

# EIR

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LaRouche on Hiroshima and the Hamlet syndrome  
Serbian resistance: Milosevic can be beaten  
Sonoluminescence opens new research paths

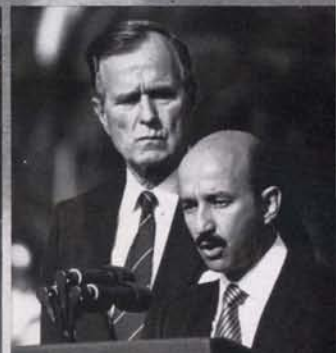
**Dope, Inc. stooges go  
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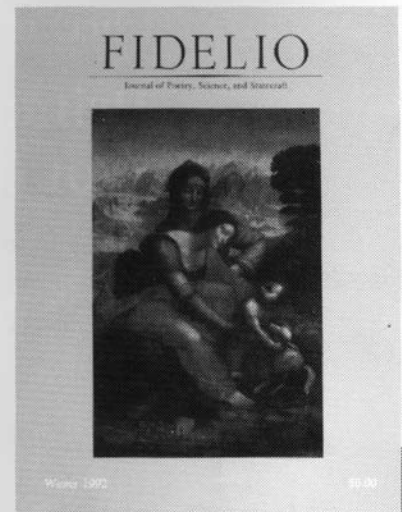
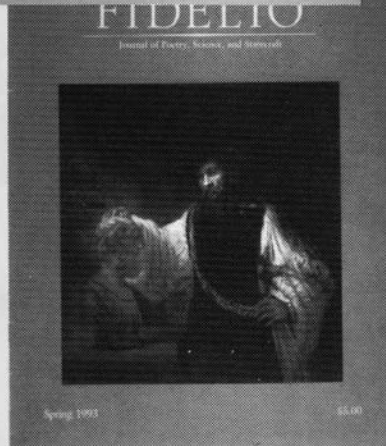
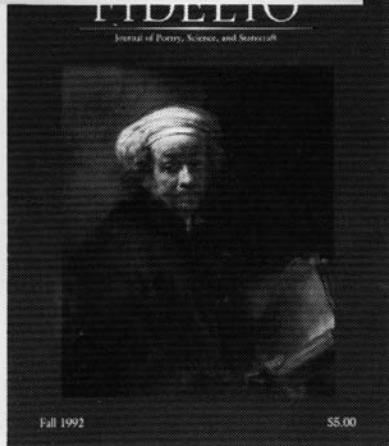
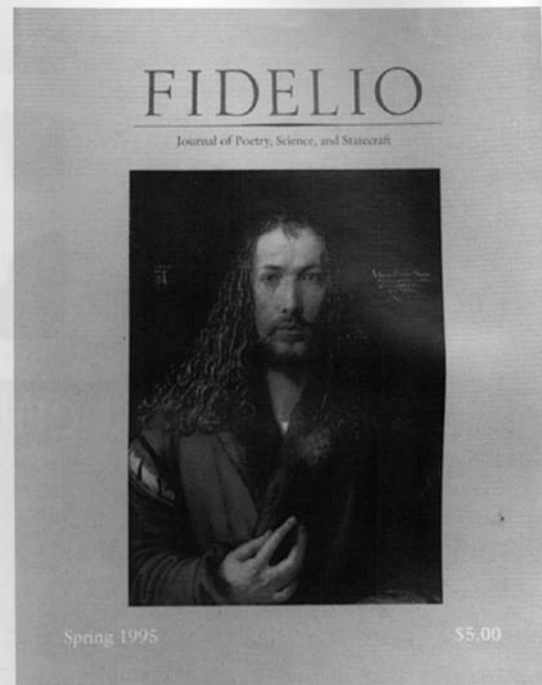
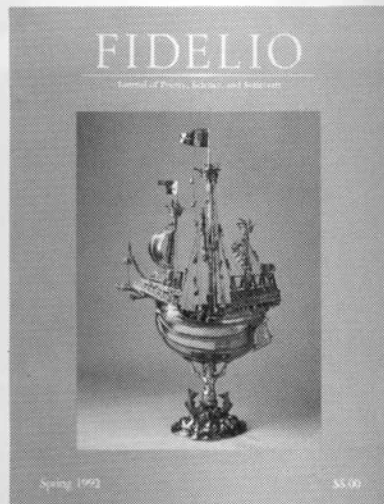
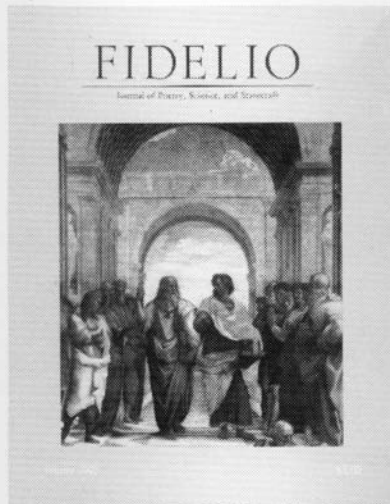
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— Friedrich Schiller



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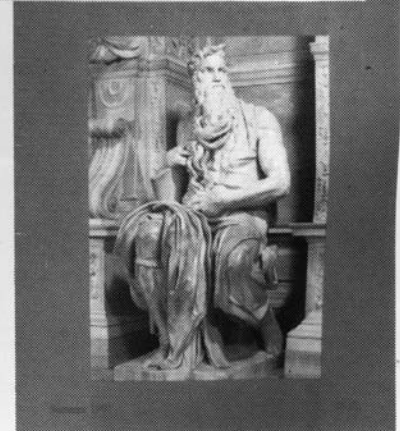
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## From the Associate Editor

One year ago, Ernesto Samper Pizano was inaugurated as President of Colombia, and *EIR* ran a cover story titled "Dope Mob Buys Colombian Presidency." At that time, things looked grim in Colombia, while the Clinton administration's policy was a welter of contradictory impulses, with no top-down strategy.

Today, the situation has shifted significantly, as our *Feature* documents. The indictment by U.S. prosecutors in Miami of drug chieftains and their lawyers, including four former prosecutors; the arrest by Colombian officials of six out of the seven kingpins of the Cali cocaine cartel; a growing scandal over the drug traffickers' financing of Samper's election campaign—all these recent developments place the possibility of a decisive victory in the War on Drugs on the agenda.

It is ironic that the Conservative Revolution crowd has chosen this moment to denounce President Clinton for the "failure" of his anti-drug policy, while demanding that funds be cut to anti-drug programs. In fact, as our *Feature* shows, it is the ideology of the Conservative Revolution that has most hampered the efforts of honest drug enforcement officials: the British free-trade doctrine ("grow drugs to pay the debt"), and the George Bush-Oliver North support for the drug-running Contras, on the pretext that "you can't fight communist guerrillas and drug traffickers at the same time." When you look at the facts, you can only conclude that George Bush is one of America's top "closet narcos"!

Elsewhere in this issue, you will find coverage of fights raging over the Conservative Revolution: the crisis in U.S. state and local budgets, the deregulation of telecommunications, the drive to privatize the public school system in order to cut costs. Speaker of the House Gingrich is running into trouble, as the election year nears, and some fellow Republicans are concluding that voters are not so keen to slash budgets to the bone.

See *Strategic Studies* for an analysis by Lyndon LaRouche and Paul Goldstein of the real reason for the bombing of Hiroshima. This investigation, hitting U.S. policymakers in the midst of a brawl between the Clinton administration and the British, is one of the reasons that *EIR* is so "hot" right now in Washington.

*Susan Welsh*

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Cover: President Ernesto Samper Pizano is the latest "Bush baby" on the firing line in Ibero-America. Insets: U.S. President George Bush with Brazilian President Fernando Collor de Mello (resigned and impeached, 1992), with Venezuelan President Carlos Andrés Pérez (ousted, 1993, later convicted and jailed), with Mexican President Carlos Salinas de Gortari (left office, 1994, fled to U.S., 1995).

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## The crisis in local finance: Orange County was no lemon

by Marcia Merry Baker

The question of, "What next, after Orange County?" was taken up at hearings on July 26-27, in the Subcommittee for Capital Markets, Securities, and Government Sponsored Enterprises of the House Banking Committee in Washington, D.C.

Although these sessions received little or no publicity, the picture presented by the 20-plus witnesses, shows that U.S. state and local debts add up to \$1.2 trillion nationally, and hundreds of the 50,000 entities backing this debt are at risk of undergoing shutdown of the physical-economic necessities of the regional economies (water, transit, health and education services, etc.) The entities concerned include counties, towns, irrigation districts, and state pension funds.

This is thus a "national" debt crisis, occurring at the local level, where, among other reality checks, you can't print money to paper over the crisis.

In other words, the bankruptcy of Orange County, California was no "lemon"—that is, one bad location in an otherwise good situation. There are financial blowouts popping up everywhere in state and local government finances. The Conservative Revolutionaries may choose to ignore this, as they did this summer in the federal budget debates, grandstanding about shifting federal government functions to the state and local level (block grants for discretionary use by local governments, etc.). But events are proving them to be idiots.

In December 1994, Orange County, California disclosed \$1.7 billion in losses in its municipal funds pool, and on Dec. 6 it declared Chapter 9 bankruptcy—the largest municipal bankruptcy in U.S. history. Six months later, voters there turned down a referendum to increase sales taxes to pay Merrill Lynch and other creditors.

Orange County (where 1 in 100 Americans lives, and

with a gross household income larger than some nations), is just the most dramatic example of local financial crises occurring all across the country. During summer just three years ago, the state of California itself was paralyzed in a budget crisis, and issued scrip for weeks to employees and creditors.

There is no "Shangri-la County," where all is safe and happy. The same week as the congressional hearings, the state of Hawaii announced a severe fiscal crisis. Gov. Ben Cayetano reported on shortfalls in state funds, and mooted plans to eliminate two of Oahu's four school districts, and make other drastic cuts.

Also in July, Mobile, Alabama shut down its city bus system; Birmingham made extreme cuts in transit.

However, at the annual meeting of the National Conference of State Legislators July 15-20 in Milwaukee, investment broker spokesmen were on hand at a seminar on financial management, trying to deny the existence of any systemic financial crisis. They even praised financial derivatives as a hedging tool for "sophisticated" public officials, though a list of losses from derivatives totalling \$3.073 billion by public entities (counties, pension funds, schools, irrigation districts) was circulated.

Subcommittee Chairman Rep. Richard Baker (R-La.) said on opening the hearings, "Orange County is the most notable, but clearly it is not the only municipality to incur problems. Large cities, such as New York, Cleveland, and Philadelphia, have had severe financial problems. The reason I called these hearings is to examine the municipal finance markets and see if recent events are isolated occurrences, or are trends beginning to develop. . . . These are not 'derivatives' hearings. . . . These are not 'Orange County' hearings."



*A school building in Flint, Michigan. School districts around the United States are being squeezed dry, as the debt burden rises and the tax revenue base falls.*

What the information made available at the hearings showed, is that a high percentage of the \$1.2 trillion state and local debt is associated with essential hard and soft infrastructure systems across the country—safe water and sewerage, public health (county hospitals and clinics,) roads and bridges, school districts. Therefore, the question of the solvency of states and localities is not merely a financial matter; it is a question of the physical economy of the country.

### **Ignoring reality**

The majority of the witnesses at the hearings avoided this reality factor. Therefore, the proceedings turned out to be a forum for agents of the Wall Street financial crowd—Moody's, Standard and Poors, law counselors to investors—to demand that Congress guarantee their interests at stake in municipal finances. As the Congressional Research Office described the financial investors' concerns, in a July 12 pre-hearing memorandum to the subcommittee on the implications of Orange County's December 1994 declaration of bankruptcy: "The concern seems to be that many local governments will decide that stiffing one's creditors, even when one has the capacity to pay, will become a preferred policy of local governments."

The Wall Street witnesses asked for legislation to require mandatory disclosure by municipalities of their financial condition (heretofore not as stringently required as for non-governmental entities), and for measures to prevent localities from voting down taxes with which to pay Wall Street bondholders and other creditors.

No financial witness dared use the term "debt moratorium," but instead said that under no account must citizens be given the power for "debt invalidation" (the term used by Moody's).

The following are selected quotations from witnesses at the hearings, under subtopics supplied by *EIR*.

### **Documentation: the scope of problem**

**Richard H. Baker (R-La.),** *chairman of the House Banking Committee Subcommittee on Capital Markets, Securities, and Government Sponsored Enterprises:*

**Big money in municipals.** "The size of the municipal finance market is evidence enough of why this is such an important topic; the *Bond Buyer* reported that during 1994, local and state governments raised over \$204.4 billion in long- and short-term debt (July 6, 1995). Paving roads, building schools, and maintaining our ports are just a few examples of capital projects financed by municipalities in the bond markets."

**Christopher A. Taylor,** *executive director of the Municipal Securities Rulemaking Board:*

**Municipal securities market is vast.** "In the United States, there are approximately 80,000 state and local governments, about 50,000 of which have issued municipal securities. The market is unique among the world's major capital markets, because the number of issuers is so large—no other direct capital market encompasses so many borrowers. Issuers include states, counties, special districts, cities,

towns, and school districts. Total municipal debt outstanding through the first quarter of 1995 is approximately \$1.2 trillion. Municipal securities are issued to finance capital projects such as transportation, education, hospital, housing, public power, and water and sewer systems. . . .

“General obligation bonds—bonds secured by the full faith and credit of an issuer with taxing power—have been considered to be the most secure of all municipal issues because government have the power to levy taxes to meet payments of principal and interest. . . . When municipalities with a large amount of outstanding general obligation debt are faced with financial difficulties, most have taken steps to stave off default in order to avoid the stigma of default and bankruptcy and to allow access to the capital markets at a reasonable cost in the future. . . . Indeed, state-created agencies have allowed troubled municipalities to work out their financial problems under state supervision while assuring bondholders that they will be paid any amounts owed to them.

“For example, in 1975, New York City was unable to meet its short-term obligations and was unable to market its debt. The state created a financing authority, the Municipal Assistance Corporation, which was designed to have a dedicated source of revenue. . . .

“In addition, the City of Philadelphia faced severe financial problems in 1991. With a large long-term operating deficit, and short-term notes about to mature which the market indicated could not be refinanced, the city faced the prospect of declaring default. The state stepped in. . . .

“The Board has been viewing the events in Orange County with interest. It is too early to tell if Orange County is an isolated incident or the beginning of a fundamental change in how municipalities view their commitment to general obligation bondholders. . . .

“Indeed, other issuers in California have already incurred negative effects from the actions of Orange County. It was recently reported that several counties in California have had difficulty selling notes this summer and have had to pay higher interest rates to generate sales. In particular, one recent offering of short-term notes (which went on the market the day after Orange County residents defeated the tax increase) could not be sold without the issuer obtaining credit enhancement in the form of a letter of credit.”

**Bond Investors Association** (*in testimony of James E. Spiotto, partner, Chapman and Cutler*):

**Defaults are increasing.** “One group that compiles default statistics, the Bond Investors Association, reports that during the first half of this year, there have been 26 disclosed defaults in the municipal market totaling \$745 million. This is as compared with the \$451 million in defaults the Association found during the first two quarters of 1994. The Association has indicated that, by comparison, the total amount of corporate bonds that went into default in 1994 was approxi-

mately \$3.8 billion. This same group reported \$1.7 billion in new corporate defaults in January of 1995 alone.”

**Gaddi H. Vasquez, Orange County Supervisor:**

**It's difficult.** “On Dec. 6, 1994, Orange County, California, filed for protection under Chapter 9 of the bankruptcy code in an effort to stabilize a fiscal crisis that threatened the economic stability of our county. We are now experiencing one of the most difficult times in our country's history, by virtue of the financial collapse of the Orange County Investment Pool, and the loss of \$1.7 billion to the pool. All of the county's funds were deposited in the Orange County Investment Pool and suffered a loss of \$650 million. The school districts, special districts, and cities who invested lost \$1.05 billion. The consequences have included a dramatic reduction in the county budget as well as the reduction and/or elimination of services. . . . Our workforce has been reduced by 1,488 employees.”

### Find some 'bad guys' to blame

**William J. Popejoy, designated Feb. 21, 1995 as Orange County's first CEO:**

**Pin it on the local fallguys.** “As a 15-year resident of Orange County and someone who has a background in finance, including derivatives, I was astounded and angry that my county had been allowed to ‘bet the bank.’ I wondered how a county government could get itself into such a mess. And while financial leverage and the use of derivatives might be acceptable for high-risk portfolio managers, such strategy had no place where the public tax money was involved. . . . And how could the senior governing body—the five elected supervisors of Orange County—allow this foolishness to take place?”

### What does Wall Street want?

**Daniel N. Heimowitz, Moody's Investors Service, Inc.:**

**Give us more information.** “Moody's has for almost 90 years published rating opinions and now maintains 56,000 ratings on 22,000 issuers of municipal debt. . . . Orange County was perceived as financially strong and sophisticated and otherwise responsible and well-managed. . . . The Orange County investment experience has altered beliefs and practices in the market. . . . [We are now] requiring changes in the information that all issuers and their financial professional must provide.”

**James E. Spiotto, partner, Chapman and Cutler:**

**Get rid of the tax cap.** “The investment losses suffered by Orange County are best attributed to the desperate efforts of a revenue-starved municipality which had faced shrinking revenues in relationship to expanding costs because of a constitutionally imposed tax cap (Proposition 13.) The difficulty with an artificial and unrealistic tax cap and similar constitutional limits on taxation is that there are certain municipal



services that are required and expected by the citizenry.”

**Mark P. Petracca, Ph.D.**, professor of political science at University of California, Irvine:

**Find new “income streams,” for localities to raise revenue and pay creditors.** “The one area where greater federal activity seems appropriate relates to the Securities and Exchange Commission. The capacity and propensity for investigation of bonds relating to the provision of municipal services, school districts, new residential and commercial development, and the privatization of formerly public services (such as toll roads) must be encouraged and enhanced.”

**William J. Popejoy**, designated Feb. 21, 1995 as Orange County’s first CEO:

**Shuffle the local officials.** “Change the organization of Orange County government from its current form of five supervisors (each, in effect, a CEO) with an elected treasurer, assessor, and auditor-controller, none of whom are directly supervised by the Board of Supervisors—to a functional organization that is more conducive to accountability and that is based on ability.”

