF shock therapy program. They were told that if they did not retain Balcerowicz and his program, all western assistance to Poland would cease. Balcerowicz remained and Walesa's first choice as prime minister, Jan Olszewski, a critic of shock therapy, was forced to drop out.

By the end of 1992, after almost three years of IMF "shock," Poland's industrial production had fallen to 66% of its level of 1989, according to data compiled by the U.N. Economic Commission for Europe in Geneva, one of the few reliable economic sources of data on eastern Europe. Poland's Gross Industrial Output in late 1992 was down to the level of 1975!

Yet for all the IMF-imposed social misery and pain since 1989, inflation ran at 70% in 1991, and more than 42% in 1992 and 40% in 1993. By the end of 1993, Polish unemployment had passed 2.8 million, more than 15.5% of the active labor force.

And still, Poland has not been the beneficiary of net new foreign investment.

The IMF and the creditor banks, led by Barclays of Britain until very recently, have insisted on full repayment of Poland's unpayable foreign debt. In the absence of a debt restructuring agreement, Poland has been kept a pariah country. Investment has been pitifully tiny over the past four years. What "free market" economic activity exists is the most vulgar sort of small-time consumer sales. Poland has today no long-term national strategy or even government goal for where the nation's economy should go.

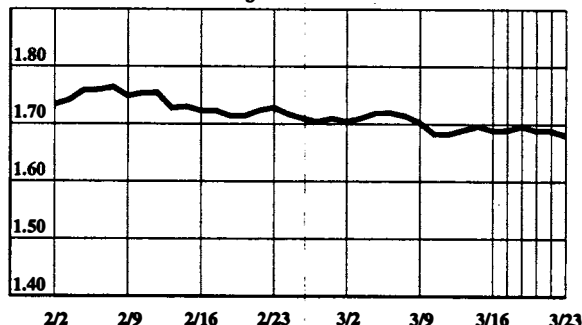
It will take years for Poland to undo the damage to the economy of the radical shock therapy under the best of conditions. But shock therapy has been a booming success in terms of destroying the potential of Poland to become a vibrant trade and investment partner of western Europe. In terms of increasing the overall well-being of the Polish citizen—social welfare, security in case of sickness, old age, and such—shock therapy has brought the majority of Poles to the gates of hell.

Given this history, it is little wonder that Poles, in the national elections on Sept. 19, 1993, ousted the pro-IMF regime of Hanna Suchocka and voted in a coalition of parties with direct ties to the former communists. But the tragedy is that, at least until early 1994, the government of Prime Minister Pawlak has been afraid to break with the shock therapy policy of Jeffrey Sachs and the IMF.

Currency Rates

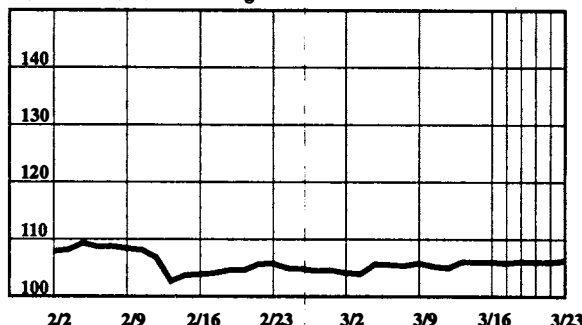
The dollar in deutschemarks

New York late afternoon fixing



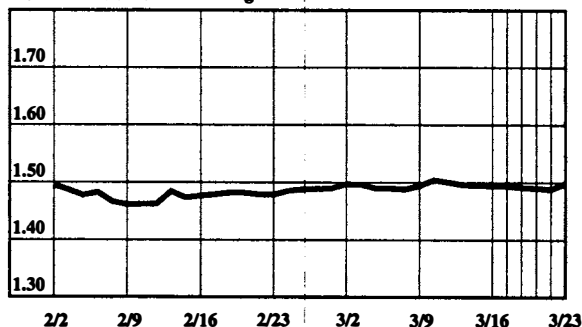
The dollar in yen

New York late afternoon fixing



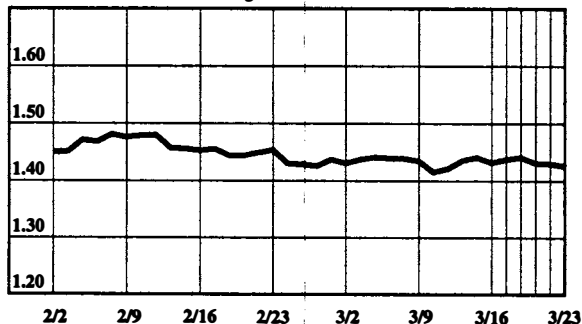
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Russians want decree of economic emergency

by Konstantin George

The heads of both houses of the Russian parliament and other leading figures are demanding the official decree of an economic emergency as the only way to halt the production collapse that has brought the country to the brink of economic chaos. By mid-March, Vladimir Shumeiko, chairman of the Federation Council (upper house), and Ivan Rybkin, chairman of the State Duma (lower house), had agreed to present to both houses in the near future an economic emergency law. Also in March, the Russian Security Council began, finally, to take up the question of the health and demographic catastrophe.

The need for comprehensive emergency measures is urgent. The devastation caused by more than two years of International Monetary Fund shock therapy has created, for the first time ever in the peacetime history of Russia, an absolute decline in its population, caused by the collapse of health and nutrition standards. This was first recorded for 1993, and the trend is accelerating in 1994. Underlying this is the destruction of the physical economy.

Production in free fall

In the first months of 1994, the collapse of production has accelerated to dimensions threatening the very cohesion of the country. February witnessed the single biggest production drop in modern Russian history, and indeed for all Russian peacetime history. Production as a whole fell by 24.3% compared with February 1993. The figures for key sectors, comparing production in January-February 1994 with the same period for 1993, yielded an even more devastating picture. Production was 32% lower in light industry; 21% lower in the food processing industry; and 23% lower in the iron and steel industry, with crude steel production 26% lower. In the chemical, paper, and cellulose industries, the drop was given at 35%, and in the vital machine-building sector, production fell by an incredible 48%.

As the spring planting season arrives, the production of tractors and agricultural machinery for January-February 1994 was 80% less than a year ago. A similar collapse has occurred in the production of vital spare parts. When a tractor breaks down, as they often do, they stay idle indefinitely, with no hope for repair in sight.

Now look at the number of enterprises that have closed down, in full or in part. The statistics do not count the addi-

tional thousands faced with closure in the weeks and months ahead. In October 1993, this figure stood at 2,407 enterprises. By the end of February 1994 (the latest figure available), it had nearly doubled to 4,280. In February 1994 alone, 428 enterprises were forced to close, unable to sell their products. The closures included mammoth production complexes such as the Kirov Tractor Plant in St. Petersburg, and the Volgograd vehicle engine plant.

Shock therapy kills

The breakdown of production and living standards caused by shock therapy has exacted a human toll in the Russian Federation which can be called by no other name than mass murder. Beginning with 1992, "year one" of shock therapy, and escalating ever since, the Russian population has declined in absolute numbers.

Directly caused by the collapse of nutritional and health standards, the death rate is rising and infectious diseases once all but extinct, are assuming epidemic proportions. In 1993, the 2.4 million deaths in the Russian Federation exceeded the number of births by 900,000. The number of births, at about 1.5 million, was about 900,000 lower than in 1992. Due to immigration of ethnic Russians from other republics, the 1993 net decrease in population was lower than 900,000, being at 500,000. Juxtaposed to the collapse in the birth rate, was a new record for abortions, estimated at 4 million last year. Under the conditions of shock therapy, the time a mother would have to devote to caring for an infant, to say nothing of the cost involved, has become a luxury that few can afford. For women, all available time is consumed between the job and the shopping and hustling required each day to ensure that enough food is on the table so that day to day, one survives.

Then there is the mass murder of the elderly and what by western standards would be called those of advanced middle age. In the West, "elderly" conveys the image of perhaps 65 years and up. That was once also the case for Russia. No longer, as the statistics for average life expectancy show, especially for males. In 1987, average male expectancy stood at 65 years. By the end of 1992, this had fallen to 62 years. By the end of 1993, male life expectancy had plummeted to 59 years.

Shock therapy has also destroyed the health system. All sorts of medicines are at best in short supply, and often nonexistent. As a rule, equipment is either lacking or age-old. Medical personnel, at the lower end of state pay scales, and, like so many others, suffering from wage payments often two to three months late, are forced to "moonlight" in order to survive. In Russia, God help you, should you fall critically ill and have no independent means of being taken to the hospital, the ambulance may come hours later, if at all. The reason: Ambulance drivers cannot survive on their official salary; they are forced to double as taxi drivers, while on duty.

Parker's demise offers hope for Bordeaux

by Philip Ulanowsky

At long last, Wall Street's golem of the wine world, critic Robert Parker, is getting his due. He has had it coming for a long time, but only recently have some of the wine establishment decided that enough is enough. Mr. Parker's illegitimate, decade-long reign as wine oracle, as supreme arbiter of taste and quality (read: saleability), has not only addicted a generation of yuppies to his mystical 100-point rating pronouncements, but has played a major role in leading many of the world's great winemakers to compromise their art, to make wines to suit the ratings, in order to sell, rather than making wines that will do poorly in early tastings but mature into masterpieces over decades.

Thus, we now get top Bordeaux that are ready to drink in only a few years. Of course, the wines taste delicious, a result not only of meticulous and artful winemaking on great properties, but also of improvements in technology which have added degrees of control previously unavailable to the winemaker. But the wines will not last. The worthy tradition of saving a bottle of fine wine from the year of a child's birth for his year of maturation, will die.

The speculative orgy of the 1980s is over. Older, wiser heads in the wine world now must take the bold, necessary step of casting aside its precepts and institutions—free trade, the General Agreement on Tariffs and Trade, the despised International Monetary Fund, and derivatives and similar games—and putting their influence behind an economic policy, based on Hamiltonian principles, that will provide the stability and productive prosperity necessary for a return to the great winemaking traditions. In this, they will find economist Lyndon LaRouche an essential ally.

The lesson of Harvard's Sachs

Parker's demise, now being presaged by articles popping up in the trade press and elsewhere, should not be underestimated as a signal of serious moves under way to cure much of what has infected the wine world for the past 12 years. Parker epitomizes a cultural disease, as we shall explain. His powerful backing, like that for Harvard's Jeffrey Sachs, explains the reluctance of those who truly appreciate wine's cultural role to move against him. With the pending collapse of the derivatives markets and the substantial political power that hangs on them, however, some in the wine establishment are perhaps more willing to risk angering the powers that be. They should look at the fate of Sachs. Having imposed

destruction on economies in South America and eastern Europe, Sachs was given *carte blanche* for some time to wreak his havoc in Russia. His backing was from the top; no one would touch him. However, a breaking point was reached, and Sachs was recently shown the door in Russia; his backers were evidently unable to do anything about it.

Bad advice and magic numbers

Robert Parker emerged from relative obscurity as a small-time wine writer in 1982, when he proclaimed 1982 the year of the century for Bordeaux wines, producing wines to be opened beginning in the year 2000. The Bordelais and those in the trade with long experience knew otherwise. The growing season had produced fruit with an abundance of flavor but without the classic structural characteristics for long aging. Nonetheless, a whirlwind of speculation began, driving prices up and splashing headlines about Bordeaux everywhere.

Out of this frenzy, Parker emerged as a superstar, bringing with him his made-for-yuppies wine-rating numbers game. This little wizard would taste 100 or more wines a day (according to him) and rate each on a scale from 60-100, the almost never awarded 100 representing a perfect wine. As Americans surged into the wine market, advertisements from wine stores to supermarkets (in permitting states) started including tag lines with his ratings for all possible wines. They sell. Indeed, yuppies review lists of his ratings for hours, agonizing over whether to buy a \$15 wine rated by RP as 89, or another for \$13.50, rated 88.

Great reds: the ugly ducklings

Wine made for long aging, however, is not so easily judged. To be palatable when finally opened, it must be possessed not only of very concentrated fruit but also a heavy dose of mouth-puckering tannin. Tannin is extracted from the grape skins and stems if the pressed juice is left in contact with them for an extended period, and from the oak barrels in which the wine is stored prior to bottling. As the wine develops in the bottle, the tannins soften over time, through oxidation; but in the early years, little but tannin can be tasted. Thus, the instant rating game has no place.

For centuries, the best red wines of Bordeaux have been a standard by which others were measured. The wines were made for long aging potential, sometimes developing their rich characters over spans of decades. Special tastings in recent years have continued to bring forth rare bottles of great chateaux from vintages 50, 70, even 100 years ago that still retained vitality and complex flavor. But even up until a decade or so ago, one found many chateaux of lower formal ranking, the so-called *cru bourgeois*, bottles purchased for just \$6 or \$8, whose wines were made traditionally, for long aging, and aged beautifully for 10 years or much longer.

Fine wines used to be sold, therefore, more on solid, well-earned reputation than on the basis of early tastings. After perhaps 5, 8, or 10 years, an experienced taster might

judge whether a great wine would be coming around in another five years, and maturing in a decade or two. Although Bordeaux winemaking practices reportedly changed around 1955 and 1970, leaning toward somewhat earlier maturation, the recent changes defy comparison.

Sense-certainty versus culture

Yuppies like the idea of buying wines with great aging potential, because by possessing them, they can impress others; but they are impatient by definition. Since the species relies on sense perception to make its judgments for embracing or rejecting something (the only middle ground being indifference to whatever cannot be grasped by the senses), yuppies want everything now. Wines made for long aging have to mature over time—a process that yuppies do not comprehend. Therefore, they buy what they can taste now, as long as Robert Parker gives it a high rating, a number which will impress their friends.

Like the careers of Sachs and Parker, however, yuppie domination of the wine market is coming to an end. The speculative bubble has popped, prices are starting their plunge. Wall Street's Parker faces an unhappy prospect: The 1980s that he proclaimed should not be drunk before the turn of the century, have reached their peak. Like a politician who rode into office on false promises, he is now faced with the need to admit that his vaunted '80s don't actually have it for the long haul—an admission which, reportedly, he is unwilling to make publicly.

How to save Bordeaux

Despite the hidden forces to be dealt with in dethroning Parker, his dismissal represents but a small challenge and little risk compared to that of rescuing the art of winemaking. Only a rational, stable economic environment provides the conditions under which wines may profitably be made in the traditional manner. The one road which leads to sane economics is the one which the most powerful financial interests will risk almost anything to block nations from taking. Not to take it, however, would be suicidal.

This road, this threat to the financial oligarchy, is the science of physical economy, pioneered by such republican leaders as Jean Baptiste Colbert in the 1600s, developed by Alexander Hamilton in the 1790s, as explained in his 1791 report to Congress *On the Subject of Manufactures*, and later championed both here and in Europe by the great Friedrich List. Today, following the collapse of communism and its twin dictatorship of so-called free trade, it is American economist Lyndon LaRouche whose advancement of this science of physical economy has gained the close attention of national leaders around the world, and deserves equal scrutiny in New York and Bordeaux. The point to be made is the following.

The actual source of all wealth lies not in the ground, not in natural or man-made resources, and certainly not in



Robert Parker has changed the way millions of people read a wine label. His magic numbers may be easier for yuppies to follow, but they are destroying the art of winemaking.

monetary instruments. The source is uniquely the individual human mind. Indeed, the history of the development of winemaking, carried to its highest level, exemplifies this. That history represents a continuing process of innovative individual contributions to the perfection of both the science and the art of winemaking, from the early days of cultivating superior grapes to the use of advanced technologies today.

The great winemakers of France, Italy, and other countries represent a high quality of labor power. They embody an institutional memory which cannot be replaced, a memory that typically extends over 40-60 years of direct experience and, by training and study, over generations. To force that quality of labor-power into effective retirement by imposing hedonistic standards onto a productive agricultural sector that also represents a significant and worthy contribution to western culture, is to risk losing it. One does not replace a lifetime of experience with a bright kid and how-to video, much less with a yuppie.

Thus, the effort to save Bordeaux may serve as a focal point for European winemakers in several countries. They would do well to link their efforts to those of other skilled workers, both in agriculture and industry, whose vital economic and cultural contributions are similarly being destroyed.

As for Robert Parker, the kindest gesture would be to send him to stand in line behind Jeffrey Sachs at the appropriate mental institution for the numerically insane.

Business Briefs

Health

Germany wants beef ban to deal with BSE

The German government wants to ban beef imported from Great Britain to avoid risks associated with bovine spongiform encephalitis (BSE), which is spreading among cattle in Britain. It reportedly is prepared to implement such a policy unilaterally if no solution is agreed upon by the European Union in Brussels.

Preventive measures are necessary because transmission to man can no longer be excluded, German Health Minister Seehofer said in mid-March. The minister was especially alarmed about two cases of Creutzfeldt-Jakob disease which occurred among young people in Great Britain—a disease so far found only in older patients. There are possible connections between Creutzfeldt-Jakob disease, which always results in the death of the patient, and BSE, experts say.

Seehofer compared the state of knowledge of BSE with that of the AIDS agent in the early 1980s. In view of the incubation period of the BSE agent, which can be up to 35 years, he called for maximum security measures now. Over 116,000 head of cattle have been infected with BSE since 1986 in Great Britain. The agent of BSE was first identified in the United States in 1969.

Space

Russia plans to build its own cosmodrome

Russia plans to build a new cosmodrome space facility in the Far East by the year 2000 to assure the independence of their space program, the country's space commander told the Itar-Tass Russian news agency March 10. The announcement is a sign that the Russian Armed Forces have given up hope of a permanent deal with Kazakhstan over the use of the facility at Baikonur, the former Soviet Union's main space facility.

According to March 14 issue of *Aerospace Daily*, Col. Gen. Vladimir Ivanov, command-

er of the space forces, told Itar-Tass that "the interests of the country's defense capability and security cannot be made dependent on the policy of another country." Ivanov said that the military intends to build a new launch facility at Svobodny near the Chinese border before the turn of the century.

Since the breakup of the Soviet Union, the Cosmodrome, from which all Soviet manned space flights had been launched, has been a bone of contention between Russia and the Kazakh government. Each time a dignitary from either country visits the other, efforts are made to make it seem that an agreement is imminent. But so far there has been no long-term agreement on which country will control which functions of the complex. The physical plant and equipment and the living conditions of the workers are deteriorating. The U.S. Congress and others are worried that the joint Russian-U.S. space station might require hefty investment by the United States in Baikonur for it to be usable.

Italy

Comit sale completes phase one of takeover

With the privatization in early March of Banca Commerciale Italiana (Comit), the number one bank in financing Italian exports, the Anglo-American "Venetian party" has completed the first round toward its takeover of the Italian economy, according to sources.

The "public company" formula chosen by IRI head Romano Prodi formally allows no shareholder to possess more than 3% of shares, but a look at the purchasers shows that a cartel of domestic and foreign allies of Assicurazioni Generali has probably established itself as the real owner of Comit. The fact that IRI assigned stocks only to a few privileged (mostly Venetian) Italian groups and foreign banks has created an uproar among Italian mutual funds.

In an interview in the Lugano newspaper *Giornale del Popolo* on the eve of the privatization on March 3, Prodi welcomed Venetian financier Luciano Benetton as representative of "new financiers," to take over the former state industry. His model, Prodi said, is the British East India Company: "In modern soci-

ety there is a place for everybody, but it is a historic fact that capitalism was born through 'public companies.' Indian companies were nothing else than 'public companies.' "

Meanwhile, Global Gas (a subsidiary of British Gas) has announced plans to buy up Italian energy facilities. General director Julian Lehmann told the Milan daily *Il Giornale*, "We arrived with a suitcase full of pounds-sterling to shop in Italy." The company has opened an office in Milan, and intends to buy up gas-drilling and distributing companies now belonging either to the state-controlled ENI or to municipal companies owned by city authorities. "We aim at purchasing quotas going from 25 to 50%," said Fabio Fontana, general director of British Gas Italy. However, British Gas is primarily interested in purchasing ENI's gas division, SNAM, which has a virtual monopoly on gas exploration on Italian territory.

British Gas is also set to buy Milan's electricity company AEM, which is soon to be privatized, *La Repubblica* has reported. This would imply a change in policy by the Northern League municipal government, which so far has planned to sell it on the "public company" formula.

China

LaRouche program covered in Beijing

The program of Lyndon LaRouche, a proponent of American System economics, and the Schiller Institute for the development of China and Eurasia, was translated and published as a "Special Exposition" by the Beijing academic publication *Strategy and Management* in its first issue of 1994. LaRouche's name appears in the table of contents, along with those of members of the Chinese Academy of Social Sciences, professors from Beijing and Shanghai universities, and other institutes in China.

The magazine covers topics on China's economy, government, politics, society, civilization, and other issues. The translation and publication was sponsored by a member of the Chinese Academy of Social Sciences, one of two leading official academies of China.

The article, which is an elaboration by Jonathan Tennenbaum of LaRouche's program

for meeting the water, energy, transportation, and other infrastructure needs of China's economy, was published in the Feb. 11 *EIR*. LaRouche's name, in both Chinese and English, appears in *Strategy and Management* as the author of the program.

Germany

Action demanded to save high-technology assets

Emergency action is required to save the capacities and skills in the high-technology sectors of German industry, according to a resolution signed by all 16 state governors in Bonn on March 17. "The situation in the German aerospace industry does not permit any further delay of concrete steps," the statement read.

The resolution is one of the rare examples in which governors from the Christian Democracy and the Social Democracy are rallied behind a clear commitment for state action to help the aerospace and military industries.

The 16 state governors call for a joint working group with the federal government to deal with the situation in the high-technology industries. It was resolved that the states will be represented by the governors of Bavaria and of Lower Saxony—the latter being Social Democratic party leader Gerhard Schroeder. Schroeder has built an image as being open-minded to concerns of industry and as someone who is not afraid of clashing with the anti-industrial, ecologist wing of the SPD.

Russia

Latest figures show drop in production

A dramatic drop in industrial output in Russia is confirmed by the latest official government statistical report of the Russian Federation released in mid-March. Production levels are the lowest since December 1991 (when the round of shock therapy "market" reforms and liberalization began), and represent a 24.1% drop compared to February 1993.

In the branches of production, the collapse looks as follows: Light industry, down by 32% in January-February 1994, as compared to the same two-month period in 1993; food production, down by 21%; iron processing, down by 23%; chemical and cellulose production, down by 35%; machine-building, down by 48%; energy/raw materials production, down by 7-10%; oil production, down by 13%; steel production, down by 26%; manufacture of private cars, down by 40%; production of tractors, down by 80%.

Against this background, Vladimir Shumeiko, the chairman of the Federation Council, said in Moscow on March 15 that he would not rule out that special legislation would soon be required to deal with the economic emergency.

Foreign Aid

Britain milks Third World, paper charges

Britain uses a tiny bit of foreign aid as bait, to lure lucrative contracts and debt financing from Third World nations, charged the *Crescent*, an Iran-backed newspaper of the Islamic movement, in an article entitled "Britain Milks Third World Under Cover of Development Aid." The story seems to be part of a drumbeat of attempts by developing sector countries and political movements of various persuasions to point the finger at Britain.

"Britain gives more aid per capita to oil-rich Oman than to Ethiopia," the *Crescent* said. "London offers economic assistance mostly to countries that are able to borrow cash to spend on British arms, or squander it on projects performed by U.K. companies. . . . The aid, or bait, to call it by its proper name, is invariably paltry compared with the rich rewards to be reaped. In most cases, it is far less than the hefty interest demanded by British banks designated to advance the loans that fund the arms purchases or projects. Mostly, it is the British government which determines the banks that lend the cash and the firms that carry out the projects or sell the arms. . . . The victims—the British say beneficiaries—are mostly Muslims."

Briefly

● **A NEW MALARIA** vaccine, developed by Colombian immunologist Manuel Elkins Patarroyo, was tested successfully on 45 persons in Tanzania, in the high-risk area of East Africa. A half-billion people are stricken every year; until recently, there was no effective vaccine.

● **FIFTEEN** of the world's largest pharmaceutical companies have begun a cooperative search for AIDS treatment, the March 14 German daily *Die Welt* reported. Merck Sharp & Dohme from the U.S., and Bayer, Hoechst, and Boehringer in Germany, are participating. Their research is focused on two human enzymes that are crucial for the AIDS virus.

● **JAPANESE** began panic buying rice in mid-March, because of the collapse in 1993 domestic production and because foreign rice imports might increase under the General Agreement on Tariffs and Trade. Protests by housewives in Tokyo are demanding, "Get Some Japanese Rice Produced!"

● **POLISH** unemployment grew to almost 3 million in February, 13,000 more than in January, putting official joblessness at 16%. Some 42,000 more were excluded from the unemployment rolls because they stopped showing up in employment offices. Enterprises have also announced another 50,600 layoffs.

● **IRAN**, whose economy has been devastated by low oil prices, announced in March that it has agreed with four western nations to defer repayments on \$5.6 billion in debt arrears. The April edition of Jane's *Intelligence Review* warns, "Iran appears on the brink of collapse as a viable sovereign entity."

● **CHINA** cut 12.7 billion yuan from its original 41.7 billion yuan budget, and will only invest 29 billion yuan (\$3.3 billion) in railway construction this year, the government-run *China Daily* cited the Ministry of Railways as saying.

The 'Cold War' with Russia never ended

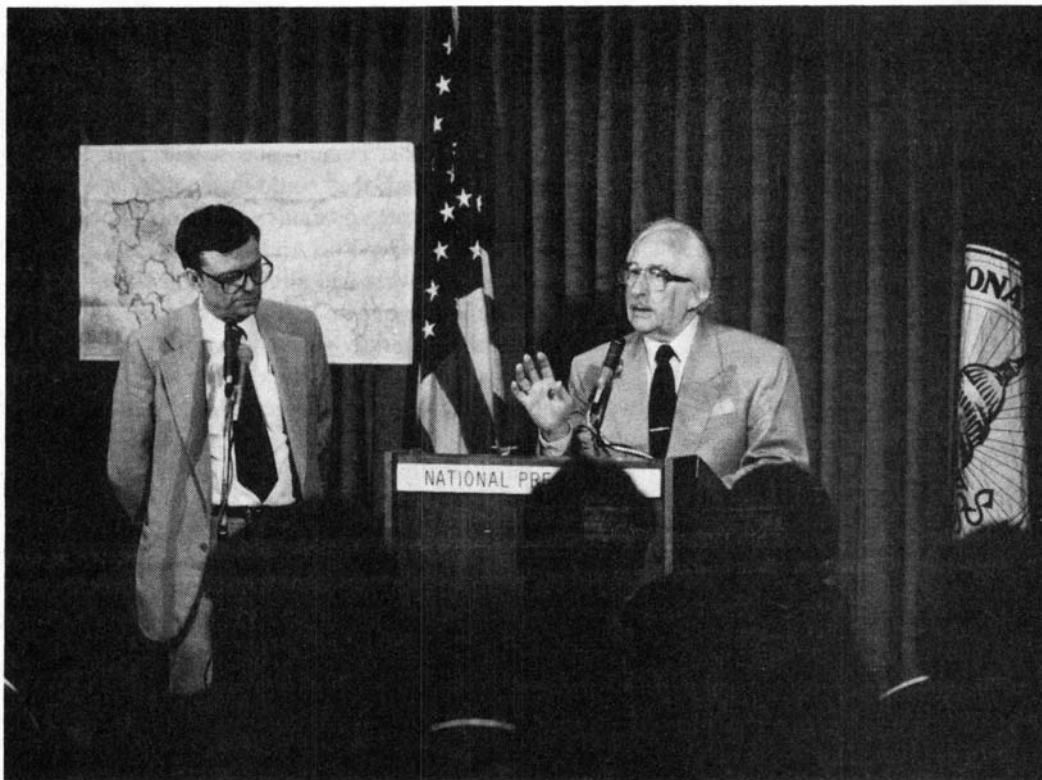
by Brig. Gen. Paul-Albert Scherer (ret.)

General Scherer, the former chief of West Germany's military intelligence and counterintelligence service, is one of the world's top experts on Russia and the former Soviet bloc. He has made numerous visits to the United States in recent years, to brief policymakers on his strategic assessments. In an Oct. 18, 1989 press conference in Washington, for example, he forecast the imminent fall of the Mikhail Gorbachov regime. (See EIR, Oct. 15, 1993, for the text of one of his briefings during his most recent visit.)

The full title of this article is "The Near-Term Perspective: Russia Running Amok . . . and the Pitfalls for the West; Copycats of Serbia Are Intent Upon Chaos in Ukraine Without Military Invasion." It was translated from the German by John Sigerson.

Just as I did during the heady years of the transformation of the Soviet Union since 1985, I have now once again been asked to issue for publication a spring analysis of my perspective on the current state of our knowledge. This time, however, I must preface it with a personal statement: In the course of my three careers (soldier for 31 years, since 1937; journalist for ten years, beginning in 1946; and for 21 years, since 1956 and continuing to the present, secret intelligence officer), I have learned in my capacity as a longtime observer of intelligence matters, to also take into account the effects of my own statements in situations characterized by dramatic change. The bringer of bad tidings frequently gets killed for his pains; but once one has recognized grave developments, it is silly and irresponsible to allow fear to prevent one from making timely analysis and commentary on them—all the more so because many of my contemporaries in leading positions are urgently in need of such assistance in their decision-making.

In my view, during this year 1994, the mortally wounded Russian giant is on the verge of stumbling over the edge of a deep, not yet fully recognized abyss, into a mindless rush to revolution, in which the angels of death and civil war could



General Scherer at a press conference at the National Press Club in Washington on April 30, 1992. "The bringer of bad tidings frequently gets killed for his pains; but once one has recognized grave developments, it is silly and irresponsible to allow fear to prevent one from making timely analysis and commentary on them."

come to strangle man, woman, and child. This is not an overdramatization or some scandalous and thoughtless disaster mongering; we must in all seriousness consider the existence of a concrete threat to the very existence of European-American civilization.

What threat, and why?

First, because the attempts at pro-communist reform during the first phase of the Soviet Union's revolution from above, along with the failed *perestroika* and the censured Glasnost efforts in the direction of the intelligentsia, have led to a destabilization of power and of the social order, and especially to uncertainty about the mechanisms of control over the deadly systems of mass destruction of the nuclear age.

Second, because, despite the new leadership and popular participation in elections, the post-communist shock reformers, along with the continuation of the revolution from above, have not been able to halt the catastrophic economic and social collapse of now-federalized Russia.

Third, because the groundswell of nationalism—a nationalism born out of despair and the obligatory search for self-affirmation in the direction of forming a new identity, fueled in the meantime by Jacobin whipping-up of the masses—has reduced the willingness of those still in power to adjust to a western orientation, and has choked off that avenue to such a degree, that a new, anti-western, enemy-capitalist image is taking shape.

Fourth, because during this year the combined burdens of

poverty, inflation, criminality, and hopelessness will outstrip even the well-known ability of people in Russia and the independent successor states of the Soviet Union to tolerate suffering, so that we must now reckon on a torturous outbreak of revolution from below in some areas. The only thing left to do now, "is to balance on a razor's edge," in the resigned words of one leading government politician.

Fifth, because the dramatic, indeed tragic deterioration in the supply situation of a state recognized by the world as sovereign, namely Ukraine, with its 52 million inhabitants, among them 12 million Russians, with a territory larger than that of France, is combining with the sordid legacy of Stalin's independent centralism, to make it feasible for a foreign enemy to dissolve that state without having to resort to military invasion. This fragmentation strategy, in keeping with experience in the Balkans, is being pursued by means of underground terrorism, so that the West will be able to muster nothing more than fine words of protest.

Sixth, because the quite visible success of winning back the Black Sea coastline, the "successful colony" of Crimea, the Dnepr-Don-Donets countryside along with the Don River basin (60% of the coal resources of the entire former Soviet Union are located there!), combined with the new oath of allegiance which the military personnel of the Black Sea fleet have sworn to the Russian flag, can make the pressure cooker explode in one great neurotic cry of relief. Who could withstand that domestically, following the unfortunate outcome of the elections this past winter?