### Override the local voters

**Robert Dean Pope**, Hunton and Williams, Richmond, Virginia:

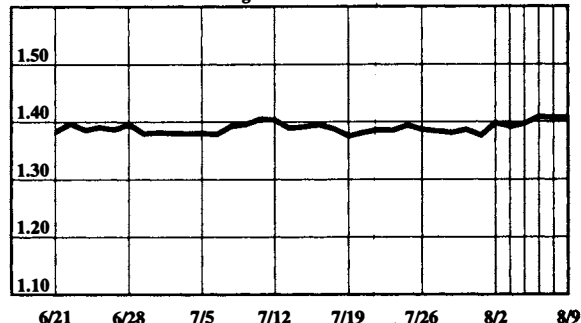
“There have always been opportunities for municipal borrowers, through bankruptcy or other proceedings, political and legal, to evade or delay the payment of their general obligation borrowings. Fortunately, few have ever attempted to do this. But Orange County clearly raises that concern in investors’ minds. An editorial in the *Financial Times* on June 29, 1995, noted, somewhat sarcastically, that the ‘willingness of voters in Orange County to risk their municipality defaulting on its debts is a fine old American tradition.’ ‘The lesson,’ the editorial concluded, ‘is that lending decisions must now focus as much on the willingness to pay as on the ability to pay. In a nation with a strong and growing anti-tax, anti-government sentiment, willingness to pay may no longer be axiomatic.’

“That is perhaps an exaggerated comment, written by an editorialist who lives in England, where investors have elephant-like memories, as the State of Mississippi discovered several years ago when it found out that its ability to borrow funds in London was impaired by the fact that investors still remember Mississippi’s last default—which took place well before the Civil War. The view expressed by the *Financial Times*, however, should not be ignored. If Orange County remains an isolated case, the damage, while real, is likely to be limited in time and in location. If instead municipalities regularly test the limits of the law in avoiding or delaying their obligation to pay and if state governments and courts do not punish them for such transgressions, all of us will pay higher local taxes to reflect higher borrowing costs.”

## Currency Rates

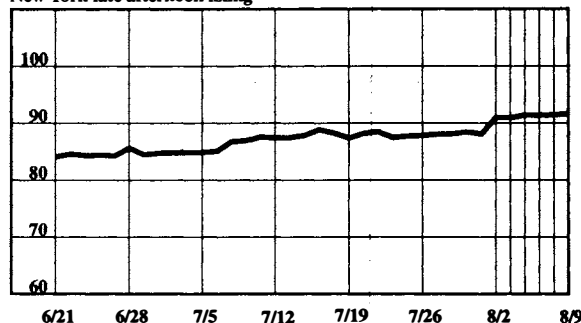
### The dollar in deutschemarks

New York late afternoon fixing



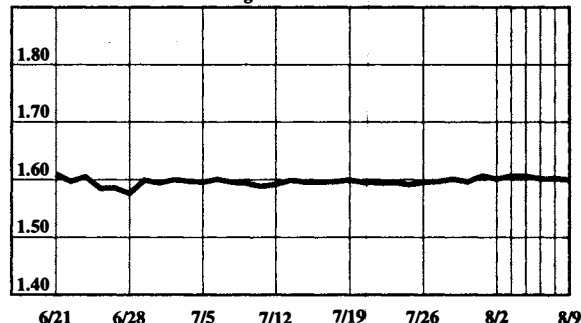
### The dollar in yen

New York late afternoon fixing



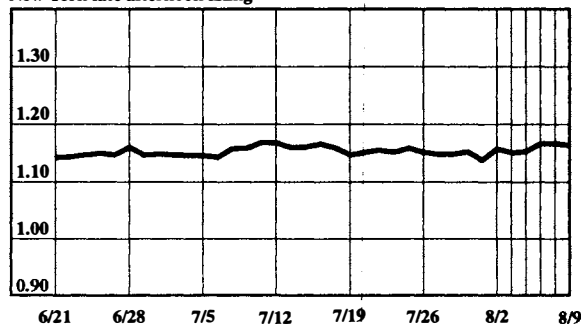
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



## Vultures set to make killing off food crisis

*Lyndon LaRouche made the following comments on the coming world food crisis in an Aug. 9 radio interview with the weekly "EIR Talks" broadcast.*

**EIR:** Mr. LaRouche, Lester Brown, one of the ideological gurus of the population control movement, who is head of the Worldwatch Institute, recently said that we are in a world food crisis, that one of the problems is that countries such as China think that they should have the same living standards as Europeans; and because of that, we are in a food security crisis, coming into the end of the 20th and moving into the 21st century.

**LaRouche:** We didn't require Lester Brown for the fact that we're in a crisis. I've been talking about that for some time, and indicating that by October-November of this year, the discussion of a food crisis would be escalating, together with food prices.

In point of fact, during recent months, wealthy people have been running their private money into purchasing gold bullion, at the time that the central banks have been dumping gold, particularly the Belgian Central Bank, on the world market to keep the price depressed, which I don't think makes any of these gold buyers unhappy, and also in grabbing petroleum assets, and grabbing other assets, but also grabbing, investing heavily in food commodities, in anticipation of a skyrocketing price.

Part of the incentive for this, is that these families realize that the entire international financial and monetary system is about to collapse in a big way. It's already in the process of collapsing, and they want to put their money—their private money—some place where they think they'll either minimize their losses at worst, and possibly make a little money, when the money market collapses. And they feel that gold is a good hedge against collapse of money. They think that assets like platinum and other raw materials, prime raw materials, may be good; and they also realize that they might make a killing by buying into food commodities, at a time when food prices will be shooting sky-high as a result of this crisis.

Now, the reason we have a food crisis, is really very simple. Various institutions, including the United States government and its Department of Agriculture and so forth

and so on, have been collapsing the total amount of food grown in every country of the world, virtually, except Sudan, where they had a crisis, because the Sudanese government insisted upon growing enough food to feed their own people, which the United States government didn't like, and that's why we have a crisis, technically, with Sudan. It's over its *insistence* on growing enough food to feed its own people.

But in most countries, that policy has been successful. But if no country is producing enough food (or very few, only a few small countries) to feed their own people, how is the world going to be fed?

So this shutting down of U.S. agriculture, which has been going on under various pretexts, including the so-called free trade pretext to get cheaper food abroad, from countries which are food-short, has failed.

Remember . . . there is a food security problem in most nations of the world. For example, Russia produces about 30% of its food requirement, Egypt about 40%. Egypt produces only 40% of its food requirement, in large degree because the United States government in 1982 told it to shut down its expansion of food production, because the United States government wanted Egypt *dependent* upon U.S.-controlled food supplies, so they could control the politics of Egypt. That sort of thing.

All right. But Lester Brown is also a fanatic. He's part of the Rockefeller stable of genocide fanatics, you might call it, people who want to reduce the size of the human population, because they're against human population, they're against people. They think there are too many people, and they think that technology is bad, because if you have technology, you educate people, they become too smart, and sooner or later they wake up, and they don't want Rockefellers and queens and so forth, running them. They feel that they're capable of doing some of their own thinking for themselves. So the Rockefellers want stupid people.

Well, you can't have stupid people (not necessarily Nelson, who wasn't quite as bad as some of the rest of his brothers on this point) but nonetheless, the policy of Lord William Rees-Mogg and people who think like Lord William Rees-Mogg, is to have stupid people.

Now, you cannot have a world population of over 5 billion people, if the people are all stupid, because they cannot maintain the level of technology and productivity required to maintain this population. So, therefore, these people argue, and Lester Brown is one of them, that you've got to get the human population down to somewhere like below a billion people. Some people even go further, and say to 300 or 400 million people, the size of population that existed on this planet back in the 14th century.

So Lester Brown, on top of being what he is, obviously, in economics, is also a freak: He's a population reduction fanatic. Remember Adolf Hitler? He's that type.

# Telecomm 'reform' bill a boon for Murdoch

by William Jones and Jeffrey Steinberg

In what is bound to become a major gain for the "big guns" of the media world in consolidating their power to orchestrate "public opinion," the House of Representatives passed overwhelmingly on Aug. 4 sweeping legislation that would significantly deregulate the telecommunications industry, gradually eliminating the current federal limits on the share of the media market any one company or individual could own.

A decade in the making, H.R. 1555 covers television, radio, cable TV, and telephone and other communications networks. New technologies being marketed or about to come on line have already created circumstances where telephone service providers are threatened with Internet supplanting their monopoly over global voice-communication at drastically reduced rates; and in turn, the former Bell Telephone system is aggressively pursuing new fiber optic cable systems that it hopes will allow the phone company to compete with cable TV providers.

## Free market given free rein

While a detailed *EIR* analysis of H.R. 1555 has not yet been completed, the basic thrust of the legislation, which was heavily influenced by the radical libertarians at the Washington-based Cato Institute and at other Mont Pelerin Society fronts, contains a strong stench of "free market orthodoxy." In effect, Congress has rolled over and told the entertainment and telecommunications moguls that they have free rein to shape the future of this potentially trillion-dollar enterprise—without having to worry about any government regulation or oversight.

A similar bill passed the Senate in June; work on a conference version is expected to begin right after Congress' summer recess.

Among the deregulations included in the House bill:

Current federal limits that prevent any one company or network from owning TV stations that reach more than 25% of the nation's population, would be raised to 35% immediately, and 50% after one year. The current federal limit on any one company owning more than 20 AM plus 20 FM radio stations would be eliminated entirely. Current federal limits that prevent one company from owning all the major newspapers, TV stations, and cable TV providers in the same city or locality, at the same time, would be greatly relaxed. Regulation of cable TV rates would be

greatly relaxed.

Critics warn quite correctly that if passed, the legislation would lead to a greater monopolization of the mass media by a small number of companies and would ultimately significantly raise cable rates and many other service charges. The legislation will effectively increase the media monopoly of the Big Three networks and of Rupert Murdoch's media conglomerate, with Murdoch making his greatest headway in the crucial Washington, D.C. media market.

Reportedly, the new bill also has some of the Club of the Isles crowd in Europe salivating over the implicit invitation to invade the United States. Sources cite the recent sweetheart treatment afforded Newt Gingrich's publisher and media baron Rupert Murdoch by media regulators, as evidence that the U.S. entertainment and telecommunications industry is now fair game. Said one source: "Nothing stands in the way of even British Petroleum or Royal Dutch Shell moving big into the U.S. media and telecommunications market."

The White House has threatened to veto the legislation, if the final version is not significantly altered to introduce greater regulation and limits on cartelization and unchecked fee hikes. A lot hangs on President Clinton standing firm.

## Merger mania triggered

In anticipation of the passage of H.R. 1555 and the further deregulation of the American telecommunications and entertainment sectors, a flurry of big mergers have been launched in recent weeks. The biggest of the buyouts was Disney's takeover of Capital Cities/ABC for a whopping \$19 billion. A slightly smaller deal involving a Westinghouse buyout of CBS, is in the final stages, and would only be scrapped, if a rival comes up with a better bid for CBS stock.

Should anyone doubt that this frenzy of "free marketeering" is actually a sign of a greater cartelization of America's entertainment and news industry, just consider the following. All of the "rival" bidders in the ABC and CBS merger maneuvers were together in July of this year at the annual "New Establishment" gathering at Sun Valley, Idaho, hosted by mob-tainted investment banker Herbert A. Allen, Jr.

Herbert Allen, Sr. and his brother Charles Allen were the in-house bankers for Meyer Lansky's national crime syndicate for years. But then again, many of Allen's Sun Valley guests, leading off with Edgar Bronfman, are themselves scions of Prohibition-era gangster families that went from "rags to rackets to riches to respectability." And others among the guests, including Cap Cities/ABC's biggest shareholder Warren Buffett, are holding their breath waiting to see how the Justice Department's price-fixing probe of the food-processing industry is going to play out. Buffett's son was a senior officer of Archer Daniels Midland, the grain cartel targeted by a federal grand jury; and ADM President Dwayne Andreas was an outside director at Herbert Allen, Jr.'s Columbia Pictures for years.

# New Hamilton book revives old ally to fight pro-British Brazilian oligarchs

by Silvia Palacios

In collaboration with *Executive Intelligence Review*, the Ibero-American Solidarity Movement (MSIA-Brazil) has just now published the first Portuguese translation of Alexander Hamilton's *Report on the Subject of Manufactures*, of 1791 (see *EIR* Vol. 19, No. 1, Jan. 3, 1992 for excerpts of the original text). The celebrated report to the United States Congress by the first secretary of the treasury under President George Washington, is accompanied by a prologue written by U.S. presidential pre-candidate Lyndon H. LaRouche, Jr., and an introduction by the dean of Brazilian journalism, Barbosa Lima Sobrinho, who, at the age of 98, recognizes that the teachings of what is known (since Hamilton himself) as the "American System" are fundamental for any nation wishing to free itself from the plague of free-market liberalism scourging the world.

Barbosa Lima welcomed the *Report on Manufactures* in his weekly newspaper column in *Jornal do Brasil* on July 30, where he wrote, in part: "To be in total agreement with all these considerations, suffice it to read the *Report* itself by Alexander Hamilton, when he writes about the measures to which the United States could resort in order to create a program of economic independence. . . . Hence I was always very interested in seeing published in Portuguese, this famous report by Alexander Hamilton, a service we owe to Silvia Palacios, the *EIR* correspondent together with her husband Lorenzo Carrasco, who had the decisive support of the publisher of *EIR*, Mr. Lyndon H. LaRouche."

Barbosa Lima concluded, "This work is all the more timely, as we are going through a stage in our economic development today, equivalent to what the United States experienced in Alexander Hamilton's day, which gives us the right to resort to the same phrases of the report's author, 'neither Greeks nor Trojans,' only Brazil. We have to reflect on the purely defensive measures which the United States used to achieve the primacy in industrial development which it currently enjoys."

In his introduction to the book, Barbosa Lima introduces the reader to who Alexander Hamilton was, and the importance of his ideas in the historical battle against Adam Smith's "free trade" policy. He stresses that "fortunately today, the

world is going back to familiarizing itself with Hamilton's work, to a large extent thanks to the efforts of the American economist Lyndon H. LaRouche."

The book appears at a moment when the Brazilian oligarchical establishment, through its agents in the Foreign Ministry—such as Itamaraty—has been working frenetically to rejuvenate the special relationship which Brazil, first as a colony, and later as an empire, and finally as an independent country, maintained with Britain since the onset of the 19th century. In 1808, João VI, escorted by the British Navy, had just transferred the seat of the Portuguese empire to Brazil. He signed a law under which the ports of Brazil were opened to free trade. Thus Brazil remained a commercial colony of the Anglo-Dutch oligarchy, which turned the country into one big raw materials-supplying slave plantation.

Even though this aberration started to break up around the middle of the past century, because of the actions of industrialists inspired by the ideas of Hamilton and the other American System theorists—Henry Carey of the United States and Friedrich List of Germany—to this day, the oligarchist scheme imposed by Britain looms over the Brazilian elite. A huge weight is carried by the vision of a European-trained elite which could dominate a country of virtual slaves.

This is the vision clearly mirrored in the most recent statements by Foreign Minister Luis Felipe Lampreia, who wrote in an article published in the *Jornal do Brasil* on July 18, regarding his official visit at that time to Great Britain:

"Any Brazilian student knows the importance of England in the history of Brazil, especially independent Brazil. Throughout the 100 years that followed after the Royal Family of Portugal left for Rio de Janeiro, in 1808, the English were our best partners, the great economic and military power with whom we went through periods of intense cooperation and moments of sharp tension. From the standpoint of infrastructure, we practically entered the 20th century thanks to the British presence in Brazil, and the same occurred in other branches of industrial and commercial activity."

The modern version of that submission to England is that if colonialism is accepted again, Brazil will be able to enter the United Nations Security Council. In its blindness, the

pro-British Brazilian oligarchy has reached the nadir of wanting to exploit the crisis in Bosnia to argue for Brazil's entry into the select club, instead of condemning that frightful, U.N.-abetted genocide.

Foreign Minister Lampreia himself, during his London stay, right after the fall of Srebrenica into Serbian hands and the ensuing slaughter of unarmed civilians, gave a speech on July 17 declaring: "The U.N. faces a difficult test in Bosnia. The situation has to be seen as an opportunity to reflect on how difficult it is to change to have a stronger and more effective organization which could contribute better to maintaining peace. The Security Council ought to reflect a more equitable and adequate representation of developed and developing countries."

Lyndon H. LaRouche, in his prologue (published in English in *New Federalist* newspaper on May 29, 1995, Vol. IX, No. 20), presents the idea that precisely this system, which Itamaraty is trying to cling to, is dead:

"At the moment this preface is written, 'liberal economics' is dying. What the future brings to replace it, is not yet decided. During the coming months, the leading nations of the world will make a choice; that choice will become final—by decision, or by default—not later than a year or two from now, probably much earlier. Then, either the existing world monetary system will have been put under financial-bankruptcy reorganization by governments, and replaced by a completely new system of national banking, or, in the alternative, the monetary and financial institutions of this planet will have collapsed into a state whose most recent precedent is the 1922-1923 disintegration of Weimar Germany's Reichsmark.

"The world's leading governments have only one choice: either put the entire IMF system under government-controlled financial bankruptcy proceedings, or let the world slip into a global 'new dark age' nightmare—of famine, epidemic and political disintegration—worse than anything European civilization has experienced since the period of the Black Death, during the middle of the Fourteenth Century.

"We could not eliminate the effects of that 'New Age' madness," LaRouche goes on, "without also eliminating the condition which allowed these changes to occur. Therefore, we must also eliminate the dominant role of what is called modern British Liberalism, the philosophical liberalism otherwise known as 'empiricism,' or 'positivism,' which has shaped the recent history of the world increasingly during the recent four centuries. Without the debilitating effect of that liberal influence upon the morals and culture of nations, the recent, dominant role of the New Age would not have been possible."