Seventh, because already before amnesty was granted to the conspirators in the August 1991 putsch attempt, and to the leading putschists in the October 1993 coup attempt, there were signals that the socially disastrous power struggles between the advocates of reform and the red-brown neo-fascists would be brought to an abrupt end by the formation of a long-term national junta dictatorship, run according to the ideas of the former chief of staff and Gorbachov adviser Marshal Akhromeyev (who took his own life following the failed coup attempt). We can be rest assured that a third

The illusion of “the end of the Cold War,” tied to the weakling’s talk of total disarmament of all nuclear weapons by the year 2000, is a standard piece of eagerly accepted western self-deception (under the slogan: “We’re beginning a new world order!”) among the brilliant foreign psychological warfare deception operations carried out by the Soviets during the Gorbachov era.

conspiracy in Moscow will not be adventurous and clumsily prepared.

As the 20th century A.D. draws to a close, we live in a world of two opposing civilizations, still life-and-death rivals, heavily armed with the most modern nuclear, biological, and chemical weapons, but both of closely related European stock and living side-by-side on the northern half of our planet. For the past 45 years, we have described them as the rivals East and West. After completing an evaluation of all the information available to me, I am now more convinced than ever, that the illusion of “the end of the Cold War,” tied to the weakling’s talk of total disarmament of all nuclear weapons by the year 2000, is a standard piece of eagerly accepted western self-deception (under the slogan: “We’re beginning a new world order!”) among the brilliant foreign psychological warfare deception operations carried out by the Soviets during the Gorbachov era. Gorbachov himself, as he was being fawned over by the pacifically seduced West during the big change in 1985-86, was merely an executive instrument of that impertinent KGB *dezinformatsiya* strategic plan. It had its origins in 1983, the year of shocks for the Politburo, when the lack of vital supplies forced them to contemplate the likelihood of a disaster in Afghanistan comparable to what the Americans had suffered in Vietnam, and to realize that the only way to avoid being utterly over-

whelmed by the empire’s exorbitant capital expenditures for exporting revolution around the world and sustaining the arms race, would be if they succeeded in talking the West into dividing up the world into two spheres of influence. They thought that under those circumstances, with their territory recognized and secured, they could then carry out a reform of the party and the state apparatus. As we now know, even the deft General Secretary Yuri Andropov was not successful in this, because the West had already learned long before, from inside the jungle of Moscow’s secret agents, about the details of Marshal Ogarkov’s missile warfare preparations, and had to react accordingly, once those urgent warnings were confirmed by western intelligence. The West’s reaction was called the Strategic Defense Initiative—President Reagan’s intentionally high-publicity programmatic proposal to use anti-ballistic missile devices to neutralize the civilization-destroying effect of the entire family of missile weapons systems as they made their way through near-Earth space, thereby in short order making superfluous the Soviet Union’s gigantic investment in offensive weaponry (an arsenal which had become even more dangerous than was generally recognized at that point). Andropov, with his long years of experience in the KGB, thereupon put into effect top-secret plans for a program of feigned concessions to the West—concessions which only a miracle could have prevented anyway—moving in the direction of a breakthrough on the foreign policy front. The top Soviet leadership was thus put into a state of resignation, lacking the nerve to launch a new round of the arms race, or alternatively to launch their weapons systems—still fully effective—immediately against the western enemy.

Cleverly buying time for revitalization

The overwhelming bulk of disparaging commentary on the “star wars adventure,” and the feigned cries of moral outrage from communist front organizations under the banner of peace, made it difficult to recognize that in 1983 we were closer to World War III than we had been during Khrushchov’s 1962 Cuban missile adventure. The planning, target, and preparations ordered by the Politburo on the basis of their secrecy-shrouded predicament, corresponded to the long-term Soviet strategy of never under any circumstances giving up the ultimate goal of world revolution, cost what it may. The approaching bankruptcy of the Soviet empire, expected to occur around 1987, had to be covered up and completely contained by a *transformation*, one convincing enough to be taken at face value by foreigners, with an image carefully crafted through agitational and secret intelligence work. This would provide ample time for reforming the communist leadership cadre, for revitalizing the Soviet Union’s industrial base, and for overcoming the weakness in its capital goods sector. The sharp-minded, disciplined, and insightful Andropov, however, also wanted to eliminate the entire anachronistic parasite system of the Brezhnev era in the process. But

his illness confined him to a sickbed, and death overtook him before he was able to carry out his plans. His successor as general secretary, Chernenko, formerly the chief watchdog over ideology during the Brezhnev era, used his majority to delay the transformation for yet another year, at which point he, too, died. Then in the late autumn of 1984, as the situation worsened, the Politburo moved deftly against Ogarkov, first sending him abroad, and then rigorously giving him the boot, after which they forbade any continuation of nuclear missile operations-based general staff preparations for history's biggest—and perhaps suicidal—arms race to crush the top world superpower.

No more talk about disarmament euphoria

As we know, the clever and manipulative attempt to falsely portray a mammoth, world-historic defeat of the Soviet superpower as the East's "quest for peace," and to transform it on the psychological front into a powerful subversive victory over the West's flagging military preparedness and vigilance, ended in failure, despite great breakthroughs on the foreign policy side. It had almost reached the point of very unwise concessions in the disarmament sector following the break in the Intermediate Nuclear Forces (INF) negotiations. But just as inside experts had predicted, the inability of the Marxist-Leninist nomenklatura on all organizational levels to carry through any reform, had the effect of dampening the western disarmament euphoria, especially once the West found out that fist-thick deception had been practiced in the movements of troops, heavy armaments, and matériel east of the Urals. And to the West's regret, after six and a half years of domestic disloyalty, reaching all the way to personal sabotage (1985-91), the result was the political demise of the loquacious Gorbachov, whose dallying had made him unloved and overly attached to his presidential role, and who had become too naively fixated on saving the party as an institution. Leading echelons in America and Europe have unfortunately not learned to cease naively investing all their trust in the person of the current top leader, while they turn a blind eye to the fragmentation of power in the East, to the quiet manipulation going on in the background or underground, and to signs of a revolutionary explosion. The western practice of elevating Yeltsin into some sort of "Czar Boris," for example, may very well be a somewhat questionable means of calming the masses for the coming tumult; but in reality, beginning in the spring of 1993, it had already become a phantasm of wishful kindergarten thinking. The dangerous influence of naiveté and ignorance on western reactions to challenges, is set in bold relief by the friendly attitude toward Yeltsin shown by leaders on both sides of the Atlantic on the occasion of the foolish amateur conspiracy in Moscow on Aug. 19, 1991, as well as afterwards, when the security apparatus, the head of the KGB, and the interior and defense ministers personally and without any military support stuck their necks out and themselves finished off the

collapse of the communist empire.

Cease-fire contains all risks

If we are to be politically and strategically precise, correct from the standpoint of international law and in respect to the specifics of warfare, and also honest from the standpoint of mass psychology, the interregnum beginning with Gorbachov's rise to power in 1985, on through the announced transformation, and continuing into today's confrontational attitude toward the West, must all be characterized as the West's acceptance of a *cease-fire* between the two civilizations, each of which is engaged in a great struggle for the triumph of their own values and the superior worldwide dominance of their influence. What is at issue here is not word-splitting, of this or that concept, but rather the failure to adequately recognize the *reality* of warfare between possessors of nuclear arms arsenals who either want to or must needs remain below the nuclear age's threshold of destruction, and thus the reality of a war which is perforce "cold" because of this strategic constraint. Such a view of warfare is of course completely unclassical, and has been so ever since 1946-47. On the basis of my own knowledge of agent warfare, extending from strategic infiltration of influence, agitational interlinks, to espionage, subversion, sabotage, and state terrorism, I am inclined to believe that we in the West, with our customary superficiality, have not sufficiently recognized the fact that we have been—and insofar as covertly feasible, continue to be—destabilized on two completely separate levels, one above ground and the other underground: Above-ground, just below the top leadership, this destabilization was first tentatively friendly, then later increasingly coldly conciliatory and adapted (after all, they did need to stay in our good graces); while underground it was pursued with bold impudence to the very limits of tolerability. (After all, don't the renamed KGB and the GRU military intelligence services continue to work ruthlessly with the orphaned networks of the former East German intelligence service, the Stasi? Aren't the funds which the old nomenklatura managed to transfer out of the country in time, still sitting in foreign bank accounts, waiting to be employed for future great tasks?) And thus we are beset by serious consequent errors—errors which foster partial blindness in evaluating the incoming flood of information, and which distort our view of the challenges we must set for ourselves. The enemy is in fact already inside our own countries, using its interlinked underground methods to subvert what remains of our morality, defense preparedness, and domestic stability. We imagine that the transformation in the East has been something final, failing thereby to recognize that the "Cold War" has only been interrupted and rendered temporarily ineffective through the rigors of austerity, western pressure (hampering the export of revolution), and ideological bankruptcy of true socialism on the road to communism. We imagine—though we have already grown quite unsure of this—that the end

of the “Cold War” became an absolute certainty because communism was dead as a doornail, and because turning back the clock of history was completely out of the question. But unfortunately, nine years later, the current state of historic and human potentials tells us something different. If there was ever an empire on this blue planet where lies and cold calculation are entirely at home, where double-dealing is the order of the day, where messianism attracts circles of fanatics, we must admit that an elite which has been largely chased out of office in under-civilized eastern civilization, has only superficially lost its power. Those who have been toppled, and those wrynecks who remain in the foreground of events, have little interest in the old or new ideas now being brought forward—perhaps honestly, or even surely so—by those occupying the top right now.

The West has had to learn once again in the Balkans, right on the alliance’s front doorstep, that cease-fires are extraordinarily uncertain and involve every conceivable risk. This lesson is really quite an old one. From Karl Marx onward through Friedrich Engels, Lenin, Stalin, and entire generations of Soviet general staff officers, the world-famous conclusions drawn by the Prussian General von Clausewitz in the field of military scientific thought, have been studied carefully, because their philosophers, shakers and makers, and military leaders wanted to master the essence of warfare along their class-struggle road to world revolution. (Even today, the 718-page work *On War* is required reading for Russian and German officers in training.) Clausewitz regards interruptions of a war on grounds of weakness of one of the adversaries, as part of the natural ups and downs of strategic actions along the way to the chief war aim, namely, to destroy the enemy. An interruption, in his view, can only be appropriate if it serves political ends. The stronger the motivations are for war, the more they encompass a nation’s entire existence, and the more the war aim coincides with the political aim. That is what Clausewitz had to say on the failure to look reality in the face.

The watershed experience in Afghanistan

In the estimation of the overwhelming majority of experts, the “Cold War” as we have characterized it above, could remain “cold” (and not get “hot”) only so long as the danger, that the owners of nuclear weapons would commit mutual suicide, could not be minimized through a new strategy of even more terrifying weapons, to such a degree that a first strike could no longer be answered by a completely deadly second strike launched by the other side. The Soviet Union, as the world’s second offensive-military superpower (but not an economic one, that being its primary shortcoming, which it sought to resolve in the future by buying time in the present), had put in many years of anxious study under the guidance of the military scientist Marshal Sokolovsky, and had come to believe that the only way they could operate was through waging proxy wars beneath the nuclear thresh-

old. Thus they put up and then deployed first the Koreans, then the Chinese, the North Vietnamese, the Cubans, etc., one after the other, in order to move closer to their goal of world revolution through massive destabilization of western civilization, and through exporting revolution into the Third World. Since the early 1980s, General Staff chief Marshal Ogarkov believed he had found the philosophers’ stone with his recommendation to the top Soviet leadership that with a series of the newest, most advanced weapons systems and devices, along with a minutely prepared central operational command for all theaters of war, the Soviet Union could *dare to fight the ultimate war* with a high positive security coefficient. The United States and Great Britain, as well as the few land-based and seaborne retaliatory weapons held by the French, were to be obliterated by a simultaneous, surprise first strike, to be accompanied by the simultaneous blinding of anti-missile defense systems, such that the residual risk of under 40 million Soviet casualties from nuclear counterstrikes would be kept within tolerable limits. Clausewitz’s sober, apodictic doctrine that “There is only one victory [in warfare]: the final victory!” had a new godchild. The lightning rapidity of the attack would keep western Europe’s production capacity intact, so that the Soviet Union could immediately begin postwar reconstruction, and have the modern capacity available to improve its peoples’ living standard. For the war on the high seas, it was considered indispensable that two ports on the warm waters of the Indian Ocean become secure Soviet bases; hence the Soviet invasion of Afghanistan in December 1979. In hindsight we can more calmly see that the military-strategic preconditions for carrying out such a war quickly evaporated. But enormous imponderables remain, because the military hardware is still available, and in the midst of the process of shaping the political will for a revolutionary outburst, chaotic developments are not out of the question.

Self-isolation is not over

Whoever wishes to gain a full perspective on the extent of the current array of East-West problems for today and tomorrow, cannot neglect the task of undertaking an analytical-historical evaluation of ingrown basic attitudes and typical behaviors. Eastern civilization, led by Russia and characterized by feudalistic and colonialist impulses, incorporated the Black Sea coastlines and Transcaucasia in a series of strong southward thrusts, conquered Siberia in great leaps of eastward expansion, and bordered itself off from the Chinese-Mongol regions at the highest chains of the Pamir Mountains, the Karakoram massif, the Altai, and the Amur River barrier. For at least the past 800 years, and as a consequence of its deliberate eastern self-isolation, Russian archetypes and ordering concepts—their overall culture—have generally reflected an obstinate antipathy toward western civilization—with the exception of a few brief periods of opening and readiness to modernize with western European ideas,

or to recognize a leading role for Russia in Europe. Eastern Roman-Byzantine, and later Russian Orthodox enemy images of western Rome, of the papacy, of the Latin Occident; non-participation in the Renaissance—that grand creative impulse in the Middle Ages to absorb ancient exemplars of high culture, and to let them spread their fruit far and wide—all had a lasting, poisonous effect in the Russian realms. Anti-liberal and anti-revolutionary coercive measures were applied with utmost vigor and oversight, down to the smallest Russian village, in order not to be sucked into the swamp of western European social change, and toward more freedom and fewer privileges for the nobility, as had been forced by the citizenry in America, then in Europe, and then among working people as they grew into the socially hostile world of industry and fought for social recognition in western civilization.

Ever and again in the course of human history, political backwardness and religious intolerance have had intractable, long-term consequences which, not just for generations, but for centuries, render a nation incapable of achieving social progress. Unfortunately, this is fully borne out in the history of the Russians. The Kievan Rus empire, which was Christianized early on, had the misfortune of being located on the treeless steppes; this brought the Mongols storming down upon them. The horrors of the deliberate burning of rebellious villages, the degrading interrogations by pillagers and tax collectors, the inhuman murders over trifles—all of these worked a marked change in the indigenous population's attitudes. One could only save one's life through cunning, feigned obsequiousness. Any relief in those hard times could only be procured through dissimulation, deception, and methodical conspiracy secured through those means by a completely subjugated people. Those 240 awful years of Tartar vassalage profoundly shaped the Russian social model which developed following 1480, a model which, however educated the court and cloisters became, was one of czarist autocracy in combined rule with a powerful Orthodox Church, whose metropolitan, in his capacity as the autocrat's spiritual guardian, could assume co-regency in times of national troubles. Between church and czar stood the landed aristocracy, who represented military power, and below them were the peasants in serfdom, without any property of their own, who had to feed everyone, and who were brutally taxed in order to finance it all.

To put it simply and briefly: There is not all that great a difference between the conditions of rule under the czars, and those under the absolute despotic Bolsheviks Lenin, Stalin, and so forth. In 1862, Russian newspapers were still running classified advertisements offering serfs for sale. In order to keep the "Third Rome, which will assume world domination against the anti-Christ," far removed from the stinking swamp of the satanic West, the powerful popes of Russian Orthodoxy, backed by part of the military, vigorously opposed the introduction of the Latin alphabet, and made

sure that all railroads were built with a wider gauge than the European standard. These and other factors were and continue to be tendencies which make any intermingling with Europe tremendously more difficult, and which conjure up gloomy visions of the future. Admittedly, over the past few years, this impulse for eastern self-isolation has been significantly weakened at the top; but little has really been achieved—especially within people's minds. And now, as a consequence of false expectations and the resulting boundless disappointments, this impulse is again being strengthened by the red fascists, who are poisoning the well with their defiant attitude, on the way toward finalizing a new, dangerously explosive enemy image.

Opening toward Europe could be a life saver

Every once in a while, Russia's westward-facing windows, usually kept forbiddingly closed primarily by the state church, have been opened up a crack by certain reform tendencies toward a closer relationship with Europe; but these initiatives have been repeatedly nipped in the bud, and have never had a chance to effect fundamental change. The influence of the Hanseatic League traders (Novgorod); the subsequent conquest of the culturally western-oriented Baltic during the reign of Peter the Great (czar from 1682 to 1725); the German who ruled the czarist court for over 34 years, namely Catherine II the Great (czarina from 1762 to 1796), who also invited German colonists to settle along the Volga River; and finally the admission of Italian architects and not very popular German administrators—all these have always sparked violent counterreactions, just as always happened whenever czarist troops came into contact with the West. For purposes of projecting its hegemony outward, Russia became a fellow traveler in Europe's coalition wars; then in the 18th and 19th centuries it strengthened its influence among the eastern and southern Slavs in order to counteract the Ottoman Empire. Only after the failure of Napoleon's Russian campaign did it massively play itself up as a European Great Power, with imperial ideas and a powerful state church pulling the strings in the background.

It is only by carefully digging down to the historical roots of Russia's affinities with Europe, that we can correctly answer the highly pertinent question of why Russia should actually become an integral part of Europe, as both Gorbachov and Yeltsin have emphatically demanded, and to what extent it can already now be drawn into the inner circles of those who determine the fabric of our civilization.

What is Europe? It is not merely a geographic area on the map, bordering the Asiatic land mass; rather, it is a sphere of culture, with historically mature, sovereign nation-states whose common history over long periods of coexistence and bloody strife has seen it grow together into a *community of values*—although with a special, insular role played by the British elites, who are hostile to the Continent, who are difficult to pry away from their position of world-imperial self-



A statue of Czar Peter the Great in St. Petersburg. His opening to the West, under the influence of philosopher and statesman Gottfried Leibniz, sparked a violent counterreaction. "It is only by carefully digging down to the historical roots of Russia's affinities with Europe, that we can correctly answer the highly pertinent question of why Russia should actually become an integral part of Europe."

importance, and who play out their cherished claims to a special Anglo-Saxon civilization, pulling at the secret strings of an unasked-for balance of power, as they have continued to do over the past century. There are plenty of current examples of this British role. Early in his career, General de Gaulle had personal experience with the burdensome phenomenon of his neighbor's overblown ambitions, and later he emphatically warned about it. But since then, Europe's fatherlands have had to give more importance to the external pressures of the "Cold War," and in so doing, they have been gradually sapped of much energy, élan, and radiant power in the effort to somewhat harmonize the conflicts of interest. The western alliance of values has nevertheless been strengthened by the formation the Atlantic alliance, the recognition of U.S. defense potency, and the resulting allocation of certain leadership functions to America; indeed, this has become indispensable with regard to future East-West relations, even though the low quality of the current U.S. administration's foreign policymaking doesn't always make it any easier to solve many of the world's problems.

Inferiority complex as the constraining factor

The cohesive nature of this western-Atlantic world of largely coinciding values, formed over the course of centuries, should not, as has often happened in the past, place any further obstacles in the way of a possible breakout in which eastern Russian civilization takes further steps in the West's

direction. What ended with the 1991 collapse of the Bolshevik Soviet Union, founded in 1922, was of course only a modern example of despotic and bloody aberrancy. For a full ten years after the Soviet Union's founding, the United States, repelled by the Soviet Union's Stone-Age behavior, refused to officially recognize it as a sovereign state. Psychoanalysts say that this taint of failure ultimately weighed heavily on the Russians, encouraging self-doubt, inferiority complexes, and neurotic outbursts in a kind of socialized paranoia. He who has lost his ideological moorings is hampered by painful internal complexes, is always asking whether all that expenditure of time and energy was worth it, and, if mute resignation and paralyzing depression do not prevail, he soon seeks out any alternative sanctuary which offers itself. Many say this is like a Russian paranoia, by which they mean the effect of this change of consciousness. Russians now know for sure that in the course of the Revolution, followed by more than two years of civil war and barbaric terror rule, many millions of their countrymen were murdered; and that with their indoctrinations into stupidity, their police-state system, and their party parasitism, they succeeded in building a giant prison of peoples that could not help but be anti-western. But it would be equally unjust to the people there today, if Russia and the successor states of the collapsed Soviet Union were now to be punished for those past crimes. It must be given the possibility and opportunity to think matters over freely at the point when all their energies

are no longer required for sheer survival. There must be no arrogant raising of barriers; rather, in keeping with the greatness of the challenge, there must be a western obligingness toward free citizens. It does seem unlikely that such a western attitude will prevent a process of self-purification in the East, as is already on the horizon and quickly approaching. The potential for a buildup, particularly in urban settings, of clashing, fanatical political positions, ranging from mutual suspicion all the way to outright hostility, and anchored in the various traditions indicated above, is a hard legacy to overcome. These powerful risks of civil war cannot be simply brushed aside. The idea of quickly including greater Russia, with its 11 time zones, as part of the heart of Europe, and thus as part of western civilization as a whole, is wild hypothesis and is completely out of the question. There is no such thing as a quick harmonization. A long period of willful acculturation will require the consent and active participation of many people; otherwise it will fail. *The fateful question* is thus on the table for all to see: Is the social process of change in consciousness attained so far in the East, strong enough to overcome the restricting factors through imitating to a certain degree the (not altogether convincing) matured ways of western life, so that Russia can finally shed its oppressive shackles?

Shock of misery promotes explosive climate

Anyone who takes a close look at Russia can see that over the past two years things have generally taken more steps backward than forward. The recent re-emergence, following the collapse of the Soviet Union, of Russian territorial and power claims—namely, that Russia, along with its spheres of influence, now encompasses six-tenths of the Earth's surface, reaching from northern and central Asia all the way to the Sea of Okhotsk, the Sea of Japan, the Bering Sea, and in the south beyond the Caucasus, Crimea, and the Black Sea coastline—is an alarming regression into hegemonism, leading on the one hand to accommodation to Russia's brand of fascism, and on the other hand to a Great Russian chauvinism with which even the old Communists can agree. It is my view that the intrigues of underground tacticians are also quite deliberately promoting Russia's would-be Hitler as an enemy of all "democratization." The present cease-fire period is well-suited to this. Following the fall of the Wall, the regained sovereignty of the eastern European nation-states, and the withdrawal of the occupying troops, the European heartland, in concert with the United States and in keeping with the wishes of the governments of the alliance member-states, decided to put off a solution to the controversial problem of NATO membership, while it sought to formalize a cultural attachment to Europe extending through the Baltic states, and to develop relatively non-binding contractual forms of peaceful partnership. Good-neighborly relations were sought with the White Russian state, with the Russians, and with the Ukrainians as the geographically proximate states located within Europe extending to the Ural Moun-

tains. Above and beyond that, of course, Eurasian security partnership, insofar as it was desirable and feasible, was to be gotten under way for the states of the former Soviet Union, in order to project normality into those regions. But what has been going on in the meantime inside people's heads, diversely conditioned by a long history of alienation—with the *mentality* of over 170 million Russians on the one hand, and of almost 120 million people in the other formerly disadvantaged nation-states on Russia's borders, with their over 90 languages and four different alphabets? The explosive climate of increasing pauperization and widespread distress rules out any possibility of reunification under Kremlin rule, as the Great Russian chauvinists have been vociferously promoting. Such an effort would necessarily result in the outbreak of bloody conflict extending beyond the now-familiar confines of the six civil wars already raging in the Caucasus, in Tajikistan, and in Moldova. As long as populations can still be called upon to express their will in quasi-democratic form, the fateful decision about where things will go from here, will continue to be determined by this shock-ridden, explosive social climate.

Dissolution of power and hopelessness prevail

At the moment, there are only a very few factors influencing the internal state of eastern civilization. Our measuring rods are: the degree of change in basic attitudes toward the West, the state of public opinion, the boundless disappointment over social conditions, and the primitiveness of the supply situation. After nine long years of backsliding, loss of habitual order in this sprawling police state (explosion of criminality), and a widespread apocalyptic mood linked with calls for a new national savior, prospects of a coming readiness to strive for further rightful freedoms on the path to more human dignity, are looking decidedly dim. First and foremost, people want a strong figure who can lead them out of this vale of tears. The level of voter participation in the most recent elections was still relatively favorable for constitutionally securing Yeltsin in that role. But his flagging influence, and his resumed and increasing dependency on contrary wishes of the elected Duma representatives, is now making the irritation worse. On the basis of my knowledge of intelligence situation reports and the scientific results of well-aimed opinion research, I can say that the rural population, which remains numerically strong, and the lower urban layers have largely reverted to their old guiding images of rejecting democracy and capitalism, and of hostility toward the ownership of any property larger than the smallest personal holding. The spoilage of willingness to undergo reforms has now penetrated deeply into layers of the intelligentsia, and one cannot overlook the hopelessness, coupled with anxieties over the future, which constitute an immense impediment to the urgently necessary task of bringing the two civilizations closer to each other. This comes as no surprise, in view of the horrendous, ongoing debasement of the currency and the bitter backlogs of unpaid wages. The number of

people who are promoting the opening to the West with a religious convert's courage and conviction, seems to be declining sharply. From time anon, such people have always been popularly labeled as "westerners." In the estimation of knowledgeable eastern observers and media professionals, such people's arguments are getting far too little support. Precisely because of the relapse of official government circles into imperial modes of thinking even during the waning days of the Yeltsin era, and because of the highly dangerous ideas which Russian neo-fascists are playing with during this

Anyone who really wants to know how stupid we have been, should go to Poland, Hungary, Lithuania, Latvia, Estonia, or Ukraine and track down some of the world-wise people who are "still going to be in business for a bit longer" and who are on intimate business terms with the Russians.

cease-fire in the "Cold War" between the two great civilizations of East and West, all that now remains for the West to do, in view of the security problems associated with the future collapse of power in the Kremlin, is to massively support the so-called "westerners," and to issue the direst possible warning that whatever all-too-understandable search Russia may undertake to find a new identity following the collapse of the Soviet Union, it must under no circumstances return to colonialism and hostility toward the West, because that would mean opting for chaos and World War III. The West can ill afford a repetition further eastward of its weak-willed and cowardly behavior in the face of Greater Serbia's war of aggression and genocide in the Balkans.

The West's loss of authority is its own fault

One can characterize the period beginning in 1985 and lingering on through 1990, as the time when Russians in particular, but also the majority of people in the East, looked with the greatest affection and openness toward America, the country of boundless freedom and superior strength that is similar to Russia in so many ways. Perhaps there was also an element here of turning away in disgust from the anti-American indoctrination carried out by the Communist Party. But this sympathy was already waning significantly by the time of the Persian Gulf war. Later on, the diatribes against capitalism and accusations against radical "disregard for the interests of Russian citizens" made their reappearance in the wake of the West's shameless shock therapy policies. And

now, after western-inclined people in Russia and other CIS countries have seen the much-touted war-prevention capability of the United States, NATO, and the United Nations, wither in the face of the Balkan situation over the past two years, doubt is visibly growing about whether there is any power left on Earth that can be trusted. The West's complete lack of decisiveness and determination to use force against the Serbian aggressors in order to prevent genocide and to underline the point that the use of barbaric "ethnic cleansing" to alter the borders of duly recognized sovereign states would not be tolerated, had an especially negative effect in the Baltic, in Ukraine, and in the Caucasus region; but it also sent shivers of fear through distant parts of Russia which are interested in seceding from the federation. Pro-Serbian propaganda had an easy time twisting the facts and spreading incendiary anti-western threats. The preconditions for decisively deterring copy-cat criminals from similar actions further to the east of the Balkans, vanished without a trace. To that extent, the basic international psychological realities of the East-West cease-fire since 1988-90 have also drastically diminished the future prospects for peaceful coexistence and for a slow accommodation and convergence of the two systems. All dreams about the ostensible advantages of a "new world order," all expectations that post-communist civilization would be able to rapidly fit into the basic framework of states ruled according to law, socially cushioned market economy, and free parliamentary policy-shaping to their own advantage, had to be successively buried. The nagging self-reproaches that the Russians have given up too early, that the Russian empire and their peoples had been thoughtlessly frittered away on big-talking fools and self-important mid-gets, that eastern Europe and East Germany had been given away along with 300 years of imperial conquests, cannot be regarded as the idle chatter of senile former Russian foot-soldiers in the so-called Great Patriotic War, but rather must be taken deadly seriously as the result of critical self-contemplation in the light of the West's weakness and impotence on all levels. It is a warning signal of extreme dissatisfaction. The inability of the leading western political layers to come up with well thought-out medium-term, or even short-term ideas in this connection, or to offer wise assistance for self-help, once again has much to do with this lack of knowledge about that strange eastern world, their traditions, their sense of life's meaning. Most important, it is proof of the ridiculous arrogance, ill-willed one-upmanship, and unfair looting practices of certain western circles. At the worst possible time, promising, extremely psychologically important positions of advantage were lost. The time which Gorbachov irrevocably lost—time which could have been used for domestic reform (and indeed, among all his other accomplishments, this was his chief historic mistake, and Yeltsin in particular is going to go down because of it!)—had similar negative consequences for the western side—consequences which we will be facing for some time to come. Anyone who really wants to know how stupid we have been, should go to

Poland, Hungary, Lithuania, Latvia, Estonia, or Ukraine and track down some of the world-wise people who are “still going to be in business for a bit longer” and who are on intimate business terms with the Russians.

Enigmatic goings-on in the Russian earthquake zone

Looking at the course of revolutions in the written history of mankind, one is struck by the singular phenomenon that it is precisely at the moment of total collapse of a previous order, when orgiastic criminals and gruesome, radical “solutions” are churned to the top, as it were. The political fission process bursts upon the scene like an exploding volcano, at the point when the psychological pressure even minutely surpasses the breaking point, or when the representative of power is removed. There are sufficient indications of this within the enigmatic spectrum of the politically extreme, among miners, transport workers, among the troops, within the general staff, and in intelligence circles. Hardly any doubt remains that ever since the 1905 Revolution (with its Narodniks, Marxists, Bolsheviks, and Social Revolutionaries), Russia has been one giant, highly unstable political earthquake zone. Just as it was at that earlier point of departure, when Russia was shaken to the core by the defeat it suffered from Japan, with the accompanying unprecedented sense of national humiliation (part of British balance of power diplomacy), so today we also see, from a mass-psychological, social, and political standpoint, virtually the identical pre-revolutionary conditions in society and in the army organization—and once again, in the context of a deep sense of humiliation on the Russian side. The situation of Russia’s armed forces—despite the remarkable way they held together throughout the empire’s 1985-91 collapse and its decomposition into 15 separate states—is just as desperate today as it was back in 1917: betrayed (not only in Afghanistan), conquered, unbelievably mistreated and despised by their own people, and especially by the youth. Hundreds of thousands of soldiers of all ranks and services on land, sea, and air feel on the one hand that traitors are goading them into taking political leadership—which is the reason why they have been so mysteriously hesitant and have offered such scant support for coup attempts—while on the other hand they believe they are the only powerful institution left somewhat intact which can maintain order, and that their most difficult task lies ahead of them. There is nothing so far to indicate the emergence of a Bonaparte, who, as Napoleon, would make his own revolution—even though it is likely that any future junta would be neither able nor willing to dispense with military backing. But to save the Great Power, to halt the collapse—for this the majority of professional soldiers are ready to lay down their lives, with all of their customary ruthlessness and muscular power.

What has been particularly puzzling to many Russians recently, is the Chernomyrdin government’s claim that it will be able to quickly bring under control the fury and social

plague of hyperinflation at a time when the entire Russian economy’s productivity continues to decline (already 40% below 1985 levels), without destroying every piece of paper money in the process, while at the same time increasing Russian troop strength from 1.5 million to 2.5 million soldiers and continuing its ambitious space program without any restrictions. This is why political demands are now being attached to many strike threats.

Concluding theses: searching for the analytical thread

Important points which for space reasons could not be discussed or mentioned above, are presented below in the form of condensed concluding theses as a complement to the foregoing analysis, insofar as they facilitate our search for the thread into the immediate future.

Thesis 1: The more active layers of the East’s largely atheist society, are tormented by a permanent sore which ceaselessly goads them on: the fact that their state has been unsuccessful. This irrational, ersatz religious impulse is not to be underestimated, and will darken the future further still.