### **American System in Brazilian history**

The first edition in Portuguese of the Hamiltonian *Report on Manufactures* includes a chapter on the influence which the American System has had in Brazil, co-authored by Lorenzo Carrasco, *EIR* bureau chief in Brazil, and by Geraldo

Lino of the Brazilian Ibero-American Solidarity Movement (MSIA). This lays out a precedent for the fight against the British System in various period of Brazil's history.

"Starting in the middle of the 19th century, it is possible to identify the emergence in the country, slow but steady, of a current of pro-industry thinking, clearly influenced by the success obtained in the United States of America, particularly with the applications of the programs of the American System.

"The first institutional attempt at support for industrialization was that of Minister Manuel Alves Branco, who held the finance portfolio on four occasions between 1839 and 1848. In 1844, Alves Branco abolished the universal customs tariff of 15%, which had been in force since 1828, and established variable tariffs of between 30 and 60% for most imported products.

"Even though the protectionist tariffs set up by Alves Branco did not survive long, mainly because of British pressures, the debate around protectionism would reemerge with full force in the decade of the 1870s . . . within the Society for the Aid of National Industry (SAIN), where the industrialist faction . . . pointed to the United States of America as the example to follow . . . In 1877, after a heated debate over whether or not protectionism is a good thing, the SAIN urged the government to adopt a true industrial policy, which would include tariff protection for various basic industries, exemption from taxes for the export of industrial products, and preference to buying products from domestic industry for various governmental administrative bodies.

"The following year, at the apogee of enthusiasm, the Brazilian industrialists published a volume with the 'letters replying to the *London Times*' written by Henry Carey to that influential bastion of free-market liberalism in the British press, in which Carey not only demolished the arguments of the liberal system but emphatically defended the protectionist system for young nations (ironically and symptomatically, this is the only text of Carey published in Brazil). The introduction to these letters was written by Ferro Costa.

"In the output of these pioneers, the trademark of the American System is clear-cut, and this is further proven with the arrival of the republic in 1888 and the nomination of Ruy Barbosa as finance minister. A fervid advocate of industrialization, his policies were deeply inspired by the 'genius of Hamilton, [who had] the greatest capacity for organization among the builders of the Anglo-American republic,' as the Report of the Finance Minister of 1891 characterized him"—exactly 100 years after Hamilton's *Report on Manufactures*.

Beyond any doubt, the publication of the *Report on the Subject of Manufactures* is a contribution to refounding in Brazil the anti-oligarchical tradition which caused the best of national industry to flourish, and without which the country cannot escape from the suicidal path on which it has been set by the free trade economics of Adam Smith and his modern epigones.



# Business Briefs

## Economic Policy

### China moves to protect its physical economy

Beijing made two important economic policy changes in July, designed to nurture its physical economy. On July 9, Wang Zhongyu, minister in charge of the State Economic and Trade Commission, said that China will implement a "national treatment" policy for foreign investments, doing away with the preferential tax breaks, in an interview with the *South China Morning Post* in Hongkong. Preferential taxes will be only for those industries "which will be specially useful for the national economy," rather than for only those with foreign investment. In response to suggestions that the change will scare away investors, Wang said that those "with vision" will see that the tax policy was "not as important as the investment environment."

On July 3, the State Commission for Restructuring the Economy announced that there would be no bankruptcies of state-owned firms this year, and that "management reform and technological renovation will be stressed" instead. It said that the country lacked a proper social welfare system, and that the bankruptcy law was "outdated and not adopted to the current reality." The call for bankruptcy has been at the top of the International Monetary Fund list of demands for years.

## Trade

### Commercial war heats up over French tests

The decision of France to conduct new nuclear tests in the Pacific has become the pretext for an escalation of trade war, primarily between France and Australia. French government spokesman François Baroin on Aug. 2 accused "commercial interests" of using peacenik groups as a cover for their own aims. "The French presence bothers many countries in this area of the South Pacific. Behind the pretext of nuclear tests, there are objective economic interests which aim at destabilizing France,"

Baroin said. Secretary of State for Foreign Trade Christine Chauvet denounced the hypocrisy of "pressure groups who often have commercial interests themselves, who are competitors."

Australia has announced that French companies will not be allowed to bid for top contracts in Australia if France doesn't reverse its decision. The first company targeted is Dassault, which was set to bid in three months to sell Mirage jets to the Australian government. Also excluded from bidding was Paris Airports, on line for some government contract.

On Aug. 2, the French Foreign Ministry announced a series of retaliatory measures to be taken by France if Australia proceeds with the boycott. France will introduce a complaint with the U.N. against violation by the Australians of diplomatic immunity; it will ask the World Trade Organization to act in case of violation of trade regulations; coal and uranium imports from Australia will be reconsidered; and EDF, the French national electricity company, will not be authorized to participate in "a non-profitable investment" which had been planned in Australia.

## Corporate

### Westinghouse may sell off industry

Westinghouse Electric Corp. may raise the funds needed to pay for its \$5.4 billion purchase of CBS Inc. by selling off its core industrial divisions, the Aug. 1 *Pittsburgh Post-Gazette* reported. The sell-off is something it has been interested in doing since 1990-91, when bad real estate investments forced the self-destruction of Westinghouse Investment Corp.

It may not be necessary to sell anything, however. The Aug. 2 *New York Post* reported that Westinghouse has already lined up \$6.9 billion in financing from Chemical Banking Corp., J.P. Morgan and Co., and 30 other banks.

Westinghouse's industrial divisions include: Electronic Systems, which makes radars and other defense equipment, with \$165 million in profits on revenues of \$2.5 billion. This division has been on the block for years,

but with the defense budget plummeting, there have been no interested buyers.

Energy Systems makes and services nuclear power plants, with \$7 million in profits on revenues of \$1.2 billion. Despite repeated forecasts of a resurgent market, the market for nuclear power plants is all but dead.

Power Generation makes turbines and generators for power plants, with \$110 million in profits on revenues of \$1.7 billion. This is the industry Westinghouse began in, a century ago. There have been a number of new contracts won in Asia, but little in the United States or Ibero-America.

Thermo King makes refrigeration equipment for the transportation industry, with \$130 million in profits on revenues of \$877 million. And Knoll Group makes office furniture, and lost \$67 million on revenues of \$567 million.

## United States

### Statistical revision shows no recovery

The Bureau of Economic Analysis of the U.S. Department of Commerce is completely revising its statistics for U.S. Gross Domestic Product, the Aug. 3 *Wall Street Journal* reported. The upshot of the change in method is that many of the productivity gains of the late 1980s and early 1990s disappear. The change casts doubt on the veracity of the supposed economic miracle of the Reagan-Bush years, and the ideology that is supposedly propelling the U.S. economy to productivity and economic gains.

Rather than an actual dollar amount for GDP, the new statistics will be an index, with 1987 equaling 100. So, if GDP in 1995 is, say, 115.8, that means that GDP in 1995 was 15.8% more than it was in 1987. Each component of GDP will also be an index, making it impossible to determine what share of GDP any particular component, such as capital expenditures by businesses, is. There are about 1,100 components added up by the bureau to measure GDP.

The reason for the change is to eliminate the miscounting that occurs by assuming that the pricing of a particular component remains

## Briefly

the same over time. For example, too much weight is given to the impact of computer technology, because present GDP calculations assume that computer equipment now costs the same as it did in 1987, whereas, in reality, prices of computer equipment have fallen significantly.

An example of the difference between the two measurements is provided in the latest figure for U.S. GDP in the second quarter of 1995. According to the old method, GDP grew at a 0.5% annual rate. But, according to the new method, the U.S. economy contracted at an annual rate of 0.2% in the second quarter.

### Africa

#### Zambia, Zimbabwe under IMF siege

The African nations of Zambia and Zimbabwe are under increasing pressure from the International Monetary Fund (IMF) to impose harsh austerity programs.

So-called budget problems in Zambia prompted the IMF to suspend its 1995-97 Structural Adjustment Facility to the country in March, and donor aid has also been suspended. President Frederick Chiluba, who came to power in elections three years ago with the promise to carry out IMF policy, promised a visiting World Bank delegation in late July that his government would proceed with reform—selling off more state sector firms and cutting the budget.

However, the political fight has just begun. Former President Kenneth Kaunda, who was panned by the West during the elections in 1992, is on the comeback trail, with a campaign platform calling for slowing down the privatization process and restoring food subsidies that had been cut by Chiluba under IMF diktat. In early July, Kaunda was overwhelmingly reelected leader of the former ruling party, the United National Independence Party. Kaunda is demanding that the nation's agricultural sector be revitalized to meet domestic food needs.

Zimbabwe has also had its Structural Adjustment Funds cut by the IMF and is coming under intense donor pressure to enforce harsh

budget austerity, allegedly designed to reduce inflation. Anthony Hawkins, a British economist in Harare, the capital of Zimbabwe, claims that "runaway spending" by the government has resulted in inflation rates of 21%. Zimbabwe's unemployment rate is 40%, and the country spends 36% of its export revenue on servicing its \$5 billion debt.

### Russia

#### Defense industries now source of 'instability'

Sergei Glazyev, the chairman of the Russian Duma's (Parliament) Committee on Economic Policy, warned that the Russian government's failure to support the military-industrial complex has transformed it into "a major source of social instability and economic cataclysms," in an interview in *Birzhevskiy Vedomosti* on Aug. 3.

For example, one of Russia's largest defense plants, the Vladivostok-based Dalpribor, laid off its 1,500 employees on Aug. 2 because it had run out of money, Itar-Tass reported on Aug. 2. The Defense Ministry owes the company 5.5 billion rubles but has not paid anything to it this year, Dalpribor's directors told the agency. The workers, who were last paid in April, have been laid off for 45 days, during which time the directors said they hope to find a solution to their financial crisis and resume production.

On July 19, Glazyev reported that "deindustrialization trends have intensified." He said that "in the processing industry and in the production of consumer goods, in particular in high-tech industries, the slump remains very, very significant.

"And the worst thing of all is that the trend toward declining living standards has intensified. If this trend continues, the decline in consumer expenditure this year could reach 7%. In the first two quarters alone, real pay per capita declined by almost a third. The average per capita income of the disadvantaged stratum of the population dropped 25% below the cost of the minimum consumer basket."

● **MEXICO'S** slaughter cattle imports into the United States increased 2,000% over the last year, under the drought catastrophe, which is exterminating Mexico's national herd, the July 30 Texas *San Angelo Standard* reported. U.S.-based cartel beef processors are making huge profits, while imposing low prices on Texas and other cattlemen.

● **ALUMINUM** reserves are declining, which could lead to "acute physical shortages," the German daily *Süddeutsche Zeitung* reported on Aug. 4, based on estimates from Goldman Sachs. Reserves have fallen from 2.5 million tons a year ago, to a projected 300,000 tons by October 1995. The price has risen \$600 per ton (30%) since early 1994.

● **CEREAL OUTPUT** in 11 southern African nations is down one-third from last year and 20% below normal, the U.N. Food and Agriculture Organization said in its quarterly report. "Widespread drought in Angola and Mozambique was compounded by massive displacement of farming families, landmines, and shortages of seeds, fertilizers, and tools."

● **ENRON Corp.**'s deal to build a \$2.8 billion, 2,015 megawatt, gas-fired power plant in the Indian state of Maharashtra was canceled by the state government on Aug. 4. Enron has threatened to seek legal damages.

● **WARREN BUFFETT**, a satanist and billionaire from Omaha, Nebraska, made \$400 million from the \$19 billion merger of Capital Cities-ABC Inc. and the Walt Disney Co., the second largest merger in U.S. history, the Aug. 1 *Richmond Times-Dispatch* reported.

● **TAIWAN'S** Fourth Credit Cooperative lost about \$65 million in deposits in late July after authorities failed to reassure depositors, the London *Financial Times* reported on Aug. 1. Taiwan has been hit by a spate of bankruptcies and defaults by construction companies, and the banking system has a rising bad-debt ratio.

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## Sonoluminescence: Sound science makes light work

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*A new phenomenon, in which tiny bubbles created in a liquid using ultrasound, will emit light, opens up an exciting "new window" in basic research. Mark Wilsey reports.*

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Tiny bubbles are more likely to bring to mind such things as a New Year's champagne toast, a soapy bath, or the fizz of seltzer tablets in water, than their role in exploring fundamental science. By the same token, while exposure to a loud noise can certainly jar one's nerves, there is a new field of technology—sonoluminescence—which is attempting to harness the energy from sound for various applications, from materials processing to water treatment. This phenomenon, in which light is produced from sound, is called sonoluminescence, in which a bubble is created in a liquid using ultrasound, and as the bubble collapses, it emits light.

Ultrasound (sound at frequencies above the range of human hearing) has long been used in industry for such applications as cleaning parts or mixing solutions. Ultrasound is familiar to many in medicine, where it is used to peer into an expectant mother's womb or to break up gall stones.

However, the sonoluminescence effects of ultrasound had gone largely unexplored.

Scientists have known of sonoluminescence for decades. In the mid-1930s, it was observed that photographic plates submerged in a solution could become fogged when exposed to an ultrasonic field. Later it was determined that the light emissions were coming from bubbles that had been formed by the acoustic waves.

The mechanical energy from the acoustic waves produces areas of high and low pressure in the liquid. Under certain conditions, the pressure is low enough to allow a small bubble to form from the dissolved gases in the liquid, through the process of cavitation. In cavitation, the acoustic wave pushes and pulls on the liquid; if the pull is great enough a small region of the liquid will be pulled apart to form a cavity, into

which gases in the liquid can diffuse and produce a bubble. Then, as the wave pushes on the liquid, the pressure increases, and the bubble shrinks, thus compressing the trapped gas. Again, if the conditions are right, the gas in this collapsing bubble will give off a brief flash of light. This amounts to several orders of magnitude in energy concentration, to go from acoustical energy to light emission (**Figure 1**).

Around the turn of the century, cavitation was first explored in the field of ship propulsion. As the ship's propeller churns the water, it produces bubbles by cavitation. At higher speeds, some of the small bubbles cling to the propeller, thereby lowering its efficiency. But of greater concern was the fact that the bubbles' action eroded the propeller. Research into better designs and materials helped to alleviate the problem, but did not advance our understanding much.

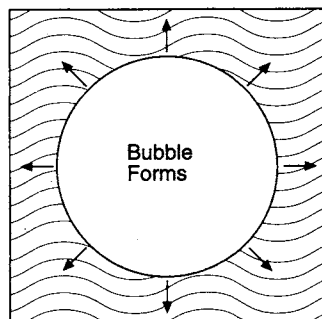
### Sonochemistry

Just as a propeller can produce a large number of bubbles, acoustic waves confined in a container can produce a lot of sonoluminescing bubbles. This multi-bubble sonoluminescence can be very useful. Kenneth Suslick of the University of Illinois at Champaign-Urbana, an expert on ultrasound, uses the multi-bubble effects of ultrasound to make new materials and affect the rates of chemical reactions. This field of study is known as sonochemistry. Here Suslick takes advantage of the unusual conditions inside the collapsing bubbles created by cavitation with ultrasound (**Figure 2**). The "hot spot" at the center of the bubble, a region just tens of microns (1 micron = 1 millionth of a meter) in size, can reach, by best estimates, temperatures of 5000 degrees Kelvin and pressures of 1700 atmospheres, for a very brief in-

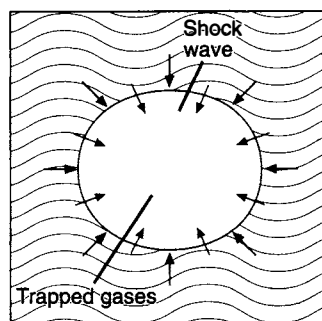
FIGURE 1

## Making light from sound

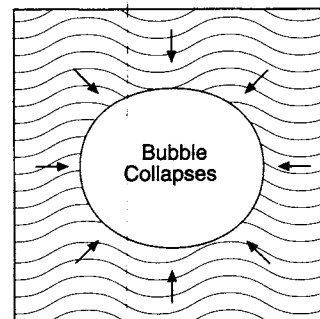
(a) Sound waves cause low pressure. Water molecules move apart, creating a bubble.



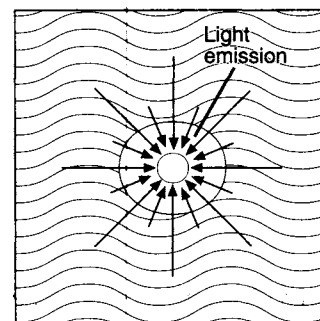
(b) Sound-wave pressure increases, the gases are compressed as the bubble collapses.



(c) Bubble collapse accelerates and a shock wave forms, further compressing and heating the trapped gases.



(d) Shock wave slams into the center of the bubble. Temperatures and pressure are very high. Light is emitted.



Source: *21st Century Science & Technology*.

stant. Each bubble is like a tiny chemical reactor, in which materials from a solution are brought together, heated and then cooled, or quenched, at an incredibly rapid rate, some 10 billion degrees per second. By comparison, a red-hot poker thrust into ice water would cool at a rate of a few thousand degrees per second.

Suslick has had great success in using this technique, with its high cooling rates, to produce amorphous metal compounds. These are materials that have been cooled so fast that they have solidified before crystallization can occur. The resulting material has a porous, sponge-like structure, which is of interest for its possible properties as a catalyst. Catalysts are used to produce various chemical reactions with greater ease.

In a unique line of research, Suslick and his graduate student, Mike Wong, are developing methods of using ultrasound to synthesize microspheres of proteins. Such biomaterials could be used for more efficient delivery of medications or possibly as blood substitutes.

### Single-bubble sonoluminescence

The multi-bubble effect has great advantages for the chemist who is interested in processing bulk materials. But for the physicist trying to study the phenomenon of sonoluminescence, the multiple bubbles make research more dif-

ficult.

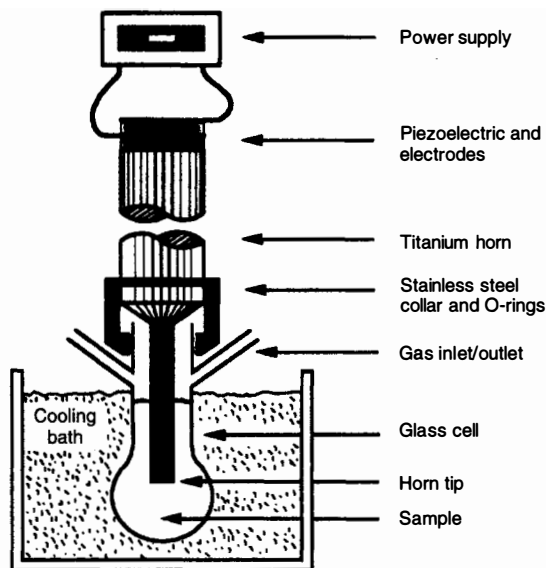
The breakthrough toward understanding the physics of sonoluminescence was made several years ago by researchers at the University of Mississippi, Lawrence Crum and his student Felipe Gaitan. Crum is now at the University of Washington in Seattle, and Gaitan is currently at NASA's Jet Propulsion Laboratory in Pasadena, California. Crum and Gaitan were able to produce sonoluminescence in an isolated, single bubble in the middle of a flask. Equally important, they could coax the phenomenon into producing a steady glow instead of just one brief flash. Now physicists had something that was much more accessible for probing.

The relative simplicity of the experimental setup was amazing. The basic components, which could be found in almost any university laboratory, consist of a spherical flask filled with water, a couple of transducers or loudspeakers, a frequency generator, and an amplifier. An electrical signal from the generator is sent to the amplifier which drives the transducers. The transducers, which are located opposite each other on the flask, convert the electrical signal into ultrasound. The flask acts as a resonator to intensify the sound, and at a specific frequency the sound is focused at the center of the flask. Here a single sonoluminescing bubble forms.

Since Crum and Gaitan's discovery, other laboratories

FIGURE 2

## Sonochemical apparatus



Source: Kenneth Suslick.

have begun investigating sonoluminescence. Most notable is the University of California at Los Angeles, where a great deal of work has been done by Seth Putterman and graduate student Bradley Barber. They were the first researchers to attempt to measure the duration of the light emissions. Their work showed that the steadily glowing bubble was emitting light, or “flashing,” with each cycle of the acoustic field, which is measured in microseconds (millionths of a second). However, the flash itself was found to be much shorter, on the order of picoseconds (millionths of a microsecond).

The researchers at UCLA found another remarkable aspect to these flashes. They found that the average interval between flashes in a 30-kilohertz (30,000 cycles per second) field was 33 microseconds, with a fluctuation of only 50 picoseconds over a period of 100,000 cycles, or just over 3 seconds. This greatly exceeded the rated stability of the frequency generator used. The precision of this periodicity could be illustrated as follows: Imagine a simple mechanical device, such as a watch, that is capable of striking a bell once a week and not varying the interval between rings by more than a second, week after week, for 2,000 years.

Work at UCLA has also shown that, while sonoluminescence in air bubbles is strong, bubbles of pure oxygen or nitrogen (the major components of atmospheric air) do not work nearly as well, and sometimes, they do not work at all. However, adding trace amounts of argon or xenon greatly

improves the sonoluminescence of the nitrogen bubble.

Moreover, one of the limitations on the experiments is the brightness of the bubble: While it is bright enough to be seen with the eye, it is still too dim for some of the instruments to measure. In order to overcome this, experiments with different liquids and gases are being performed to find out what effects they may have, with the goal of trying to produce a brighter bubble. Another approach has been to fiddle with the sound field, but here the system is also delicate and tolerances are low. There seems to be only a narrow range of acoustical amplitudes over which the bubble is stable. If it is too low, the bubble does not glow; if it is too high, the bubble disappears. Therefore, the problem becomes: How does one improve the experiment to more efficiently concentrate energy into the bubble?

Another narrow tolerance, demonstrated by Anthony Atchley at the Naval Postgraduate School in Monterey, Calif. and his colleagues, is that sonoluminescence is very sensitive to changes in the frequency of the sound field. Atchley et al. found that moving away from the resonance frequency at which the sonoluminescence is stable, even by a small amount, leads the bubble’s emissions to become erratic or quasiperiodic.

## Other measures of sonoluminescence

The work at the Naval Postgraduate School in studying sonoluminescence has been in three areas: measuring the optical spectrum of sonoluminescence, measuring the size of the bubble, and measuring the duration of the pulse. Their work confirms many of the findings of other laboratories.

In measuring the spectrum, they looked at different liquids for sonoluminescence, primarily water and mixtures of water and glycerin. The spectrum was found to be broad, increasing in intensity toward the ultraviolet.

The spectrum was measured by placing an optical fiber of quartz close to the bubble, in order to eliminate some of the light absorption caused by the water, which absorbs wavelengths shorter than about 210 nanometers (billionths of a meter). However, quartz starts to absorb at around 170 nanometers. In any case, there is still a little water present at the tip of fiber. To improve their measurements, the experimenters would like to go down to at least half that wavelength, 80 to 90 nanometers, well into the ultraviolet region of the spectrum.

In multi-bubble sonoluminescence, the temperatures inside collapsing bubbles reach several thousand degrees. The light emission is produced by highly excited states of molecular species like diatomic carbon,  $C_2$  (a molecule made up of two atoms of carbon). However, in single-bubble sonoluminescence, the collapse of the bubble appears to be more efficient and generates much higher temperatures. The emission is not molecular but is likely some kind of plasma



emission. This would come from atoms that have had electrons stripped away to become ionized.

Researchers at Los Alamos National Laboratory in New Mexico and at the California Institute of Technology are looking into the possibility of using sonoluminescence for waste water treatment. The temperatures inside the bubbles are high enough to cause compounds, such as solvents, in

the water to break apart. The ultraviolet emissions from the bubbles could be effective in killing bacteria in the water.

Another area of research at the Naval Postgraduate School involved measuring the size of the bubble with a laser scattering technique. A laser is shone on the bubble, which scatters the light. Two detectors are used to look at the scattered light from two angles for greater accuracy. The

## Federal funding falls to partisan posturing

On July 12, a senseless debate in the House of Representatives stripped research into sonoluminescence of its chance for federal funding. As a result, a tiny \$1 million appropriation into the field was removed from the Department of Energy's (DOE) appropriations.

Earlier this year Rep. Dana Rohrabacher (R-Calif.), chairman of the Subcommittee on Energy and Environment of the House Committee on Science, commented during hearings on the sonoluminescence work at Lawrence Livermore National Laboratory, and tied it to the possibility of obtaining fusion energy. The Livermore researchers were quick to point out to Rohrabacher's office that sonoluminescence research is a basic science project, in an effort to dispel any notion of its foreseeable use as a source of fusion power.

Nonetheless, when the report on the Energy and Water Development Appropriations Bill, 1996, came out, the following was included under basic energy sciences for the DOE: "Within available funds, \$1,000,000 is provided to fund peer-reviewed research on the potential energy applications of sonoluminescence." This money was clearly earmarked for Livermore.

One million dollars would be a drop in the bucket of DOE's overall budget, but would be a major boost to sonoluminescence research, which has heretofore operated on a shoestring. With a \$1 million budget, experiments could be carried out that would begin to bring our understanding of the phenomenon to a new level.

Rohrabacher's office tried to justify the funds as being a small investment with a potentially large return, but even that time-tested battle cry was not enough to rally House Republicans to stop an amendment by Rep. Mike Ward (D-Ky.) to strike them. To his credit, in introducing his bill, Ward conceded that sonoluminescence was a "legitimate course of study," and that the funding was not "a piece of pork."

So what's his beef? Since neither the DOE nor Livermore requested the money, it is then specially earmarked. And Ward and many other congressmen are against earmarks in general, which are usually a means of funding pet projects. But what really stuck in his craw was that there was not any mention of this money in any hearings, and that it was part of some 60 pages of report language which was added to the bill. According to Ward's office, the subcommittee's Democrats argued that they had not had sufficient time to review the material in the report and therefore opposed its inclusion, but they were outvoted by the Republicans.

Responding to Ward's bill to cut these funds, Rohrabacher argued, "This is exactly the kind of program the federal government should be doing." He continued that "small research programs that have high potential . . . never get the money, because they do not have lobbyists." But Rohrabacher is not without his axe to grind, i.e., to support the small programs and to chop away at "mega-programs," a pragmatic approach that ignores their complementarity.

In a arrogant display of smug sarcasm, Rep. Fortney Stark (D-Calif.), whose district includes Livermore, blasted the research: "This is a wonderful project," he said, "shooting light on these bubbles will cause a lot of wonderful things." Then he continued, "Do you know what else they make in Livermore, California? . . . It is right in the middle of the finest champagne country in the world. What this will do is irradiate that champagne that comes from California, much to the disadvantage of New York, where they do not make such very good champagne. . . . I want to say to you that if you want to waste \$1 million trying to make California champagne better, which you cannot do, then we welcome this money."

Stark's theatrics had the desired affect. When the House vote was taken, Ward's bill passed 276-141. Some 85 Republicans joined in voting against it.

While such bipartisan short-sighted, know-nothing pragmatism should not be surprising, it makes one wonder: If a small, creative science project with such great potential for broadening our knowledge of the physical universe, can be cut, what's left?

amount of scattering is then used to determine the bubble size. By using a pulsed laser, the bubble is examined at various parts of its cycle.

The researchers were able to measure the bubble's size to within 10 nanoseconds of its final collapse and emission. At this time, the bubble is still a few microns in radius. At times closer to emission, the bubble is so small that its diameter is approaching the wavelength of the laser light and the scattered signal becomes very weak.

The third area concerned measuring the duration of the pulse. Researchers at the Naval Postgraduate School asked Michael Moran at Lawrence Livermore National Laboratory in California, for help in measuring the optical spectrum of sonoluminescence and the time-dependence of the emissions. Yet, even with the ultrafast cameras available at Livermore, the duration of the pulse could not be definitively measured. The results indicated that the pulse was very fast, possibly faster than the 50 picoseconds that other researchers had indicated.

### Research at Livermore

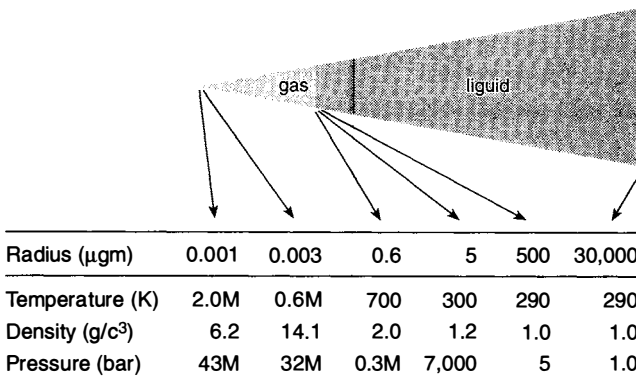
The collaboration with Livermore was a natural teaming of researchers and resources. Sonoluminescence is a type of phenomenon in which the skills and talents that a laboratory, such as Livermore, has developed over decades in nuclear weapons and fusion research can very effectively be brought to bear. Sonoluminescence research at Livermore has taken on something of a life of its own.

Analogies have been made that compare sonoluminescence to inertial confinement fusion (ICF). In ICF, a powerful energy source, either lasers, X-rays or particle beams, is directed onto a small, spherical target containing fusion fuel. The energy vaporizes the outer shell of the target, and the reactive force of the expanding plasma compresses the fuel inside the target. If the compression is stable enough, and the temperature and pressure are high enough, a burst of fusion energy is produced. Livermore is the home of NOVA, one of the world's largest lasers for conducting ICF research. The question then arises: How are the physical conditions of a collapsing bubble and an exploding fusion target similar? This is the point that Livermore takes up.

Livermore physicist William Moss has carried out some of the most sophisticated calculations to date on bubble growth and collapse in single-bubble sonoluminescence (Figure 3). He has performed the first fully compressible non-linear hydrodynamic computer simulations, which means that, in modeling this system, the compressibility of water is attempted to be taken into account. Typically, other models use the simplifying assumption of regarding water as incompressible, primarily because of the computational limits of the program and the computers being used. Moss says that these models are good for a first approximation, but to get a better understanding, a program needs to have included better physics.

FIGURE 3

### Enormous range of temperature, pressure, and density, at time of 'flash'



The chart depicts the conditions of temperature, pressure, and density at the time of the flash, for various distances in the liquid and bubble. The values are derived from a computer simulation by William Moss at Livermore. This is what his theory predicts, but it is still up to the experimentalists to record what is actually happening. Note that, at the interface of the bubble and the liquid, the density goes from 1 gram per cubic centimeter to  $2 \text{ g}/\text{cm}^3$ , due to the compressibility of water, which Moss's model take into account.

Source: William Moss/Lawrence Livermore National Laboratory.

Moss starts with equations for the state of the gas, and incorporates the liquid, and even the glass flask, in an effort to simulate as much of the problem as possible. He began with a standard hydrodynamic program, but is now using some of the weapons computer codes, "which are optimized a little better for these kinds of problems," Moss says.

It should be noted that there is, as yet, no direct experimental measurement of temperature and pressure in single-bubble sonoluminescence. The temperatures and pressures that have been reported by various researchers are, for the most part, inferred from the spectrum or are based on theoretical calculations.

Nonetheless, what Moss's model shows, is that, when a bubble contracts, a shock wave is generated that slams into the center of the bubble. The bubble radius, in Moss's calculations, is about half a micron. It is only its inner portion that becomes really hot—between 100,000 and 1 million degrees, according to his calculations—with pressures reaching 100 million atmospheres. These conditions last for about 10 picoseconds, as the shock wave crashes in and then bounces out.

Moss believes that the rapid bounce is caused by the intermolecular potential: That is, as the atoms are pushed closer together, the repulsive force between them becomes stronger, which also causes the short time-scale. "What we're talking about," Moss explains, "is just the mechanical process."

Moss notes that one of the factors controlling temperature is ionization. Ionization of a material removes electrons, thus removing energy that would otherwise go into temperature; therefore, something that becomes significantly ionized, will not become as hot as something that does not become as ionized.

It was this realization that led Moss and Moran to look at deuterium, an isotope of hydrogen which is one of the fuels used in fusion. Deuterium, like hydrogen, has only one electron. Moss's team believed that, once the electron was removed, the energy used to compress the deuterium bubble could then go into raising the temperature, thereby making the deuterium very hot compared to air. However, it turns out that deuterium is much more compressible than air is at high densities, so it is harder to get it as hot, given the same experimental conditions. The calculations indicate that the air will get hotter, because it has a stiffer repulsion potential.

Moss believes that one way to overcome this limitation is to shape the pulse of the driver, the acoustical wave. So far, the acoustical wave that researchers have used is a simple sine wave, evenly rising and falling in pressure over time. By changing that pulse, by putting a well-timed spike of positive pressure on top of the oscillatory field, one could "give the bubble a real good whomp at just the right time," says Moss. His calculations have shown that such an ap-

proach would have a large effect, but this has yet to be borne out experimentally.

This research approach is what led them to start working on a deuterium experiment and to look at the "remote possibility" of producing the conditions for a fusion reaction within the sonoluminescing bubble, Moss said. In comparing sonoluminescence to inertial confinement fusion, there are some similarities, but also big differences. For one thing, there is an enormous amount of material in a fusion target as compared to a sonoluminescing bubble, and the temperatures and densities are also much higher in the fusion target. But the important difference, Moss is quick to point out, is that ICF works: It produces fusion. However, Moss added, "I would say, to be as optimistic as we can and to be scientifically honest, that what we think we've shown is, that it may not be impossible to get fusion this way."

Although Moss is hopeful, he said that even if fusion does not occur, there should be a wealth of physics coming out of research into sonoluminescence. "It seems to me that you can't lose scientifically," Moss said.

On a broader point, Anthony Atchley at the Naval Postgraduate School, notes that sonoluminescence puts in the experimenter's hands, at a very economical price, a new area to study, a region that in general has not been studied before. "It is a different window on the world," he said, "and, who knows what you could find with that?"

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## Dope, Inc. stooges going down in the Caribbean

by Dennis Small

When British Trade Minister Richard Needham arrived in Colombia on June 1 of this year, he brought with him crucial political and financial support for Ernesto Samper Pizano, the man whom the Cali drug cartel placed in the Presidency of Colombia one year ago with millions of drug dollars. British investors, Needham told the local press, were unconcerned by Colombia's massive drug-running and related narco-terrorism. And when asked by the media about U.S. insistence on cracking down on drugs, his excellency responded snootily: "That is their problem."

Perhaps not for much longer.

Four days after Needham's provocative remarks, the Clinton Justice Department indicted the entire top leadership of the Cali Cartel, including four former U.S. Justice Department prosecutors. Four days after that, on June 9, Colombian authorities captured Gilberto Rodríguez Orejuela, the number-one man in the Cali Cartel. Follow-up raids netted hard evidence proving that virtually the entire Colombian government which the British were trying desperately to salvage—including President Ernesto Samper Pizano, Defense Minister Fernando Botero, Interior Minister Horacio Serpa Uribe, and Communications Minister Armando Benedetti—had received multimillion-dollar payoffs from the Cali Cartel. And then, on Aug. 6, the Cali Cartel's number-two man, Miguel Rodríguez Orejuela, Gilberto's brother, was also finally captured.

These latest events in Colombia signal a major strategic shift that is under way throughout the Caribbean Basin: The political apparatus behind the region's drug trade—all of it associated with former U.S. President George Bush—is being taken down, piece by piece. From the 1993 ouster of President Carlos Andrés Pérez in Venezuela, to the departure of President Carlos Salinas in Mexico, to the latest discrediting of President Samper and other children of the López Michelsen machine in Colombia, Britain's "House of Bush" in the Caribbean is crumbling.