Thesis 2: Infinite hatred is on the rise against the 15 newly independent border states which dropped out of the multi-ethnic Soviet state, and which Russia is now seeking to recapture using dubious, in part quite unscrupulous methods. “Let them crawl back to us on their knees!” Leaderships depend on this hatred to maintain themselves in power.

Thesis 3: The Yeltsin crew’s emergency program of self-reliance, of quickly destroying the twisted image of the rejected backward child by playing up Russia’s foreign policy prowess, and of founding new parties and guaranteeing stabilization, will not be adequate to deal with the growing instability and the lack of time in which to act.

Thesis 4: The recognition of sovereignty of the Baltic states signed by Yeltsin in 1991 will continue in effect formally, as long as he has the power to enforce it; but there is a softening-up process which, with radical disregard for the historical reality, is moving in the direction of the establishment of a protectorate out of military and strategic necessity.

Thesis 5: The process of creeping political decay, combined with the easily perceived lability of the entire structure, is now reaching into the industrialized south of Russian Siberia, with its huge secret cities which used to have privileged ties to the empire’s center, and is having powerful effects similar to those in the all-important space and military industry bases located in what became Kazakh territory in 1992. The more distant cities will swim away, while the closer ones will return to the fold. Both smell of civil war.

Thesis 6: Reason seems to be of little consequence; Russia’s ruin lay in its inability to forgo its crafty above-ground/underground double-dealing. First Moscow strengthened Belgrade, and following the Persian Gulf war, it advised Serbia (through Marshal Yazov) to destabilize the western paper tiger; now it has temporarily switched its emphasis, and is calling off the dogs.

British steer plan for bloody war on KwaZulu

by David Hammer

The destruction of South Africa moved another step closer on March 10-12, when the combined forces of the South African government and the African National Congress (ANC) staged a violent overthrow of the government of the homeland of Bophuthatswana (see accompanying interview and *EIR*, March 25, p. 34) in order to install a regime which would participate in the April 27 elections, which the ousted government of President Lucas Mangope had refused to do. On March 22, similar orchestrated demonstrations ousted the Ciskei homeland's head of state, Brig. Oupa Gqozo, even though he had recently reversed his earlier refusal to participate. The ANC had attempted to overthrow Gqozo in October 1992 in an attack on Ciskei in which dozens were killed and hundreds wounded.

But the ANC march toward power is part of an overall gameplan, originating in London, to bring a final end to the Boer War and to turn the ANC into the new enforcer of the escalated looting and economic destruction of South Africa, whose industry would otherwise be the engine for the development of Africa. British control over the gameplan was made more manifest on March 23, when an unnamed ANC official told Reuters that the ANC and the Inkatha Freedom Party had tentatively agreed that Lord Peter Carrington (who oversaw the devolution of the former Yugoslavia) and Henry Kissinger, who on May 10, 1982 professed his allegiance to the British Royal Institute of International Affairs, should lead a mission to mediate between the two organizations. Such mediation is unlikely to lead to peace.

There is no question that the next target on the road to what the world's media heralds as "democratic elections," is the KwaZulu homeland, whose leader, Chief Mangosuthu Buthelezi, has also announced his intention to boycott the elections.

ANC picks its targets

Immediately after the ouster of Mangope, ANC president Nelson Mandela denounced other "toy tyrants" who refused to participate in the elections, making clear that their time would come. And as even the pro-ANC London *Financial Times* reported on March 21, "ANC officials, including President Nelson Mandela, tried more or less openly to incite popular rebellion in the KwaZulu homeland." The ANC has infiltrated hundreds of cadre of its armed wing, Umkhonto we Sizwe (MK), into KwaZulu over the past several months, to provoke the violence necessary to create either the fact or at least the appearance of ungovernability, and the level of political killings has skyrocketed.

Located in the eastern province of Natal on the Indian Ocean, KwaZulu is the traditional homeland of the 9-million-person Zulu nation, the largest tribe in southern Africa, which was established by the legendary King Shaka in the 1830s. In the face of stated plans by the ANC (whose leadership is drawn almost entirely from the Xhosa tribe of which Mandela is a prince and which is an ancient enemy of the Zulus) to eliminate KwaZulu, Zulu King Goodwill Zwelethini, a nephew of Buthelezi and a direct descendant of Shaka, held a rally of thousands of Zulu warriors in the homeland capital of Ulundi on March 18. Zwelethini called for all Zulus to not only boycott the April election but to fight to the death if necessary:

"We here today proclaim before the world our freedom and sovereignty and our unwavering will to defend it at all costs. I call on all Zulus to fulfill their sacred duty to defend our freedom and sovereignty against anyone in Southern Africa who will dare to challenge it."

Buthelezi said on March 22, based on a leaked four-page internal ANC document which called for mass action and

strikes by civil servants, that the ANC planned to topple him before the election, precisely as occurred to Mangope in Bophuthatswana, in preparation for "decisive state intervention."

"We must," said the ANC, "prepare the anvil for the coming hammer."

The ANC's Goldstone Commission

At the precise moment that KwaZulu was targeted for overthrow, a judicial inquiry headed by Appeals Court Judge Richard Goldstone established to inquire into the causes of violence in South Africa, suddenly "discovered" (with massive fanfare in the nation's press) that high-ranking South African Police officials, including the heads of intelligence and counterintelligence, had been secretly arming the Zulu-based Inkatha Freedom Party since 1990. South African President F.W. De Klerk immediately suspended three top officials and called for an international task force to investigate. Goldstone's commission worked furiously until 3:30 a.m. on March 19 in order to hold a press conference later that morning.

The revelations had a curious origin. An unnamed foreign diplomat, believed to be either Danish or British, both of whose governments have been heavily financing the ANC, took a lower-ranking police official, "Mr. X," under his protection and presented the officer and his story to Goldstone. Goldstone acted solely on the hearsay evidence of "X," presenting no concrete evidence to back up his claims. One of his targets, Deputy Police Commissioner Basie Smit, responded:

"Not in a million years would it be possible, practical, or true that I would get involved in deliberately destabilizing my country. It is utter nonsense. I am not a man who deals in allegations. I deal in facts. The Goldstone report refers to information, but information is not proof. No court will convict a man on the strength of information."

Goldstone, a corrupt asset of the ANC, claimed he had to act precipitously, before any investigation was finished, in order "to avoid further destabilization" in the run-up to the election.

Deference given to the ANC

The Goldstone Commission is notoriously partisan, and in fact was the subject of a minor scandal when, although appointed by the De Klerk government as an "independent commission," it submitted a report of one of its investigations to the ANC for approval before delivering it to the government. In its two-year investigation, the commission has "discovered" that the Inkatha Freedom Party (IFP) is to blame for most of the violence in South Africa, findings utterly at odds with massive evidence in the public domain, and with the findings, for instance, of the highly respected anti-apartheid South African Institute for Race Relations, which has reported that the ANC has provoked most of the violence, a finding borne out, the institute said, by "the high number of IFP officials and members—now totaling over 1,000—who

have been killed in recent years."

Goldstone is following the script written by Harvard University's notorious Samuel Huntington, who has visited South Africa dozens of times, whose protégés include Foreign Minister Pik Botha and Minister for Constitutional Development Roelf Meyer (the government's chief negotiator with the ANC), and who is the publicly acknowledged mastermind of the current transition to majority rule. Huntington authored the 1974 Trilateral Commission report calling for "fascism with a democratic face" for the United States. For South Africa, as he specified in his 1992 book *The Third Wave*, the nation's security establishment must be broken up in order to facilitate the transfer to "democracy." "Promptly purge," instructed Huntington, "or retire all potentially disloyal officers. . . . Be prepared . . . for the standpatters to take some extreme action to stop change (e.g., a coup attempt)—possibly even stimulate them to do so—and then crack down on them ruthlessly, isolating and discrediting the more extreme opponents of change."

Goldstone's latest assault on the police follows his November 1992 purge of 16 senior military and police officers and suspension of 7 others.

Pol Pot-style 'democracy'

The April 27 elections will ostensibly usher in "black majority rule" and democracy in South Africa. In reality, the ANC leadership, despite the aspirations of its base for justice and freedom at long last, is almost entirely comprised of members of the South African Communist Party (SACP), led by longtime SACP boss Joe Slovo. When Soviet intelligence operative Maj. Aleksei Kozlov was captured in South Africa, he revealed that Comrade Slovo held the rank of full colonel in the KGB.

Since the 1940s, Slovo has been tightening the SACP's grip on the ANC. He founded the murderous MK in 1961 to facilitate that process, and all top MK cadre were sent to be trained either in Moscow or, more usually, by the East German secret service, the Stasi. A further step toward full control was completed when Slovo and the KGB arranged for the entire ANC leadership to go to Cambodia in 1978 to be trained by Pol Pot. Immediately upon their return they set up the infamous concentration camps in which 600-1,000 ANC cadre who questioned SACP diktats were tortured and killed. Slovo et al. have already drawn up a list of 5,500 people, both black and white, slated for such treatment as soon after April 27 as the SACP/ANC can get away with it.

Most recently, intelligence sources in Johannesburg and London have reported that Slovo has been having secret meetings with the Russian intelligence services regarding the establishment of a world mineral cartel. South Africa and Russia between them control as much as 90% of the world's export market of such strategic minerals as vanadium, chromium, manganese, and platinum. The strategic consequences of this control for western economies was illustrated

by a 1985 study by the West German Economics Ministry of that country's dependence on South African minerals. The study found that a loss of even 30% of just manganese imports from South Africa would collapse the West German GNP by almost 28% overnight, with a loss of 1 million jobs.

The role of British intelligence

Communist though he is, Slovo is not only, or even primarily, an asset of Moscow. His career in South Africa has been protected for decades by the Oppenheimer family's Anglo-American Corp., the bastion of British finance which was founded in 1917 in the same J.P. Morgan-owned building at 120 Broadway in New York City which housed some of the key financiers of the Bolshevik Revolution. Slovo has always traveled on a British passport, and even now British special forces are training 500 of his MK cadre in Zimbabwe, just as the British SAS earlier trained Pol Pot's Khmer Rouge. And while the Goldstone Commission's revelations are trumpeted as proof of the longstanding ANC charges that a "third force" was instigating black on black violence, and that this third force has been discovered to be an IFP/South African plot, Goldstone has curiously ignored the stunning revelations of New Zealand pilot Paul Bennett in a recent court case in London. In early February, Bennett, 31, charged that while working on contract for the CIA in South Africa, he and his CIA superior came upon British intelligence agents handing out AK-47s in black townships, and that he was kidnapped and taken to London to forestall any exposure of such activities.

The Bennett case coheres with an investigation by the Afrikaner Volksfront into "third force" activity. The AVF is led by a "Committee of Generals," longtime veterans of the South African security services who maintain, even in retirement, significant intelligence capabilities. This investigation, said one person familiar with it, had uncovered "indisputable evidence" that British intelligence, aided by Swedish intelligence, was pouring weapons into third force activities.

British intelligence controls the top ANC leadership, many of whom were educated in London or at the University of Sussex. But as their sponsorship of third force activity demonstrates, the British never run only one side of the street. British SIS maintains substantial assets in Eugene Terre Blanche's AWB, whose elite Iron Guard units were trained by a British Special Air Services operative, Keith Conroy. Meanwhile, a security adviser to Buthelezi is the decades-long British intelligence operative Ron Reid Daly, who founded the notorious Selous Scouts of Rhodesia (Zimbabwe). The Selous Scouts specialized in manipulated "gang-counter-gang" warfare of the sort pioneered by British Brig. Frank Kitson during the 1950s Mau Mau insurgency in Kenya. With these assets on all sides, the British are well positioned to manage the sort of bloodshed which they orchestrated in the Balkans, as documented in the Croatian magazine *Danas*.

Interview: Tienie Groenewald

'We are very close to a shooting match'

Major General Groenewald is the former head of military intelligence in South Africa, and is now a leader in the Afrikaner Volksfront (AVF) and a key negotiator for the Volksfront with the African National Congress. He was interviewed on March 20.

EIR: On the election process, how does it stand with the Afrikaner Volksfront? Will some participate in the elections, and some not?

Groenewald: I think the fiasco in Bophuthatswana caused by the AWB [Afrikaner Resistance Movement] caused a split whereby the generals basically said we'll not play "parliament, parliament" any longer and participate in the so-called political structures. We will first of all participate in the elections if the two accords which we are busy negotiating with the African National Congress [ANC] can be completed in time.

As you know, there have been some changes to the Constitution providing for a *volkstaat* [Afrikaner homeland]. The accord that we are negotiating basically makes the *volkstaat* compulsory, subject to a demonstration of substantial support.

EIR: Regarding the negotiations with the ANC that would make the *volkstaat* compulsory, what sort of demonstration of popular support is required?

Groenewald: We have the term "substantial support," and we argued with them on exactly what substantial support is. We agreed that it is somewhere between 33 and 1/3 and 49% of the Afrikaner people. We ourselves have said, Okay, there was a "No" vote in the referendum [of South Africa's white population on March 17, 1992, which authorized South African President F.W. de Klerk to proceed with the reforms] of 780,000. We are willing to settle for 950,000, just under a million.

The estimate at this stage is that Constand Viljoen [former head of the AVF, now head of the Freedom Front, a split-off] will receive somewhere in the vicinity of 1.5 million votes, purely from Afrikaners.

EIR: So how would this actually happen? He would partici-

pate in the election, and if he gets that amount, then there would be a *volkstaat*?

Groenewald: That's basically it. You see, the constitution has been changed, providing for, first of all, a constitutional principle which allows for a *volkstaat*, and secondly, the creation of a *volkstaat raad*, a statutory body that would be an advisory body. It would be their task to create the *volkstaat*. But up until now, the constitution basically states that the constitutional assembly will decide on the matter of a *volkstaat*. And obviously, if the ANC gets a large majority, there is no way in which you will get a *volkstaat*. So the accord now provides for an agreement by the ANC that, should we receive substantial support, then they will not withhold the *volkstaat*. The *volkstaat* will then be created.

EIR: This has not been finally okayed by the ANC. Is that right?

Groenewald: No. We had negotiations on Saturday [March 19], and a draft has been agreed to—which we are quite happy with—and that will be taken to the national executive [of the ANC] for approval, and it will also, of course, be approved by the government, by the National Party. So that at least is one step forward.

EIR: In the past, when we have discussed this before, whenever there was the possibility of an agreement among certain elements of the ANC, it went back to the national executive committee of the ANC, and invariably it was rejected. What makes you confident that it will be otherwise this time?

Groenewald: We have a date, March 31, as the final date, and we have two very big demonstrations lined up, on March 29 and on March 31. On the 29th, we hope to bring large parts of South Africa to a complete standstill to demonstrate our power, and on the 31st, we hope to have quite a few hundred thousand people in Pretoria with a mass demonstration of Afrikaners. We believe that this demonstration could influence the ANC in its final decision.

I think we are very, very close to a shooting match. I think what happened in Bophuthatswana, what is happening in KwaZulu today, is an example. You have been talking about third force activities; you are basically seeing that they are trying to blame it on police generals. It is a rigged thing. The whole thing is rigged, but it is all preparing the climate for the same kind of attack against KwaZulu as was made against Bophuthatswana.

EIR: So far, aside from the Goldstone Commission, has something happened on the ground in KwaZulu over the last 24 hours?

Groenewald: Just to give you an idea, they have moved in 3,000 members of the so-called "Peace Force." But this is mainly in the Durban-Pietermaritzburg-Umlazi area, and they haven't been put on duty yet. When that happens, I think you are going to see quite a bit of bloodshed. But in the last

three days, three meetings that the ANC was due to hold in KwaZulu were abandoned when members of the IFP [Inkatha Freedom Party] occupied the stadium and refused to leave. Also, the big meeting between the King [Goodwill Zwelithini] and Mr. [Nelson] Mandela was cancelled yesterday, when Mr. Mandela refused to turn up because he felt that his life was threatened.

So at this stage, Natal and KwaZulu is very much a volatile area and anything could happen. But the ANC has not been able to hold one political meeting in KwaZulu.

You see, in the so-called mass action, what they normally do—in Bophuthatswana, they moved in about 60,000 members of the ANC, trade union members and so on, and then intimidated the civil servants not to go to work. Once they had done that, that is, the first phase, the so-called "strike and stay away" phase, then they encourage them to burn down shopping centers, that is the burning and looting phase. Now, with the world's press there, this creates the perception of ungovernability, which isn't the case. Of course, then, the third phase is when they move in groups of 30 to 40 members of Umkhonto to attack specific targets and eliminate people, and in this way take over the government.

They are now trying the first phase, to create the perception of ungovernability; in the case of KwaZulu, that they don't want to participate in the election, they are preventing people from free political expression; it is a matter of intimidation. They haven't been able to do this on their own, they have been assisted by the police, with all kinds of hit squads to maintain their position, and in such a way that they don't deserve to rule and it should be placed under an administrator. But KwaZulu won't be such an easy target; you will see a lot of bloodshed.

And then, of course, they will follow the same principle against us. In Pretoria, you will find shops will start burning and they will call in the defense force to keep law and order. They will most likely lock up people such as myself and other political leaders.

As in the case of Bophuthatswana, this was really the greatest travesty of justice I have seen in my life. Just taking over another country! It is as bad as anything we have seen anywhere else in the world. Even the ANC admits that the action was completely illegal.

EIR: What happened with the AWB? What did they do, exactly?

Groenewald: What actually happened is that Mangope asked General Viljoen to come and assist him. He asked us on Wednesday, and we got the people together and we moved in on Thursday evening. By Friday morning we had just over 2,000 people deployed in the capital and in various other key points. So we had it completely under control.

Then, against Viljoen's wishes, and also against the wishes of President Mangope, Eugene Terre Blanche moved in with 500 members of the AWB. And with flags flying, the

shouting of slogans—this upset the Bophuthatswana Defense Force to such an extent that they mutinied, because they did *not* want to be associated with the AWB. And then they were chased out. Constand Viljoen chased them out, and on their way out, that is where that attack occurred. But they moved out shooting. They must have killed 20 or 30 innocent people. And this led to the mutineering of the Bophuthatswana Defense Force.

At that stage Rowan Cronje [Mangope's chief of staff] asked the South African government to assist them to establish law and order. And De Klerk agreed to do this. And when George Mehring, the chief of the Defense Force, gave the assurance, he phoned the state President [De Klerk] in the company of General Viljoen, and asked him for the assurance. Viljoen said they would hand [operations] over to Mehring because they had a much better capability of maintaining law and order, but strictly under the provision that this wasn't a takeover bid, that this wasn't a bid to overthrow Mangope. And De Klerk gave the assurance to Mehring, because Mehring said Viljoen is willing to hand over the capital to us if you give the assurance that this won't be an overthrow of Mangope. So De Klerk said, "I give you my assurance."

And then, when we moved out, they took over. Twenty-four hours later, [South African Foreign Minister] Pik Botha and [ANC executive and SACP leader] Mac Maharaj turned up and said, "You are no longer in power."

EIR: So Pik Botha was actually there on the scene?

Groenewald: Oh yes, and he and Maharaj just moved in and asked Mehring to accompany them, and they asked for an interview with Mangope. And then Mehring was absolutely *astounded* to hear—they hadn't even informed him before the time—that the assurances he had given were null and void.

EIR: This is totally different, the exact opposite, than what has been portrayed in the media.

Groenewald: You can even read it in today's [Johannesburg] *Sunday Times*. They give you quite an accurate picture, but certainly indicating that the whole thing is illegal, and even the ANC *admits* that it was a completely illegal move.

EIR: One last thing: The Zulu king did say that he is declaring independence for a Zulu state, is that correct?

Groenewald: Yes, but what he has basically said is that he will have no choice but to do that. It is not that he has declared his kingdom and declared complete independence. It is not secessionist as such. It is more a claim than anything else.

EIR: So he has not yet declared the kingdom yet, but said he may be forced into it, is that accurate?

Groenewald: That is basically the meaning of what he said.

British military: 'We have quietly taken over Bosnia'

by Katharine Kanter

Readers of *EIR* who insist that our view of the British is "extreme," would do well to listen to what the British themselves have to say, *ex post facto*, about their own activities. In our March 18 issue, we warned that the "British invasion force" in Bosnia was being beefed up to prepare some new twist in events on the ground. The day after that piece was written, the London *Independent* ran an analysis of British military operations in Bosnia, as follows:

"Great Britain has quietly taken control of much of the U.N.'s Bosnia operation. . . . The British government gave in to pressure from senior servicemen. . . . The nature of the operation has changed, from escorting aid to true peace-keeping." The London daily quotes Gen. Sir John Wilsey: "The military has got ahead of the politics on this one. It has happened on the hoof, so to speak, and has to be policed. . . . Without invalidating the mandate of the delivery of humanitarian aid, our role is to give General Rose the maximum support . . . to put in place the initiatives that he has been able to craft between the conflicting parties."

The British command in Split has taken control of reinforcements of all U.N. forces and controls the only route from the sea into central Bosnia. As soon as Gen. Sir Michael Rose arrived in February, he created two new military sectors, South-West and North-East, and reorganized the U.N. command at Kiseljak so that of the eight battalions there, a total of four, soon to be five, are directly under the control of British Brig. John Reith.

It is, of course, no accident that General Rose also happens to be SAS commander. According to reports in the *Telegraph*, "revealing" what *EIR* and Bosnian and Croatian papers warned would happen months ago, "at least 50 British special forces troops are engaged in covert operations in Bosnia" under the direct command of Rose. This is the first time that British special units have been "officially" deployed as part of a U.N. force. These SAS troops are designated as "U.N. military observers," and are deployed throughout Bosnia, according to the daily, "wherever Serbian gunners



The besieged Office of the Presidency in Sarajevo, Bosnia, in October 1993. When the U.N. forces find Serbian tanks and mortars in the Bosnian capital, they do nothing.

have long-established firing positions.” They are said to have been brought in when the “threat” of NATO airstrikes called for men on the ground to oversee the withdrawal of Serbian weapons.

The Serbians’ British helpmates have indeed been very busy. On March 19, the *Telegraph* reported on so-called “impromptu” seminars on modern tactics and operational command, given by Brig. John Reith and General Rose, to the Muslim and Croatian militia leaders. Reith told the paper: “We told them they lacked the mobility, firepower, and logistics for maneuver warfare . . . that they were locked in a war of attrition.” The paper commented that Reith and Rose “convinced” the Croatians and Muslims that that they had “no military options left,” and that this was what had led to the Washington agreement of March 19 being signed.

Now, since that Croatian-Bosnian pact, whatever it is worth, was brokered by the United States, not by Great Britain, any discussion led by a high-ranking British politico-military leader, such as General Rose undoubtedly is, as to a so-called lack of “military options,” can only have to do with conveying to Bosnia and Croatia *British* “initiatives crafted between the parties.” And to that end, it is clearly vital, as the *Independent* said, that Great Britain “imperceptibly take control” of western military operations on the ground. Thus may the British credibly seek to convey a perception, that a military alliance of Bosnia and Croatia against *Serbia* is predestined to fail on all fronts.

Violate the law, says U.N. official

The disastrous shape of things to come, if the British get their way, is reflected by remarks made by highly placed, anonymous U.N. official to the *Independent* on March 23, as talks went on between the Russians, Serbians, and Croatians in Zagreb: “The ultimate idea for us, is to have [Serbi-

an] Krajina and Croatian forces withdraw to respectable distances, with the U.N. moving in to create a Cyprus in the Balkans. . . . The only long-term solution would be the rise of moderates in the Croatian government who would say, ‘Fine, let’s recognize each other, and start trade and communications.’ ” He concluded by saying that reintegration of Krajina into Croatia was “inconceivable.” Let the full weight of that sink in: A top U.N. official, openly stating to one of the world’s major newspapers, that U.N. policy is to violate international law, recognize territorial conquest by aggression, force the victims to deal with the aggressor, and set up a permanent running sore like Cyprus in the middle of Europe.

There seems to be no limit to the evil these people are willing to actively provoke. As united Bosnian and Croatian troops were about to break the Serbian siege of Maglaj in north-central Bosnia on March 22, the U.N. declared that no action would be taken against “renegade” Serbian officers who stormed a U.N. convoy trying to break through to the besieged city, stole all the radio and other equipment, and unloaded all the supplies destined for an area that has not seen a convoy since October. On March 20, Unprofor [U.N. peacekeeping] forces in Sarajevo “discovered” four Serbian tanks, anti-aircraft guns, mortars, and other heavy materiel, within the 20-kilometer exclusion zone around the city; although this was a clear mandate for renewed airstrikes against the Serbians, Unprofor announced three days later that “no action” would be taken, no airstrikes, nothing, and that the problem would be resolved by “negotiating” with the Serbians. Then, immediately after the strategically critical airport of Tuzla was opened, after an 18-month bitter struggle with the U.N., Unprofor announced that no date could be set for starting aid flights into Tuzla, because the Serbians demand that their observers check every incoming flight for weapons.

Mexico's foes target presidential republic

by Carlos Cota Meza

This article was written before the assassination of Luis Donaldo Colosio on March 23, and only minimally updated. Its analysis of the larger plot against Mexico will likely prove prophetic for coming events.—The Editors

Ever since 1929, when the Revolutionary Institutional Party (PRI) was founded, elections in Mexico have been a formalism to legitimize the permanence in power of a political class that emerged from the armed conflict of 1910-17. Elections, especially presidential elections, are orchestrated to give support to Article 80 of the Constitution: "The supreme exercise of executive power of the Union shall be deposited with a single individual who shall be called President of the Mexican United States." No one who has held this post can ever again hold it, according to Article 83.

The political class (the PRI-government duo and the "partitocracy" created around it) has always resolved its internal differences through election of a successor, in fulfillment of Article 80. For better or worse—usually worse—this is the way Mexico has been ruled for the past 65 years, as a *presidential republic*. Since the outbreak of the Chiapas conflict on Jan. 1 of this year—which was originally described as an Indian uprising but which is now widely acknowledged to have nothing "Indian" about it—the entire political process unleashed by the EZLN terrorist army and Bishop Samuel Ruiz has ended in a dispute over Article 80 of the Constitution.

Until his murder on March 23, the struggle was between Luis Donaldo Colosio, the PRI's presidential candidate, and Manuel Camacho Solis, who lost out in his bid for that post. While all attention centered on whether or not Camacho would run his own presidential candidacy, and with which party, in fact, Camacho was already working to seize control of the internal workings of the system which can turn anyone (be he a Miguel de la Madrid or a Carlos Salinas de Gortari) into a President. Then will come Camacho's announcement: not that he will be a presidential candidate, but that he *is* the President.

Endorsers from abroad

For the umpteenth time, the *Washington Post* and the *New York Times* have presented Camacho Solis as a viable presidential candidate. *The Washington Post* of March 12 used the standard "unidentified sources" to offer up quotes that "a Camacho candidacy also could provide the impetus that Mexico needs to enter a modern era of clean, competitive politics—pushing the country into a political modernization to parallel the economic changes that President Carlos Salinas de Gortari already has tried to carry out. According to the *Post*, "senior PRI members inside the government are working behind the scenes to promote Camacho as an independent candidate, contending that he represents the best hope for Mexico's political modernization."

The *New York Times* wrote that same day that "a Camacho candidacy would almost certainly cut into support of both Mr. Colosio and the leftist leader Cuauhtémoc Cárdenas, throwing open a race that had seemed before the uprising to be almost a perfunctory step in Mr. Colosio's ascent to power."

On March 18, *The Wall Street Journal* published a prominent article entitled "Mexican Peace Commissioner Calls Us." It described how Camacho Solis, in a telephone call to *Journal* reporter David Asman, "asked to respond to questions about the economy." Camacho said, "Specifically, there is a need for continuity. Monetarily, this will be met through a new, independent central bank under the directorship of Miguel Mancera. On the fiscal side, that continuity will be maintained through the continued participation of Pedro Aspe and his economic team." Thus, shamelessly, Camacho Solis calls up the *Wall Street Journal* and assures it: Mancera and Aspe will continue to run the national economy at your service.

Why were the establishment newspapers of the United States so interested in a split in the PRI? U.S. circles of power are awash with self-congratulations, because what is being slated for destruction is the structure of government which the Constitution's Article 80 gave Mexico. The Anglo-American oligarchs gloat because Mexico, as its government unravels, is falling into their hands.

The puppet-masters

Two months after Camacho's political revival with the Chiapas conflict, the support networks for his presidential bid surfaced. In an interview with "Subcommander Marcos" on CBS's "60 Minutes" program, it did not go unnoticed that the man accompanying the masked EZLNER was Juan Enriquez Cabot Lodge, identified as "the public relations man for the Commissioner" (Camacho).

Juan Enriquez Cabot Lodge served as head of metropolitan services of Mexico City when Camacho Solis was mayor. One of his tasks was to attract foreign investment into Mexico City's real estate market. London's *Financial Times* reported on July 15, 1993 that the companies Reichmann International

and Soros Realty—owned by Paul Reichmann of the bankrupt Canadian family and the London-based mega-speculator George Soros—would be investing in Mexico City real estate projects similar to the Santa Fe Center, where they own some 120,000 square meters. They also negotiated \$500 million worth of projects with the city government for the Alameda Project in the historic center, and plan to build Latin America's tallest building along the Paseo de la Reforma, Mexico City's main avenue. Juan Enríquez Cabot Lodge described Soros's investments as "a vote of confidence in Mexico and in its economic future."

The media reported that Paul Reichmann formed an association with the Mexicans who bought the state television consortium Imevisión, with an eye to the future. Meanwhile, the construction of a skyscraper on the Paseo de la Reforma more than 200 meters high has already been approved; it will be built under the auspices of Mexican speculator Sergio Bolanos, a rumored Soros frontman, just finishing four years in jail on tax evasion charges.

Juan Enríquez Cabot Lodge, apparently the liaison for all this, is the son of Antonio Enríquez Savignac, international financier and former Tourism Secretary under the Miguel de la Madrid government, and Marjorie Cabot Lodge, heir to the Bank of Boston founding family. Antonio Enríquez is president of the "Mexico 2000" group, which designed one of the world's most expensive real estate programs for urbanizing the wooded hills west of Mexico City, around the Santa Fe Center where Soros has his investments.

The mysterious Soros is already being called the "King Midas" of international finance. It is said that he risks as much in his real estate operations as in speculating with currency exchange fluctuation, which earned him an estimated \$1-2 billion in a bet on the devaluation of the pound sterling, and lost him almost \$600 million in one day in betting on a devaluation of the Japanese yen, which didn't happen.

How far relations go between Soros, Manuel Camacho Solis, and the Enríquez Savignac-Cabot Lodge family, we don't know. What is certain is that Soros is up to his neck in the Mexico City real estate market (as he is also in Buenos Aires), and that he would not hesitate to "bet" on a peso mega-devaluation. After all, it is in the midst of political turbulence and instability that his investments "operate" best.

In a full-page ad published in the *New York Times* on Sept. 28, 1993, Paul Soros (George's brother and partner) and Gerard Manolovici (another Soros partner) explained why it is better to have chaos in Ibero-America: "It's when you go from disaster to bad that you make the most money." They also advocated destruction of the role of the Armed Forces, as part of this same project: "A final, third benchmark is an underlying, basic political factor, civilian control of the military. When you can be sure that [military influence in the government] is really firmly finished, the value of any investment goes up 30, 40, even 50 percent."

Opposition

Camacho's rising sun is not saluted by everyone in Mexico, however. Manuel Camacho Solis should be fired as Peace Commissioner, for "covering up the invasion of a foreign army which seeks to destroy our Armed Forces and Mexico's leading national institutions," said Marivilia Carrasco at a March 9 Mexico City press conference called by the Ibero-American Solidarity Movement (MSIA). For two decades, Camacho has been associated with foreign organizations that have sponsored the Chiapas "uprising." As a Princeton University graduate student, he took as his thesis adviser none other than Prof. Richard Falk, notorious as a promoter of the "Iran model" against oil-producing countries seeking to use their natural wealth for industrialization. Falk's operational mode has been to set ethnic-religious conflicts against the "national oppressor state," as he did in supporting the Ayatollah Khomeini in the late 1970s or Bishop Samuel Ruiz today, Carrasco charged.