If properly pursued, this shift could mean the beginning of the end for "Dope,

FIGURE 1

## Recent victories in the Caribbean theater war on drugs

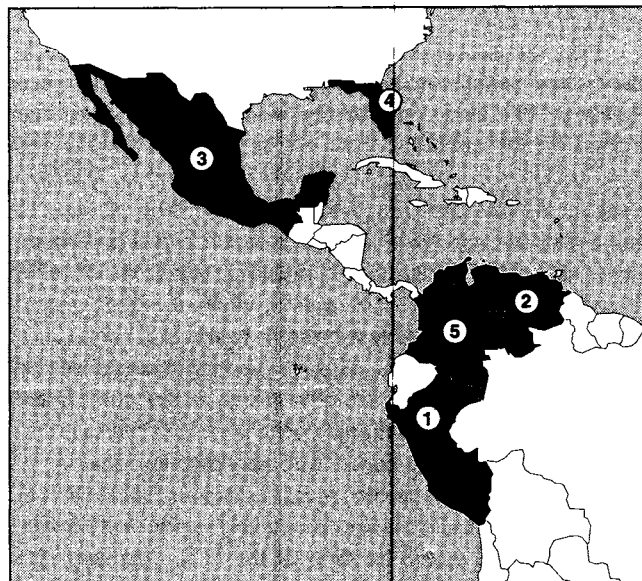
① **Peru, September 1992:** Abimael Guzmán, head of the Shining Path narco-terrorist gang, is arrested and sentenced to life in prison. Most of the rest of Shining Path's top leadership is captured and tried over the following two years, dramatically undermining their role as armed protectors of Peru's drug trade.

② **Venezuela, May 1993:** President Carlos Andrés Pérez is forced to step down from office to face trial on multimillion-dollar corruption charges, for which he is subsequently jailed. Over the next year, scores of corrupt bankers he had protected are indicted, many accused of drug-money laundering. Most of the bankers fled the country and are still at large.

③ **Mexico, December 1994:** President Carlos Salinas de Gortari, whose famous "Mexican economic miracle" was built on laundering billions of narco-dollars every year, leaves office. Three months later his brother, Raúl, is arrested for complicity in the murder of the head of the PRI party. Both Salinas brothers, according to Mexican press accounts, were directly involved in protecting the drug trade which flourished during the Salinas years.

④ **Florida, U.S.A., June 1995:** The U.S. Justice Department unseals an indictment in Miami against the entire leadership of the Cali Cartel, including four former Department of Justice prosecutors.

⑤ **Colombia, June-August 1995:** Authorities capture six of the seven top leaders of the Cali Cartel, including Gilberto and Miguel Rodríguez Orejuela. Other anti-drug raids turn up hard evidence of Cali Cartel payoffs to hundreds of top government officials, including President Ernesto Samper Pizano.



Inc.," the global financial and political apparatus, headquartered in the British monarchy, which runs the \$800 billion per year international drug trade. Moreover, it means that a new, winning front has been opened up by the Clinton administration in its ongoing "war and a half" against London, as *EIR* founder Lyndon LaRouche has characterized the current strategic situation.

There are two, connected components of this strategic shift. First, beginning in 1992, patriotic forces in a number of Ibero-American nations rose up to begin to break their countries out of the grip of Dope, Inc. and its local enforcers. They deposed the corrupt Presidents of Brazil, Fernando Collor de Mello, and Venezuela, Carlos Andrés Pérez, and they militarily defeated narco-terrorist armies such as the bloody Shining Path in Peru. Their revolt was carried out against the hysterical, and often violent, opposition of the pro-British Bush administration in Washington, which was itself in cahoots with the Dope, Inc. apparatus. The Inter-American Dialogue, a Washington think-tank favoring drug legalization, had the inside track on Ibero-American policy in the Bush administration, and actively promoted narco-terrorist gangs grouped in Fidel Castro's São Paulo Forum.

The second element that has come into play is the policy

change in Washington itself, which began as William Clinton came into office in January 1993. Slowly at first, but then with increasing strength, the Clinton administration has broken with Bush's criminal collaboration with these dirty drug networks, as exemplified by Oliver North's "drugs-for-guns" Iran-Contra operation, run under Bush's personal command. As a result, for the first time in over a decade, Dope, Inc.'s stranglehold over the Caribbean Basin is seriously threatened.

### What the British stand to lose

The significance of these developments should not be underestimated. Although viewed throughout most of this century as the "backyard" of the United States, the Caribbean has actually been the United States's soft underbelly, where British dirty operations have wreaked havoc in this hemisphere.

These go back to England's domination of the slave trade in American Colonial times, and run up through the postwar "Caribbean Legion" of "ex"-communists and socialists, today reborn as George Bush's "Project Democracy" networks, who are up to their necks in drugs and weapons smuggling, narco-terrorism, and the use of "human rights"



destabilization campaigns against the region's military.

As for narcotics trafficking per se, the Caribbean region, broadly defined, is, in fact, the logistical center of the entire world drug trade.

Take the case of cocaine. All the cocaine consumed in the United States comes through this area, and the United States is, of course, by far the world's largest consumer market for all narcotics. Coca plants grown in Bolivia and Peru are refined into cocaine mainly in Colombia, and then transhipped into the United States. About 80% of that cocaine goes through Mexico; the remainder enters the United States through the Caribbean, including air drops of bales of cocaine into international waters, where it is then picked up by high-speed boats and brought to the U.S. coast.

Or, look at marijuana. Most of the marijuana consumed in the United States is actually grown *inside* the United States, much of it on national parks land. But the majority of imported marijuana come from neighboring Mexico.

As for opium and heroin, Asia's notorious Golden Triangle is still the world's premier producing region, but Mexico now supplies as much as 30% of the U.S. "demand" for this killer drug.

The Caribbean is also home to a large part of the money-laundering operations which are the heart and soul of Dope, Inc. Banks in Florida, Venezuela, Panama, Mexico, and British-run island havens such as the Bahamas, Bermuda, and the Cayman Islands, routinely launder hundreds of billions of dollars each year.

All in all, it is likely that Ibero-America accounts for as much as \$450 billion of the \$800 billion per year drug trade. As *EIR* documented in its 1986 bestseller, *Dope, Inc.*, British-centered financial interests control this trade, and their collapsing world financial system is fully addicted to the gigantic flow of laundered narco-dollars. Knock that financial and political prop out from under the British, or even seriously weaken it, as is now occurring, and the whole shebang can go.

The latest victories, however, should not be expected to produce a quick drop in the flow of cocaine into the United States, nor less addicts on American streets. That will require dramatic follow-up action politically, economically, and militarily. As Lyndon LaRouche put it in an Aug. 9 radio interview: "We've got some action on the War on Drugs . . . in a real solid manner. . . . We seem to be building up a good strategic alignment of nations against this drug-trafficking. I think that's a modest but important and commendable success."

### String of setbacks to the British

The map on page 21 will give the reader a quick overview of the recent battle chronology in the Caribbean theater. Beginning in 1992, the international political apparatus behind the drug trade has been hit hard: in Peru (the defeat of Shining Path), Venezuela (the ouster of President Carlos

Andrés Pérez), Mexico (the dismantling of the Salinas machine), Florida (the Miami indictments, including of lawyers associated with Jeb Bush), and Colombia (the Cali Cartel arrests).

The case of Peru merits further explanation.

On Sept. 12, 1992, the government of President Alberto Fujimori captured the continent's most feared narco-terrorist, Shining Path's psychotic leader, Abimael Guzmán. Guzmán was subjected to a summary military tribunal and quickly given a life sentence. Most of the other top leaders of Shining Path were rounded up in the following months, and by mid-1994, Fujimori had broken the back of the narco-terrorist menace.

Shining Path were more than bloody Pol Potist terrorists, responsible for killing over 20,000 Peruvians. They were also the armed guards for Peru's substantial drug trade, providing military protection of all shipments, in exchange for a cut of the take.

In order to defeat Shining Path, Fujimori and the country's military, headed by Gen. Nicolás Hermoza, had to first crack down on the narco-terrorists' support apparatus in the country. On April 5, 1992, Fujimori dissolved the corrupt congress and Supreme Court, which for years had protected the Dope, Inc. apparatus. The Bush administration in Washington screamed bloody murder, as did the international "human rights cartel," protesting that the Peruvian government was violating the human rights of drug-runners and terrorists. Fujimori ignored them all.

But Bush was not one to be crossed. His State Department, led by Kissingerian career officers such as Luigi Einaudi, moved to first ostracize Peru within Ibero-America, and to then orchestrate a series of military coups against President Fujimori, all of which, fortunately, failed. Even anti-drug aid was cut by the Bush administration, arguing that Peru was not a real "democracy." The State Department's standing policy of toppling the Fujimori government was not reversed until 1994, well into the Clinton administration, when sanity finally prevailed. How much things have changed is seen in the June 1995 remarks to Congress by Undersecretary of Defense Brian Sheridan, who praised the Fujimori government for going after the heads of the Peruvian drug cartel with the same "very decisive actions" that had characterized the successful war against Shining Path.

As for Colombia, as of this writing, six of the seven top leaders of the Cali Cartel have been captured. But they have not yet been tried and sentenced, nor have their assets been seized, nor their armies of corrupt lawyers, politicians, and journalists incarcerated with them. The Samper government has been badly shaken by the unending wave of revelations about his personal involvement with the Cali Cartel, but his deal with the Cartel is still intact, and he has not yet been removed from office—as national dignity and preservation of the institution of the Presidency itself require.

# Samper forced to jail his narco financiers

by Our Special Correspondent

On May 4, 1994, with only 25 days to go before Colombia's presidential primary elections, Santiago Medina, the treasurer of Ernesto Samper Pizano's presidential campaign, traveled to Cali in the company of the Cali Cartel's "PR" man Alberto Giraldo, to meet with Gilberto Rodríguez Orejuela, Miguel Rodríguez Orejuela, and José Santacruz Londoño, kingpins of the narcotics cartel which produces 80% of the cocaine and much of the heroin consumed in the United States.

According to Medina's own sworn testimony before Prosecutor General Alfonso Valdivieso, Samper and his campaign manager Fernando Botero Zea had given Medina "precise instructions to request 2 billion pesos [about \$2.5 million] needed to finish out the first round." According to Medina, the Cali drug lords contributed half. Medina read to the cartel bosses candidate Samper's five promises. Among the five points was Samper's pledge to back then-Prosecutor General Gustavo de Greiff, who used his post to defend drug legalization; a commitment to negotiate significantly reduced jail terms with the cartel; and a promise to suspend the war between the state and the drug traffickers.

On May 29, 1994, Ernesto Samper Pizano won the presidential primary with 2,586,103 votes, only 20,000 more than his closest rival. On June 15, with only four days left before the definitive elections, Medina was sent once again to Cali to ask for \$4 million more. The traffickers agreed to the donation and delivered the cash later that day, wrapped like birthday presents, to Santiago Medina's home.

These details, taken from Santiago Medina's July 28, 1995 confessions, have already caused the resignation of Fernando Botero Zea from his post as Samper's defense minister, and have sent the Samper government itself into a tailspin.

How is it possible that Samper Pizano, who for 20 years had promoted the legalization of drugs, who had taken money from the cartels in 1982 as head of former President Alfonso López Michelsen's presidential campaign, who had again taken money from the traffickers in 1990 when he ran against Luis Carlos Galán for the presidential nomination of the Liberal Party, has today put six of the Cali Cartel's seven kingpins in jail?

## To make, and break, a President

On Saturday, June 18, 1994, the top directors of the Samper campaign, among them candidate Samper himself, met at Medina's home. Samper congratulated his treasurer and promised to name him ambassador to Switzerland or another European nation. On June 19, Samper won the election by 120,000 votes, a margin of less than 1%.

But the campaign directors were not the only ones who knew of their dealings with the Cali Cartel. Although it is not yet known precisely who taped the conversations (some suspect either the U.S. Drug Enforcement Administration or some Colombian security agency with DEA assistance), several audio tapes which have come to be popularly known as the "narco-cassettes," were distributed to all the communications media. In them, Alberto Giraldo and the Rodríguez Orejuela brothers can be heard speaking, apparently by telephone, about the donations to the Samper campaign. The narco-cassettes were published in all the newspapers and broadcast on all the television news programs on June 21 and 22, 1994, turning the world upside down.

In the face of such a scandal, Samper tried desperately to win the confidence of the United States, while at the same time trying to win Great Britain's support against the Clinton administration's hard line. Samper traveled to the United States in his capacity as President-elect, but received a frigid welcome, and the Clinton government let it be known that it was fully aware of Samper's pro-drug past, but would give him a second chance. "The past is less important than what you do from here on in," he was told. And the external and internal pressure on Samper's government began to escalate.

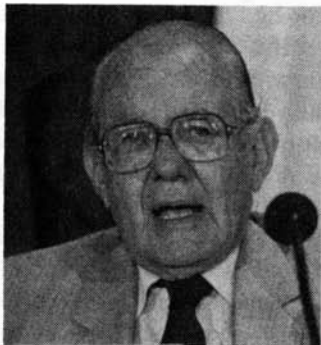
On July 15, 1994, the U.S. Senate unanimously approved a resolution whereby economic aid and benefits to Colombia for its fight against drugs would be conditioned upon Clinton administration certification that the Samper government was indeed waging war against the drug trade.

Later that month, the Colombian Supreme Court ruled that Prosecutor Gustavo de Greiff, who was using his post to defend drug legalization and who as a result had publicly and repeatedly clashed with U.S. authorities, could no longer continue as Prosecutor General, having reached the age of 65, which was mandatory retirement age within the Colombian judicial system. On July 26, the Colombian Congress chose as its new Prosecutor General Alfonso Valdivieso Sarmiento, whose first cousin Luis Carlos Galán Sarmiento died at the hands of cartel assassins in 1989 while running for President.

On Aug. 16, just before stepping down from his post, De Greiff declared that there was no evidence to warrant an investigation of President Samper in connection with the narco-cassette revelations. De Greiff called on Joseph Toft, veteran DEA chief in Colombia, to testify before the Prosecutor's office as to whether the cassettes had been taped by the DEA. The Clinton government's embassy in Bogotá rejected De Greiff's demand, pointing to Toft's diplomatic immunity.

## Alfonso López Michelsen

The political godfather and sponsor of Ernesto Samper Pizano, López Michelsen, is the man whose 1974-78 Presidency oversaw the mushrooming of the drug trade in Colombia. The son of a former President and a wealthy oligarch, one of López's first acts in office was to



undertake a drastic reform of Colombia's banking and financial system, under cover of an "economic emergency" issued by executive decree. He was guided by his Finance Minister Rodrigo Botero Montoya, today a vice-chairman of the Washington-based pro-drug legalization lobby Inter-American Dialogue. Part of that reform was the creation of the so-called "sinister window," a black market window set up at the central bank to accept illegal drug dollars, no questions asked. Later, the former president of the Federation of Latin American Banks, Fernando Londoño Hoyos, wrote that if the government really wanted to catch drug traffickers, "they should capture them on the lines at the sinister window."

Under López's Presidency, the powerful Grupo Grancolombiano financial conglomerate, under the control of his first cousin Jaime Michelsen Uribe, amassed a vast fortune and came to be known as "The Octopus" for its propensity to swallow up legitimate enterprises. Grancolombiano's "research institute," the National Association of Financial Institutes (ANIF), was the launching pad for Ernesto Samper Pizano's political career. In 1977, Samper was named president of ANIF, and quickly turned it into the national lobby for drug legalization. In a July 1980 press statement, Samper characterized ANIF as "the Latin American coordinator of the international alliance to reform marijuana laws."

Asset-stripping, self-lending, and pyramiding eventually brought down the Grancolombiano Group, sending Jaime Michelsen fleeing to Miami in early 1984. In 1982, López's bid for a second presidential term had failed miserably, despite having taken drug cartel contributions through his campaign treasurer, Samper Pizano. But by 1984, López had succeeded in reestablishing his credentials with the dope mob; he placed Samper Pizano on the board of directors of the Cali Cartel-owned Banco de los Trabajadores (seized by the government two years later), and himself mediated repeated efforts by the drug cartels over the coming years to buy their way into the country's political machinery.

López Michelsen singlehandedly did more to turn Colombia into a "narco-democracy" than any one else, and it is he, that Colombians and the rest of the world have to thank for the Samper Presidency today.

As a reward for his exoneration, President Samper granted De Greiff the post of ambassador to Mexico, a charge which he still occupies. In the narco-cassettes, the Rodríguez brothers affectionately refer to De Greiff as "the old man."

On Sept. 30, 1994, Toft announced his retirement from the DEA and from his post in Colombia. In the same press conference, he denounced the Samper government as a "narco-democracy," warning that the DEA had proof that Samper had received several million dollars from the traffickers to finance his presidential campaign. Spokesmen for the Clinton administration stated that Toft's comments were not an official government declaration, but refused to deny or confirm them.

In November 1994, the Samper government moved to de facto legalize the production of coca leaves in Guaviare and Putumayo departments, after coca producers were organized by the narco-terrorist FARC to conduct an armed "strike" against fumigation of their illegal crops.

On Dec. 6, 1994, according to certain sources, Samper Pizano—under pressure from the DEA—appointed Gen.

Rosso José Serrano director of the National Police. General Serrano began an immediate clean-up of the institution, which had come to be known as one of the most corrupt in the country.

In January 1995, Fernando Botero publicly apologized to the drug traffickers for a raid that the joint army-police "Search Bloc" had carried out during a birthday party for Gilberto Rodríguez's daughter.

On Jan. 27, U.S. Ambassador to Colombia Myles Frechette announced that neither the Clinton administration nor the U.S. Congress would certify that Colombia was fighting drugs. Samper launched major diplomatic efforts to avoid such a decertification, and pledged to the U.S. government that he would dismantle the Cali Cartel. The certification was then issued under a "national security waiver," with President Clinton clarifying that the certification was not for the Samper government, but for the country.

On April 20, the Prosecutor's office arrested Eduardo Mestre Sarmiento, former Colombian ambassador to Switzerland, who had served as an intermediary for the Cali Car-

tel's donations to the Samper campaign. It also ordered the arrest of Alberto Giraldo, the "journalist" who served as a high-level public relations agent for the cartel. The Prosecutor's office also called on the Colombian Supreme Court to open up an investigation against eight congressmen, Attorney General Orlando Vásquez Velázquez and Comptroller General David Turbay Turbay, for having taken money and other payoffs from the Rodríguez Orejuela organization. The payoffs to the 10 people mentioned occurred during a tour they had taken with candidate Samper in 1994.

In early June of this year, Samper met with the entirety of the military and police command structure and warned that if they did not produce concrete results against the Cali Cartel, "I'm going to go, and so are you." In other words, his government could fall unless they could practically demonstrate that he did not have ties to the drug traffickers. The U.S. pressure was on.

On June 9, the police captured Gilberto Rodríguez Orejuela. After that, more were captured and others surrendered.

On July 17, Santiago Medina was called to testify before the Prosecutor's office, and was unable to explain the origin of a \$48,000 check drawn on the account of a Cali Cartel shell company to his name. The check had been used to cover expenses of the Samper campaign in Cali.

On July 26, the Prosecutor's office arrested Medina. Despite pressure from several Samper emissaries, Medina decided on July 27-28 to collaborate with the Prosecutor, and revealed that Fernando Botero, in his capacity as Samper's campaign manager, had managed a secret bank account at Chase Manhattan Bank in New York. He also revealed that, on orders from Samper and Botero, he had met with the cartel bosses to request contributions.

On Aug. 1, the Prosecutor's office called on the Supreme Court to consider opening an investigation against Fernando Botero and against Armando Benedetti, Samper's communications minister, who had also taken mafia money for Samper's campaign, according to Medina.

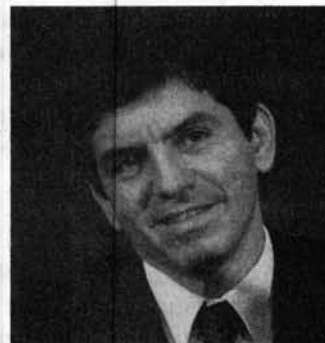
On Aug. 2, Defense Minister Fernando Botero resigned his post. Samper urgently brought National Police director Gen. Rosso José Serrano back from New York, where he had been attending a seminar. Samper told Serrano that the only thing that could save his government would be the immediate arrest of Miguel Rodríguez Orejuela.

On Aug. 3, the Prosecutor's office sent the "Accusations Committee" of the Colombian House of Representatives a dossier of evidence, to determine whether or not it should initiate a trial against President Samper Pizano. A copy of the dossier was also sent to the Federal Prosecutor's office urging an investigation of the conduct of Interior Minister Horacio Serpa Uribe, who had tried to pressure Medina against collaborating with the judicial authorities.

On Aug. 6, the National Police captured drug trafficker Miguel Rodríguez Orejuela in Cali. After his arrest, Samper declared that, with six of the seven top cartel leaders in jail,

## César Gaviria Trujillo

Former Colombian President (1990-94) César Gaviria Trujillo today holds the prestigious position of secretary general of the Organization of American States (OAS). Both posts were reached by striking a deal with the narcotics cartels,



which included climbing over the corpse of assassinated presidential candidate Luis Carlos Galán, whose 1989 campaign Gaviria had managed.

According to 1992 press revelations, Gaviria turned the security apparatus of his government's Justice Department over to the men who had been his campaign bodyguards, and those of Galán before him. These men, it turned out, were part of a network of thugs known as "The Black Ants," who worked for the Medellín Cartel and are believed to have brought in the trainers and weapons used in Galán's assassination. "The Black Ants" became a terror and blackmail machine within the very core of Gaviria's government, and were responsible for the security at Envigado prison, which housed Medellín Cartel boss Pablo Escobar after his June 1991 "surrender" and from which he easily escaped one year later.

But Gaviria's complicity with the mob was evident long before the 1992 revelations. Immediately following his Aug. 7, 1990 inauguration, Gaviria named a cabinet which included Antonio Navarro Wolf, the "former" head of the recently legalized narco-terrorist group M-19; Ernesto Samper Pizano; and Rudolf Hommes, the former business partner and close associate of Rodrigo Botero Montoya, architect of López Michelsen's infamous 1974 "tax reform" and "sinister window." Gaviria went on to facilitate the rewriting of a new national constitution in 1990-91, which among other things banned extradition of drug traffickers, and decreed a new, lenient "surrender" policy for the cartel bosses. For his appeasement of the cartels, Gaviria earned the gratitude of the Bush government in Washington—and eventually his cushy job at the Organization of American States.

“the Cali Cartel is dead,” thus proving that he has nothing to do with the cartel. He insisted that any evidence put forth to prove his connections to the Cali Cartel constituted “moral terrorism” against his government.

However, the arrest of Miguel Rodríguez was unable to hide the mounting evidence against Samper. On Aug. 7, a new “narco-cassette” circulated in the press, on which the voice of Samper himself could be heard talking with Elizabeth Montoya de Sarria, wife of Jesús Sarria, a drug trafficker who has been sought by Interpol since early 1993. Sarria and his wife attended Samper’s Aug. 7, 1994 inauguration as special invited guests. Elizabeth de Sarria, in particular, had raised large quantities of money from her friends and acquaintances for Samper.

### **Between a rock and a hard place**

International pressure, especially from the United States and from nationalist civil-military sectors within Colombia, have forced Samper to jail those who financed his campaign, to try thereby to prove that his government is not a narco-government.

The outcome is not yet decided: The Cali Cartel has been seriously wounded, but is by no means dead, as Samper publicly insists. Gilberto, Miguel and Jorge Eliecer Rodríguez Orejuela, José Santacruz Londoño, and their various followers still possess all their vast properties. Nothing has yet been confiscated. They still have at their disposal their army of lawyers and another army of assassins, and they still hope to be judged by the penal code those lawyers wrote.

If Samper changes these conditions which benefit the drug lords, he will have definitively betrayed the traffickers who financed his campaign, but he will have done a great service to his nation, freeing it of the corruption which has been slowly suffocating it.

But even such an action would be no guarantee that he can stay in power much longer. The evidence against Samper is so extensive that covering it up would be like trying to block the sun with one’s thumb.

In 1989, cartel hitmen mistakenly assassinated José Antequera, a leader of the Colombian Communist Party. Samper, who happened to be at the airport, casually chatting with Antequera at the time, was hit by numerous bullets. Miraculously, and with the help of quick medical attention, Samper survived. At the time, a police source told *EIR* that Samper had received a multimillion-dollar indemnification from the drug traders while in Europe, who assured him the bullets were not meant for him.

In Medina’s famous confession, the former Samper treasurer reveals that after having recovered from the incident, Samper went abroad accompanied by the cartel’s Alberto Giraldo, who carried a suitcase stuffed with dollars to pay whatever costs Samper might incur.

It would appear that God spared Samper that day in 1989, in order to face the public scorn his government is now experiencing.

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## Mexico

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# Drug trade boomed in Bush-Salinas ‘miracle’

by Carlos Méndez

In a two-part article printed July 30 and 31, the *New York Times* claimed that during President Carlos Salinas’s 1988-94 administration, millions of narco-dollars entered Mexico, that U.S. Drug Enforcement Administration officials reckon that some \$7 billion went into Mexico, and that “American officials say huge amounts of drug money have flowed into Mexico’s tourism, transportation, and construction industries, helping to fuel the speculative rise of the economy until last year.” The article’s author, Tim Golden, also quotes James Moody, an FBI official, who stated “without offering details,” that “many of the state-owned companies privatized under Mr. Salinas had been bought by traffickers.”

The article also documents that the North American Free Trade Agreement (NAFTA), pushed by Salinas and then-U.S. President George Bush, was used to restrain anti-drug actions in Mexico. “People desperately wanted drugs not to become a complicating factor for NAFTA. . . . There was a degree of illicit activity that was just accepted,” said John P. Walters, a senior official for international drug policy at the Bush White House. Author Golden also quotes a U.S. official “who dealt extensively with the Mexicans,” according to whom, “Once Salinas and Bush decided to go ahead with NAFTA as their number-one goal, then everything else had to be made manageable. On the issue of high-level officials being involved in drugs, we said, ‘Carlos, as long as we are getting results, we are not going to micromanage.’ ”

What the *New York Times* is now revealing—with what intention we cannot say—*EIR* had already warned about four years ago: “NAFTA will also reorganize the entire Ibero-American banking structure, and thereby create the conditions under which the vast financial flows originating in the Ibero-American drug trade can be more readily laundered into the cash-strapped Anglo-American banking system.” And, “NAFTA’s banking takeover will open up the banking system of the Americas to all sorts of speculative hot money flows—including those of the drug trade. Such activity does not aid production; it destroys it.” (See “Auschwitz Below the Border: Free Trade Pact Is George ‘Hitler’ Bush’s Mexican Holocaust,” May 1, 1991.)

Years later, this *EIR* prognosis was confirmed by one of the main players in the process: Richard Thornburgh, the Attorney General of the United States in the Bush administration, stated cynically that the Justice Department was investi-



gating the Salinas administration from the beginning, because it considered that there were officials in it involved in the drug trade, but that in 1990 things “took an unexpected turn; Salinas said that he wanted to negotiate the Free Trade Agreement and the Bush administration was happy. Salinas at that point became not only the best friend of Bush in Latin America, but the ‘golden model’ for developing countries. Corruption and the war on drugs went into the background” (quoted in *El Financiero*, Mexico City, March 28, 1995.)

Although drug trafficking started to grow at a dizzying pace under President Miguel de la Madrid (1982-88), it was the Salinas-Bush free-trade economic model which pushed the drug trade in Mexico toward its apogee:

- Hot money started to arrive by the truckload and drug-money laundering turned into an everyday affair.

- Overnight, multimillion-dollar fortunes arose, without anyone being able to explain where they came from or how. In statements made to the Mexican magazine *Proceso* (No. 855, March 22, 1993), Manuel Espinosa Yglesias, who was the main stockholder in Banco de Comercio, said, “There is no doubt. In the last six years fortunes have been created in Mexico which are bigger than many in the United States . . .

and they have been created fast.”

- Criminal activity grew, and some high-level officials and many lower-level ones were part of it, to the point of political assassinations, as in the cases of presidential candidate Luis Donaldo Colosio and party Secretary General José Francisco Ruiz Massieu, both of the ruling Institutional Revolutionary Party (PRI)—killings in which the drug mafias very probably took part, as instruments.

- Violent actions were unleashed by narco-terrorist groups clearly tied to the international drug trade, as is the case with the EZLN “liberation army” in Chiapas.

- Deep operational ties were developed between the Mexican cartels and the Cali, Colombia cartel. This went so far that Boeing 727 jets were used to carry drugs from Colombia to Mexico, to be passed on into the United States.

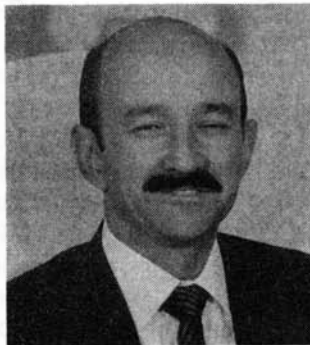
### Salinas leaves, and fresh air comes in

With the departure of Salinas de Gortari from the presidency in December 1994, and from the country later, it became possible to reverse all this and rebuild the nation under the new President, Ernesto Zedillo.

- In February 1995, the authorities arrested Raúl Salinas

## Carlos Salinas de Gortari

Harvard-trained Carlos Salinas de Gortari became the President of Mexico in 1988, following elections universally viewed as fraudulent. That stain did not prevent him from becoming George Bush’s “golden boy,” however, especially when Salinas made it clear that not only would he continue his predecessor’s free-market proclivities, but that he had every intention of turning Mexico into a continental showcase for the British free-trade “ethnic” that Bush embraced.



With the abandonment of nearly all restrictions on foreign involvement in the Mexican economy and banking system, the drug economy that had begun to flourish under President Miguel de la Madrid took off like a rocket. New millionaires began to surface daily, and the corruption spread deep into the ruling institutions. Passage of the Bush-Salinas package known as the North American Free Trade Agreement, dramatically accelerated the process.

Salinas’s rise was accompanied by that of his thuggish brother Raúl, who was given “technical” charge of that vast slush fund known as Pronasol, and rapidly turned it into private fiefdom run by an army of “ex”-communists and “former” terrorists. Through Pronasol, a *Salinista* political machine parallel to the ruling PRI party was created, and money was poured into groups like Peasant Torch, an armed Marxist-Leninist organization with all the characteristics of a “Shining Path North.” It was these networks that provided the support for British intelligence’s Zapatista project in Chiapas, in 1994.

While George Bush was busy holding up Salinas’s “Mexican miracle” as a model for the continent, the narco-terrorist core of that “miracle” was deployed, at the behest of foreign interests behind the Salinas brothers, to assassinate anyone who stood in their way, from Cardinal Juan Jesús Posadas Ocampo to PRI’s presidential candidate Luis Donaldo Colosio and Secretary General José Francisco Ruiz Massieu. When Salinas’s “miracle” collapsed in late 1994, so too did his “golden boy” image. Raúl is today in jail, accused of orchestrating the Ruiz Massieu assassination, and Carlos Salinas is in de facto exile, suspected by the majority of Mexicans of being the mastermind behind the terror. Carlos Salinas’s own incarceration is no longer a question of evidence, but of political will. It is not surprising that his chief defenders abroad have been the *Wall Street Journal*—Salinas is on the board of directors of Dow Jones and Co.—and Alan Stoga of Kissinger Associates.

de Gortari, charging him with being the mastermind of the José Francisco Ruiz Massieu assassination. According to an FBI report, Raúl Salinas had tight relations to Juan García Abrego, the boss of the Gulf Cartel.

- The authorities demanded the extradition of Mario Ruiz Massieu, brother of José Francisco, and deputy attorney general under Salinas, a fugitive in the United States accused of having covered up his brother's murder and of receiving drug money.

- With ups and downs, the investigations into the assassinations of Cardinal Juan Jesús Posadas Ocampo (1993) and Luis Donaldo Colosio (1994) were reopened.

Yet to date, President Zedillo has not dared to challenge the IMF-Salinas-Bush economic model, which is what sank Mexico's physical economy and created the infrastructure in which drug money and drug trafficking flourished.

Even so, what the Zedillo government has already done was enough to send the *Wall Street Journal*, Bush, Henry Kissinger and other international allies of Salinas into hysterics. Alan Stoga, the vice president of Kissinger Associates, said that the investigation into Carlos Salinas was "not serious" (*El Financiero*, June 16, 1995). And as for the trial against Raúl Salinas, Stoga proclaimed that this case would "not get past the first round" in the United States because it "is very weak, it is based 100% on verbal testimony."

The *Wall Street Journal* on various occasions has also come out editorially defending Carlos Salinas, who is now a director of Dow Jones & Co., which publishes the *Journal*. On Aug. 3, the *Journal* had to correct some statements by Mexican Attorney General Antonio Lozano García, which the *Journal* had misquoted to falsely assert that the Attorney General's office had exonerated ex-President Salinas of possible involvement in the Colosio and Ruiz Massieu murders. Lozano categorically denied that his office had done so, and the *Journal* had to admit its lie, noting that "Salinas is a director of Dow Jones & Co., publisher of this newspaper."

But the *Wall Street Journal* and Kissinger want to cover up what everyone already knows. For example, on July 27, Gen. Rosso José Serrano Cadena, director of the National Police of Colombia, stated in Washington, D.C., that during the Carlos Salinas government, Mexico was the "best ally of the [drug] cartels" of Colombia, and that "many" properties and businesses, when privatized, ended up in the drug traffickers' hands. And on July 20, the Mexican magazine *Siempre!* said in its editorial that "Carlos Salinas's partnership with the drug cartels turned him into an economically and even politically very powerful ex-President. Powerful because with the resources of the drug trade itself, terrorist acts can be organized which carry out massacres—like those in Guerrero—to kindle popular unrest and encourage guerrilla wars."

Now, with what has happened in Colombia, Mexico and its government are left with two alternatives: either to finish off this apparatus of the Mexican cartels (Ciudad Juárez, Pacific, and Gulf); or else these cartels will replace the Cali Cartel, with everything that implies.

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## Venezuela

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# The dope bankers are on the run

by David Ramonet

"I don't believe that [Colombian] President Samper can be accused of having received drug money for his campaign," former Venezuelan President Carlos Andrés Pérez told IPS news agency on Aug. 5, with all the moral authority derived from being under house arrest for multimillion-dollar corruption crimes. "Because if Colombia goes through a process of institutional destabilization like that Venezuela went through, regional integration will be in danger," added Pérez.

For a fact, Pérez (who is known as "CAP") and his partners—in particular, the now-deceased Pedro Tinoco, Jr., who was president of Venezuela's Central Bank (BCV)—made enormous contributions to the "regional integration" of the drug cartels, with Venezuela playing a special role as a regional money-laundering center. All of this was done in the name of "financial globalization," "open-market economy," and the "democracy" of the International Monetary Fund (IMF). Pérez's forced departure from office in May 1993 began to clean the filth out of Venezuela.

According to the United Nations' Drug Council Report of 1992, in the middle of CAP's presidential term, Venezuela was already considered "the most important center of money laundering in Latin America." The same report adds, "the U.S. anti-narcotics agency [Drug Enforcement Administration, DEA] estimates that in 1992, some 200 tons of cocaine passed through the country into the United States, Canada, and Europe." At the time, CAP had hired as his international "anti-drug" adviser the former head of the Colombian political police, Gen. Miguel Maza Márquez, whose name appears on the payroll of the Rodríguez Orejuela brothers, according to the most recent revelations from Colombia.

CAP left the handling of the Venezuelan economy entirely up to Tinoco, who left the presidency of Banco Latino in February 1989 to take up the presidency of the BCV. Before that, he had been president of the CADA supermarket chain, owned by the Cisneros group headed by television magnate Gustavo Cisneros Rendiles. Tinoco and CAP imposed a brutal austerity package in 1989, whose key feature was a "financial reform" and Decree 727, which allowed "foreign investment" to operate without special permission in nearly every field of activity. This turned Venezuela into the sewer of the entire Andean-Caribbean region, as drug money was permitted to freely circulate. The Venezuelan banking system, with Tinoco and the Cisneros at its head, entered into a speculative euphoria of

dirty money, which in the end dragged one-third of the nation's commercial banks into bankruptcy.

After CAP's fall, the truth about the financial sewer he had fostered began to surface. The first bank to fall, in January 1994, was Banco Latino of Tinoco and Cisneros. It had grown from the fifth or sixth bank of the country, to second in importance during the three years Tinoco headed the BCV. During that same period, Banco Latino acquired several banks along the border with Colombia, became partners with Medellín's Banco de Antioquia, and set up its first branch in Bogotá, steps which many viewed as big-time moves into money laundering.