In 1980, Camacho Solis founded and directed the Tepoztlán Center, A.C., together with his uncle Leopoldo Solis and Enrique Iglesia, now president of the Inter-American Development Bank. Both, two years later, would become founding members of the Establishment think-tank, the Inter-American Dialogue. Collaborating with Camacho in the Tepoztlán Center are Saburo Okita, Japanese founding member of David Rockefeller's Trilateral Commission, Victor L. Urquidí (the only Mexican founder of the Club of Rome), Raul Prebisch (creator of the U.N. Economic Committee on Latin America, or ECLA), and Maurice Strong, Canadian oil magnate and creator of the U.N. Conference on Environment and Development (UNCED), among others. Each and every one shares the anti-sovereignty views of Camacho's mentor Richard Falk.

End of presidential government

For the moment, the "armed uprising" of Jan. 1, which supposedly represented the clamor for justice of Mexico's abandoned Indians, has been left far behind. With the government's agreement to reform Article 4 of the Constitution—a concession aimed at the territorial dismembering of Mexico—the phase of "reforming" the electoral laws and procedural codes has arrived. It is virtually certain that by August, Articles 84 and 85 of the Constitution will also be up for revision. The first refers to the "absolute failure of the President of the Republic" and to the congressional mechanism for designating "an interim President"; the second refers to the emergency congressional procedure called for when "the President-elect does not show or the election is not held and declared."

One by one, by vitiating each of these constitutional provisions, Mexico will be turned from a presidential republic into some kind of parliamentary government, where weak interim governments will rule at the whim of the international creditors.

São Paulo Forum plots with terrorists at Havana confab

by Valerie Rush and Gretchen Small

On March 14, terrorists bombed the Lima home of prominent Peruvian journalist Patricio Ricketts. A dean of the Peruvian press corps, a close friend of Peruvian President Alberto Fujimori, and an outspoken opponent of Peru's Shining Path narco-terrorists, in the past few months Ricketts had used his regular column in the Lima daily *Expreso* to target the São Paulo Forum, a continental terrorist apparatus coordinated out of Havana, Cuba. When the Zapatista uprising began in Mexico on Jan. 1, Ricketts became one of the few on the continent who dared warn publicly that the Zapatista insurgency was no simple Mexican matter, but should be recognized as the launching of a "Shining Path North" project, the opening of a new flank in the terrorists' continent-wide war.

The terrorists exploded a vendor's fruit cart filled with 90 kilos of dynamite under the window of Ricketts's study, destroying Ricketts's home and the three next to it, and shattering windows in a two-block radius. Two passersby were killed, but Ricketts and his family, fortunately in a back room at the time, survived.

In a television interview that night, Ricketts declared defiantly, "No one will force me out of my home, and no one will silence me, much less a group of subversive criminals." He also revealed that he had received a call of support from President Fujimori. Peru's professional journalist associations, however, have remained strangely silent on the bombing, while most of Peru's media downplayed the near-killing of their colleague. U.S. dollars do not flow these days for human rights campaigns directed against terrorists.

On the same day of the bombing of Ricketts's home, an article appeared in the daily *La República* by the aging leader of Peru's 1964 "peasant" guerrilla movement, Hugo Blanco, which attempted to favorably contrast the "democratic" nature of Mexico's newly emerged Zapatista National Liberation Army (EZLN) with the "terrorist" Shining Path. Blanco's argument, that the continent's guerrilla movements should abandon the "authoritarian" Senderista model for "authentic" Zapatismo, is precisely the myth that Ricketts's columns had challenged.

As this scenario for a new continent-wide Zapatista offensive gets under way, this time with the backing of the Inter-

American Dialogue and the supranational U.S. State Department and United Nations apparatus known as "Project Democracy," it is no accident that outspoken men such as Ricketts who debunk the myth of a "democratic" guerrilla movement, are seen as obstacles to be gotten out of the way.

The 'moderates' of the São Paulo Forum

That myth is nowhere better exemplified than in the case of the São Paulo Forum, a reincarnation of the Cuba-spawned Tricontinental Conference held in 1966 in Havana which launched guerrilla warfare against the governments of Ibero-America. The forum, which derives its name from its 1990 founding meeting in São Paulo, Brazil, includes among its founding members the Cuban Communist Party, the recently legalized FMLN of El Salvador, the amnestied M-19 narco-terrorists of Colombia, the Causa R party of Venezuela, the Sandinista Front of Nicaragua, the Haitian Lavalas movement of Jean-Bertrand Aristide, Cuauhtémoc Cárdenas's PRD party of Mexico, and the socialist Workers Party (PT) of Brazil. Less publicized forum adherents include the URNG guerrillas of Guatemala, the MPT of Argentina, and the narco-terrorist National Guerrilla Coordinator from Colombia.

Not only are prominent forum members, such as the M-19's Antonio Navarro Wolf and the Brazilian PT's Luis Inacio "Lula" da Silva, running presidential candidacies in their respective countries, but they and their comrades have been feted by the State Department and other Project Democracy forces as representatives of a new "moderate" and "democratic" left which has laid down its guns and with which collaboration is now not only possible, but even desirable.

These fantasies were dealt a severe blow by a series of exposés run the week of March 14 in the Colombian daily *El Tiempo*, which revealed that the latest meeting of the forum, held in Havana in late January, included the participation of terrorist chieftains from the Colombian FARC and ELN movements and from Peru's Shining Path, along with a reputed spokesman for the Mexican EZLN.

According to the *El Tiempo* reports, based on eyewitness

accounts, the Havana-sponsored Fourth Latin American and Caribbean Congress for Solidarity, Sovereignty, Self-Determination, and the Lives of Our Peoples, attended by more than 1,000 delegates from so-called people's organizations from across the continent, served as a cover for two other events. The first, a summit meeting of Colombia's narco-terrorist organizations, was reportedly held simultaneously with the Fourth Congress and, according to photographic and videotaped evidence, included the unauthorized participation of Colombian Bishop Nel Beltrán Santamaría.

The second was a two-day session of the São Paulo

Forum, held immediately following the Fourth Congress, in which such fugitive terrorists as Alfonso Cano and Gutiérrez Bermúdez of the Colombian FARC and Leonel Pardo of the ELN not only were active participants, but distributed working documents for consideration by the forum. Also attending as specially invited guests, reported *El Tiempo*, were a Peruvian named Castillo, said to be the secretary of political organization of Shining Path, and a man named Velásquez identified as an EZLN leader from Mexico.

According to a State Department-published transcription

Castro: No one will surrender his weapon

Excerpts from speech given by Cuban President Fidel Castro to the closing ceremony of the Fourth Latin American and Caribbean meeting for Solidarity, Sovereignty, Self-Determination, and the Lives of Our Peoples, at the Havana Convention Center on Jan. 28, 1994. Emphasis has been added.

. . . I cannot speak—and this is something you understand quite well—as freely as each of you can. In other words, being a guerrilla and being in the government are two different things. We wish we could go back to those guerrilla days. I look back on them with envy. The problems facing a revolution in power, a revolution responsible for the lives and futures of 11 million people, are very big. This forces us to refrain from bluntly saying everything we think. *Were we to speak our minds, diplomatic relations with many, or some, countries would be broken.* . . .

I feel just as revolutionary as I have been ever since I gained revolutionary awareness. I must add that I have not changed. Perhaps today we have more experience than we had before, but our ideas remain the same. . . . To be anti-neo-liberal is to be anti-imperialist. We could add that to be anti-neo-liberal is to be anticapitalist, most definitely. . . . Capitalism is fated to devour itself. . . .

The system fails when expansion stops. . . . And a system that is obliged to expand continuously is disastrous for the world. . . . Nature is being destroyed. The waters, the atmosphere, the oceans, lakes, rivers are being poisoned. The air is being poisoned. Because of the anarchistic, chaotic, and disorderly development, much is being destroyed. . . . They are truly endangering man's living conditions. I am not exaggerating. This was discussed

during a summit in Rio de Janeiro a little more than a year ago. . . . We are already . . . feeling the effects of a change in the weather. . . . These calamities were never observed in the past: unforeseen heavy rains and stronger hurricanes in some areas. These are all problems resulting from the heating of the atmosphere. . . .

There is another problem. For the Third World countries to develop, the economies of the developed countries must stop growing. This would be possible if a rational social system existed. . . . Were we to divide the amount of energy into quotas we can each use, we would need to solve the problems of those countries just beginning to develop. . . . We must add another problem: significant population growth. This growth is many times higher than the production of food. . . . If China were to develop, that alone would be a nightmare for all of the world's large economic blocs. China alone. It would be a nightmare. . . . It has been proven that all the material and energy resources in the world would not be enough. . . .

Capitalism is genocide for today's world, just think for a minute about the problem of population. . . . The world population is growing at an approximate rate of 100 million inhabitants a year. . . . What solution do neo-liberalism and capitalism offer? . . .

Now they are murdering the leaders and cadres of the FMLN. . . . They are so stupid that they are doing this after achieving peace. They are killing the revolutionaries. What will the revolutionaries think? Who is going to surrender his weapon only to be murdered later? Who can believe in the intentions and promises of the imperialists? . . .

We do not wish to return to the past. I can tell you that we do not want even the smallest corner of one of those stars the imperialists wish to add their flag. . . . The only way our star can descend from its triangle is to join the emblems of the united peoples of Latin America and the Caribbean. I hope there will always be some red there because we cannot renounce red. We will never renounce, nor do we want to renounce, red. . . .

of Fidel Castro's closing speech to the Fourth Congress (see box), the Cuban dictator urged attendees not to lay down their weapons: "Who is going to surrender his weapon only to be murdered later? Who can believe in the intentions and promises of the imperialists?"

A Colombian 'Chiapas' in the works?

El Tiempo also revealed that Colombian military intelligence had prepared a three-page classified report on the Havana congress, charging that one of the primary purposes of the meeting was to put together "a strategy to pressure the [Colombian] government, through bodies such as Amnesty International and Human Rights [sic], to hold dialogue with the guerrillas." Right on cue, Amnesty International issued a violent attack on the Colombian Armed Forces and government in mid-March, claiming that the military and its "paramilitary thugs" were responsible for more than 70% of all human rights abuses in Colombia, and the guerrillas only 2%! Amnesty has declared that the purpose of its report is to pressure the next government of Colombia (which will be elected in May) to rein in the Armed Forces—and presumably to negotiate a peace agreement with the National Guerrilla Coordinator.

The *El Tiempo* revelations have already turned into a diplomatic incident, with Colombian Foreign Minister Noemí Sanín requesting a "clarification" from the Castro regime. The revelations come at an especially sensitive moment, as relations between Cuba and Colombia were only restored last year and five Colombian government ministers were planning to visit Cuba in April to sign economic agreements, possibly including the sale of up to 20,000 barrels per day of crude oil to the fuel-strapped island nation.

Castro responded with a personal telephone call to Minister Sanín, assuring her that no such terrorist conclave was held in Havana, much less under his government's sponsorship, and that none of the cited individuals were in Cuba. Castro's protestations bring to mind his speech to the Fourth Congress, at which he regretted that he had to "refrain from bluntly saying everything we think. Were we to speak our minds, diplomatic relations with many, or some, countries would be broken."

El Tiempo's exposés have also triggered a fight within the Colombian Catholic Church, which unfortunately has within its ranks numerous clerics vying for the role Bishop Samuel Ruiz has played in Mexico as spokesman and messenger for the EZLN terrorists. Chief among these in Colombia is Bishop Nel Beltrán, who has served as a "mediator" in government-guerrilla talks for five years and who, according to *El Tiempo*, was active at the guerrilla summit in Havana. Bishop Nel Beltrán has insisted that he was on a 15-day vacation in the United States during the period of the Cuba events, but Colombian Prosecutor General Gustavo de Greiff has confirmed *El Tiempo's* charges. The Colombian Bishops Conference is now threatening to sue De Greiff.

Kidnapping, Inc., business in Ibero-

by Carlos Méndez

While the climate of destabilization spreads in Mexico in the aftermath of the Jan. 1 Zapatista insurgency, the kidnapping industry in Mexico—and throughout Ibero-America—continues to flourish. On March 14, Alfredo Harp Helu, billionaire president of the administrative council of the financial group Banamex-Accival, was kidnapped in Mexico City.

Like his cousin Carlos Slim Helu, owner of the privatized company Teléfonos de México, Harp Helu was one of 77 Mexicans named on a list of businessmen targeted for kidnapping, found in the secret arms cache that exploded in May 1993 in Managua, Nicaragua. The explosion of that bunker revealed many things and confirmed others, such as the participation of the Basque ETA terrorists and, above all, the existence of a narco-terrorist international whose foci are Cuba and Nicaragua.

Since the fall of the Berlin Wall, this narco-terrorist international has been much more active, since terrorist subversion is no longer financed by either the former Soviet Union or the former East Germany. Drug trafficking, bank robberies, blackmail, and kidnapping today provide the financing for Ibero-America's narco-terrorist international. In Mexico alone so far this year, there are officially registered more than 500 kidnappings, with ransom demands in some cases exceeding \$15 million.

The Mexican 'industry'

The recent kidnapping of banker Antonio Harp Helu is but one of more than 2,000 kidnapping cases registered in Mexico in recent years. "Viewed as the second best source of funds after bank robbery, the kidnapping of businessmen has become a highly successful 'industry' in Mexico," reported the Mexican daily *El Economista* March 15. According to the newspaper, authorities report that kidnappers have received multimillion-dollar ransoms—\$5, \$10, \$15, even \$50 million in one case—but some of their victims have also been assassinated. "In the past two years, kidnappings in the country have grown 200%, of which more than 50% did not end well, reported sources from international security agencies."

The first person to arrive at the site of the Managua explosion in May 1993 was Tomás Borge, the Sandinistas' former

a flourishing America

interior minister. Borge is also an official biographer of Mexican President Carlos Salinas de Gortari and a prominent member of the São Paulo Forum, the Cuban-run coordinating body of the narco-terrorist international (see article, p. 34).

The Managua bunker hid tons of weapons belonging to the People's Liberation Forces, a faction of El Salvador's Farabundo Martí National Liberation Front (FMLN). The FMLN is also a member of the São Paulo Forum, as are the Sandinista National Liberation Front (FSLN), the Colombian M-19 and Revolutionary Armed Forces (FARC), Mexico's Party of the Democratic Revolution (PRD) of Cuauhtémoc Cárdenas, and many others.

Also discovered in the bunker were 310 passports from 21 countries, many of them blank, and the material and instruments for forging immigration documents. According to the *Washington Post*, diplomats and other forces said at the time that during the last two months of the Sandinista government, as many as 890 foreigners from more than 30 countries were given Nicaraguan citizenship. More recently, Nicaraguan authorities from the Violeta Chamorro government have charged that in the final days of their government, the Sandinistas provided false identities to hundreds of terrorists.

Spawned in Cuba

In his recently published book, *Utopia Unarmed* (Editorial Joaquín Mortiz, 1993), communist political scientist Jorge G. Castañeda writes that Manuel Pineiro, Cuba's deputy interior minister from 1961 to 1974 and for many years afterwards Cuba's intelligence and security chieftain, organized the kidnappings and bank robberies that financed much of Ibero-America's subversive activities during the 1980s. Castañeda says that Pineiro—also the official coordinator of Ibero-American terrorism in that period, through Castro's Americas Department—planned the operations, transferred the required weapons to the country in question under diplomatic cover, and sent money to Cuba by the same channel.

Castañeda writes that "Massetti, who was posted in Mexico City as a mid-level Department official from 1980 through 1983 when he was expelled by the Mexican government, is categorical about his own experiences. Weapons

would be flown into Mexico, bank holdups, kidnappings, or other crimes would be carried out, and the proceeds would be handed over to the Department for safekeeping. It would then spread them around to revolutionary movements to purchase arms with. . . . A number of bank robberies in Mexico City and Panama and several kidnappings in Mexico and Brazil of very wealthy businessmen that were later attributed to Southern Cone ex-revolutionaries acting on their own . . . can be presumed to have been Departmental activity."

According to Castañeda, Pineiro has been directly involved in the FSLN and in the training of the Sandinista government in Nicaragua; in the FMLN of El Salvador; in the Guatemalan National Revolutionary Union (URNG), and in the rest of Ibero-America's leftist organizations. He has also had links to the Spanish Basque ETA terrorists, who found Cuba a safe haven for their operatives.

Castañeda says that more recently, Pineiro has been very active in meetings of the São Paulo Forum.

On Jan. 6, 1994, the Brazilian daily *Folha de São Paulo* reported that the U.S. State Department had concluded its investigation into the kidnapping and terrorism international uncovered by the FMLN weapons bunker explosion. According to *Folha*, the State Department confirmed that there was a network of kidnapers, that the weapons did indeed belong to the FMLN [as the FMLN itself admitted], and that the groups affiliated to this terrorist international "coordinated among themselves." However, the State Department investigation inexplicably concludes that this entire network "probably became inactive with the fall of communism."

Mexico and Nicaragua, ETA bases

In its Nov. 15, 1993 issue, the Spanish magazine *Cambio 16* reported that it had gained access to a confidential memo by the Spanish Interior Ministry, which contained the names of 22 ETA activists now living in Mexico. The magazine reminds the reader that the Managua bunker was in the name of Miguel Antonio Larios Moreno, "a false identity behind which hid one Eusebio Arzallus Tapia, one of the most dangerous activists" of the ETA, who was given Nicaraguan citizenship in 1990. In a report published the first week of February 1993 in the Mexican magazine *Impacto* (No. 2293), journalist Jorge Alejandro Medellín wrote that Arzallus Tapia "managed to leave Managua, weeks later penetrating Mexican territory where he still remains, according to Spanish intelligence. As far as is known . . . he entered Mexico using a false Honduran passport in the name of Julio Aguilar Cruz."

Cambio 16 also reported that other documents found in the bunker "confirm ETA's participation in the kidnapping of Brazilian Abilio Diniz, in December 1989." Further, ETA has deployed to other countries from Nicaragua, and "the weapons were sent abroad under diplomatic cover, while economic financing to carry out the operations was under the charge of the Fifth Directorate. The ETA terrorists always entered and left the countries in which they operated through

Mexico." The Fifth Directorate was a dependency of the Nicaraguan Interior Ministry, headed by Tomás Borge.

Another report published in the Mexican magazine *Proceso* on June 7, 1993, indicated that "the Spanish newspaper *ABC* reveals in its May 7 [1993] issue that 150 ETAers . . . are in Mexico trying to reorganize themselves. According to anti-terrorism experts consulted by the Spanish daily, ETA is behind some of the kidnappings that have been occurring in Mexico."

In its Nov. 29, 1993 issue, Spain's *Cambio 16* published an extensive report on ETA activities in Ibero-America, which noted that the Spanish Interior Ministry estimates that there are between 100 and 200 ETA activists currently living in Mexico, and listed some of their names. On Dec. 29, 1993, *ABC* reported that the main centers of ETA activity in Mexico are in Mexico City, and in the states of Hidalgo, Querétaro, Nuevo León and Guanajuato. *Cambio 16* added that the ETA terrorists operate "under the presumably innocent cover of environmental or social consulting firms," companies which—according to official sources—"have reached into highly important levels of government, as it is known that they work both for the OAS and for the United Nations, as well as for other Mexican entities."

On Jan. 22, 1994, *ABC* reported that Mexico has asked Spain's collaboration in investigating the ETA connection to the Zapatista National Liberation Army (EZLN). Mexican sources confirm that there are ETA members in Chiapas, where the Zapatistas launched their uprising.

Brazil, Colombia, Peru . . .

Kidnapping, Inc. has infested all of Ibero-America. Apart from Brazil and Mexico, Colombia and Peru are today the countries most afflicted. In 1993, Colombia officially registered more than 1,000 kidnappings, and so far this year, another 50. Further, the number of victims who pay "war taxes" or "quotas" to protect themselves from kidnapping—or worse—is immense. The kidnapers include the FARC, the National Liberation Army (ELN), and the People's Liberation Army (EPL).

In Peru, in addition to Shining Path, the major kidnapers are the narco-terrorists of the Tupac Amaru Revolutionary Movement (MRTA), closely linked to Colombia's M-19, the Sandinistas, and to Cuba, as well as to the so-called Americas Battalion, which includes Colombia's narco-guerrillas and others. On Oct. 15, 1993, Peru's anti-terrorist police rescued MRTA kidnap victim Raul Hiraoka Torres. In freeing the businessman, they dismantled an entire MRTA network of "people's jails" and captured several terrorists, including four Chileans. One of these, Francisco Castillo Petrucci, headed up the MRTA's "Special Extortion and Kidnapping Unit."

According to the Statistical Department of Peru's National Police and the Interior Ministry, the number of kidnappings registered between 1989 and 1993 was 1,763.

Is a green hand behind Hydro-Quebec bombing?

by Raynald Rouleau

The author is a journalist for the French newspaper Nouvelle Solidarité.

A high-voltage transmission tower was bombed near St. Basil, about 25 kilometers south of Montreal, Canada. The damage was discovered on March 14 by a maintenance crew, in the course of a routine inspection. According to Quebec's provincial police, the explosion had occurred on Feb. 24 at around 3:30 a.m. One leg of the pylon had been entirely severed at its base, while another leg had been damaged by a partial explosion of a second charge. The structure was still standing, held up by the power lines. A third charge, 10 sticks of dynamite, was also found, intact, on an adjacent pylon. According to experts, the authors of the act had some knowledge of the engineering of power lines, knowing in particular that the total destruction of a single tower would not necessarily bring down the line in a domino effect, unless a second pylon were at least partially damaged. If the domino effect had taken place, it would have taken weeks to repair. As it was, electricity to about 175,000 residents was interrupted for a few hours, while experts deactivated the device that had not exploded.

The next day, the remains of another device were found, on the Kahnawake Indian reservation, near Montreal. One leg on this bigger pylon, holding the 300 Megawatt (MW) cables going over the St. Laurent River, was slightly warped by the explosion.

Two weeks earlier, on Feb. 11, an explosion reportedly caused an interruption of service in the region of Cornwall, Ontario, near the United States-Ontario-Quebec border. That attack was claimed in an anonymous telephone call, supposedly in relation to a strike by the employees of Quebecor, the company that owns the *Journal de Montreal*.

What is going on here?

One possible scenario would link the attacks with the export of electricity to the United States, for the explosions took place at a time when hearings were scheduled to begin in New York State, on the renewal of contracts between Hydro-Quebec and New York State. The Feb. 11 attack had caused the interruption of electricity deliveries (150 MW) to New York State, and the two other failed attempts would also have interrupted services to the United States. One

should keep in mind the vital role played by Hydro-Quebec in keeping warm thousands of homes in the United States in January. During that record cold snap, Hydro-Quebec was supplying around 3.5 gigawatts/hour, the maximum the American grid can take.

Some market analysts have blamed the incidents for the fall of the Canadian dollar on March 15, which led the Bank of Canada to raise rates by nine basis points to 4.22%. In the *Globe and Mail* of March 16, Marian Stinson wrote that "the impact from the explosion that damaged a Hydro-Quebec transmission tower near Montreal hit the Canadian dollar yesterday, sending it to a seven-year low 73.37 cents against the U.S. greenback. Although it was not known who was responsible for the blast, traders treated the incident as a sign of political uncertainty in the province." However, the article acknowledged that the Canadian dollar has been dropping for the last three months. It lost 3.25% since the beginning of the year.

On the evening of March 14, Radio Canada International, the Canadian government's official propaganda arm, broadcast the news of the attack against Hydro-Quebec as the first item in its evening broadcast to the United States, with many of the facts wrong, making it sound worse than it really was.

Why would Canada trumpet an internal instability like terrorism, something which is not looked upon favorably by foreign investors? Was it bad judgment? Is somebody trying to counter the expansion of Hydro-Quebec, the biggest state-owned company in the province, worth \$44.8 billion? Or are there larger geopolitical calculations at stake?

Ask Maurice Strong's green friends

Unravelling this puzzle will require an investigation of the role of Canada's malthusian elites, like Hydro-Ontario chief Maurice Strong, and their relationship to the eco-terrorists. Strong was the secretary of the biggest conference ever of Gaia worshippers and malthusians—the U.N.'s 1992 "Earth Summit" in Brazil, yet is the head of one of the last large high-technology company in Canada, Hydro-Ontario. How can vital institutions such as Hydro-Quebec and Hydro-Ontario be saved, as long as the boss of one of them belongs to the same pagan circles as those who are trying to destroy it? We suggest here some specific leads for investigation.

A year ago, a report written by Hydro-Quebec was leaked to a group close to Greenpeace. It was first publicized by the Canadian Broadcasting Corp.'s Pierre Tourangeau and then by Louis-Gilles Francoeur of *Le Devoir*. The report calls for an increase in security, pushing for the transformation of Hydro-Quebec's "equipment surveillance apparatus" into a full-fledged "security service."

Several environmental and (self-proclaimed) human rights groups denounced Hydro-Quebec, filing a complaint with the Quebec government's Human Rights Commission. The complainants are: Romeo Saganash of Le Grand Conseil

des Cris (The Grand Council of the Cris), François Tanguay of Greenpeace Canada, Daphna Castel of Le Mouvement Au Courant (The Current Movement), and André Belisle of L'Association Quebecoise de Lutte Contre la Pollution Atmosphérique (Quebec Association for Struggle Against Atmospheric Pollution). The complaint was rejected. But Greenpeace's crew appealed it, and there have been several meetings to try to bring the two sides to an agreement. As François Tanguay of Greenpeace said: "This is a hot potato for them," because it is the government going after itself. Greenpeace's main concern, Tanguay told a confidant: "We want Hydro-Quebec to come out and say flat out that they are not doing surveillance or intelligence work on the environmental groups." What are they so afraid of? Was this bombing a test of Hydro-Quebec's new security service?

If we take into consideration the role played by Louis-Gilles Francoeur, his article in *Le Devoir* of March 18 would tend to point in that direction. Francoeur goes after Hydro-Quebec's security service on the basis that they seem to have the power to investigate electrical equipment that doesn't belong to them, but to the city of Cornwall, Ontario. "Does Hydro-Quebec have the power to investigate its neighbors?" he asks.

Investigate Earth First!

Another gargoyle from this same green nest is the ecological-terrorist group Earth First! Their profession? Manipulating the natives. What did they create? The Native Forest Network (NFN). Their backers? Maurice Strong and his friends from the U.N. "human rights" and "indigenous peoples" movement.

Think of it this way: An anthropologist, who has studied this or that tribe for four years, comes in, maybe offers something to smoke, and starts telling "the natives" about the bad things the "Whites" did to him. "Don't you know that in the time of Chief So-and-So, all these lands were yours? You're going to lose the lands of your ancestors, the land of the Great Bla-Bla-Bla? Now, if Chief So-and-So were in this world today, do you think he would let them do this? Aren't you going to fight these violators?"

And here is the result: You have a man, like Chief Rich, an Innu Chief in northeastern Quebec, a victim of Earth First!, who says things like, "I am prepared to break every law in the book" to protect this land.

In the Earth First! journal *EF!* on Feb. 2, there was an announcement that the Native Forest Network is calling an "International Day of Action Against the 50th Anniversary of Hydro-Quebec" on April 14. Rallies and "actions" are planned for Chicago, New York, San Francisco, Montreal, and cities in Europe and Australia.

Contraband on the Indian reservations

Another lead for investigation centers around the way Canada's Indian population is being used by the same inter-

national networks that created the Zapatista destabilization in Mexico.

Several weeks after the Zapatistas' controllers launched their assault on Mexico's sovereignty with the uprising in Chiapas that began on Jan. 1, with the support of Canadian networks close to Ed Broadbent and Maurice Strong, the Canadian government of Jean Chrétien and the newly sworn-in prime minister of Quebec, Daniel Johnson, Jr., decided to drastically reduce the price of cigarettes, removing a large chunk of the five-year-old "sin tax," from \$6.50 to about \$3.00. This very unpopular and controversial action was taken to stop the contraband, they claimed. But think of this: Why would a government take an unpopular action, which will cost it \$450 million in revenues, at a time when they are being put against the wall by the international banks to bring down the budget deficit? The answer seems to be "self-defense": putting a stop to arms supplies for a Zapatista-style guerrilla army in the making.

Everyone knows that most Canadian cigarettes are being laundered through the Indian reservations on the U.S.-Canadian border, making a very lucrative contraband (hundreds of millions of dollars, according to reports) run out of this "safe haven zone." If we believe Royal Canadian Mounted Police Commissioner Norman Inkster—and he probably knows—70% of all contraband cigarettes sold in Canada come through the Akwesasne Mohawk Reservation, whose territory encompasses part of Ontario, Quebec, and New York State. The majority of the Indians, of course, are living in relative poverty. Aside from the small percentage involved in the contraband trade, it is not the Indians who are running this. So, who's making the money? Who's controlling the contraband? These are some questions that would be very interesting to ask Conrad Black and Edgar Bronfman's friends in the tobacco industries.

The Order of the Solar Temple

Finally, take a look at the outfit called L'Ordre du Temple Solaire (Order of the Solar Temple), which took responsibility for the Hydro-Quebec terrorism several days after the bombing, through a letter found in the elevator of a building housing some offices of the newspaper *Le Devoir*. The letter was given to the authorities, but so far the police have refused to comment, and Hydro-Quebec has not taken the letter seriously. According to Bernard Plante of *Le Devoir*, the letter mentioned the name of Jean-Pierre Vinet, a former projects director in the Human Resources office of Hydro-Quebec, and member of the Order of the Solar Temple. Vinet had pleaded guilty to a weapons-trafficking conspiracy charge in July 1993. He was put on probation, without surveillance, for six months. He had been fired from Hydro-Quebec in June 1993.

Plante's article further reports that in April 1993, Hydro-Quebec had investigated esoteric sect activities among their employees, but concluded that the activities were limited. In

the midst of all of this, a "leaked copy" of a deal in progress says that Hydro-Quebec will pay Quebec's Inuit natives more than 500 million Canadian dollars over 50 years, in exchange for their agreement to the Great Whale hydroelectric project. Under the agreement in principle, Maikivik Corp., the Inuit administrative body, promises not to take any legal action "to prevent, delay, or modify" the \$13.3 billion (Canadian) project.

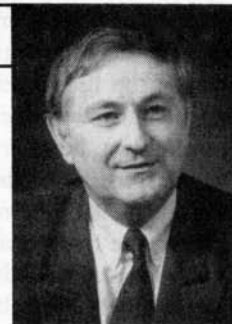
Ed Broadbent and Mexico's Zapatistas

The chairman of the International Center for Human Rights and Democratic Development, Ed Broadbent, released a report on Jan. 21, 1994 in Ottawa calling on the Mexican government to let the indigenous people interpret the Mexican Constitution. The report says: "We urged the Government of Mexico: to ensure that the newly created independent National Commission of Social Justice for Indigenous People be composed of a majority of indigenous people and that it recommend regulation which would be used to interpret Article 4 of the Mexican constitution . . . to mandate the same independent National Commission to fully consult with indigenous organizations and individuals regarding recent changes to Article 27 of the Mexican Constitution with the intent of preventing the further alienation of Indian lands."

This program is intended to force the transfer of land and underground resource ownership from the legitimate sovereign government of Mexico to the international financial corporations, via the "natives," using human rights as a cover.

The report urges the Canadian government to expand Canada-Fund's assistance to indigenous organizations; to provide Ovide Mercredi's Assembly of First Nations with technical and financial support to establish "programs of solidarity and development with their Mexican counterparts."

Sorry folks, but as proven in the *EIR* Special Report of the subject, the Zapatistas are run by a bunch of blue- and green-eyed terrorists, who are as Indian-blooded as the Queen of England is! So, what does this say about Ed Broadbent? I don't know, but I would just say that beginning as early as 1970, Ed Broadbent's name has been on a Canadian military internal security list of "political subversives." Who is he really working for anyway?



London advisers run France more and more

Jacques Cheminade, based in Paris, is the leader of the political movement Nouvelle Solidarité—New Solidarity—which presented candidates in the recent regional elections in a number of places in France (box, p. 43). An author and journalist, Cheminade has published a book called The True History of France and he is also the author of one of the most sought-after newsletters on the French scene, called Le Commentaire. His observations about French and Mediterranean politics were edited from an interview conducted on Feb. 22 on the U.S. cable television show “The LaRouche Connection,” where he appeared together with German journalist Anno Hellenbroich. The program’s moderator was Webster Tarpley.

Recipe for social blowup

France is undergoing the worst crisis since World War II, and probably a worse crisis than the 1929-33 crisis. We have in France a potential labor force of about 30 million persons. Ten million are working in the public sector, with more or less safe jobs. This leaves a 20 million person potential labor force outside of the public sector. Of this 20 million, 10 million are employed with more or less safe jobs. Ten million have either extremely unsafe jobs or no jobs at all: The official figure of unemployment is more than 3 million; 2-3 million are in temporary jobs with no chance whatsoever of getting a permanent job later; and 4 million are in totally insecure and part-time jobs.

That means 10 million of the active population excluded from the labor force, who are losing the capacity to work for the nation or for a firm. This creates inside the country, a potential for a social explosion which is very, very big.

When confronted with that, the government says that it’s difficult to foster domestic consumption, and it’s difficult to rely on investment, so they rely on exports. They say they will be helped by the so-called American recovery, which does not exist. And they’re talking about the German market, which is collapsing.

The other way that they try to “save” the economy is to get money into the stock market, into the derivatives, into the speculative sector. There’s a credit crunch in the banks; the banks are in too bad a situation to give money to the firms, so they play on the derivatives markets. What’s left? The

stock market. And the firms go looking for bonds and stocks on the stock market, which is a catastrophe, because the stock market is going to collapse one of these days. Because the government keeps putting money into the stock market, creating a bubble which is getting bigger and bigger.

The incredible shrinking government

Who comes to Paris to make money on this bubble? Paine Webber, Goldman Sachs, Shearson Lehman, and Lazard Frères. This in turn produces, inside the government, a group of people who control the government totally—the privatizations, for example. The public sector is being sold off. The first is BNP [Banque Nationale de Paris], one of the biggest French banks. Then, it’s UAP, an insurance company; Elf, the oil jewel of the French public sector; Rhône-Poulenc, the chemical company.

So, for the privatization of all these firms, they need a counsel—an expert. Who is it going to be: For BNP, the first victim of privatization, it’s Lazard Frères. Why? Because the son of Prime Minister Edouard Balladur is a partner in Lazard Frères, Jérôme Balladur. Then you have the former adviser to Balladur in the privatizations of 1986-89, who is a partner in Lazard Frères. Another former adviser of Balladur is a partner in Lazard Frères. The chain of power is Lazard Frères, the Treasury, and then the government.

If you want to understand how France works today, it’s a group of people who represent the senior advisers from the public sector and the government officials, who turn to bankers; and the bankers turn to insurers, and insurers turn to speculators. All these people form a group that controls the domain in which government can do things. The mistake of the government is to accept a more and more contracted realm for its activity; the government is more and more cornered into doing less and less.

The odd couple

The French government is like the old American TV situation comedy, “The Odd Couple.” You have François Mitterrand and Edouard Balladur. President Mitterrand is a Socialist, a social monetarist, who has nothing to do with the traditional understanding of the word socialist. He’s the President, the head of state. And then you have Edouard

Balladur, the prime minister, who is a Gaullist. He has been in office since the beginning of last year, when his party came out on top in the general elections to parliament. He has nothing to do with the Gaullists; so, it's pure hypocrisy in the government, because one pretends to be a Socialist, and he's not; the other pretends to be a Gaullist, and he's not. Between 1958 and 1968, during the ten years when de Gaulle was in power, the traditional financial control of the French state was broken. But little by little, since 1968, those financial forces which controlled the French nation in the 19th and much of the 20th century are coming back into control of the nation.

France is a nation where you had social security and retirement guaranteed. Now, all this has been put into question. They are telling people that pensions, retirement funds, are going to be given away to insurance companies, because the government has no money. That's the first tragedy: Old people will have no more social security and no more pensions. They're going to be thrown away by French society.

Another tragedy is young people, from suburbia, from around the cities. These young people are sometimes French or coming from foreign countries, who were born in France. Then there are foreign families of guest workers, and these people have no jobs; they have no schooling; they are outsiders, leftovers. What do they do? They survive by street-peddling or dealing drugs. The money from drugs is the main source of income at this point in part of the French neighborhoods around Paris.

People who, until five years ago, had the best diplomas in the French educational system, which is at a relatively high level, still cannot get jobs.

Mediterranean about to blow up

After the social bombshell in the East of Europe, we face a second bombshell, which is the Mediterranean.

Africa is being destroyed, by devaluations of the currencies, where they want to create sweatshops in Africa, whence you can export cheaply. France has dropped African countries, and let the so-called African franc, the CFA franc, be devalued by 50% in one shot, without any preparation. So, in these countries, they can no longer import any goods; but their exports are suddenly 50% cheaper, so you can create sweatshops there.

How can you create a productive sector in a viable way in countries that are destroyed by AIDS? For example, in the Ivory Coast, 20% of the population *at least*, and certain of my friends say 40%, are HIV sero-positive.

Algeria is being destroyed by the IMF, and by a civil war. There's chaos and war, because there's no chance to develop the country. Why? In the past, the Algerian government tried to develop the oil sector, and then an industry. Because it was a socialist government, with the problems of a socialist government affected by Soviet ideology, they destroyed farming production, but they achieved, in a certain

way, the development of the oil industry and heavy industry in general. But all of a sudden, the oil prices collapsed and the foreign markets, or the markets that they could have had in Africa, collapsed! So they could no longer produce, because there were no more markets.

Now, the creditors want to impose IMF conditionalities that would bring the country to its knees. This country is opposite France on the Mediterranean coast. In Morocco, it's been a less-accelerated process, but it's taking place; the same in Tunisia. And, 5 million people of North African origin are in France.

In Spain, under the Franco dictatorship, there were certain social measures taken in favor of labor. Now, a socialist government is throwing out the social measures that this *dictatorship* had written in favor of labor. The unemployed are receiving less. The idea is that if you give less to the unemployed, they would want to be employed—when there are no jobs! They're cutting medical allowances, and they're also cutting the protection of labor. For example, before, you

French Nouvelle Solidarité movement at take-off point

The overall results of France's March 20 cantonal elections were surprising in many respects. They are also a turning point for the new Nouvelle Solidarité movement, of which several candidates went over the critical level of 2% of the vote.

The national results were a surprise for all. A significant protest vote against the RPR/UDF government and majority was generally expected, following the social unrest of the last months. Everyone still has in mind the Air France workers' revolt against the restructuring and privatization of their company, the hundreds of thousands demonstrating against Prime Minister Edouard Balladur's school reforms, the desperate fishermen rampaging through the fish markets in Paris in protest against the globalization of the world markets, and the more recent student protests against the "youth" minimum wage. It was generally expected that the repeated backdown of Balladur in all these conflicts had begun to undermine his popularity significantly.

Despite all these circumstances, the vote, which saw 44.7% go to the right wing (all parties included), has consolidated the present government for the short term. The Socialist Party, which was well on its way to self-destruction with 19% of the vote in last year's legislative elections, benefitted slightly from the social unrest and reached nearly 29% this time.

could not be fired from a job from one day to the next, but now you can.

Britain's plans for Italy

After the war, Italy had a certain type of government, which was based on a compromise of various forces around the state sector that was developing the country. The state sector was: chemicals, oil, electricity, steel, and the construction sector. After the fall of the Berlin Wall, the Anglo-American banks and the Anglo-American interests asked, "How are we going to get our hands on that?" and there was a meeting on the *Britannia*, the royal yacht of Queen Elizabeth II, with bankers from Italy, bankers from the City of London, and certain American bankers who planned how to loot the public sector of Italy. So, they launched corruption scandals around the Italian political class.

This corruption was due to a law that these bankers had imposed on the Italian elites in the 1940s. This was the law during the Anglo-American occupation, that limited the pub-

lic financing of the political parties. Now they are saying that these people are guilty of having done what they told them to do, practically. With that excuse they want to rob the whole public sector of Italy, control it, and cut it into pieces.

We are looking at the presumed collapse of the Christian Democratic Party, which has been the largest one, always in the government, generally the prime minister; the collapse of the Socialist Party; the collapse of smaller parties, like Social Democrats, Liberals, Republicans, and so forth.

In their place, two things are likely to emerge. In the first stage, probably, the former communists will gain. The former communists are 100% for liberal monetarist measures and 100% for austerity. So, these bankers from the City of London—this oligarchy from London and from the United States, and other oligarchies—are saying, "Let's give them a few years, or a few months"—probably a few months—"for the control of dismantling of Italian industry." Then, on the other side, is another coalition of liberal forces with a neo-fascist so-called movement, the pro-Mussolini people,

At the same time, a significant protest vote keeps reinforcing France's extremes. Benefitting from the huge unemployment, the Communist Party recovered nearly four points since the fall of the Berlin Wall, climbing to 11.4% of the vote. On the extreme right wing of the political spectrum, Jean-Marie Le Pen scored 9.7%, a slight drop in his party's national support. However, this drop should not be overestimated, because National Front candidates continue to get over 15% of the vote and, in some areas, up to 30%.

The people who think in France, as opposed to those who continue to vote according to "habit" for parties which caused the present economic catastrophe and brought about the general weakening of the nation, seized the opportunity to vote for the candidates of the Nouvelle Solidarité movement of Jacques Cheminade. Out of 28 candidates who ran nationwide, five got 2% of the vote or more, with one of them crossing over the 5% barrier! Eleven others received between 1 and 1.9%. These results are very encouraging. Even the pessimists in the business of evaluating election results estimate that 2% is the minimum for a new party to really take off, anything under that being generally passed off as the vote of friends and family.

An indication of the political quality of those who voted for Nouvelle Solidarité is that, despite the fact that these were very local, district elections, the Nouvelle Solidarité campaigns were not run on local issues at all. How can one talk about local issues when there is war in the Balkans and one of the worst economic crises hitting the world economy, asked most of the candidates in their

declarations which were printed in the press and distributed to the homes of nearly 500,000 voters.

Real issues addressed

The statements called for launching a double ultimatum, one to solve the Bosnian crisis; the other to put an end to unemployment. On all issues, the Nouvelle Solidarité candidates were the only ones to name the names. The Juppé-Kinkel plan for the ethnic partition of Bosnia was denounced by most as shameful. On the economic crisis, the candidates attacked the corruption in Paris, where Balladur favors the interests of Wall Street houses such as Lazard Frères, where his son and several of his advisers just happen to work. Before Balladur entered office, the socialists had done their best as well to pave the way for financial speculation.

Some of the best results of Nouvelle Solidarité went to the younger candidates, indicating a strong desire of voters to replace the old, worn-out, discredited politicians. It was 22-year-old Laurent Arena, a history and geography sophomore, who got 5.2% in the city of St. Etienne. I am just a "simple student," he declared in his statement of candidacy, but I want to protest against a system which favors financial speculation and the abuse of cheap labor in the Third World through globalization.

Generally, the best election results came in areas badly hit by the economic crisis and where no alternatives were perceived. Agnes Farkas scored 2.7% in St. Avold, a mining area in Lorraine, and François Calentier 2.74% in an area outside Paris which had a large farming sector.

—Christine Bierre

including the MSI (Italian Social Movement) which ran Mussolini's granddaughter Alessandra Mussolini for office in Naples: The predominant part of them shares a neo-liberal policy with the liberal right wing (the other is the liberal left wing).

And then there are the Leagues. The Lombard League, now the Northern League, has chauvinist, racist overtones; it basically says Italy should be divided into the North, the so-called Padania; the middle, Etruria; and the South, the Mezzogiorno—three separate countries. In reality, they don't want to divide it into three parts; they want to divide it into two parts: The bigger part of the pie for the British bankers, and the smaller part for them.

And then, there is a newcomer, Silvio Berlusconi, with Forza Italia ("Go, Italy!"). Berlusconi basically owns all of the privately owned television. It's a dirty, sex-drugs-pornographic operation.

Resistance and the LaRouche movement

The friends of Lyndon LaRouche in Italy have been briefing the leadership of various political parties, including those parties that we mentioned: Honest people have joined these parties, who are dupes, and are reacting, because they see their country being destroyed. *L'Umanità*—the official newspaper of the Italian Social Democrats—has run articles in several issues from *EIR* on the monetary destabilization.

This attempted takeover by the British oligarchy of Italy was launched through a scandal called *Mani pulite* or "Clean Hands," against Italian politicians. This is coming into France also, and they're launching similar scandals. It can bring about a kind of coup d'état.

As with the Whitewater operation against President Clinton, they did not go after the Italian politicians or the French politicians because they were doing such good things; they were not doing much. But they went after them, because *potentially* there could be some reactions of independence against the derivative markets bubble, and reactions of independence, because they don't want to see their base destroyed: Their base is their country, their firms, the population—and this is what this oligarchy wants destroyed.

In France, our party is called Nouvelle Solidarité, and our newspaper is called *Nouvelle Solidarité* or *New Solidarity*. We are running in regional elections but not, probably, in the European elections, because of the cost involved. There is a very unjust, unfair, political system in France, where there is a financial barrier that prevents you from running in the European Parliament elections if you are a small party.

In 1995, there will be presidential elections in France, as in Italy and Spain, all of which center around one man. I am running for President in 1995 in France. Mitterrand will not run again. As of today, Edouard Balladur is said by everybody to be the next French President. But, as Lyndon LaRouche said about George Bush just before and after the Gulf war, Balladur's popularity is about a mile wide and one



A scene in a Paris Metro station in 1993. Of France's potential labor force of 30 million, 10 million are either unemployed, underemployed, or working at insecure, part-time jobs. This has created the potential for a social explosion.

centimeter thick.

Circles of the old French administration don't want to see the country ripped apart. These proto-patriotic groups come from the planning sector of the economy during the de Gaulle period. These are strategic thinkers in the main state-controlled, or partially state-controlled industries: oil, chemicals, aerospace, and the nuclear sector, in particular. In all these sectors, they know that if this Anglo-American, City of London policy continues, they are going to be dismantled. They see our activity in Russia, in the United States, in Europe, all over the world, as the friends of Lyndon LaRouche—in Australia for example—as having a unique quality.

Various expressions of a revolt are coming from inside the French establishment. Maurice Allais, for example, the French economist, came out violently attacking the GATT projects, and saying that, from a precise estimation which is not even based on a true conception of physical economy, but an incompetent monetarist estimation, the GATT agreement is going to be a disaster for production.

None of these elites has yet endorsed LaRouche's Productive Triangle project for linking Paris, Berlin, and Vienna and turning this area into the locomotive for world economic recovery. However, alternative plans are being put forward: the Delors plan for Europe, or the Malinveau plan, from the former head of the planning commission in France, who calls for investment planning in Europe of a very sizable amount—more or less, \$300-400 billion. What they are not yet willing to do, is to face the British.

Taiwan independence moves heighten peril of attack by mainland China

This past Jan. 28, Leni Rubinstein interviewed two patriotic intellectuals from the Republic of China (Taiwan), Dr. Fung and Mr. Lin, for EIR during the New York leg of their U.S. tour. Traveling to gather support for the New Alliance for Democratic Reform among overseas Chinese communities, the two also visited San Francisco, Los Angeles, Houston, and Boston.

Prof. Fung Hu-Husiang has published 23 books and won many important academic awards, including the Sun Yat-sen Award which is the highest honor in the R.O.C. Currently, he is the publisher of the widely circulated journal China Forum, and spokesman for the Alliance for Democratic Reform. He has had a distinguished academic career, having received his Ph.D. from Boston College and having been dean of the College of Liberal Arts at National Central University in Taiwan. Among his many positions in government, he was the executive secretary to the late President Chiang Ching-Kuo of the R.O.C.

Mr. Lin Hsi-tung, a native Taiwanese, is a prominent attorney. He was president of the Bar Association of Taipei, served as a special visiting scholar and adviser for the Finance and Defense ministries, and was elected in 1993 as a representative of the 14th National Assembly of the KMT, the ruling party.

Yet Taiwan's President Lee Teng-hui has accused both Professor Fung and Mr. Lin of "criticizing him" and ordered both of them to be expelled from the KMT. The charges are based on the fact that the two asked the KMT to "promote democracy in the party, open the financial books to the membership of the party, improve the mechanisms for advancement of personnel in the party (based on merit), organize a reform meeting in the party, minimize narrow-minded provincialism, and eliminate the corruptions resulting from the 'money-politics' that has been endemic to the Lee regime."

The answers were translated from the Chinese for EIR.

EIR: Throughout Latin America and elsewhere we have seen an effort to undermine the military forces in order to destroy the sovereignty of the nation state. How is the situation for the military forces of the Republic of China?

Dr. Fung: I think there are at least three very good traditions

in the military in the R.O.C. All military forces have been educated to a main goal and holy mission and that is to fight against the tendency for an independent Taiwan. That has been one of the major missions. However, now, since President Lee openly and repeatedly has called for insurrection, this has caused a very confused feeling and misdirection. The unity and sense of one, single direction has been destroyed. Secondly, in the tradition of the military power the ethical system has been followed as the basic principle for the soldiers. Since President Lee wanted to use his own personnel, he often chose his own people, without any regard for the ethical principle. For instance in the party, Lee said openly that those generals cannot be elected as the representatives of the party. Lower officers, however, can be elected. This is totally against military ethics. The reason for him to do this is to avoid the influence created by [former] Premier Hau Pei-tsun, but he will and he has destroyed the military ethics.

Maybe the most important thing is the corruption. That has never been so bad as today. You have seen it in the news. It is a disaster. Why? This is the result of the corruption from above. That is, President Lee, he himself, corrupts. Let me give you three obvious examples. He bought a very luxurious house in a suburb near Taipei. In order to avoid the rules, he put this house under his wife's title. That luxurious house cost \$4 million, which is far beyond his economic means. So people believe that this is a very luxurious present from a group of rich people in Taiwan. In addition to that, the wives of many high-ranking officers did business in the stock market, which is also against the law. Since the President is regarded as a very high-ranking commander-in-chief he should be a good example of a very clean and ethical personality, but right now he is a very bad example concerning corruption, so this has been very harmful. So far, we know that at least one rear admiral in the Navy has been involved in the scandal. This is not only very dangerous, but stupid.

If President Lee wants to encourage the Taiwan independence movement, it will eventually cause a war in the Taiwan Strait: Chinese people fighting Chinese people. This will also be very harmful to the P.R.C. [Mainland China]. Secondly, since he has destroyed a good ethical tradition in the military force, this will be harmful for the military ability in the

Republic of China.

Also, many people in Taiwan have become quite skeptical about the image of the military force. Speaking overall, I think this will be a very dangerous warning in that area. To put it another way, this will cause more possibility of creating war in that area. We do not want war, we do want peace. Especially, we do not want civil war again, Chinese people fighting Chinese people using "smart" weapons. That might be another result of imperialism in the area of China.

EIR: Some people these days are discussing the possibility of an imminent attack on Taiwan. You spoke [at Columbia University] along similar lines. Would you please elaborate on this question?

Mr. Lin: There are three articles in the Constitution of the R.O.C. concerning national defense: First, servicemen must act beyond individual, regional, and partisan interests, devoted only to the nation and love of its people; secondly, political parties can never use military forces as a means in their political disputes; third, no active duty military official can hold, at the same time, any civilian posts. Our Constitution only defined the above articles.

By that definition, the military ethical education is that the military should prevent any tendency toward Taiwan's independence. When Lee Teng-hui took over, he basically ceased those educational activities. So, within the military and among the military servicemen, they do not know what their goal is, who they are supposed to defend or to protect. They are confused, they do not know what they are fighting for, what they are being trained for.

I have been giving lectures to the generals. If you gather all the stars with which they were decorated, it would add up to 250 stars [laughs], including the commander-in-chief on the Kinmen Islands. [Mr. Lin refers to addressing all the high-ranking military—ed.] And I found out that there is a strong tendency against Taiwan independence, almost anyone who ranks above the level of a colonel. They are all anti-independence officials, I think we should make this clear to Lee Teng-hui. Also, I would like to give you the following example: There are 50 high-ranking military officers, who are recently retired. They have stated that they are monitoring what Lee Teng-hui are going to do in the constitutional amendment of April. If they do not like what Lee does, they are going to quit the KMT to make the point, and maybe they will come back and join the political fight. I am giving this example of real facts to illustrate that if Lee Teng-hui openly calls for the independence of Taiwan, he will start a big political crisis.

Of course, President Lee has the power to promote his own people, on that I am not able to intervene; however, I will illustrate to you what kind of people have been promoted. All the opponents to Gen. Hau Pei-tsun have been promoted. This has created a big destabilization in the military leadership.

Concerning the arms sales and bribery scandal involving Col. Yin Chinfeng, to be honest, I don't have the facts to prove that he was encouraged by President Lee. This seems an individual case to me.

Another problem I would like to point to is the possibility that the Democratic Progressive Party (DPP), which has as its goal the independence of Taiwan, might join the National Defense Committee in the future. They have talked with people and with officers about cutting the budget to weaken the military power. Those generals feel as if they were weakened; they cannot do anything about it. So, generally speaking, what you see in the military is that the generals are demoralized. Therefore, if a war erupts between the Mainland and Taiwan, what we have is a military that is more and more incompetent.

One thing I want to emphasize is that in a war between the Mainland and Taiwan, I do not believe there are any generals in Taiwan who would defend Lee Teng-hui with their own lives.

In Taiwan, we have been fighting against Lee Teng-hui; fighting against the DPP; fighting against some foreign forces, maybe even from America and the American Institute in Taiwan [laughter]. We will sue them, if former ambassador James Lilley interferes in Taiwan's internal affairs, or to weaken its national sovereignty, we will sue him. . . .

EIR: But they could use other means, like to destroy Taiwan's economy through GATT.

Mr. Lin: That may be a different opinion. . . .

But I announce to the whole world; I announce to all the overseas Chinese what we are going to do . . . justice . . . we will keep fighting, forever, even bring in a revolution.

EIR: Please give your evaluation of a possible danger of an attack on Taiwan from Mainland China.

Mr. Lin: I agree with what Dr. Fung said on this question. If Taiwan goes for independence, then there will be war. And when such a war starts, the military will not be ready to fight on the side of Lee Teng-hui.

Dr. Fung: I would like to make more comments about this topic. First of all, I think that leaders in Mainland China will attack Taiwan's movement toward independence, not in the name of communism, but in the name of patriotism. In that way their action will be supported and accepted by all people in Mainland China. That means increased possibility for a military action. You see, even those democratic young people who have escaped from Mainland China who dislike the Communist system, on this issue, agree with military action—with an attack to stop a move toward an independent Taiwan.

Secondly, I would like to say that even for internal reasons within Mainland China, they have no other choice, but to attack Taiwan by force, if the movement for Taiwan's independence becomes stronger. Because, if they can toler-



Fung Hu-Husiang (left) and Lin Hsi-tung during a visit to the United States. Says Mr. Lin: "If Taiwan goes for independence, then there will be war. And when such a war starts, the military will not be ready to fight on the side of Lee Teng-hui."

ate the movement for Taiwan's independence, then this will be a sign for the independent movement in Xinjiang province (which is 56 times larger than Taiwan) to move toward independence. Manchuria, Mongolia, Tibet and many other minorities in the western and southern part of Mainland China then will move in the same direction. The whole of China will be broken up. Not any single leader can take that chance, otherwise he himself will be overthrown. So that also increases the probability for the use of military action from Mainland China. However, we Chinese have a saying: "Don't play with fire." President Lee is a person who is now playing with fire, which is very dangerous, very risky. Few people believe that leaders in Mainland China will take military action. It is our responsibility to awaken them, before it is too late.

Mr. Lin: I agree . . . very, very serious. We are seeing some signals which indicate the prominent wars. The American government should know this. There are two things we observed on this matter. One, the prime minister of Mainland China in a speech to the Military Council about Taiwan's Independence Movement stated that this would cause a river of blood because they [the Military Council] would not just sit and tolerate Taiwan becoming independent. Secondly, they issued a White Paper on the Taiwan issue which is a very strongly worded attack on the independence movement

in Taiwan on the world stage. The point is that Mainland China has reached the tolerance level and the situation is very critical.

EIR: Mainland China seems to be using the issue of taking back Taiwan as the ideological remedy to cure its crisis of confidence inside the country.

Dr. Fung: Yes, but not only in that sense. Let us take another angle. Many people believe that since the economic situation has been seriously localized in Mainland China, which means that not a unified, single goal unites all the provinces, except an external, military one. So that is another reason for a military attack.

One other reason: The day before yesterday both of us visited a very famous man, the great master of the Buddhist school here, Fung Hua, who is in Los Angeles. He made two important points to us. First, President Lee will fail in a very short time because he uses power to convince people—not virtue or reason, but power. Therefore he will not succeed. Secondly he said—and he is also a very famous prophet—he made the prediction that in the streets of Taiwan there will be a civil war between two sides. And further that such a war would occur, not only in the local area, but on an international level.

Last year I visited him in San Francisco. He at that time

said the following to me and this time he repeated it again. "You'd better watch out, you'd better be careful and do good for the sake of the peace of the people." He said that it is almost inevitable that we will have such a war on a local and on an international level. I think that is really important.

EIR: Our publication has for quite a while warned about the danger of a third world war.

Dr. Fung: Yes, that is exactly true. Now President Lee Teng-hui, because he wants to escape military attack from Mainland China, is trying to use international power to support him. There are two clear examples to that effect. First, he wants Taiwan to join the U.N. One of the excuses he gave to the people was: "Even if Mainland China attacks us, as long as we can join the U.N., then the U.N. will support us. They will send military troops." [laughter]

Secondly, he is trying to establish a so-called security system in East Asia. He asked for all nations in East Asia, including Japan, Singapore, Malaysia, the Philippines, and Korea to support him vis-à-vis Mainland China. The U.S. government also supports this idea. This is also very risky, and also very ambiguous and ironic, because he is trying to use foreign powers to challenge the Chinese people. That means he is trying to go for a confrontation. A confrontation between Chinese and Chinese by using the power of foreign peoples. What he is trying to do is very serious. That is another reason for such an international war.

EIR: Are you sure he is Chinese? [laughter]

Dr. Fung: That is a good question. Because many people regard him as Japanese.

Mr. Lin: The Kuomintang is now very, very worried. It is very weak, in Taiwan's situation, by 1995 the DPP might become stronger.

Dr. Fung: I would like to add two points. First, Taiwan's entrance into the U.N., which Premier Lian Chan brought to the world's attention. Joining the U.N. will not reduce any danger from being attacked by Mainland China; it only complicates the issue. Second, there is an Academy of Social Sciences in Beijing. The president of the Academy's Taiwan Research Institute said that due to the failure of the KMT in the elections last year, there is panic inside Mainland China. Also the danger is that in the 1995 elections the DPP could gain more power, could gain enough power to set up a joint government, which would further destabilize the political situation.

Mr. Lin: We have a very recent report that leaders in Mainland China signed the so-called Mutual Agreement for Peace with the Russian government. After that agreement was made, Mainland China pulled 1 million soldiers away from the border with Russia and instead spread out this 1 million soldiers along the coast facing Taiwan. Secondly, leaders in Mainland China just made a very clear statement; they said: "We will not just wait and watch (*guanwang*) and see how it

goes with Taiwan's independence movement." This is very important, because they use a very specific term which they often use when they mean war. They have used this term four times. First, just before the Korean War. Second, when fighting the Russians at the border. Third, in fighting Vietnam—exactly the same term. Now they use the same words concerning Taiwan.

In addition to that, just two or three months ago, Mainland China held a major and very important Air Force exercise in the province of Guangdong. They did mass airdrops of soldiers.

EIR: What about all the successful hijackings into Taiwan?

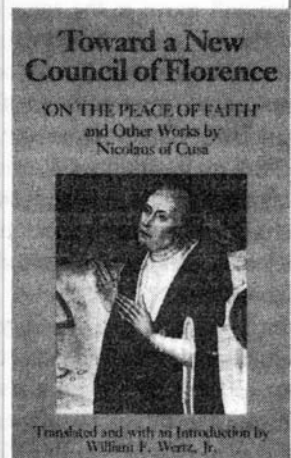
Dr. Fung: They happened almost in the same period. Also as a response to the government of R.O.C.'s application to enter the U.N., Mainland China in its reports says that it emphasizes its [the P.R.C.'s] authoritative rights within the Taiwan Strait; that the current situation, in which many commercial airplanes and boats go to Taiwan, is only a temporary situation; that in the case of an emergency the authoritative rights over the Taiwan Strait go to Mainland China; that Mainland China can veto those boats and airplanes if it wants to. That means that Mainland China can surround Taiwan, can embargo it.

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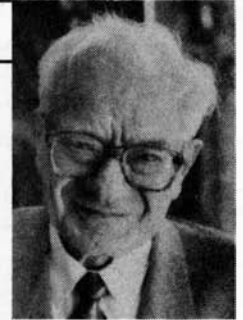
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Latvia's battle for national survival and independence

Mavriks Vulfsons is a Latvian TV news commentator. From 1963 to 1989, he was a lecturer at the Latvian Academy of Arts in Riga. He helped to form the Latvian Popular Front in 1988 and was elected a deputy to the Supreme Soviet of the Soviet Union. There he was a member of the Commission on the Molotov-Ribbentrop Pact. After Latvia declared its independence, he was elected to the Latvian Supreme Council and served as chairman of the Foreign Affairs Commission of the Supreme Council. He later served as ambassador-at-large under Foreign Minister Janis Jurkans. He is a leading figure in the Latvian Jewish community. William Jones interviewed him on Feb. 20-21 in Washington; the interview has been abridged.

EIR: Under the terms of the secret protocol of the Molotov-Ribbentrop agreements in 1940, the Baltic states, Latvia, Lithuania, and Estonia, were ceded by Hitler to Stalin. Establishing the existence of the secret protocol became therefore a necessary precondition for the Baltic states, during the period of the Gorbachov "thaw," to establish without a shadow of a doubt the legitimacy of their demand for independence. You, as a member of the Supreme Soviet of the Soviet Union during that period, were intimately involved in establishing the existence of, and making public, that secret protocol. What happened?

Vulfsons: In the beginning, because I was a historian, I was very interested in getting the protocols relating to Latvia. But we could never publish them in the newspapers. Then I went to Germany and received permission, as perhaps the first foreigner, to see the archives of the Ministry of Foreign Affairs of Germany. I came there with a TV team and they showed me the copies of the protocol. They were on a film band, together with thousands and thousands of other copies of documents relating to relations between Germany and Russia, including copies of documents dating from the time of Peter the Great. There was no doubt that they were really copies of this document.

But I thought that that was not enough. So I went to northern Bavaria with the help of the German Foreign Ministry to meet Johnny Herwart, a legend, a person who had helped build up the German Ministry of Foreign Affairs after the war. He had been the ambassador in London and in Rome

and was quite an old man in those days. But he had been with von der Schulenburg, the German ambassador to Moscow, in August when Ribbentrop came; he was with them all the time. So I called him and said I would like to visit him. He was very happy to meet.

Herwart was on the spot when the protocol was signed. He got the order from Ribbentrop to call Hitler from the Austrian Embassy in Moscow, not from the German Embassy, because they didn't like that, to ask Hitler if the demand of Stalin that west Latvia, with the two important ports of Liepaja and Ventspils, be given to the Russians, were acceptable. This was, at the last moment, a condition of Stalin. Ribbentrop had only the authority to give eastern Latvia, up to the Daugava River, to Stalin. Stalin had said if these ports weren't included, the Russians wouldn't even sign the Non-Aggression Pact, and this was very important for the Germans. Herwart went to the phone and called Hitler's aide, who kept him waiting for some time, then came back to the phone and said, "Yes, we are in agreement." Stalin was happy and they drank champagne and signed the protocol.

It was important to establish that the protocol did indeed exist, for those historians in Latvia and for the official Communist political leadership in Latvia, which doubted its existence.

Then on June 2, 1988 I made a speech in a meeting of the most important intellectuals of Latvia, about 500 people in all, and in the presence of the five secretaries of the Communist Party, two of whom would later become important. One of them was Boris Pugo, who would later become Soviet interior minister, and who committed suicide as an organizer of the August 1991 coup. And the second, a very important person in Latvia, with a very dubious post, was Anatolijs Gorbunovs, the secretary in charge of ideology, and now the chairman of the Latvian Parliament. I told the Latvian people that I had read the secret protocol word-for-word, the first time the Latvian people had heard its contents, and then I said, "So we can see that it was not a revolution that occurred in Latvia in 1940, but rather a conspiracy between two bandits." And that the fate of Latvia was decided during the night when Stalin and Ribbentrop and Molotov drank their champagne and when Ribbentrop came back from having seen Tchaikovsky's *Swan Lake*, saying how wonderfully he



Mavriks Vulfsons and Mikhail Gorbachov. Says Vulfsons, "I became disappointed with Gorbachov, because it became clear that he was behind many of the bloody events of the period."

had enjoyed it.