Over the coming months, many banks were declared insolvent by the government, and in March 1994, eighty-three Banco Latino directors, managers, and advisers were indicted for embezzlement, fraud, and a host of other charges. Among these was Ricardo Cisneros Rendiles, an important Banco Latino shareholder. Most of these bankers, including Cisneros, fled the country one step ahead of the law, and are sought by Venezuelan authorities through extradition.

A number of Venezuela's indicted dope bankers are reportedly in Miami. For example, during the recent DEA

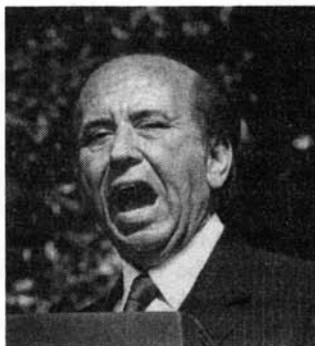
dragnet against the Cali Cartel in the United States, Venezuelan financier Hugo Perera was arrested in Miami. Perera has a number of casino and other investments on the island of Margarita. At the time of his arrest, Perera was travelling in a car registered to Roberto Malave, the fugitive former director of Banco Latino, who has been sued in a federal court in Miami by Venezuelan authorities representing Banco Latino depositors.

Another example is that of Cisneros-linked banker Orlando Castro Llenez. In 1994, Castro Llenez was accused in Miami of laundering drug money, but received legal counsel from former U.S. prosecutor Joel Rosenthal. Rosenthal is today a confessed agent of the Rodríguez Orejuela brothers, after being accused of these crimes in June 1995 in the Miami federal indictment.

The Caldera government has taken a number of steps to regain sovereign control over Venezuela's financial system, and finish off the job against the dope bankers. Critical was the July 1994 imposition of exchange controls, which has provoked violent howls of protest from the banking mafia, their international financial cohorts—including the International Monetary Fund—and others.

## Carlos Andrés Pérez

Twice President of Venezuela (1973-78; 1989-93), life-long Socialist International leader Pérez (known as "CAP") was one of George Bush's closest allies during his second term in office. "Venezuela, under the command of President Pérez, is a leader of the



great movements which we are witnessing in Latin America to consolidate democracy," said Bush in December 1990. Indeed, CAP protected the Nicaraguan Sandinistas, the Salvadoran FMLN, Haiti's Jean Bertrand Aristide and his Lavalas movement, and the member groups of Colombia's Simón Bolívar Guerrilla Coordinator (M-19, ELN, FARC), including giving the last Venezuelan diplomatic passports.

Under his free-trade economic program, financial speculation and the drug trade zoomed. Advising CAP were Henry Kissinger, Venetian porno-businessman Lucio Benetton, American Express's James Robinson—members of CAP's Advisory Council on Foreign

Investment.

U.S. Drug Enforcement Administration sources told German anti-drug investigators that Gilberto Rodríguez Orejuela visited Venezuela frequently during CAP's regime, and even held a Venezuelan passport, according to the 1992 book *Die Verbrecher Holding: Das vereinte Europa in Griff der Mafia*. "The drug mafia has reached the highest levels of the Presidential Palace. . . . Involved in it are the closest collaborators of the President," wrote authors Jürgen Roth and Marc Frey.

CAP intervened to secure narco-czar Jorge Luis Ochoa's extradition from Spain to safety in Colombia in 1985, the authors charged. Ochoa and co-defendant Gilberto Rodríguez had also hired former U.S. Justice Department official Michael Abbell to defend them. Jorge's father, Fabio Ochoa, told journalists in 1988 that he had given CAP two purebred horses as repayment for helping with his son, and earlier, to free Ochoa's kidnapped daughter. CAP claimed he had only met Fabio Ochoa at "a horse show."

CAP and his close buddy, Spanish Socialist Prime Minister Felipe González, shared another mutual friend, Spanish "businessman" Enrique Sarasola, linked since the 1960s to Robert Vesco, the U.S. fugitive financier who set up money laundering for Carlos Lehder's Medellín Cartel, before moving to Cuba. It was Sarasola who, in 1982, reportedly invited Colombian narcos, and then-Congressmen Pablo Escobar and Alberto Santofimio, to attend González's inauguration as prime minister.

## Gustavo Cisneros

Going from bus ticket collectors to billionaires over the last four decades, the Cisneros family has become synonymous in Venezuela with the interests of the Rockefeller family and Henry Kissinger. Before the January 1994 blowout of



their Banco Latino financial empire, the family had come to dominate Venezuela's news media and entertainment industry, and had holdings in food, banking, and minerals.

The Cisneros family was at the center of the so-called "Twelve Apostles," the inner circle which advised the presidencies of Carlos Andrés Pérez. The Cisneroses were notorious for destroying their adversaries through mafia-style tactics run through their media monopoly and their corruption of the judiciary.

In July 1984, the Venezuelan magazine *Resúmen* reported that Oswaldo Cisneros, Gustavo's cousin, was up to his neck in dope-money laundering in Florida. Subsequent *EIR* investigations, included in the 1985 edition of the book *Dope, Inc.*, found the Cisneros family to be linked closely to known international money-laundering interests: the Royal Bank of Canada, Florida dope banking circles, the drug-legalizers of Friedrich von Hayek's Mont Pelerin Society, etc.

Less than one week after the Spanish-language edition of *Dope, Inc.* hit Caracas, Gustavo Cisneros got a court order banning its circulation in Venezuela, and his police agents raided *EIR*'s offices. Every leading official involved in the police raid has since been jailed or charged with drug or corruption charges. The overkill deployed by the Cisneros led the U.S. Drug Enforcement Administration (DEA) to upgrade its watch on the Cisneros family, *EIR* subsequently learned.

In September 1991, the Venezuelan daily *El Globo* reported that a congressional committee had found that the Cisneros organization owned a Miami-based company, Celere, Inc., which was under investigation by the DEA for cocaine trafficking. In 1994, Venezuelan columnist Andrés Galdo and former Venezuelan anti-drug official Thor Halvorssen charged that Banco Latino was a major money-launderer for the Colombian cartels.

## Clinton broke Bush's deals with drug cartel

by Jeffrey Steinberg

When William Clinton was first inaugurated President, the drug lobby in the United States prepared to move the campaign for legalization into a new phase. During the Bush years, the Drug Policy Foundation and other pro-dope fronts had successfully hammered away at the administration's draconian, but thoroughly unsuccessful and hypocritical "war on drugs." The propaganda effort to discredit even the notion of a Bush war on drugs was greatly abetted by the fact that Bush's Attorney General, Richard Thornburgh, had surrounded himself with longtime aides who themselves would be prosecuted and convicted of trafficking cocaine, leading ultimately to Thornburgh's own "early retirement." One of the aides, Henry Barr, was serving as Attorney General Thornburgh's liaison to the Drug Enforcement Administration (DEA) at the time he was indicted by federal prosecutors in Pennsylvania on cocaine-trafficking charges!

Thornburgh's drug taint was minor-league when compared to President Bush's own notorious track record of dealings with Colombian and Mideast dope traffickers during the Reagan administration, when, as vice president, he was the head of covert operations at the White House. When, in December 1989, Bush sent thousands of American troops into Panama to overthrow the Noriega government (ostensibly because of the general's links to drug traffickers), he handpicked the successor regime of President Guillermo Endara, which was comprised almost entirely of well-known front-men for the Cali Cartel, including Endara himself—a fact even the Bush-loving *Wall Street Journal* eventually conceded on its front page.

### Bush's nar-contras

At the point in 1985 when George Bush reached the zenith of his power over American secret intelligence operations, he was personally responsible for trashing any last prospect of the Reagan administration embarking on a serious war on drugs effort.

Two events that year epitomized this policy shift: the February kidnapping and torture murder of DEA agent Enrique Camarena by Mexican-based drug-cartel figures, and the late-1985 White House decision that "you can't fight communist guerillas and drug traffickers at the same time."

Evidence later surfaced that Camarena's murder took place at a drug-cartel ranch that was also being used by the Bush-Oliver North team to train Contra guerrillas. The decision to "fight commies, not narcos," signaled an outright



rejection of the then-proven fact that there was a strong alliance throughout Ibero-America between narcotics traffickers and Soviet- and Cuban-sponsored guerrilla groups. The Bush rejection of the "narco-terrorist" thesis was used to justify the Bush "secret team's" covert alliance with the Medellín and Cali drug cartels to bankroll the so-called Nicaraguan Contras. From that point on, the Contra operation provided cover and rationale for the smuggling of tons of illegal drugs onto the streets of the United States—to bankroll the narco-tainted Contra war against the equally narco-tainted Sandinista regime in Managua.

Oliver North, the Marine lieutenant colonel who served on the National Security Council staff, was George Bush's towel boy in the covert drug business. The rest of the White House-coordinated operation was staffed by CIA and Pentagon veterans who had cut their teeth in the drug trade during the Vietnam War era, when the "secret war" in Laos was funded to the tune of hundreds of millions of dollars a year for nearly a decade by the proceeds of sales of Golden Triangle opium and heroin.

It's no wonder that the dope lobby in the United States flourished during the Bush Presidency. George Bush denouncing narcotics was like J. Edgar Hoover denouncing "damn homosexuals." George Bush was, and still is, one of

America's biggest closet narcos.

When Bush was voted out of office and Clinton was elected President, the drug lobby expected even more of the same. At a triumphal November 1992 national conference in Washington, D.C., the Drug Policy Foundation (DPF) confidently predicted that the just-elected Clinton administration would adopt a policy of "benign neglect" toward the war on drugs, and that during the Clinton Presidency, the United States would adopt a policy of *de facto*, if not *de jure*, legalization of drugs.

The second, Clinton-era phase of the DPF drive to legitimize the dope culture and turn the drug trade into America's most lucrative "service sector," was to be built upon a multi-million-dollar Madison Avenue campaign to ease the path to legalization by the mass marketing of such agit-prop terms as "drug-peace," "drug-reform," and the idea that prohibition of drugs had failed in the same way that the 1920s Prohibition of alcohol had failed. Long-haired, pot-smoking hippies, once the mainstay of the legalization lobby, were told to get a haircut, buy a three-piece suit and a laptop computer—or get out of town.

The DPF offensive was also premised on the belief that, increasingly, the nations of Ibero-America would fall under the domination of narco-regimes, like those of Carlos Andrés

## Is Luigi Einaudi the Michael Abbell of the State Department?

Luigi Einaudi, a 20-year State Department career officer who is currently senior adviser to the secretary of state, Policy Planning Staff, should be investigated for his political, and possibly other links to the Cali Cartel and its political protectors in Ibero-America. In light of the facts which have recently come to light about indicted former Justice Department prosecutor Michael Abbell's criminal complicity with the Cali Cartel, the case of Luigi Einaudi—who brags, "I came in with Kissinger," and is widely known as "Kissinger's Kissinger for Latin America"—calls out for a full investigation as well.

Einaudi has repeatedly attempted to marry U.S. security interests to the region's most unsavory characters, such as the Cali Cartel-linked Carlos Andrés Pérez, even after Pérez had been publicly linked with the Colombian drug cartels, and at precisely the moment that he was under investigation for crimes for which he shortly thereafter was jailed.

● **March 11, 1988:** The Venezuelan daily *Diario de*

*Caracas* published an interview with Fabio Ochoa, the father of Colombia's notorious three Ochoa brothers, all currently in jail for drug running, in which he explained that he had given a horse named "Cupid" to Pérez. "Carlos Andrés Pérez was going to help me with the Spanish king, the Spanish prime minister," Ochoa explained, "so that they would free my son who was imprisoned there."

● **Oct. 21, 1992:** Einaudi, at the time George Bush's ambassador to the Organization of American States, told a public seminar at the Woodrow Wilson Center in Washington that the entirety of U.S.-Ibero-American relations hung upon maintaining Pérez in power. The Pérez government was "the standard-bearer for the possibility of democracy in Latin America," Einaudi insisted, hailing Pérez in unusually personal terms as "a President with a personal charisma, history, potential of external reality . . . a projection still of vigor, of courage, of modernity, of adaptability." What happens to Pérez in Venezuela, Einaudi went on, "is absolutely critical to our collective, regional future," adding threateningly that any "interruption" of his administration would have "an impact on the whole scene of U.S.-Latin American relations."

● **May 20, 1993:** Pérez was driven from office to face trial for multimillion-dollar corruption, and was soon thereafter convicted and jailed.

Pérez in Venezuela and Endara in Panama; that narco-terrorist gangs such as Peru's Shining Path would move into positions of de facto power; and that the Cali and Medellín cartels would continue to control successive governments in Bogotá.

Millions of dollars in tax-free cash were promised to the DPF by the likes of libertarian commodities trader Richard Dennis, a founder of the group, and, later, by George Soros, the billionaire currency speculator.

The bright prospects envisioned by the dopers was further encouraged by the appointment of Richard Feinberg as the National Security Council's Ibero-American specialist. Feinberg came to the Clinton White House from his post as head of the Inter-American Dialogue, a private agency dedicated to, among other things, the legalization of drugs throughout the hemisphere. There was also, of course, the permanent bureaucracy at the State Department and the Justice Department that could be counted on to defend the Bush-era status quo.

Two years later, in November 1994, when the DPF held its annual gathering, the mood had changed 180 degrees. While George Bush had been the perfect foil for the dope lobby, President Clinton had turned out to be their worst nightmare. Not only was Clinton dead-set against the idea of "benign neglect" and de facto legalization of drugs, but he was committed to a crackdown on the dope cartels *and their support infrastructure in the United States and abroad*. Clinton's approach was short on rhetoric but long on results.

### A 'war and a half' with London

One thing that no one in the dope lobby anticipated was that President Clinton would get into what Lyndon LaRouche recently characterized as a "war and a half" with the British. While the fight between the Clinton administration and London has publicly erupted around the Balkan crisis, the future of Northern Ireland, the role of Germany in the expanded Europe, and the future of China, the philosophical breach between Washington and London has freed the Clinton administration to take a straightforward approach to other issues, including the fight against drugs.

The first signs of a shift in Clinton administration drug policy came with the appointment of Dr. Lee Brown, a career law enforcement professional who had served as chief of police in New York, Atlanta, and Houston, as the head of the White House Office of National Drug Control Policy. During the Bush administration, the post had been filled by conservative ideologue William Bennett and later by former Florida governor and narco-contaminated Bush political crony Robert Martinez. President Clinton also announced that Dr. Brown would be a full member of his cabinet, another sign that the drug war was a serious administration priority.

What started out as little more than a public repudiation of the idea of drug legalization or a softening up on narcocrime, evolved into a quiet shift in American foreign policy, especially toward America's allies to the south. The Clinton administration abandoned the Bush policy of trying to over-

throw the Alberto Fujimori government in Peru, despite Peru's success in defeating Shining Path. DEA and Pentagon resources, including AWACS radar, began to be used to aid the Peruvian anti-drug effort. In June 1995, Undersecretary of Defense Brian Sheridan told Congress that the Fujimori government was going after the heads of the Peruvian drug cartel with the same "very decisive actions" that had characterized the successful war against Shining Path.

The U.S. policy shift, which occurred over the vociferous protests of career State Department officials such as Kissingerian Luigi Einaudi (see box), took on dramatic proportions around the time of the Colombian elections, in which Ernesto Samper Pizano, a notorious drug lobbyist, won the Presidency. The DEA chief in Colombia issued unprecedented statements denouncing the Samper victory as a narco-coup. There were widespread reports of U.S. cooperation with Colombian military and anti-drug officials in obtaining incriminating audio tapes indicating that Samper's campaign had been heavily bankrolled by the Cali Cartel.

## ADM probe marks Clinton crackdown on Bush, Brits

At the same time that the Clinton administration has broken the Bush-era deal between the U.S. government and the narcotics cartels of Ibero-America, the U.S. Department of Justice has also embarked on an ambitious crackdown on another cartel that has been targeting the United States and other nations—the grain cartel.

On June 27, federal agents raided the offices of the Archer Daniels Midland Co., one of the world's largest food processing firms. ADM, headed by Dwayne Andreas, is accused, along with four other international food companies, of fixing prices and setting production caps in violation of U.S. law.

The ADM probe, which is directed against some of the United States' leading City of London enemies, is a marker of the Clinton administration's broader war against the British-centered Club of the Isles.

A probe by *EIR* of ADM and the global connections of Andreas, has unearthed a myriad of links to the British Crown's international intelligence and corporate apparatus, including Prince Philip's Club of the Isles. The ties to the Hollinger Corp., the London-centered media empire that has led the assault on the U.S. Presidency since the Clinton inauguration, is of special import.

In September 1994, as the Hollinger propaganda offensive against President Clinton escalated, Dwayne Andreas, who held a seat on Hollinger's international advi-

In March 1995, the State Department's annual international narcotics situation report recommended that Colombia be decertified and cut off from all but the basic humanitarian U.S. aid due to the Samper government's failure to cooperate with the United States in the anti-drug fight. President Clinton issued an executive waiver of the decertification, but the message to the Samper government was clear: U.S. pressure would be unrelenting.

Then, on June 5, the Clinton administration dropped a bombshell. A Miami federal grand jury handed down indictments against all of the top leadership of the Cali Cartel, including five American lawyers, four of whom had been federal or state prosecutors before going to work for the Cali Cartel. Among the five was Michael Abbell, who for 17 years was in the U.S. Justice Department. In the early 1980s, Abbell was the head of the International Affairs Office, which was in charge of all extradition cases. Abbell reported directly to Deputy Assistant Attorney General Mark Richard, one of the two most powerful career bureaucrats in the DOJ.

Several of the Miami-based attorneys named in the indictment were associated with Jeb Bush, the son of the former President and the GOP's 1994 unsuccessful gubernatorial candidate in Florida.

The Miami indictment was the clearest signal that the Clinton administration had broken all of the deals that had been de facto forged between the Bush administration and the Ibero-American dope cartels. Within days of the Miami indictment, Colombian anti-narcotics units were able to arrest Gilberto Rodríguez Orejuela, one of the three top figures in the Cali Cartel. Other arrests followed. In each instance, it was reliably reported that U.S. agents from the DEA and the CIA had cooperated in the arrests.