This was like a bomb exploding, because I spoke before the TV cameras. Pugo came up to me afterwards, red-faced, and said, "You have killed Soviet Latvia." Gorbunovs wrote a few days afterwards in the newspaper that I was "an ugly person." But the people saw me as a hero. When I returned home, the steps to my apartment were full of flowers.

In some ways, this was the most significant speech which was delivered at that time. Two weeks later we had our first legal meeting. It was on June 14, the anniversary of the first big deportations of Latvians by Stalin in 1941. Forty thousand people came; it was filled with KGB men and police, but it was the first major demonstration. This date is always celebrated now as a reminder of Stalin's cruelty, the cruelty of the regime. And then on Oct. 7, we had the first congress of the Latvian Popular Front. I was elected to the board and this was the beginning of our movement. In a very short time, the Popular Front became a very strong organization. In the elections to the Supreme Soviet—as we were still in the Soviet Union—the Popular Front got more than 55% of all votes. You must take account of the fact that in Latvia there were many Soviet military forces, 200,000 strong, and we had a million Russians living there. So it was a very good result. Not every Latvian was a supporter. There were many communists who were against me.

I won this election even in the Russian quarters of Riga and even in one regiment that was deployed in Riga. My

opponents claimed that I was getting ready to build ovens to burn the Russians, but I was successful.

I then worked in Moscow on two commissions, the Foreign Relations Committee and the Commission to Investigate the Molotov-Ribbentrop Pact. We were about 30 people from the Baltic states and from Russia. The chairman was Aleksandr Yakovlev, the second person in the hierarchy of the Communist Party of the Soviet Union, but a liberal man. After two months, in December 1989, we were ready to make a statement in the Congress of People's Deputies, the highest body in the Soviet Union, about this issue. On the first vote to nullify Molotov-Ribbentrop, we received about 400 votes—from the delegation from Lithuania, Estonia, Latvia, some votes from Moldova, Ukraine voted for us, but it fell through.

We asked that it be voted on again, and before this vote I gave my second important speech, which was quite historic, since it was seen all over the Soviet Union. I said that it was unjust that a great people do not perceive what has been done by Stalin. I asked them in a very dramatic speech to approve our proposal to make the Molotov-Ribbentrop Pact null and void from Day One, at the point it was signed. Lukyanov, who was chairman of the Supreme Soviet, kicked me off the podium and turned off the microphone. Many women deputies wept at the speech and cried that I should have the floor to finish. When I stepped down, Mikhail Gorbachov said, "Let him go back," so I was able to finish my speech. We got then about 800 or 900 votes, so that I succeeded in

mobilizing 500 votes with this speech. But it was still not enough.

Next day there was a third vote, and there we got some help from Yakovlev. When all the deputies had left the chamber of the Supreme Soviet, Yakovlev and I stayed behind. He told me that the most important thing would be to persuade the minister of foreign affairs of Ukraine, who was a very strong supporter of the Union and a conservative Communist. He always voted against us. Yakovlev said it would be important that he not speak at the next session. I took the text of our proposal and asked the Ukrainian minister to show me the passage that he found objectionable. He said that he objected that it said that the annexation should be declared null and void from the beginning, because it was signed together with the Non-Aggression Pact, and this was a legal document. I told him that perhaps we could find a suitable formulation. He formulated the same thing in different words. Then we shook hands and I went to Yakovlev and told him, "He's ready." Yakovlev said, "I also have something up my sleeve, but I couldn't do it before you had spoken with him. Tomorrow you will see my weapon." I suppose he had in his pocket the Russian copy of the protocol which had been in the Russian Ministry of Foreign Affairs the whole time, but which was a well-kept secret at that time. He was a good diplomat, and on this issue he was honest. Then we were able to pass the resolution. I returned to Latvia on Dec. 24. There were 30,000 people waiting for us on our return.

Then we had elections in Latvia and I was elected in April 1990 to the Supreme Council of Latvia, and at the first session on May 4, we announced Latvia as an independent country. I proposed Mr. Gorbunovs as the chairman of the parliament. I worked then as chairman of the Foreign Relations Committee and as a member of the Presidium of the Supreme Soviet. I was fired from the commission, one and a half years later. In November we held a memorial on the 50th anniversary of the shooting of more than 30,000 Jews in two days time in Rumbula. It was an important day. It happened at a period when Latvia was becoming very nationalistic.

The Popular Front was not a nationalistic organization. It was an umbrella organization for different nationalities. About 10-15% of the members were Russian and there were some very good Polish and Jewish people involved in it. It was a very decent organization. But the stronger we became, the more people, who had not been active in the Popular Front, came out of their holes, where they were sitting and waiting, and then many of these became active nationalists. At its third congress, the Popular Front changed direction, becoming not the Popular Front of Latvia, but the Latvian Popular Front. Nationalism became quite strong.

Therefore, the first speaker in Rumbula was the chairman of the parliament, Mr. Gorbunovs. He spoke very warmly about the victims of fascism, but suddenly made a statement reprimanding the Jews for their responsibility for all that had happened in 1918 and in 1914. You see, there is a legend

spread by the Germans that the Jews were the KGB. But the KGB was predominantly Russian and Latvian. So when I heard about these statements made at the grave where 30,000 old people and children had been shot in two days, I spoke out that the Latvians must also be reminded that they also were guilty in this tragedy, since many of those who shot the Jews, even before the Germans entered the country, were Latvian fascists. The root of this was the 1930s regime of Karis Ulmanis, an authoritarian and anti-Semitic, but non-fascist, regime. I said then that I was accusing the Latvians, but not because they murdered. That there were Latvian murderers is not the fault of a nation; every nation has such people. But I accused them of having remained silent, in their homes, in the streets, and in their churches. There were only some decent people who helped save the Jews. And these were a lonely minority.

This speech cost me dearly. I fell ill. I was very excited by the whole thing. It was cold, in November, but I thought of those who took that last train during those cold November days in 1940. They had to undress and lie in their graves. I fell ill, but the Commission on Foreign Affairs used this case to kick me out and they voted against me. They wrote a protocol. But they were not very far-sighted. I returned from the hospital a few days later, and went to the commission and looked at the copy of the protocol. It was called "The Jewish Case." Now we have had only one "Jewish Case" in our history, and by "we" I mean we in the East. And the biggest case was Stalin's case of the "Doctors' Plot." Then I went to the commission a few days afterwards, and said I knew that they had taken a decision to kick me out, but that I would give a copy of the protocol to the press if they didn't recall me. Then I was recalled to my position and we remained in something of a stalemate.

EIR: Was Latvian independence readily accepted by the Gorbachov leadership?

Vulfson: Remaining a member of the Supreme Soviet, I, of course, voted. I sat in a place where Gorbachov could always see me. I guess I was one of the eldest members, and therefore he paid some attention to me. On our first vote, I think it was Vytautas Landsbergis [later the President of Lithuania], or maybe someone else, who proposed that there should not be a Ministry of Culture in Moscow, but rather that culture being national, there should be a Ministry of Culture in every republic. Gorbachov saw that I had voted for the proposal, and he called me to him. It was our first meeting, shortly after the government had been formed. He said to me, "You look like an intelligent person. How could you vote against the Ministry of Culture being in Moscow?" I explained my position to him.

After this, we often met and discussed many, many questions. We had, for some time at least, a very good relationship, and I received from him a promise to give Latvia its economic independence. It sounded very good, but it was

empty. You cannot be economically independent when you have no political independence. Afterwards I became disappointed with Gorbachov, because it became clear that he was also behind many of the bloody events of the period. Although I called his aide, Anatoli Chernyayev, with whom I had good relations, on the eve of the bloody events in Riga in January 1991 and warned him that he must call Gorbachov immediately and tell him that in Riga there threatened the same bloodshed as had occurred in Vilnius [Lithuania] some days earlier, when Soviet troops had occupied the press building and opened fired on civilians. The Vilnius shootings had been a terrible event and very bad for Gorbachov. After the Vilnius events, 300,000 persons came to Red Square, Russians who protested the bloodshed. I wasn't thinking about Gorbachov's fate, but about bloodshed in Latvia. But Gorbachov had locked his door and didn't receive Chernyayev. Gorbachov was therefore also responsible. Afterwards, we seldom met.

Many times I spoke with Gorbachov about the problems of giving Latvia independence, since it had been illegally occupied by Soviet troops. Gorbachov said, "Yes, but 50 years have passed and we have become brothers." I answered him, "It was not a brotherhood, it was a rape. But if you would come now, and say that you are giving us back our independence, there would be a million people to greet you in Riga. If you were to give us our independence, you would have a very good record in the West for a long time." "I have it," he said. "Yes," I replied, "but it would mean that you will remain President for a long time." He said to me, "You are not right. You and some of your colleagues are of that opinion, but the Latvians would like to stay inside the Union. Now we have glasnost, democracy, and I like Latvia very much. It is not like Lithuania." He had had a bad experience in Lithuania, where they had been very impolite to him. He said, "You know, the person in the Soviet Union who would let the Baltics go would be punished by the people." So, we saw things differently.

EIR: The biggest conflict has been around the large Russian minority which lives in Latvia. How do you envision a solution to this problem?

Vulfsons: This is one of the most difficult problems in Latvia, because in the time of Soviet annexation, 700,000 Russians came to live there. Today they make up 38% of the population. When they came to Latvia, they were a dominant factor. We had a Latvian government and a Latvian parliament, but they controlled the state. The representative of Moscow was the second secretary of the Central Committee of the Communist Party, and he was really the one in charge.

The Latvians suffered very much under the occupation. When I say "Latvians," I don't only mean ethnic Latvians. The first deportation was the 14,000 persons on June 14, 1941. It was very cruel. These people were taken out of their beds and brought to rail cars used to transport cattle, and

were sent to Siberia. Among these 14,000 deported the first time, 5,000 were Jews, rich Jews; It was a deportation along social lines. The rich ones and the Latvian aristocracy were deported. Stalin and his regime thought that in case of war, these would remain on the German side. He thought this even of the Jews. He had such an imagination. He was very naive on this question.

The second deportation was connected with the collectivization in Latvia, when more than 45,000 people were deported, especially Latvians, but also many Jews. Hatred of the Russians, especially on the part of those Latvian families who lost their parents, their brothers, their children—this hatred is very strong. Strong feelings are raised over the fact that there are 1 million Russians living in Latvia, some of whom have lived in Latvia before, but they see almost every Russian as an ethnic alien. Today the Latvians are afraid that if the Russians remain and have the same rights as Latvians, they will in a short time become a majority in the country. If they become citizens, they will choose their deputies in our parliament. Maybe sometime, after 10 or 20 years, it is feared they will vote in the parliament to rejoin with Russia. This is the fear of a part of the population.

My point of view, and the point of view of our party, the Party of Harmony, is the following. Of course, the Latvians must have better conditions so that they can have more children. The Latvians live in worse conditions than the Russians, and this is one of the reasons they have fewer children. But we also believe that if we do not give citizenship to the loyal part of the Russian population, to those who have been with us in the difficult times when we struggled for Latvian independence, those who had voted for an independent, democratic Latvia (and it was about one-third of our Russian population), then we will always have national tensions. This is the problem. But our parliament has now decided to create a quota system.

EIR: Has this been acceptable to the Council of Europe?

Vulfsons: Oh, no. They have condemned it. They say there must be a strict law explaining to Russians living in Latvia the procedure by which they can apply for citizenship. There are, however, some conditions with which we agree. We agree that those who are married to citizens and those who were born in Latvia and are today more than 18 years old may apply. These have grown up in Latvia, they know no other country. They don't know what Russia is. They must be the first people who become eligible for citizenship in the near future. Afterwards we would ask that everyone who had lived in Latvia for ten years before independence was declared, from Aug. 21, 1980, be allowed to apply for citizenship. They must know the language on an everyday level, about 1,500 words, pass an examination, swear an oath of loyalty and fidelity, and affirm that they reject any other citizenship, that they are not applying for Russian citizenship. Then they should be eligible to become citizens. Final-

ly, we disagree with the government position that you must also prove that you have an income. There are so many people unemployed—engineers, teachers, etc. Every one of them must have the possibility of getting citizenship. It must be a strict law. But the ruling coalition foresees a system of quotas, which would be premised on the economic and demographic situation in Latvia at the time. In the program of the present coalition government, it is written that the government must determine such a quota every year.

EIR: There were a number of troubling incidents in connection with the ethnic strife recently, such as the incident where two Russian generals were arrested and handcuffed by a district Latvian official. What happened?

Vulfsons: There is one district of Riga where there live more Russians than Latvians (in Riga the Russians comprise 67% of the population). One individual, Andrejs Rucs, had become a virtual dictator there, with a strong political base in the local district council. About 80 people on the council supported him. He has his own armed guard and is doing many things contrary to our laws, but the government is cautious regarding him. More than one year ago, our parliament ruled that the Russian Army had to leave by Dec. 31, 1993. When this decision was taken, I wrote an article in the newspaper, entitled "Will We Declare War on Russia on Dec. 31, 1993?" It was so childish to take a one-sided resolution on the issue of when the Russians had to leave. We could make a proposal, but the parliament cannot simply decide that issue, which of course was a subject of negotiation.

Rucs used this parliamentary decision and said, "Now they are here illegally, and I can push them out." He and his people broke into an installation belonging to the Russian Army, a house approaching the status of a bordello. Rucs came in and told them to leave. At that point, two Russian generals arrived, one of them the deputy commander-in-chief of the Group of Northwestern Forces, and said they would call their people and tell them that this was not the way to take over these premises. When the generals said they would not permit the expropriation, Rucs ordered them handcuffed and told them they would be sent to Russia escorted by his armed men. Rucs told them that parliament had given them no right to stay here. As it happened, Yeltsin spoke by phone with the Latvian President and told him that he was giving him 30 minutes to free the generals. Yeltsin then ordered three divisions, the Fleet and the Air Force, to be ready to free the generals.

The world stood at this moment on the eve of a major conflict, even more fateful than that of Yugoslavia, since it would involve Russia. Now, the President has special security forces, and he ordered them to liberate the generals. The generals were in a nearby forest. They had not been beaten, but they had been pushed around a bit. Then they were released. On the same day, when the Russian ambassador to Latvia tried to go to the place where the generals had been

arrested, he was taken at gunpoint and not allowed to enter. This was quite fantastic. The parliament took a decision to fire Rucs and the Latvian police stormed his council building and disarmed everyone there. In this way, the government reacted quite swiftly. But, a few weeks later, the same Rucs was again chosen as chairman of this council. He now has pretensions of becoming the next mayor of Riga, because he is seen by Latvians as a hero.

EIR: Discussions with the Russians seemed to have reached some compromise on the troop withdrawal, with some mediation from the United States. Most of the major problems seem to have been resolved, except the issue of the early-warning radar in the town of Skrunda. What is the problem that remains with the Skrunda facility?

Vulfsons: The Russians said that they were prepared to withdraw their troops by Aug. 31, 1994, but on one condition—that we allow them to keep the early-warning station in Skrunda. Initially they wanted to keep the Skrunda station for six years. Latvia made a counter-proposal of three years. Then the Russians said five years. At that point, Clinton and Yeltsin came to an arithmetical compromise of four years and invited all the parties to come to Washington to explain to them that four years would not hurt Latvia. Prior to this, however, the Russians had agreed to let a Latvian guard surround the area and inspect the facilities. They also agreed that the installation would be a civilian, not a military, facility: The personnel would be civilian. Now we are discussing the rent for the facility. The right wing has apparently forced the Latvian government to ask for \$400 million a year. The Russians have proposed \$2 million. Of course, both proposals are unserious, ironic. But maybe they'll succeed in hammering out a compromise.

EIR: How do you view the U.S.-supported Partnership for Peace?

Vulfsons: I think that, since this is an offer given to every country in eastern Europe, including Russia, it is the right of the Latvian government to join it, the same as Estonia, Lithuania, Hungary, Poland are doing. I think it is more a political event than a military one. The troops from all the Baltic states participating in it would equal one battalion, which will be trained by NATO. But this is not enough to defend Latvia, even if they were armed with sophisticated weapons. I'm not even against Latvia joining NATO, but only on one condition: that relations between NATO and Russia are stable and good, and that Latvia has normal relations with Russia. Latvia should not be together with Russia, but also not against Russia. Nobody must get the impression that Latvia's joining NATO provides a bridgehead for aggression against Moscow. This is the first condition. And the second is the following. If Latvia relies on NATO—and I think it can happen—it must think three times and be very cautious. Why? Because even if Latvia joins NATO, Russia

will be suspicious about this small country on its border, and under certain circumstances, especially if we have bad relations with the Russians inside Latvia, Latvia could get into a very dangerous situation: A conflict within the country, Russian intervention, spying on NATO, many things could happen. NATO will never come to our help. It [the Partnership for Peace program] is a line which is being conducted with a good heart, but not with the might of NATO.

EIR: Latvia has been lauded by the International Monetary Fund for having faithfully followed the IMF's bitter economic and financial prescriptions. How do things really look economically as a result?

Vulfsons: I myself see a close connection between the prescriptions of the IMF and the collapse of our economy. Our Gross National Product has fallen by half in three years. This means we also have a problem with the budget, because without production there are no taxes. The current year's budget is only higher than last year's budget because we have a 37% inflation. The majority of the population can buy about 30-40% of that which they bought with their wages three years ago. Three years ago, we did not have a healthy economy, but you could buy something, even pensioners could buy something—and I mean not only potatoes, or bread and sometimes milk, which they can still do today. Previously, every pensioner, a retired professor or a non-skilled worker, would get the same amount of money, 22.3 lats. One lat, relatively high against the dollar, is worth \$1.72. So 22 lats are approximately \$40. Although some things in Latvia are cheaper, a person would pay about half of his monthly pension for rent. That means you have less than 70¢ a day to spend. And 70¢ a day means that you can buy one loaf of bread, some potatoes, and maybe, every couple of days, a liter of milk, or a bit of oil to cook potatoes. How long can you live in such conditions? We have 700,000 pensioners, we have many unemployed, about 200,000. One hundred thousand are registered, and about 100,000 represent hidden unemployment. They are getting 15-20 lats a month. They are living in a really terrible situation. In the latest survey of how people view the future, 54% thought that things will get worse, 28% thought things would remain the same, and only 8% had any hope that things would become better; 3% didn't know.

The reasons for this pessimism are simple. As a result of IMF policy, the lat has been at a very high rate of exchange. That means that it is favorable for those who are exporting goods to Latvia, and many foreign firms are exporting food to Latvia, food of lesser quality, which is cheaper than what our farmers produce. This is killing our farmers. Secondly, when the rate of the lat is so high, then everything that is being produced in Latvia cannot be sold, neither in the East nor in the West. Of course, it would always be difficult to sell in the West. We can't be competitive there. But in the East, we could sell our products, if the prices were not so

high. One lat is worth 3,000 rubles. That's unreal! For 3,000 rubles you can buy much more than for one lat. So the high exchange rate prevents us from exporting. It promotes the imports which are killing our farmers, and not only the farmers, but also the producers of other imported products.

When you ask the monetary authorities about the situation, they tell you, "It's good that you can't produce anything. The day you produce nothing will be the happiest day in Latvia." Of course, we must build a new industry. But who will build it? And what will happen to the workers who still have their jobs today? They don't get any money. They are paid with the products they produce, which they must then sell to buy something else. These are things we have never experienced, even in Soviet Latvia, which of course was no paradise.

The second major problem is that of credit. The banks are giving loans at 7.5% per month. That means about 100-115% a year. Who can borrow money on such conditions, even if inflation were, like last year, at 37%? Only those people who can quickly buy and then quickly sell. It can only be to finance trade, not production. But production is your only real source of taxes and wages. Those entrepreneurs who are ready to produce something and are in need of this credit, won't take the risks involved to make innovations. Of all those intellectual workers who are working in the budget institutions, as teachers, as doctors in some places which are not privatized, in different state organizations, the highest wage is 100 lats, about \$170. The entire level of income has gone down.

EIR: What solution do you see?

Vulfsons: We need some form of "selective protectionism." We must leave one part of the big enterprises which had previously worked for Russia, especially, in the hands of the state, maybe turning them into stock companies where the owners are the employees of the plant. These, we must subsidize. Not much, but enough to allow them to pay their workers wages which they can live on. We must create the possibility for exporting products to Russia. Then we have to deal with taxes, and we must protect our markets from foreign dumping.

EIR: You have also expressed interest in the proposal by Lyndon LaRouche for creating a Paris-Berlin-Vienna "Productive Triangle" which could supply the East with the needed capital goods for economic reconstruction. How do you see that as an alternative to "shock therapy"?

Vulfsons: I don't know this project very well. I know the concept, but I find it difficult to speak about it, because I think that the enunciation of it will be very difficult. It must be a full reconstruction of thinking, of policy, of economic management. There must be the will of a broad section of society to make such a revolutionary development. How will it work, if implemented? Quite well, I think. But it must be seen in realistic terms.

Military discontent builds

Intensification of the Finance Ministry's free trade economic policies is dividing the Armed Forces.

Implementation of the most recent free trade measures imposed by Finance Minister Fernando Henrique Cardoso in the name of the international banks, measures which will end up dollarizing the largest economy in Ibero-America, has already triggered a severe crisis among the republic's three constitutional branches of power, which are disputing among themselves how to define the limits of the new austerity measures resulting from the conversion of wages to the new dollar-tied indexing system, the Relative Value Unit.

On March 18, the country's four military ministers, alarmed by the generalized discontent in the barracks caused by the decision by the Chamber of Deputies and Supreme Court to substantially raise their own salaries, demanded an emergency meeting with President Itamar Franco.

The meeting with the President, which ended up including other members of the cabinet as well, began with the reading of a manifesto by a group of retired military officers demanding that the national Congress be shut down for 90 days. At the same time, the military ministers informed the President that the temper of the regional commands was one of "indignation." Commented one of the ministers, "One cannot demand sacrifice from some, while others sleep in a splendid bed."

In hope of reasserting control over the situation in the military through an exercise of Executive authority, President Franco has severely criticized the Congress and Supreme Court for put-

ting the "economic stabilization plan, and even the democratic regime, at risk" with their self-decreed salary increases.

The crisis escalated further when President Franco, showing unusual aggressiveness toward the judiciary, declared that he would not permit the release of funds to the federal Supreme Court for the salary hikes. The response of Supreme Court President Octavio Galloti was to ignore the presidential diatribe and order payment of the salary increases, posing an impasse which will now have to be resolved by the attorney general's office. As has been shown historically in Brazil, these kinds of institutional crises often end up being resolved with guns.

The Armed Forces, without legal power to raise their own wages, has been one of the institutions most ravaged by the economic crisis the country has been suffering for over a decade. Thus, predictably, various military groups are making their voices heard in repudiation of the Congress and the Supreme Court.

However, the military's response is fundamentally myopic, as it is still refusing, as an institution, to question the economic program which is the root cause of the crisis. Instead, it has limited itself to trying to manage the crumbs left over after payment of the public debt, an attitude which effectively supports the free trade and economic austerity program of Fernando Henrique Cardoso and the international banks which back him. This situation has emboldened Cardoso in the midst of this

clash of institutional powers.

Perhaps most serious of all is the fact that the military command structure is out of tune both with the concerns of the middle command forces and with the troops, who have nothing good to say about either the programs or the person of Minister Cardoso. For example, an Army colonel in Brasilia commented recently that "if the commander of a mechanized squadron in Brasilia were, in a fit of insanity, to surround the Congress with his tanks, the entire city would support him."

Similarly, Brig. Gen. Murillo Santos (ret.), a former adviser to the Brazilian delegation to the United Nations, recently issued a statement strongly criticizing the military command for abandoning a defense of the Armed Forces' operational and training capability, and for concentrating instead solely on the issue of wages. "When the chiefs are busy pleading for higher wages and the highest body of military advisers to the supreme commander cannot demonstrate our defense policy to the nation, but instead occupies itself calculating bonuses or working out cutbacks in the operating budget, I clearly see an attitude of beggars."

He added, "Operational capability was lost some time ago, then motivation was lost; not long ago our morale disappeared, and now, I am certain, shame itself is gone."

Despite these open expressions of discontent, Army Minister Gen. Zenildo Gonzaga de Lucena did not hesitate to grant an interview to the magazine *Istoe* in which he stated, "There are politicians today whom I also admire greatly, such as Minister Fernando Henrique Cardoso."

In view of such continued support for the government's austerity policies, Brazil's military ministers are ill-prepared to handle the growing restlessness in the ranks.

International Intelligence

Russia vows to renew role in Ibero-America

Russian Foreign Ministry spokesman Gregory Karasin suggested in a press briefing on March 15 that Russia intends to become a player again in Ibero-America, even militarily. Offering Russian support for "the strengthening of democracy, law and order, and the resolution of disputes exclusively by political means," Karasin said that Moscow "welcomes" the renewal of peace talks between the Guatemalan government and the URNG terrorists, as a step "to consolidate the peace process in that country and in Latin America as a whole." Karasin noted that "significant efforts" by "the international community" will be needed to get a settlement in Guatemala.

An International Moscow Radio reporter later raised the possibility of a Russian combat deployment in Ibero-America. The reporter asked Karasin about accounts in the media that, during his meeting with Navy officers in Vladivostok, Russian Foreign Minister Andrei Kozyrev, "speaking about the responsibility of Navy men and diplomats, said that seamen have to be ready for combat operations, perhaps in Latin America." Karasin suggested that the reporter had not quoted the media reports accurately. "Apparently, the minister had in mind a possible friendly visit by Russian vessels to one or several Latin American countries," Karasin stated.

Netanyahu calls for toppling Rabin

Benjamin Netanyahu, the leader of Israel's Likud party, called for the ouster of the government of Prime Minister Yitzhak Rabin, in a speech in Tel Aviv on March 16. Addressing thousands of Israelis who rallied in support of Jewish settlers and settlements, Netanyahu said: "To the government ministers who with insufferable ease talk about evacuating Hebron, I say if we do not have a right to be in Hebron, we do not have a

right to be anywhere in this land. . . . A government like this must be brought down . . . must be changed at the first opportunity. . . . We will fight for the heart of our land."

Citing police estimates, Reuters reported that about 40,000 people were at the rally.

"Mr. Clinton, Mr. Rabin, there is no force in the world that will move us from these places," said Rehavam Zeevi, head of the far-right Moledet party. "We will continue to pray at the Temple Mount, the Western Wall, and the Cave of the Patriarchs," he told the crowd.

Rabbi Moshe Levinger, founder of the Hebron settlement, went so far as to blame Rabin for the massacre of Arab worshippers at the Cave of the Patriarchs in Hebron on Feb. 25. Rabin "caused bloodshed, he caused the killing of Jews, he caused the killing of Arabs," said Levinger.

Former Prime Minister Yitzhak Shamir also got into the act, imploring Rabin to stop talking to the "murderer" Palestine Liberation Organization chairman Yasser Arafat.

LaRouche prediction on Chiapas featured in Peru

Journalist Agustin Figueroa devoted his column in the Lima daily *Ojo* of March 6 to "the strange prediction" that appeared in a November 1992 issue of *Solidaridad Iberoamericana*, the Spanish-language voice of Lyndon LaRouche's movement in Ibero-America. An article signed by Gretchen Small and Carlos Méndez charged the "Anglo-American elites" with sponsoring a Shining Path North in Mexico, a full year ahead of the Jan. 1, 1994 Zapatista uprising in Chiapas.

Figueroa says that while the Small/Méndez article may not be altogether "objective," still, "with incredible precision, the article says: 'The operation views Guatemala and southeastern Mexico as a single territory where 'indigenism' can be used as an instrument of class struggle. . . . The journalists at LaRouche's service go to the ex-

trême of accusing Rigoberta Menchú of representing narco-terrorist groups, and not 'Ibero-American Indians,' but this bold assertion does not take away from the truth" of their Chiapas prediction.

Canada's defense policy for the new world order

A blue ribbon panel of private experts released a report in March on the results of a 10-month study on reform of Canadian defense policy for the post-Cold War era. The study, titled "Canada and Common Security in the 21st Century," was entirely financed by private funding from a panoply of foundations, which created the Canada 21 Council for this specific task. One of the main authors of the report is Maurice Strong, a malthusian and environmentalist spokesman for the United Nations' "new world order."

The report claims that the main threats to Canadian and world security will be coming from the South instead of the East, and that Canadian defense policy should be reformed from that standpoint. Third World poverty, overpopulation, mass migration, environmental degradation, and small-scale wars will constitute the bulk of new threats to security.

The report recommends that Canada reduce its financial and military participation in NATO—in particular, that its \$100 million annual contribution to the infrastructure of NATO be abolished; that the Armed Forces purchases of heavy tanks, anti-submarine capability, and air-to-ground attack fighters be eliminated; that two-thirds of the Air Force's CF-18 fighter jets be demobilized; and that the number of civilian personnel be reduced and the number of soldiers be increased, to allow the country to contribute 2,500 troops to the permanent U.N. military force that U.N. Secretary General Boutros Boutros-Ghali is trying to establish, as well as to deploy another 3,500 troops to U.N. peacekeeping operations.

The group suggests that Canada increase technological transfers to the Third World

in the domain of environmental protection, and that northern countries reduce their consumption of natural resources. The report also recommends that the Canadian International Development Agency concentrate its efforts on the development of human resources. In order to fight poverty in the Third World, it says that Canada has to open its markets to products coming from those countries, and that it has to work to abolish international commercial rules that are detrimental to the Third World.

The report was released right at the beginning of a parliamentary debate on Canada's foreign policy. It was described as "very thought-provoking" by Defense Minister David Collette.

Veteran Middle East expert Jon Kimche dies

On March 9, Mideast specialist Jon Kimche died in Britain after a protracted illness, at the age of 84. For several decades, he was one of the most prolific writers on Middle East affairs. While a committed Zionist, he often got into controversy with the more fanatical Zionist elements for his iconoclastic and independent approaches to various issues, and his willingness to open up channels of discussion for Arab writers and political figures. In the period leading up to his death, he was a strong supporter of the Israel-PLO accord, especially the economic-cooperation protocols of it.

Even if many of his views differed strongly from those of Lyndon LaRouche and associates—and his brother David, a top "former" Mossad official and former director-general of the Israeli Foreign Ministry, operates to a significant extent in the Shaul Eisenberg-Tiny Rowland wheeler-and-dealer circuit—Jon Kimche had, for the better part of a decade, kept up a friendly exchange of views with *EIR*. In recent months, as the crisis in Russia and the Middle East deepened, he often expressed agreement with LaRouche's opposition to the International Monetary Fund shock therapy, and expressed interest in LaRouche's "dirigist" alternatives. Kimche often pro-

vided *EIR* with useful insights and leads on developments in the Middle East region. One such discussion took place only two days before his death. In that discussion, he agreed with LaRouche's assessment that those forces, centered in the Hollinger Corp. and related interests, who were trying to destabilize the Israel-PLO accord, were identical to those seeking to destroy the Clinton presidency.

His quality of insight will be missed, particularly in a region where irrationality and fanaticism too often prevail.

Germany's 'Dr. Death' convicted on technicality

Henning Atrott, the former president of the German Society for a Humane Death (DGHS), was sentenced on Feb. 14 by a local court in Augsburg, Germany to two years on probation and a DM 40,000 fine. Atrott, the German version of Michigan's Jack Kevorkian, could only be convicted of tax evasion and illegal trade with cyanide, since "assistance to commit suicide" is not illegal under German law.

Atrott had been arrested on Jan. 25, 1993 in a hotel in Hamburg, while selling cyanide pills to a prospective victim. German law forbids sale or distribution of cyanide. Although it has long been known that the DGHS has been selling cyanide, Atrott had always denied it.

The judge said that Atrott has to be viewed as being extremely greedy, since he earned about DM 400,000 by selling people single cyanide pills for as much as DM 3,000, while the production cost is about DM 0.30. "He knew what he was doing was wrong," the judge said.

In the meantime, the new head of the DGHS announced that they will continue assisting people to commit suicide. They have translated a Scottish brochure with all the relevant tips and drugs named. Since politicians in Germany do not want to change the law and declare suicide assistance as a criminal act, the DGHS is quite optimistic that by next year they will receive official tax-exempt status.

● **CROATIAN** Foreign Minister Mate Granic said in an interview on March 12 with the BBC that "Croatia will not accept any Yugoslavia in any case, nor any confederal relation with Yugoslavia. That for us is past history." If there is to be any confederation involving Croats, Bosnians, and Serbs, he said, then it cannot be on the Yugoslav model.

● **THE U.N. EMBARGO** against Iraq was renewed in March, but France, Russia, and China voiced differences with the U.S. and British position. France, the chairman in March of the Security Council, sought agreement on a statement praising Iraq for improved compliance. This was supported by Russia and China, and opposed by Britain and the United States.

● **A BACKLASH** is growing in Russia against joining NATO's "Partnership for Peace" program, the London *Sunday Times* reported on March 20. The mood is represented by former Russian ambassador in Washington Vladimir Lukin, who told the parliament's defense committee: "Russia's joining this program is like when a rapist, having cornered a girl, gives her a chance, either she can just give in, or he will have her anyway. It turns out that, on top of that, the girl is supposed to pay."

● **CHIAPAS** "could suddenly explode into a situation of ungovernability" because of illegal land invasions and other lawless acts, warned Mexican Bishop Felipe Aguirre Franco of Tuxtla Gutiérrez, in the state of Chiapas, according to the daily *La Jornada* of March 21.

● **YITZHAK RABIN** warned of the potential for a terrorist incident in Hebron in October of last year, but his warnings were not acted upon, the Israeli journal *Davar* reports. Rabin said that Israeli extremists might try an attack on a highly symbolic site, such as the Tomb of the Patriarch in Hebron.

LaRouche links Colosio hit, assault on U.S. presidency

by Executive Intelligence Review Staff

In an emergency news bulletin issued early on March 24, Lyndon H. LaRouche, Jr. warned about the strategic implications of the assassinations of Mexican presidential candidate Luis Donaldo Colosio the night before, and some months earlier, Cardinal Juan Jesús Posadas Ocampo. LaRouche's analysis was released by the "Committee to Reverse the Accelerating Global Economic and Strategic Crisis, a LaRouche Exploratory Committee," the vehicle for his candidacy for the 1996 Democratic Party presidential nomination.

LaRouche wrote after he learned of the death of Colosio, who was shot the night the night before. Cardinal Posadas Ocampo had been gunned down on May 24, 1993 in front of the Guadalajara international airport. The full text of LaRouche's news release follows:

The assassination of Mexico's leading presidential candidate in Tijuana yesterday evening is the third in three successive events: the assassination of Cardinal Posadas Ocampo, the launching of the foreign-sponsored terrorist operations in Chiapas, and, now, the assassination of the presidential candidate of the ruling party of Mexico, Luis Donaldo Colosio.

Yesterday evening, I transmitted a brief message of sympathy and hopefulness to the victim, his family, and the people of Mexico. At that time, I hoped that the candidate's relative youth and strength might provide his physicians the added resources needed to effect his recovery from this attack. For reason of those circumstances, I went no further in my condemnation of the plainly suspected authors of this murderous act than to mention a similarity to the wave of assassinations and destabilization operations of the 1963-1968 period.

Today, I must speak plainly.

To understand those three successive atrocities against

Mexico which I have listed here, one must include the current foreign-directed, British intelligence assault upon the presidency of the United States of America, and compare both sets of events directly to the coordinated relationship between two events of the 1963-1965 period: the assassination of President Kennedy, and the Permindex-directed attempted assassinations of President Charles de Gaulle. The same complex of forces, with the same motives, is behind the current attempts at destabilization of the U.S.A., of Mexico, and the efforts to prevent a realization of the peace agreements negotiated between Israel's current Rabin-Peres government, and the Arafat government of the Palestine Liberation Organization.

In the case of the current efforts to destabilize the U.S. presidency, the assault on President Clinton was prepared and is coordinated by a very well known, and very high level, of British foreign intelligence services: the Hollinger Corporation, headed by Conrad Black and closely associated with the ubiquitous money-grubber and former U.S. Secretary of State Henry A. Kissinger. This accusation is no speculation; the Hollinger Corporation continues to brag openly about its creation and continuing direction of the plot to eliminate Mr. Clinton from the U.S. presidency, and Hollinger's principal agents inside the U.S.A. have stated publicly that they are working under Hollinger's British direction (see story, p. 60).

What is behind these actions?

For the information of relevant institutions in Mexico and other concerned nations, I indicate briefly who and what my old enemy, the Hollinger Corporation, is. This will not define that corporation as the specific author behind the assassination of the PRI's presidential candidate; it will identify a

key part of that interlocking network of London-centered intelligence entities, operating under corporate guises, which is behind the ongoing attempted destabilization of Mexico.

During World War II Britain's Prime Minister Winston Churchill used Canada's press lord, Lord Beaverbrook, to set up a major subsidiary of British intelligence, based in Canada, under Sir William Stephenson. This network, sometimes referred to as the "ABC," or "America-Britain-Canada" organization, became famous as the "Special Operations Executive" (SOE). The function of this SOE was to control the United States and its economy in Britain's interests during (and after) that war. The Hollinger Corporation is one of several private organizations set up at the close of that war, for the purpose of continuing SOE operations under private corporate covers.

Two of these private covers set up at the end of the war are key for understanding the current threats to the U.S.A. and Mexico (among others) from this quarter. The procurement arm of SOE, formerly named War Supplies, Ltd., became, first, the Argus Corporation, and was later renamed the Hollinger Corporation.

The second, the British American Canadian Corporation, reorganized as the Permanent Industrial Expositions ("Permindex") of the adviser to FBI Director J. Edgar Hoover, and later Bronfman attorney, Major Louis Mortimer Bloomfield of Montreal, Canada.

"Permindex," then under Bloomfield's direction, was investigated in the assassination of President John F. Kennedy, and was identified by French intelligence as the author, during the same period, of repeated assassination attempts against President Charles de Gaulle. Under Kissinger crony Conrad Black, a son of one of the SOE founders of War Supplies, Ltd., and current head of that firm, the Argus Corporation was renamed the Hollinger Corporation, and rearranged its holdings to concentrate upon building up a worldwide press empire, in the Beaverbrook tradition, competing with Beaverbrook imitator Rupert Murdoch. The pro-Thatcher-Bush London *Daily Telegraph* is the flagship publication of the Hollinger Corporation, and the channel through which the assault upon President Clinton was launched, and is being coordinated still.

Because of massive British penetration of U.S. domestic and foreign intelligence and counter-intelligence organizations, during and after World War II, the Canada-based element of the postwar British Commonwealth complex became the principal channel for launching and coordinating dirty operations throughout the Americas.

The case of Henry A. Kissinger merely illustrates the nature of the threat to Mexico's institutions today. By his own public admission in a May 8, 1982 London public address, Kissinger has been an agent of influence of the British Foreign Office for many years, including the period he was national security adviser and secretary of state under U.S. Presidents Nixon and Ford. He was recruited to serve British

intelligence's Wilton Park subsidiary of London's Royal Institute for International Affairs (RIIA) under Prof. William Yandell Elliot at Harvard University during the early 1950s. After advanced indoctrination in London, he was assigned back to the U.S.A. during the late 1950s, under George Franklin at the RIIA-founded New York Council on Foreign Relations, and under the personal patronage of not only the Rockefeller family, but also McGeorge Bundy. He is a key figure in the Hollinger Corporation stable.

Why the attacks

The current escalation of attempts at destabilization of Mexico reflects the temporary weakening of the entirety of the U.S. government by the qualified success of the Hollinger Corporation's largely fictional "Whitewater Affair." The avowed motives of those who created this press scandal point directly to the motives for the destabilization of Mexico.

The Hollinger operation to destabilize the U.S. presidency was set into operation not later than about the beginning of October 1993, at about the same time that artillery fire was being directed against the Russian house of parliament in Moscow. The central issue is President Clinton's threat to reconsider the leftover Thatcher-Bush "globalism" policies on Russia and "IMF conditionalities." The operation used is that identified publicly by U.S. Admiral Bobby Ray Inman in his Jan. 18 press conference exposing a "new McCarthyism" operation running through such figures as the *New York Times* neo-conservative writer William Safire, and engaging such agencies as the office of U.S. Sen. Robert Dole.

President Clinton's, Vice President Gore's, and presidential adviser Strobe Talbott's modest proposals to reexamine the political and social effects of imposing "IMF conditionalities" upon Russia struck panic in London-centered circles. As repeatedly stated in this connection, the fear is that loosening IMF constraints upon Russia would mean loosening IMF constraints upon the nations of Ibero-America.

It is clearly and repeatedly stated, in many relevant published locations, including policy statements of the Trilateral Commission's Samuel P. Huntington, that the current "globalist" policy, as set into motion by Margaret Thatcher and George Bush following events of October-December 1989, is a virtual state of North-South warfare, under whose terms 80 to 85% of this planet is forced to collapse into an age of barbarism for perhaps as long as a century.

It is not only the institutions of Mexico whose very existence is under attack. Every nation of Central and South America is being attacked savagely now, for the same purpose. That is the significance of the Luigi Einaudi circles' plot to destroy the military institutions of every nation of Ibero-America. That is the significance, for all who understand such matters, of the three cited events: the assassination of Cardinal Posadas Ocampo, the launching of the terrorist operations against Mexico in Chiapas, and the murder of a PRI presidential candidate in Tijuana yesterday.

'Whitewater Affair' a national security issue

The following is testimony delivered by Webster G. Tarpley, president of the Schiller Institute, before the Subcommittee on Treasury, Postal Service, and General Government of the Committee on Appropriations of the U.S. House of Representatives in Washington, D.C. on March 23. Present during this testimony at the committee hearing was subcommittee Chairman Rep. Steny Hoyer (D-Md.) and subcommittee staff. This verbal statement was a summary of written testimony previously submitted to the subcommittee which will become a part of the permanent record of the hearings on the current year's budget. Subheads have been added.

Mr. Chairman, I would first of all like to thank the subcommittee for the opportunity to testify. I will proceed, if I may, by briefly summarizing my longer written statement submitted earlier.

It is my duty to direct the attention of the subcommittee to a large-scale campaign organized primarily by forces from outside of the United States, for the purpose of subverting and overthrowing the presidency of the United States and our federal Constitution. This question is relevant to the subcommittee's responsibility for the Treasury and thus for the Secret Service, the U.S. intelligence agency which more than any other is charged with the responsibility of protecting the presidency.

A seditious foreign plot

The seditious foreign plot I refer to is the so-called Whitewatergate affair. Although the U.S. public is generally ignorant of the fact, massive media attention for Whitewater, Madison Guaranty, and related issues in this country was prepared and preceded by a barrage of villification and abuse against President Clinton and his wife which was conducted in the daily press of the United Kingdom, and especially in the London *Daily Telegraph* and *Sunday Telegraph*. If the *Washington Post* was generally considered the flagship of the Watergate scandal of two decades ago, this time the publication taking the point is the London *Sunday Telegraph*. The current equivalent of reporters Woodward and Bernstein, complete with multiple "Deep Throats," is a self-confessed stringer for the British Secret Intelligence Service, MI-6, a certain Ambrose Evans-Pritchard. Especially since congressional hearings into the matter may soon be held, it is imperative that the U.S. intelligence community and above

all the Secret Service tackle the job of investigating these London-centered international networks without whose initiating and guiding role the entire Whitewater affair would never have taken place. We request that the subcommittee provide whatever supplemental appropriation is necessary to carry out this urgent task.

The London *Daily Telegraph* and *Sunday Telegraph* are owned by the Hollinger Corp. of Canada, previously called Argus Corporation, and now headed by Conrad Black. As my friend Lyndon LaRouche has pointed out, Hollinger can be traced back to the British Special Operations Executive (SOE), also based in Canada during World War II, when it was set up by Lord Beaverbrook and Sir William Stephenson, the so-called Intrepid. Hollinger today is one of the world's largest press empires. Persons affiliated with this complex include Lord Carrington, Lord Rothschild, Lady Margaret Thatcher, Sir James Goldsmith, Sir Evelyn Rothschild, banker Rupert Hambro, and Henry A. Kissinger.

The leading writer for the *Sunday Telegraph* is Sir Peregrine Worsthorne, who is also a member of the editorial board of Emmet Tyrrell's *American Spectator* magazine, which published the scurrilous "troopergate" story last December. The Washington bureau chief of the *American Spectator* is the Britisher Tom Bethel. The *American Spectator* may thus also be considered a satellite of the Hollinger interests. The so-called neo-conservatives in this country, many grouped around the *American Spectator*, are the most enthusiastic backers of Whitewatergate. These neo-cons are currently the leading fellow-travelers of British intelligence.

IMF policy the key issue

Ruling banking and oligarchical circles in Britain have long been convinced that their power depends on the so-called special relationship with the United States, understood as British domination of the most vital U.S. foreign and economic policies, as seen during the Persian Gulf war. These circles demand that President Clinton maintain the bankrupt Thatcher-Bush policies and put his presidency, so to speak, on automatic pilot. London has been alarmed by last December's questioning by Clinton and Gore of the wisdom of further International Monetary Fund shock therapy for Russia. London was outraged by Clinton's support for the Israel-PLO peace process, a process which London wants to torpedo. London is incensed by Clinton's preference of Helmut Kohl to John Major. These and other profound policy differences provide the background rationale for the current attempt by a hostile foreign power to overthrow a duly elected President and subvert our Constitution. We therefore call upon the subcommittee to provide all possible support for the Secret Service and the other intelligence agencies in the effort to investigate the central role of British intelligence networks in creating Whitewatergate. This would include possible violations of the internal security laws of the United States.

Thank you, Mr. Chairman.

ADL and the gay lobby are playing politics with D.C.'s AIDS epidemic

Dr. Muhammad is medical director of the Abundant Life Clinic in Washington, D.C., Minister of Health for the Nation of Islam, and National Spokesman for NOI leader Minister Louis Farrakhan. He was interviewed by Debra Freeman at the Abundant Life Clinic on March 18.

EIR: Dr. Muhammad, national statistics show that AIDS is right now spreading faster in Washington, D.C. than in any other U.S. city. At the same time that this is happening, the principal Washington, D.C. AIDS agency seems to be wracked by a controversy that has rendered it virtually impossible to deal with this accelerating crisis.

I would like to begin with a brief discussion of the crisis which is facing Washington. I'd like to talk a little about the demographics of AIDS, because my recollection is that in the early 1980s, about 68% of all HIV-positive individuals in the District were gay or bisexual men. What about today? Does that figure hold?

Dr. Muhammad: No, it's slipping. The percentage of heterosexual infected persons, right now, as far as the figures tell us, hovers around 50%. Those figures are not worth very much, simply because the kind of public health data that are necessary to get an accurate picture of any epidemic are simply missing.

The data come from people who volunteer to be tested and who allow that testing information to be looked at by the city. But we have a large number of people who have been tested anonymously, and that information is not available. And, of course, the overwhelming number of people have simply never been tested, and don't right now think that they are at any particular risk.

So whether it's 1 out of 20 males that is infected, as the official figure indicates, or whether it's much worse than that, we can't exactly say. And I think that's bordering on the criminal, when we're so far into an epidemic that has cost so many lives.

EIR: According to the city statistics, in 1991, some 73% of the reported AIDS cases in Washington, D.C. were among African-Americans, and, in what struck me as an absolutely startling statistic, 93% of all of the AIDS cases among the district's children occurred in black children. Do you think that that's an accurate portrayal as best as we can tell, and

from your experience here in Washington?

Dr. Muhammad: Again, we only have published statistics to go on. The statistics for children seem to be about what the national average is. I think across the nation, about 89% of infected children happen to be black or Latino, so that sounds consistent with those national figures.

Within the District of Columbia, I'm sure that it's at least 73%—I don't think that it's any less than that. It could very well be more.

One of the things that we want to do, since we can't have any real confidence in these numbers, is to arouse in the population a desire to be tested. What we're saying to the public every chance we get is, if you don't know your HIV status, you don't know enough about AIDS. And when more people step forward to be tested, then the numbers that get published will be more meaningful.

EIR: One of the things that gave rise to the controversy that I do want to discuss with you, occurred back in June of last year, when you applied, through the Abundant Life Clinic, for a grant to begin an outreach campaign and a public education campaign in the black community. Is that correct?

Dr. Muhammad: Yes, and that was a direct result of the city's five-year plan against AIDS, which said that there were large segments of the city that were underserved, and these were largely the black and Latino populations, especially those east of the Anacostia River. And so we wanted to have an impact, precisely in those areas. Our clinic is located in that area, the only full-service AIDS clinic available to residents in that area of the city.

So we applied for that grant. The review panel gave us the highest score out of all the vendors that applied, and, to boot, we had the lowest bid. So we felt that there was no chance that we could be denied this award. However, the then-agency head for HIV and AIDS, Caitlin Ryan, intervened, told the review panel that she could not accept their decision—the explanation being “Muslims hate gays.” And so she coerced them to lower our scores, and the attempt was made to award the contract to another vendor.

One of the review panel members happened to have a moral conscience about this, and contacted us and let us know exactly what had taken place. We sent a letter to the mayor and others in the city, protesting this illegal interven-

tion by Caitlin Ryan. A subsequent investigation found that what we had alleged was in fact true. Ms. Ryan and two others were suspended, and then, pending a formal hearing, were dismissed.

The kicker is, of course, that after all of this took place, you would think that we would have received the award. But we have not. And we have not had any official notification by any official in the city to date, about this matter.

Meanwhile, of course, there could have been hundreds of thousands district residents who would have heard a very clear AIDS education message, and by now would have mobilized themselves to protect themselves from AIDS, or, if they were unlucky and found themselves already infected, to seek the very best treatment available.

EIR: When I interviewed Caitlin Ryan, she described herself as a “fierce lesbian warrior.” She never made a secret of her belief that gays had earned the right to lead the fight against AIDS. By the time she was forced out of office, our statistics show that a full 80% of the \$23 million in federal and local grants that her agency administered, was directed to white, gay, and lesbian organizations. To your knowledge, has that pattern shifted since Ryan was ousted?

Dr. Muhammad: No, that pattern has not shifted. We have been exerting pressure to bring about a shift in funding patterns, but as we speak, that has not yet occurred. We were somewhat dismayed that the replacement who was selected for Ms. Ryan, was an English major from New York, who has no background in public health or any health-related field at all, whose primary qualification seems to be that of an “activist” in the New York City gay movement.

To his credit, he seems to be open-minded. He seems to acknowledge the fact that there has been a shift in the demographics of this epidemic in the city, and perhaps he will use the agency for HIV and AIDS to bring about such a shift. But as of yet, that has not occurred.

In looking further into the Caitlin Ryan affair, we now believe that perhaps she was just a convenient scapegoat who could be blamed for what happened in that matter.

In February, when Minister Louis Farrakhan was in Washington for a press conference on another matter, he had an internal document of the Anti-Defamation League [ADL], and in that document they considered it to be at the top of their agenda to prevent any funding from coming to “Nation of Islam operations” such as the Abundant Life Clinic. They indicated in that document, that they had sent a letter to Mayor Sharon Pratt Kelly, at the time that all of this was being debated, indicating their displeasure with any decision in our favor in the matter of this media contract. They pointed to my “odious theories” concerning the origin and dissemination of AIDS in the world, and also what they alleged to be my views, that Jewish doctors injected blacks in Africa with the AIDS virus.

Needless to say, I was shocked to find that they had

intervened in this matter, and this raises serious questions as to how much influence the ADL actually has over Mayor Kelly and her entire administration. And I’m just shocked that Ms. Kelly did not contact me to let me know that these serious charges by the ADL were being leveled against me, to give me an opportunity to clarify what my views are on those issues.

First of all, let me just say that it is not my position and never has been my position, nor have I ever stated that Jewish doctors injected *anybody* with AIDS. This was a statement that was made I believe in 1988 by Steve Cokely. Since Mr. Cokely made that statement, I have been repeatedly baited in interviews to make a comment on something that I simply know nothing about, and I’ve consistently referred people to Mr. Cokely: If you want to know about that statement, talk to him. He says he has documentation for it, I don’t know anything about it, and can take no position on it.

In terms of my “odious theories on the origin of AIDS,” I have simply stated consistently for a number of years that the origins of AIDS are quite mysterious, and there is enough information on the public record to justify full-scale hearings into the matter.

There are statements in the *Congressional Record* from scientists working in the biological warfare section at Fort Dietrich, Maryland, that they were making artificial microorganisms that would have the potential to cause cancer and to destroy the human immune system. There are other documents on the public record that lend credence at least to the possibility that AIDS may have an artificial origin. So I’ve called on Congress to convene hearings, because most of the people who may have been involved in such work, are still alive, and they could be compelled to testify, under oath, and then the world would know one way or the other whether or not AIDS has an artificial origin, or whether there is another explanation for it.

EIR: Even if one is not entirely prepared to identify beyond the level of hypothesis (and certainly without an investigation it is difficult to go beyond hypothesis) what the origins of the AIDS epidemic indeed were, it has been our position since at least the 1980s, that the manner in which this epidemic has been dealt with, once it was identified, has not only not led to stopping the epidemic, but has led to spreading the epidemic. We have, both editorially and otherwise, accused those in charge of this policy both domestically and internationally, of being guilty of criminal malfeasance.

In August, a coalition was formed. It included not only this clinic, but other organizations as well, which came together to try to address the problem of AIDS, and which tried to challenge the gay lobby’s exclusive dominion over how this epidemic would be dealt with. Can you talk a little bit about the formation of that coalition?

Dr. Muhammad: Our approach to this epidemic has been quite systematic. I think in a previous interview that I did with

the *New Federalist*, I talked about our nine-point program for waging war against AIDS.

Point number nine happens to be forming coalitions with other groups, because we don't believe that the solution to this problem is going to come from a single point or from a single group, but it's going to be a coalition of interested people, workers in this area, who will evolve eventually the proper solutions.

So we formed what is called Sankofa, Community Coalition Against AIDS. Right now it's composed of 14 different community-based organizations, both black and Latino. These members of Sankofa are active care-givers in the field. These are not people who have simply come together for the sake of receiving funding. These are people who collectively have a more-than-200-year professional track record working in the area of AIDS prevention, education, care, and research.

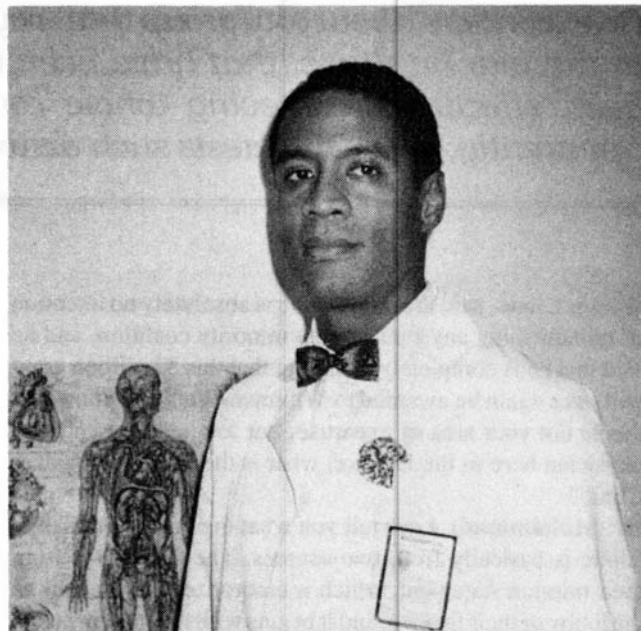
One of the prominent members of our coalition is a technical assistance group called Urban, Inc., or United Response to Black America's Needs. And they have done a lot of the fundamental research that has uncovered these patterns of funding disparities and policies of the local and national governments where this epidemic is concerned.

So Sankofa represents the community's response—at long last—to an epidemic that they had previously neglected, and we would expect that the city would support Sankofa and allow us to evolve into a first-class prevention and care facility in much the same way as their previous support for Whitman-Walker allowed Whitman-Walker to come out of a stage of being a storefront operation to being a multimillion-dollar facility, well endowed from private sources. They currently have an operating budget of more than \$13 million a year. So the \$2 million contract that they have received for the past nine years from the city is no longer needed by them, but it is certainly desperately needed by the black and Latino segments of the community that have come together to form Sankofa.

EIR: So you are actively bidding for this grant?

Dr. Muhammad: Yes. We submitted Sankofa's proposal to the city in September 1993. We passed the first muster with the review panel, and right now Whitman-Walker and Sankofa are the only two vendors that are still in the competition. The review panel made their decision and recommendation sometime in October, and at that time the proposal was passed to the mayor's office. From there it went to the legal department, and that's the last that we've heard of it.

The deadline on the current contract expired in December 1993; here we are in March 1994 and no decision has been announced. What is most disturbing is that we fear that perhaps a decision has been made to make no decision, and currently what is taking place is that on a month-to-month basis, Whitman-Walker is being funded by the city to continue this contract with the explanation given that we don't want



Dr. Abdul Alim Muhammad, head of the Abundant Life Clinic in Washington, D.C., a full-service clinic which has joined 14 community-based organizations in the Community Coalition Against AIDS. The Anti-Defamation League is fighting to cut off any government funding.

an interruption in services.

This despite the fact that the city auditor, Otis Troop, has held that this kind of month-to-month "emergency financing" is illegal.

EIR: Does this emergency financing come *outside* of the \$2 million involved in the grant, or are they spending that grant money?

Dr. Muhammad: It depends on who you talk to. We are generally under the impression that this is money coming from the grant right now. Some people say no, it's not, they're taking it from other sources. But we can't get a clear answer to let us know one way or the other.

EIR: And this is the first year that city officials have opened this grant to competitive bids. Is that correct?

Dr. Muhammad: Yes. I think the first grant was let out under the [Marion] Barry administration in 1983 or 1984, and it has been let out without competitive bidding until this time. So this is really the first time that anyone has ever had a chance to compete for this contract, that delivers comprehensive AIDS services to the citizens of Washington, D.C.

This grant actually represents the total commitment of Washington, D.C. to the war on AIDS; and that total commitment since the beginning of this epidemic has been entirely in the homosexual community.

EIR: Jim Graham, the executive director of the Whitman-

One wonders about any group that would attack efforts that have been effective in the war on drugs, that have been effective in the war on AIDS, and have been effective in relieving whole communities of violence and crime. . . . Apparently, the ADL detests such activities.

Walker Clinic, said that his clinic has absolutely no intention of relinquishing any funds to the minority coalition, and he said that he is completely confident that this \$2 million grant will once again be awarded to Whitman-Walker. I know that this is not your area of expertise, but as a resident and as a physician here in the District, what is the Whitman-Walker Clinic?

Dr. Muhammad: I can tell you what the Whitman-Walker Clinic is basically from two sources. The first one is from their mission statement, which is embrozed as you walk in the lobby of their facility, and it begins with the statement that the Whitman-Walker Clinic exists to offer health services to the gay and lesbian community.

The second source is Mr. Graham himself, with whom I met in the summer of 1993 to discuss these issues; and he told me quite clearly (and I can only paraphrase, I didn't write down exactly what he said) that his commitment was to the gay and lesbian communities. I was a little bit astonished at his candid admission, so I asked him: "Let me get this straight, Mr. Graham. What you're saying is that you are only interested in the gay and lesbian community?" He said, "That's almost correct, Dr. Muhammad. The *white* gay and lesbian community." And he went on to say that he is a proud gay man and he's doing all that he can for his people.

He indicated that he looked forward to the emergence of the Abundant Life Clinic, in the sense that we would relieve them of the responsibility of having to be concerned about blacks and Latinos.

Evidently, since our conversation, his position has shifted.

EIR: Certainly what he says *publicly* is that, indeed, it is not true that the Abundant Life Clinic is the only full-service clinic serving the black community. He insists that the majority of Whitman-Walker's patients are people of color, and he also frequently cites the existence of the Max Robinson Center, which he says is a full-service facility which exists in the black community, that it is there to serve the black community, and this has become a point of some dispute and some controversy.

What is your experience, since you do serve this community, of the effectiveness of the Max Robinson Center?

Dr. Muhammad: As far as I know right now, the Max Robinson Center is padlocked and chained, in some dispute with the landlord. So it's sitting over there, unused.

We are told that they have temporarily moved the operations of the Max Robinson Center to the basement of a church; but even when the center was open (I believe it opened sometime in 1993), it was never a full-service center, never able to offer medical services at all, and in its entire history, has only served 40 clients.

An ad that appeared today in the *Washington Post* lauding the Max Robinson Center, says that 100% of their clients are African-American, but they neglect to point out that the total number [of clients] is 40. Then, if those clients need any medical services or social services, they are referred to the Whitman-Walker Clinic.

Most of our people feel very uncomfortable going to the Whitman-Walker Clinic, simply because it is a landmark of the gay community, and one is just struck profoundly when you enter it, with the sado-masochistic, homoerotic art that adorns the walls, and the glorification of a gay lifestyle. So many of our people who need services simply refuse to go into such a facility, because the community view is that anyone who enters there, is probably gay, and/or has AIDS. And so, many of our people who need care, simply stay away.

EIR: Back in 1986, when associates of Lyndon LaRouche moved to place an initiative on the California ballot that simply proposed to invoke classic public health measures to stop the spread of AIDS, there was a virulent campaign that was launched against that, and one of the leaders of it was Elizabeth Taylor.

I understand that Whitman-Walker has in fact opened up a clinic which was built based on an endowment by Ms. Taylor, which opened right around the same time as the Max Robinson Center. The difference, however, is that, while the Max Robinson Center dealt with 40 patients, the Elizabeth Taylor Center is a facility which is capable, I understand, of handling 8,000 patients. One of the issues that I think is really on the table here, is that, with the kind of private endowments that Whitman-Walker has accessible to it, there is a very legitimate question as to how the District can justify spending \$4 million, at my last count, of its very limited budget. Their budget is some \$13 million, and \$4 million is spent directly in grants to Whitman-Walker.

At this moment, is the Abundant Life Clinic financed in any way by grants from the District of Columbia?

Dr. Muhammad: No. We haven't received any funding

directly from the city. What we have received is some Ryan White funding, which actually represents federal dollars that come through city hands. The origin of those dollars is from the federal government.

We believe that the ugly head of electoral politics has reared itself in these matters. We know that the current administration received strong support from the gay community in the last election. The Whitman-Walker Clinic is one of the only tangible ways for this administration to show its appreciation for the political support received from the gay community.

But I think that we have to exhort Mayor Kelly and her administration to rise above electoral politics, because after all, we're talking about a disease that threatens the very foundation of the city, and if we act now, we have a chance to save the whole city. But if we continue to pander to special interest groups, then what we're doing, is causing needless suffering and the ultimate death of many, many people.

EIR: I'd like to come back to the issue of the role of the ADL in all of this. A couple of years ago, at a testimonial dinner that was held to honor your work in the community, not only in the area of AIDS but particularly in fighting drugs, the city issued a proclamation honoring your work in fighting drugs. The ADL went on a full-scale mobilization to attempt to have that proclamation rescinded.

Now, one thing that has emerged and which has been given fairly broad press coverage in this area, is the fact that the ADL is currently challenging your funding, and is not only challenging the awarding of this new grant, but is apparently challenging what little funds you do get from government sources. Do you have any idea what their problem is?

Dr. Muhammad: It's a very interesting question. I think part of their problem is that they still are burdened with the fundamental ideas of slavery. According to their various spokesmen from time to time, they don't seem to mind that we work in the field of AIDS or in the field of helping with drugs and crime and violence; they just don't want us to get paid or to receive any resources to help support that kind of work.

One wonders about any group that would attack efforts that have been effective in the war on drugs, that have been effective in the war on AIDS, and have been effective in relieving whole communities of violence and crime, pacifying whole neighborhoods. There are about 14 neighborhoods that are breathing free and easy in Washington, D.C. as a result of the so-called Muslim dopebusters.

Apparently, the ADL detests such activities. One can only wonder how they view the continuing spread of AIDS as being in their interest, or how they can view the continuing use of drugs in our community, to be in their interest. Which side are they on, after all? Evidently they're not on the side with the rest of us.

EIR: Do you agree that it would be fair to say that the ADL,

as part of its declared war on the Nation of Islam, is willing to sabotage the delivery of care to the black community of Washington, D.C. simply because that care is largely provided by a clinic whose director happens to be a leader of the Nation of Islam?

Dr. Muhammad: I think that's precisely the case. I think that their position really is they don't care anything about the problems that might affect the African-American or the Latino communities, and they are willing to sacrifice anything and anybody to pursue their vendetta against Minister Farrakhan and the Nation of Islam. They are willing to use any tactic or apply any amount of pressure to any public official, black or otherwise, who resists their efforts.

And so I think it's a time for courage, for elected officials and other community leadership to resist these kinds of dastardly efforts, because ultimately, the whole community suffers if we follow the agenda of the ADL.

So we need to identify them as the enemy, not just as the enemy to members of the Nation of Islam, but by their actions, they are identifying *themselves* as the enemy of *all* black leadership and all progressive leadership, and of people who want to see the problems of society solved.

EIR: Dr. Alim, we certainly wish you the best in your effort to continue your work in arresting the spread of this horrible epidemic, and we are very much aware of the fact that innocent people continue to die because groups such as the ADL and the gay lobby, which is very closely tied to the ADL, continue to dictate policy and to monopolize scarce funds in this area. Is there anything that you'd like to say in conclusion, either regarding your current campaign to conduct testing here in the District or any of the other issues that we've discussed?

Dr. Muhammad: I think it's important for the readers to understand how far-reaching the negative activities of the ADL actually are.

The Abundant Life Clinic and the Nation of Islam, for that matter, have been in the forefront of arousing the awareness of the black community to the threat of AIDS, and have also been in the forefront of looking for new answers in terms of treatment of people who are HIV-infected.

I think everyone is familiar with our work with low-dose Alpha Interferon, Kemron, and other medications pioneered in Kenya, and the ability of the Abundant Life Clinic, along with others, to do independent research in this direction, research of a caliber that could not be ignored by people at the National Institutes of Health.

But we can only suspect that the delays in the commencement of clinical trials that have been agreed to by the National Institutes of Health, could be laid also at the feet of the ADL.

I can assure your readers that we have fully cooperated with the National Institutes of Health. We have met all of their requirements in terms of the clinical trials.

The research protocol has been written and is ready for implementation, but for unexplained reasons, these clinical

Plot to kill Farrakhan

"Things fall apart; the center cannot hold; / Near anarchy is loosed upon the world, / the blood-dimmed tide is loosed. . . . / The best lack all conviction, while the worst / Are full of passionate intensity. . . . / And what rough beast, its hour come round at last, / Slouches toward Bethlehem to be born?"—William Butler Yeats, "The Second Coming," 1919.

Yeats's invocation of Satan, quoted above, provides an apt starting point to identify the mindset of those forces now at work in the construction of a plot to murder the leader of the Nation of Islam, Minister Louis Farrakhan. For that murder, a ritualistic replay of a routine all too familiar in the 1960s is being prepared, with the same combination of deliberateness and frenzy as would characterize a Southern lynching of the turn of the century.

The newest twist is a claim, circulated in the national press as a "precondition" for Farrakhan's execution, that he authored the assassination of former Nation of Islam leader Malcolm X in 1965. The Nation of Islam filed a \$4.4 billion suit against the *New York Post*, for a March 12 banner story entitled "Widow Pins Murder On Farrakhan." The article reported that Malcolm X's widow, Betty Shabazz, had, on a New York television talk show, asserted in response to interviewer Gabe Pressman's question, "Do you believe Farrakhan had anything to do with the death of your husband?" "Of course, yes. Nobody kept it a secret. It was a badge of honor."

The question of course, is, if it was not a secret that Farrakhan had been so involved, why was he not indicted or arrested for the murder? And why would the *New York Post*, known for an editorial stand toward New York's African-Americans that would make the most rabid Apartheid proponent blush with shame, become the champion of "cracking the Malcolm X case"?

On March 19, speaking in Fresno, California to a capacity crowd of over 2,500 people, Farrakhan said, "They've already determined that I must die." He also asserted that his adversaries were seeking "trial and false

imprisonment and setting me up for murder." And, he pointed out that the same press that call him anti-Semitic, had, during his lifetime, labeled Malcolm X as "a minister of hate and anti-Jew. . . . They have always used one black man against another. They couldn't find anyone alive to do it, so [they] raise one from the dead."

Statesman and physical economist Lyndon LaRouche, himself the target of confirmed assassination threats, was the first, to the best knowledge of this journal, to have corroborated this assessment. On March 21, he issued a statement that a live operation against the life of Louis Farrakhan was, in his view, ongoing. LaRouche's statement appears in full in the *New Federalist* newspaper.

Any assassination of a major public figure, carried out by an intelligence agency or combination of agencies, is a "major production," prepared far in advance. To ensure success, such an operation must 1) isolate the figure from the general public; 2) divide the figure from his/her constituency, for the which purpose, a particularly effective technique is the fomentation of at least the perception of "factional strife within their organization"; 3) initiate, or imply, that "legal action is about to be taken" for financial or other transgressions; 4) successfully represent the figure as "megalomaniacal," "eccentric," "unstable," "weird," etc.

LaRouche points out that "the presently escalated level of threat to Minister Farrakhan has occurred in the midst of an ongoing destabilization of the U.S. government's executive branch," and that, in the midst of press focus on the Whitewater scandal, such an assassination could be carried out with far less risk to its perpetrators than normally. Specifically, LaRouche cites the Hollinger Corp., an international media empire, as potentially culpable.

Hollinger, which now owns 80 newspapers in the United States, has not only been the main purveyor of the Whitewater scandal, but also, in its London *Sunday Telegraph* of March 20, printed a half-page feature entitled "American Jews Worried at the Rise of Black Anti-Semitism." Author Hugh Davies describes Farrakhan to his British readers as "an eccentric fringe figure who, at

trials are not moving forward. Whether the ADL is directly involved in that, I can't say; but based on their past activities, I would not be surprised, and I think we need to generate as much public pressure as possible to see to it that this research goes forward. And just as we are questioning funding patterns on the local level, in terms of AIDS education and prevention and care, we also have to look at the same pattern on the level of AIDS research, that out of \$3.5 billion appropriated for AIDS research last year, a mere \$500,000 was

received by a minority institution, namely, Howard University. If you calculate that out, that's .0014% of the total research budget allocated to a minority institution.

EIR: You do continue in your efforts to build a national network that is capable of delivering this new treatment that you're working on. Isn't that true?

Dr. Muhammad: Yes. We are attempting to do that, and meeting, in some cases, very stiff resistance to our efforts.

60, plays the violin obsessively and lives in a fortress-like compound. . . . But this one-time choir-boy from Boston . . . now fills 25,000-seat arenas with his so-called sermons." This article appears on page 27, juxtaposed to Ambrose Evans-Pritchard's latest Whitewater diatribe against Clinton.

Indeed, the Clintons are increasingly being described by the British press in similar terms. James Adams of the *Sunday Times* of London wrote in the March 20 issue, "the administration has responded with a mixture of paranoia and panic. . . . Now [Clinton] sees the media as his enemy and himself as the subject of a wide-ranging vendetta. . . . Hillary, in more danger than her husband from Whitewater, also embraces the conspiracy theory."

On the role of the press in shaping the climate for assassination of a prominent figure, LaRouche recalls, "I possess an official FBI document which identifies the existence, in November 1973, of an active FBI plot, run out of the New York City FBI office with the knowledge of the Washington, D.C. headquarters, to have the Communist Party U.S.A. arrange my personal 'elimination' on or about the close of that year. . . . It was this FBI operation which the January (1974) *New York Times* rushed in to cover up with wild and massive libels against me. . . ."

"How often did the *New York Times* step in to cover up for the FBI in similar circumstances? I have received no evidence that that crowd in government close to the ADL, or the old Confederacy sympathizer families running the *New York Times* ever stopped doing such things."

The journalists that work for the ADL are, in many cases, no less gangsters than their controllers. For example, *Times* columnist William Safire, according to sources, helped to open up some of the Bahamas-based gambling operations of Meyer Lansky, and was the public-relations man for the Permindex-connected Lionel Corporation, the 1950s model for what was termed "Murder Inc."

Permindex was headed by Maj. Louis Mortimer Bloomfield, who assisted the notorious racist J. Edgar Hoover in establishing Division Five of the FBI, the "counter-intelligence," "dirty tricks," and "wetworks" di-

vision. This division has crusaded against everything from Martin Luther King and the civil rights movement, to "black anti-Semitism." The FBI used JDL founder Meir Kahane and his organization against "black militant groups" in the U.S. starting in 1969, as part of Cointelpro, the now-exposed, illegal assault against all forms of political dissent of that era.

The mass ferment that Farrakhan is intersecting—he spoke to 9,000, predominantly African-American men, in Washington, D.C. on the theme, "Stop the Killing"—is undeniable. Recently, Farrakhan announced that he would start a voter registration drive throughout America, where, in local elections, sometimes no more than 10% of the electorate—which only makes up 50% of the eligible adult population—votes. In Washington, he called for a million-person rally to protest the economic disenfranchisement of the poor.

Dr. King did not live to see his 1968 Poor People's March, conceived as a statement against the U.S. involvement in Vietnam. In Farrakhan's case, the option to use some "distracted Zionist" of the Baruch Goldstein variety, backed up by a several-score-deep hit squad, informers, press, etc., if cleared by several co-ordinating sections of intelligence agencies, including international agencies, cannot be ruled out.

What might be the broader strategic significance of an assassination of Minister Louis Farrakhan? Can the President of the United States suffer the same fate? What would happen as a result, in America's cities—more than 100 of which burned in the wake of the 1968 assassination of Martin Luther King?

More importantly, what happens to the soul of a country that allows the powerful to kill at will? If the U.S. will acquiesce to such lawlessness, as it has already done in the cases of earlier assassinations and attempts, and if the country continues its decades-long descent into a condition in which "the best lack all conviction, while the worst are full of passionate intensity," it could not hope to survive. In that case, the "beast that slouches toward Bethlehem" will be fully recognizable to us, for we will have created ourselves to be in its image.

—Dennis Speed

For example, in the summer of 1992, when we were able to present our research in the area of Alpha Interferon to the National Medical Association meeting in San Francisco, and the House of Delegates of the NMA passed a resolution of clinical trials of Alpha Interferon, we were informed some time later that the National Institutes of Health demanded and got the mailing list of the NMA, and letters were sent to each and every member of the NMA telling them that Alpha Interferon didn't work and that was not the way to go.

So we're just fighting uphill, going upstream; but we believe that if you're truly committed to right principles, then those right principles have a way of enduring any attack, and when the dust settles, those who are standing on correct principles, will emerge victorious.

So we try to be very careful about our principles and make sure that we have those in order. We don't much care whether it's the ADL or others who take unprincipled stands against us, because we know in the end, we will win.

House rejects Balanced Budget Amendment

The House rejected on March 17 a proposed constitutional amendment which would require a balanced federal budget by the year 2000. The final vote on the measure was 271-153, just 12 short of the two-thirds majority required. One hundred and seventy-two Republicans and 99 Democrats supported it.

Although the measure had earlier been defeated in the Senate, its backers felt that a victory in the House would give them the boost needed to take the issue up again next year. "Austerity Democrats," led by Charles Stenholm (D-Tex.), tried to rally support among Democratic ranks for the amendment.

Opponents argued correctly that enactment of the amendment would require draconian spending reductions that would throw the economy into a tailspin and undermine administration legislative efforts. "Let's not tinker with the most fundamental document in our democracy and try to do something that probably won't work anyway," warned Majority Leader Richard Gephardt (D-Mo.).

An alternative proposed by Reps. Robert Wise (D-W.V.) and David Price (D-N.C.), who supported the Balanced Budget Amendment when it last came up two years ago, was also defeated.

Rostenkowski win gives Clinton needed support

The primary victory of House and Ways Committee Chairman Dan Rostenkowski (D-Ill.), who has been the target of politically motivated judicial investigations, has helped consolidate support for the administration in Congress. President Clinton, against the

advice of some of his advisers, personally went to Chicago to throw his support behind Rostenkowski. A defeat for Rostenkowski would have dealt a serious blow to the President's chances of passing his health care program and other legislative proposals.

Rostenkowski is, however, not home free. He still faces a possible indictment, which could lose him his chairmanship. Litigation and criminal investigation have increasingly become a primary vehicle used by opponents to unseat incumbents. The "Whitewatergate" attack on the Clintons, which is presently being avidly pursued by Republican congressional leaders, is a prime example of this tactic.

Rostenkowski also faces a Republican electoral challenge in November, although in his heavily Democratic district, this may prove to be less of a problem.

'Three strikes' measure gains committee backing

The House Judiciary Committee approved on March 17 a series of anti-crime measures, including one that would impose life imprisonment for offenders convicted of three violent crimes. The "three strikes and you're out" provision was passed by a 27-8 vote.

Under current law, federal judges can reduce inmates' sentences for "extraordinary and compelling reasons" at the request of the Bureau of Prisons. The committee allowed a softening amendment by Rep. Jerrold Nadler (D-N.Y.) to go to the floor for consideration. This would allow the release of three-time losers who have served 30 years and reached age 70 on condition that the Bureau of Prisons certifies that they are no longer dangerous.

The committee also approved by a

vote of 25-10 a bill that would authorize federal courts to impose the death penalty for another 66 crimes. Currently, the only federal capital crimes are murder related to a major drug ring and air piracy.

The "three strikes" proposal met some unexpected opposition from the nation's federal judges, who expressed concerns about the measure. In a letter dated March 15, U.S. District Judge Maryanne Trump Barry of New Jersey, head of the criminal law section of the Judicial Conference of the United States, said that provisions in the pending crime bills "would have substantial negative impact on the federal courts and would constitute a watershed in the role of the federal judiciary." She specifically attacked a provision in the bill to make offenses traditionally prosecuted by state authorities into federal crimes. "We must keep in mind," Barry wrote, "that the state courts have, throughout our nation's history, remained the primary forums for criminal law enforcement."

In an interview on March 16 cited by the *Washington Post*, Barry also called the "three strikes" proposal "totally inconsistent with any fair or rational sentencing scheme. The individual defendant isn't considered, nor are the facts of the situation."

GOPers seek reevaluation of policy toward Russia

In a speech delivered to the *American Spectator* magazine dinner on March 7, Sen. Richard Lugar (R-Ind.) said that Russian participation in the Partnership for Peace initiative "is a means of derailing NATO enlargement," and an opportunity to solidify Russia's interpretation of its rights and interests in the "near abroad." Lu-

gar warned that by "making Russia the fulcrum of U.S. policy," the Clinton administration "risks ceding to Moscow a virtual veto over vital U.S. interests on issues like Bosnia, the future of NATO, and eastern Europe."

If bringing eastern Europe into NATO were the most appropriate means for promoting stability and democracy there, Lugar said, it should be done "preferably with Russia's understanding, but if necessary, without it."

Sen. John McCain (R-Ariz.), in a statement to the Center for Strategic and International Studies (CSIS) Roundtable on March 3, said, "Giving the Czechs, Slovaks, Poles, Hungarians and others a date certain for NATO membership should they meet a specific set of political and economic conditions, is sound security policy. . . . Why should the U.S. forego opportunities to expand the frontiers of NATO ever farther from the plains of Germany even while Russia is busy coercing other nations into a confederacy under Moscow's control?"

Bipartisan group tries to restore defense funds

A bipartisan group of senators including Sam Nunn (D-Ga.), chairman of the Senate Armed Services Committee, vowed to restore funding requested by the administration for defense, after the Senate Budget Committee unexpectedly knocked an additional \$43.2 billion out of the administration's five-year spending plan on March 17. Four Democrats joined the committee's nine Republicans in a 13-8 vote to support additional but unspecified cuts recommended by James Exon (D-Neb.) and Charles Grassley (R-Iowa).

Committee Chairman Jim Sasser

(D-Tenn.) warned that the additional cuts would be taken out of the defense budget, something which both Exon and Grassley are expected to oppose. Exon is a member of the Senate Armed Services Committee. Senate Appropriations Committee Chairman Robert Byrd (D-W.V.), in an attempt to get the cuts restored, threatened to support shifting the new cuts to defense.

Even more draconian cuts had been proposed by Pete Domenici (R-N.M.), the ranking Republican on the Budget Committee, and Phil Gramm (R-Tex.). They wanted a measure which would eliminate the deficit by fiscal 1999. They did not pursue the issue, however, when fellow Republicans objected that such a move would hurt them in the fall elections.

Penny proposes fund for Middle East development

Rep. Tim Penny (D-Minn.) introduced a sense of the Congress resolution calling for the establishment of a Middle East Development Initiative "to provide development assistance grants and loans to countries, communities, and organizations in the Middle East region which promote the peace process in the region." The Penny resolution calls for \$260 million in funding annually from FY 95 through FY 97 for the initiative.

The Palestine Liberation Organization would be eligible for funds when they conclude a peace agreement with Israel. Other countries in the region which have not established diplomatic relations with Israel and Egypt would not be eligible for funds. Penny envisions funding the proposal by taking about 5% of the funds currently earmarked for bilateral assistance provided to Israel and Egypt.

In comments on March 21, Penny added that the funding should be aimed at promoting "sustainable development." Erring on the side of "political feasibility," Penny said that the funding should be "focusing on non-military, small-scale, person-to-person economic development. . . . Despite the recent setbacks, I am confident that the peace process will continue and that significant progress will ultimately be achieved on the issue of regional security."

Voluntary school prayer backed by House

The House voted 345-64 on March 21 to withhold federal education funds from school districts that prohibit students from engaging in voluntary prayer in public schools. The measure was sponsored by Sam Johnson (R-Tex.).

The language in the Johnson amendment follows closely a 1989 amendment by then-Rep. William Dannemeyer (R-Calif.), which passed the House by a goodly margin but was deleted in conference.

The Johnson amendment would bar federal education funds to any state or school district "which has a policy of denying or which effectively prevents participation in prayer in public schools by individuals on a voluntary basis." The school prayer amendment was attached to a \$12 billion bill to renew for five years federal aid to elementary and secondary programs.

Over the last 30 years, the U.S. Supreme Court, under heavy freemasonic influence, has ruled that officially sanctioned prayer in public schools is unconstitutional, but upheld the 1984 Equal Access Act, which allows students to meet as religion clubs.

National News

Pentagon chief outlines new stance toward Russia

A shift away from Les Aspin's utopian defense posture was reflected in a speech by Secretary of Defense William J. Perry on March 13 at George Washington University. Perry outlined two very different possibilities for Russia: The best possible outcome would be a fully democratic and market-oriented Russia, but one which would still have its own interests—just as with other allies, "we would have rivalry and competition alongside our partnership."

The worst-case scenario would be one in which Russia "will emerge from her turbulence as an authoritarian, militaristic, imperialistic nation, hostile to the West. In such a situation, we could indeed see a renewal of some new version of the Cold War, Russia without the Warsaw Pact, but still with a formidable nuclear arsenal."

The United States cannot control the outcome, he said, "only Russians can control that." We can try to influence this in a positive way, but "we must also have a strategy which hedges against the possibility of a negative outcome." For that reason, the Pentagon should continue nuclear and ballistic missile defense programs, he said. He also urged continued efforts to obtain the nuclear disarmament of the former Soviet republics. Perry stressed his intention to maintain "a minimum essential defense infrastructure so that we have the capability to reconstitute key elements of our military forces should that ever be required."

Virginia Senate race taking new twists

The Virginia Senate race is heating up as incumbent Chuck Robb (D) attempts to recoup lost ground against Republican front-runner Oliver North. On March 17, Republican Sen. John Warner released the contents of a letter from Ronald Reagan in which the former President said he was "pretty steamed" about North's claims that Reagan knew all about the secret Iran-Con-

tra deals; North also boasted about private meetings with Reagan, which, the latter wrote, "just didn't happen." Most GOP stalwarts are backing former budget director Jim Miller for their party's nomination.

Warner, the senior senator and ranking member on the Armed Services Committee, said North should withdraw his Senate bid "if he has any hint of adherence" to his Marine oath of duty, honor, and country.

On March 10, Robb issued a letter admitting he made mistakes when he was governor. Nancy Spannaus, the LaRouche Democrat running for that party's Senate nomination, issued an immediate response to Robb's letter: "I want to be the first to take up Senator Robb's March 10 proposal that the Senate campaign move on immediately to, in his words, 'a campaign where real issues are discussed and debated.' Let the senator name the times and the places, and I'm ready to be there to begin that process. . . ."

"I have already put the major issues in this Senate campaign on the table—the world depression collapse, the disastrous IMF [International Monetary Fund] policy toward Russia, our toleration of genocide in the Balkans, the treasonous assault by British intelligence against our presidency."

On March 22, former Democratic Gov. Doug Wilder confirmed that he may enter the Democratic primary or may choose to run as an independent. Wilder had surprised the party by withdrawing from the race shortly before leaving office as governor in January.

Michigan students protest school privatization

Two hundred high school students from Pinckney, Michigan rallied on March 9, chanting "You Can't Sell Us," in protest over plans to privatize their school. The students have received the support of their teachers.

The Pinckney School Board, beset by the financial calamities which have engulfed the former industrial powerhouse of Michigan, was wooed by Education Alternatives, Inc. (EAI), which is offering to cut costs and run schools "efficiently." The Minnesota-based EAI already runs schools in Dade

County, Florida and Baltimore and is setting its sights on Washington, D.C.

At a March 14 assembly at Pinckney High School, EAI spokesmen presented themselves to answer student questions. Carrying signs like "EAI Loots," parents picketed outside in support of the students and distributed a leaflet which said, "Shut Down Tesseract Rip-Offs; Schools Are for Teaching, Not Stock Market Speculation." According to student leaders, EAI refused to answer the tough questions about its union-busting efforts at other schools it has taken over, and how the profit-seeking interests of the investors would destroy education.

Washington teachers union members and other unionists signed a support telegram to the Pinckney students saying, "America's 150-year-old commitment to universal public education must not fall victim to the short-term speculators' greedy scheme."

Hard-core 'safe sex' porn given to New York teens

According to a column by Mona Charen in the March 17 issue of the *New York Post*, the Gay Men's Health Clinic (GMHC) used the excuse of educating children on "safe sex" to hand out literature to teens attending a Feb. 12 conference sponsored by the New York City Board of Education. The circulars include pictures of "lesbian fisting," which, GMHC cautions, should be performed with latex gloves. Other perversities are graphically described. According to Charen, "the section entitled 'welts and blisters' advises kids to 'wear latex gloves and be sure to clean your canes, crops, whips etc. See section on sex toys.'"

The conference on "Teaching Youth about HIV/AIDS" was aimed at young adults ages 12-24 and was held at New York University Medical Center, and parents were explicitly excluded, despite objections from the Catholic Archdiocese.

In a related development in Boston, the School Committee voted 6-1 on March 16 to make condoms available to high school students who have parental permission. The vote was hailed as a victory by the AIDS Action Committee and the National Organi-

zation for Women, and denounced as an abdication of moral responsibility on the part of school officials by the Catholic League for Religious and Civil Rights.

Study shows immigrants are good for California

The Tomás Rivera Center of Claremont, California has completed a study on the economic impact of immigrants in the state. The report "How Much Do Immigrants Really Cost?" was released on Feb. 22, and was commissioned to counter the statistically flawed report conducted by Donald Hubble for the Carrying Capacity Network, a Washington D.C.-based zero-population growth group.

The latter study, which is being used by Gov. Pete Wilson and others to justify their racist attempts to close the U.S. border with Mexico, is entitled "The Net Costs of Immigrants to California," and concludes that immigrants cost California \$18 billion a year.

The Tomás Rivera Center study, conducted by Dr. Jeffrey Passel from the Urban Institute, indicates that immigrants actually generate substantial revenues, amounting to a net contribution of more than \$12 billion a year to the California economy.

Trade Center verdict raises many questions

On March 4, a federal jury in New York City found all four defendants in the Feb. 28, 1993 World Trade Center bombing case guilty. During the five-month trial, prosecutors had presented testimony from over 200 witnesses and introduced over 1,000 exhibits, but at no point did they produce a single witness who saw any of the defendants at the scene of the crime.

Attorneys for the four defendants presented no defense case, and the attorney for Mohammed Salameh stunned everyone in court by admitting in his closing statement that his client was involved in the bomb plot, but merely as a dupe.

The Trade Center case left many ques-

tions unanswered, largely centering around the role of U.S. and Israeli agencies in creating the preconditions for the terrorist act, and in covering up the actual nature of the bomb plot.

Two defendants, Mahmud Abouhalima and Ahmad Ajaj, were both involved in the CIA-sponsored Mujahideen war against the Soviet Army in Afghanistan. All told, thousands of Islamic militants received military training in camps in Pakistan in the course of the CIA's decade-long \$3 billion effort, many under the command of Gulbuddin Hekmatyar, a pro-Iranian fundamentalist deeply implicated in the Golden Crescent heroin trade.

Village Voice reporter Robert Friedman reported that Ajaj was also a double agent working for the Israeli Mossad.

Is nation's capital facing 'Big MAC'-style looting?

According to a major feature, titled "D.C. Bailout Called Inevitable," in the *Washington Post*, on March 20, Washington, D.C. officials are planning to try to borrow from the U.S. Treasury, because the percentage that the U.S. government pays each year—a mere one-fifth of the District's operating budget—does not make up for the severe decline in the tax base. "Increased financial dependence on the federal government could undermine the District's efforts to seek greater political independence," said the *Post*, "and could also mean that some kind of stringent control mechanism could be imposed on the city, forcing drastic cuts in services and increases in local taxes."

"Stringent control mechanism" is a nearly universal code word for the kind of harsh austerity that Felix Rohatyn imposed on New York City, on behalf of Wall Street, under the Municipal Assistance Corp., or "Big MAC."

The *Post* also interviewed Rohatyn, who said that D.C.'s problems are "worse" than those in New York in the 1970s; however, he warned that "simply cutting the budget and making services less available when people need it" means "crime epidemics, and an unemployment crisis and a school crisis, [and] is kind of eviscerating yourself."

Briefly

● **JDL TERRORIST** Rochelle Manning was found dead on March 18 in an Israeli prison while awaiting extradition to the United States where she is wanted in the 1980 mail-bomb murder of a Manhattan Beach, California secretary. The cause of death was said to be a "heart attack," although she had no history of heart problems.

● **HOUSTON'S JEWISH** Federation co-sponsored a recent address by Dr. Franz Müller, who joined Germany's anti-Nazi White Rose resistance movement as a 17-year-old. His trip was sponsored by the Goethe Institute. The federation is also sponsoring a White Rose exhibit at the Jewish Community Center.

● **GOV. GEORGE ALLEN** of Virginia announced on March 8 that he will change state policy, to allow the family of murder victims to watch the execution of the convicted individual. The state legislature turned down legislation in February that would have allowed this. Attorney Gerald Zerkin, a leading death penalty opponent, said this is like "throwing the match on the gasoline."

● **LAROCHE** Democrat David Kilber, who is running for California State Superintendent of Public Instruction, addressed a March 11 demonstration in San Diego to demand that the Bush-Thatcher embargo against Iraq be lifted. Kilber briefed the demonstrators on the connection between the geopolitics of Bush and Thatcher, and the British crowd that wants to bring down President Clinton through the Whitewater scandal.

● **MARGARET SANGER** was exposed as a racist who backed abortion as a means of reducing so-called undesirable races, in an editorial in the March 11 *Richmond Times-Dispatch*. Sanger started "the Negro Project" because, she wrote, "the mass of Negroes . . . still breed carelessly and disastrously, with the result that the increase among Negroes—even more than among whites—is from that portion of the population least intelligent and fit."

Trust, Livermore Lab, the SDI, and you

On April 2, 1993, representatives of the Russian military-scientific establishment proposed a joint collaboration between their country and the United States for development of the Reagan-LaRouche Strategic Defense Initiative (SDI). They named their proposal "Trust," with obvious implications. Resurrecting the original concept of an anti-missile defense based upon new physical principles, they revealed ongoing Russian work on this, using plasma configurations to down nuclear warheads.

This proposal was brought to the Clinton-Yeltsin summit discussions but, unfortunately, whatever quiet collaborative work may have been set in motion, the enormous political potential was lost. Indeed, certain foolish western commentators attempted to portray this extraordinary Russian turnabout on the SDI program as mere April Fool's Day tomfoolery. To the contrary, it was an acknowledgement by the Russian military elite that they had made a devastating error in 1983, when they not only turned down the Reagan offer, but turned against its intellectual author Lyndon LaRouche.

Today, we see the consequences of western failure to immediately take up the 1993 Trust offer, in the new posture of the Russian military, which is demanding that there be a halt to further demobilization of its capabilities. Thus, for example, in a recent speech, Russian Defense Minister Pavel Grachov said that the present budget line for the military was not acceptable but must be immediately doubled.

The implications of such a turn in affairs should be obvious. If LaRouche's policy initiatives are not acted upon both in the East and the West, then we are in for a dangerous reemergence of the Cold War. This is reality.

Under such circumstances, it is intolerable that the director of Lawrence Livermore National Laboratory, John H. Nuckolls, has come under attack for supposedly "not leading the laboratory strongly enough away from its decades of Cold War weapons research," as the March 17 *San Francisco Chronicle* put it. According to that newspaper, Nuckolls, a veteran nuclear physicist

who has headed the laboratory for the past six years, is being pressured to resign from his post.

Livermore Lab was a leader in SDI research, particularly in the development of the X-ray laser and various beam weapons defense capabilities. Nuckolls is quoted in the article, saying that he is willing to give up his position when there is responsible leadership to take over the work. However, he emphasizes the importance of the laboratory's mandate. Thus, he told *Chronicle* writer David Perlman, "My personal opinion as I read world events is that events are trending in a direction that makes it imperative to maintain our weapons research—particularly in the field of nonproliferation." We would vigorously second him on this, especially as it relates to the original Reagan-LaRouche SDI proposal and the subsequent, if very much belated, Russian response as made in the Trust proposal.

Furthermore, the moves against the direction in which Nuckolls has taken Livermore must be seen in the context of a broader attack upon the U.S. national laboratories. Present policy is to put them on a pay-as-you-go basis, so that they must get outside industrial funding for projects, and turn in the direction of applied rather than fundamental research.

At Los Alamos National Laboratory in 1993, some 800 employees were asked to take early retirement, and another 800 workers were "retired" at Lawrence Livermore National Laboratory. These 1,600 individuals are only the latest in a long procession of scientists and associated workers who have been urged or forced to leave government employment over the past several years.

Since World War II, a sizable portion of the fundamental research in the United States has been accomplished under the defense budget. It would be wrong, however, to suppose that this research has been related only to weapons development. Much of it was applied science—for example, in the field of nuclear energy and in plasma physics—and there were discretionary funds available for basic science. The U.S. national laboratories must be defended from irresponsible attack.

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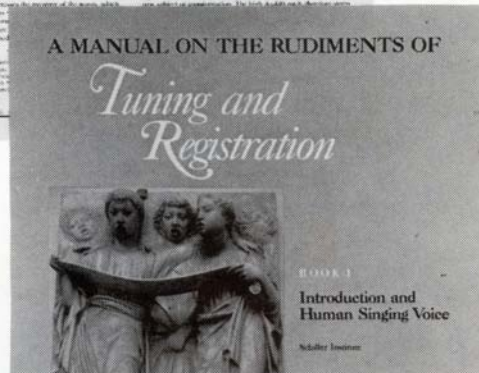
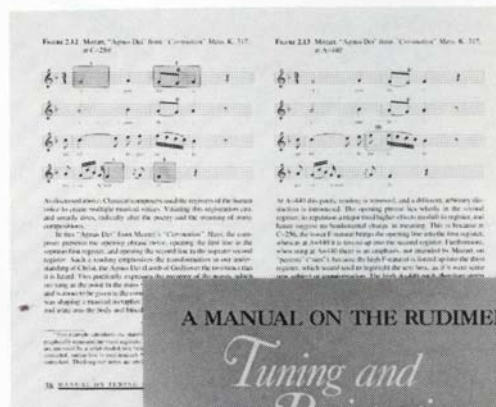
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