The war on drugs is by no means over. But, for the first time in over a decade, a U.S. administration has demonstrated a willingness to break from the Bush-era corruption and pursue a straightforward policy of battling against the plague of illegal drugs—in alliance with governments in the hemisphere. And that's a major step forward.

sory board, arranged for ADM to purchase 10% of the non-voting stock in the company's U.S. subsidiary, American Publishing Co. (APC). This investment helped consolidate Hollinger's takeover of the *Chicago Sun-Times*. APC gave Andreas a major outlet in some 240 daily and weekly U.S. newspapers. Conrad Black is now in the process of trying to relocate the holding company over his global media empire to the United States.

The ADM-Hollinger partnership was strengthened last December when another ADM director, former Bush administration Ambassador to Moscow Robert Strauss, was placed on the Hollinger board of directors. The Hollinger international advisory is headed by Lady Margaret Thatcher, Henry Kissinger, and Lord Peter Carrington, and includes Evelyn de Rothschild, Giovanni Agnelli of FIAT, Paul Volcker, and Sir Jimmy Goldsmith.

The incestuous links between the Conrad Black and Dwayne Andreas empires are further evidenced by the presence of one of Black's leading protégés on the board of directors of ADM—ex-Canadian Prime Minister Brian Mulroney. In a recent autobiography, Black took credit for making Mulroney's political career as Conservative Party prime minister of Canada.

In July, Andreas announced that Mulroney would head an internal audit committee to root out any corruption at ADM. This has been widely viewed as an effort by Andreas to head off criminal indictments of top corporate officials for price fixing three major products.

### **Merge with Brits' sugar cartel**

Since the late 1980s, ADM has been working in partnership with Britain's Caribbean sugar cartel, Tate and

Lyle, to establish a lock on world production of high-fructose corn syrup, a sugar substitute that is today used in all soft drinks. The two companies conducted a hostile takeover drive against A.E. Staley Manufacturing Co., an ADM rival with corporate headquarters in the same downstate Illinois town as ADM's world headquarters.

By June 1988, Staley had been transformed into a wholly owned American subsidiary of Tate and Lyle, its profitable food service division sold off, and a half-dozen soybean-processing plants also sold off—to ADM. Today, links between Staley and ADM are so intimate that a three-mile pipeline connects the two companies' main plants in Decatur, Illinois, and the two firms recently opened a joint production facility in Guadalajara, Mexico.

Meanwhile, ADM International ended up owning 7% of Tate and Lyle, which has been synonymous with Windsor/Club of the Isles operations in the Caribbean for over a century. It was created out of a merger of two 19th-century molasses, slave, and cane sugar firms—Henry Tate and Sons and Abram Lyle III.

Another point of convergence of ADM, Hollinger, and Tate and Lyle is the Canadian Imperial Bank of Commerce, a bank that was cited in *EIR's* book *Dope, Inc.* as a suspected drug money-laundering hub for the entire Caribbean region. Argus Corp. (Hollinger) founder E.P. Taylor was the bank's Caribbean representative during the post-World War II era, during which time he drafted the offshore banking laws that turned Britain's Caribbean island colonies into the leading money-laundering center.

The Clinton assault on ADM and the food cartel may also prove to be a windfall in the crackdown on drug money laundering.—*Scott Thompson*



# London sows chaos in the Caribbean

by Gretchen Small

British diplomats have provided official backing to the drug cartel's agents, including terrorists, operating in the Spanish-speaking Caribbean. Do not suppose, however, that British interests are not also deployed to profit from the chaos, war, and destruction that the Crown's agents foment. As the evil Lord William Rees-Mogg argues in his 1988 book, *Blood in the Streets*, to the British mind, that is when the best money is to be had.

**Colombia:** Great Britain threw its backing behind the Cali Cartel's Samper operation, before Ernesto Samper Pizano had ever won the election:

- In April 1994, one of the inner core of the Samper team visited London. Gustavo de Greiff was then serving as Prosecutor General for the Gaviria government. An outspoken advocate of drug legalization, he was attempting to arrange a legal whitewash of the Cali Cartel kingpins, as "legitimate" businessmen. From London, De Greiff told Colombian radio April 20: "The British welcomed and understood my thesis on legalization of drugs. . . . Here the subject is treated with more rationality, without the hysteria which exists in Colombia. Moreover," he huffed, Britain is "a country with dignity and pride, which does not let itself be pressured by other countries."

- In July 1994, President-elect Samper visited London, at the height of the "narco-cassette" scandal over cartel financing of his election victory. Prime Minister John Major, the foreign minister, and others received him with open arms. "The President-elect . . . in his visit to London received the warmest welcome from the government, press, and businessmen," *El Espectador* reported on July 19. Samper confirmed that he would continue the accords with Britain initiated under outgoing President Gaviria, including that the British secret services would train Colombian security personnel, particularly the DAS.

- On Feb. 20, 1995, British Vice Secretary of Foreign Affairs David Davis arrived in Colombia, accompanied by the president of British Petroleum, Lord Ashburton. Less than two weeks before, U.S. Ambassador Myles Frechette had warned that, if the Samper government did not take action against the drug trade, come March 1, Colombia would be decertified as a U.S. anti-drug ally, causing U.S. aid and trade benefits to be cut.

The British government delivered a different message. "Our aid is not conditioned," Davis told the Colombian press.

"The British government has very strong ties of friendship with Colombia, and part of this friendship implies confidence." Davis visited British Petroleum's huge oilfields in Cusiana, and an opium poppy plantation in Huila, from where Colombian television broadcast shots of him sniffing a poppy plant. Lord Ashburton, inaugurating oil installations at the Cusiana fields, hailed former President Alfonso López Michelsen for opening Colombia's oil industry to foreign investors, and reminded Colombians of British ties going back to Independence days. "Allies yesterday, partners today," said Ashburton. Samper answered: "The United Kingdom has expressed its confidence in Colombia this week." He ordered Colombia's Petroleum Stabilization Fund, handling 40% of Colombia's oil income, to be held abroad, exclusively in British banks.

- On June 1, 1995, British Trade Minister Richard Needham arrived in Colombia, accompanied by 40 British businessmen. By now, Great Britain had become Colombia's second-largest economic partner, with investments of over \$1.7 billion. British "businesses from the energy sector, construction, and gas, come with large wallets, prepared to invest if conditions are attractive," Needham announced. He told the press that the British have great confidence in Colombia's economy, and the drug trafficking and violence which the country suffers are not considered obstacles to British investments. Asked what he thought of "other countries" which consider these to be negative for Colombia, Needham replied: "That is their problem."

**Venezuela:** Here, the British Embassy has also been busy meeting with Dope, Inc.'s assets. According to *El Nacional* of July 31, 1995, Britain's ambassador in Caracas recently met with former President Carlos Andrés Pérez, in his mansion where he is under house arrest.

On March 12, 1994, another *El Nacional* column, titled, "Perfidious Albion," had reported that the British Embassy's political counselor, Paul Webster Hare, had invited former Venezuelan Army Lt. Col. Hugo Chávez, the head of a failed military coup in February 1992, to dine with him at an elegant restaurant in Cara-



Lt. Col. Hugo Chávez

cas. That news was received with anger in the Presidential residence, where advisers were heard asking how Prime Minister Major would view it, if Venezuelan diplomats in London hobnobbed with the Irish Republican Army.

Who is this Colonel Chávez whom the British wine and dined? On March 14, Venezuelan security officials arrested 150 members of Chávez's Revolutionary Bolivarian-200 Movement (MRB-200) and another terrorist group, the Red Flag, on charges that they were preparing to cause nationwide

chaos on March 15. Documents outlined plans to kill government officials, blow up the headquarters of the political police, and unleash looters in cities across the country.

On March 19, Chávez called a press conference to complain that the British government had invited him to London, but the invitation had now been cancelled after the Venezuelan government protested.

Chávez and his MRB-200 are an integral part of the Cali Cartel's narco-terrorist operation in the region. On March 15, Colombian security officials announced that they had documented Chávez's personal role in coordinating the founding of a so-called "Greater Colombian Revolutionary Alliance" with Colombia's National Liberation Army (ELN). Indeed, the March issue of the ELN's magazine, *Dignidad*, featured an article, "The Bolivarian Ideal," dedicated to Chávez, whom they portrayed as a model leader for the continent.

Formed by Castro and Liberation Theology activists, the ELN dominates the Colombian-Venezuelan contraband trade, and charges "taxes" to protect cocaine shipments across the border. British ties to the ELN extend back at least to 1984, when Armand Hammer, the Anglo-Soviet Trust agent who founded Occidental Petroleum, negotiated a deal with the ELN, in which three multinational companies operating in Colombia would pay the ELN \$200,000 a month, not to attack their oil installations. Hammer told the *Wall Street Journal* in July 1985: "We are giving jobs to the ELN. We give them work as suppliers."

**Cuba:** Chávez and his MBR-200, like the ELN, are members of the São Paulo Forum, the continent-wide political/military organization founded by the Cuban Communist Party after the fall of the Berlin Wall. The steering committee of the Forum includes, with the Cuban CP, several of the hemisphere's most violent narco-terrorist armies. Many of them share Cuba's involvement in the region's drug trade.

Chávez has toured various Ibero-American countries, organizing military officers into the Forum. Fidel Castro accorded Chávez a hero's welcome when he visited Havana on Dec. 14, 1994. Castro received Chávez at the airport, as if a head of state. Said Castro, "It's never been more appropriate to come to this airport than it is for me to receive a visitor such as Lt. Col. Hugo Chávez. I hope I will have many more such opportunities to greet figures as important as he." Replied Chávez, "It is an honor which, in truth, I don't believe we merit yet. . . . I hope that we will soon be worthy."

Britain has stepped up its long-standing ties with the Castro regime in recent months. Most prominent, was the five-day visit of senior Conservative Party leader Baroness Young to Cuba in February 1995, her second visit in 18 months. She was accompanied by a 40-person trade delegation, and herself heads a newly founded "Cuba Initiative," a British group seeking to increase business in Cuba. She met twice with Castro, and told reporters that for Britain, Cuba was a "very important market in the Caribbean."

## 'Human rights' cartel targets the military

by Gretchen Small

It has become commonly accepted wisdom that, in the post-Cold War world, threats to the sovereign existence of the Ibero-American nations have been eliminated, and therefore the military must be reduced in size, limited in its sphere of activities, and its structure reshaped for new "globalist" missions. A strong military, participating in national decision-making, has been defined as a threat to democratic government.

Such lies have played a critical role in allowing the near-takeover of large areas of Ibero-America by the drug traffickers and their terrorist partners. That was the goal of the policy from the outset. The so-called human rights and anti-military lobbies are actually part of the dope cartel, assigned the task of preventing the States of the region, through their armed forces, to defend themselves from Dope, Inc.'s assault.

The campaign to demilitarize Ibero-America was set into motion by Anglophile policy centers such as the Inter-American Dialogue, the leading lobby for legalization of narcotics in the Western Hemisphere. It was adopted as policy by the Bush administration. On such grounds, for example, Bush refused in April 1990 to allow the sale of Cobra helicopters to the Colombian military and police, under the pretext that they were too "lethal," involving "firepower in excess of anything [we] believe is appropriate."

### Coordinator: the Inter-American Dialogue

The foot-soldiers for the war against the military are the so-called "human rights lobby," the plethora of non-governmental organizations (NGOs), run by the United Nations and often by the British, which are an integral part of the drug-legalization lobby. The unity of these operations—human rights, drug legalization, and demilitarization—is illustrated by the remarkable interlock among the Inter-American Dialogue, Human Rights Watch/Americas, speculator George Soros, and the Drug Policy Foundation.

Start with the Inter-American Dialogue (IAD), the bankers' lobby founded in 1982, which united leading Anglophiles of the U.S. establishment with their hangers-on from Ibero-America. In 1986, the IAD threw its political weight behind the drug legalization drive. Legalization should be taken up, because "waging war on drugs costs money. More

important, it will inevitably result in the loss of . . . foreign exchange that the drug trade provides [which] amounts are substantial for strapped economies carrying large burdens of external debt," their 1986 report declared.

The same report announced the creation of a taskforce to draw up plans for reshaping the military in Ibero-America, in coordination with the U.S. State Department and other U.S. agencies. Shortly thereafter, the State Department's Luigi Einaudi pulled together the network of U.S. and Ibero-American academics which produced the infamous "Bush Manual" against the military, published in 1990 under the title *The Military and Democracy: The Future of Civil-Military Relations in Latin America*. (See EIR's book *The Plot to Annihilate the Armed Forces and the Nations of Ibero-America*.)

The conclusions of the IAD military task force were announced in 1988, along with another call for drug legalization. "An effort must be undertaken to change military thinking about internal security and subversion. The military cannot consider itself the ultimate guardian of national values, or insist that national security embraces all aspects of policy," the IAD demanded.

### Soros's children

Co-vice chairman of the IAD when it issued its call for drug legalization, who later became co-chairman, is Peter Bell, also chairman of Human Rights Watch/Americas (HRW). HRW and the British Foreign Office's Amnesty International are the two most important human rights cartels.

In the Americas, HRW has repeatedly come to the defense of both terrorists and the drug cartels. In early 1992, Americas Watch issued a book, *Peru under Fire*, which sought to mobilize governments to cut Peru off from all assistance, in a desperate attempt to head off the Lima government's preparations for all-out war to defeat the terrorists. The book lies that Shining Path "does not appear to be directly involved in the drug trade"; defends the capture of police and military personnel, and the bombing of factories and energy sources by the terrorists as "legitimate wartime conduct"; and concludes that the State, not the terrorists, was responsible for the 23,000 deaths which were inflicted upon Peru in 12 years of terrorist war.

As for Colombia, in October 1990, Americas Watch issued a report which attacked the Colombian government for its war against drugs, charged that this was a cover for security forces to carry out human rights violations, and demanded that the United States cut all military aid to the government.

The report was central to a combined terror-negotiations operation then launched by Pablo Escobar's Medellín Cartel. In September 1990, the Medellín Cartel had kidnapped a number of Colombian journalists, holding them as hostages to pressure the government to accept a negotiated deal with the traffickers. On Nov. 8, the "Extraditables," as the cartel

chiefs dubbed themselves, sent an open letter to the politician representing the kidnapped journalists, asserting that the journalists had been taken as a protest against human rights violations by security forces. They would be released, the drug czars suggested, were "all the communications media of the country . . . to provide space to the human rights organizations, so that they can denounce all the violations of these rights. We wish that this opportunity be given very particularly, to Americas Watch."

In an interview with the daily *El Espectador* on Nov. 14, 1990, the author of the Americas Watch report, Juan Méndez, called for "the most total disarmament possible" of Colombia. While claiming that HRW did not call for the outright abolition of national armed forces, "we do celebrate the decision of Costa Rica in 1948 to dissolve its armed forces." A representative of the terrorists then used Americas Watch's report to demand that the Attorney General open an investigation against the Army. Later in November, a group of "legitimate" politicians, dubbing themselves "the Notables," led by former President Alfonso López Michelsen, sent a memorandum to Colombian President César Gaviria, outlining surrender terms which would be acceptable to the Medellín Cartel. Point number 4 was that the traffickers would only agree to be confined in one place, where their lives would be protected, suggesting as one possibility, that their confinement be overseen by either Americas Watch or the International Red Cross.

Bell's HRW, in turn, receives financing from George Soros, the speculator sponsored by the British royal family retainers, the Rothschilds. Soros not only provided start-up capital, but serves on the coordinating committee of HRW/Americas, with Bell. Soros has used his financial power to pressure Peru, in particular, to dismantle its military. On Sept. 28, 1993, Soros Fund Management placed a full-page ad in the *New York Times*, which threatened that foreign investors would shun Peru, until "military influence in the government is really firmly finished. . . . In Latin America, whenever the army, as an institution, is part of the country's power structure, all investments are discounted because that introduces an element of instability."

Soros has become the drug legalization lobby's largest benefactor. He began financing the Drug Policy Foundation, the leading drug legalization lobby in the United States, in 1992. In 1994, DPF spokesmen announced that Soros would increase that funding massively, pledging to provide \$10.5 million over the next three years, through Soros's Open Society Fund. Defending that decision, Open Society Fund President Aryeh Neier stated, "Soros doesn't think the drug war makes any sense from an economic standpoint. . . . We want persons involved in the drug culture, who are currently treated as objects of state action, to regain control over their own lives."

Neier's job, prior to presiding over the Open Society Fund, was executive director of HRW/Americas.

## LaRouche versus Dope, Inc.

**January 1982:** Fausto Charris, president of the National Anti-Drug Coalition of Colombia, which is linked to Lyndon LaRouche, runs for Congress on platform of fighting international drug trade. Slams Ernesto Samper Pizano for pushing drug legalization.

**May 1984:** Charris embarks on a tour of North and South America, to forge a hemispheric Anti-Drug Coalition.

**Jan. 23, 1985:** *Narcotráfico, S.A.*, the Spanish-language edition of *Dope, Inc.*, is released across Ibero-America, with a dedication to "our friend Rodrigo Lara Bonilla."

**March 13, 1985:** LaRouche unveils a 15-point program for fighting drugs at a conference in Mexico City attended by hundreds of government officials and business leaders.

**June 1990:** *EIR* calls for the arrest of Colombia's former President Alfonso López Michelsen as "an accessory to the drug mafia," in response to evidence that surfaced one month earlier identifying him as collaborating with the Medellín Cartel.

**April 1991:** *EIR* issues Special Report titled "Bush's Surrender to Dope, Inc.," which documents how Bush administration policy fostered Colombia's "truce" with the drug traffickers and helped turn Colombia into a testing ground for a global drug legalization strategy.

**June 23, 1995:** *EIR* feature identifies the ties of the British-centered Club of the Isles to the Bush apparatus in the U.S. and elsewhere, specifically including the Cali Cartel.

## Dope, Inc. versus LaRouche

**Dec. 1, 1983:** Colombian Justice Minister Rodrigo Lara Bonilla writes a letter to Maximiliano Londoño and Fausto Charris, leaders of the Colombian Anti-Drug Coalition, expressing "concern over the threats and attacks that you are being subjected to" by the drug mob, praising the ADC's efforts, and offering his "total willingness to cooperate and help."

**April 30, 1984:** Lara Bonilla is assassinated by the drug mafia.

**July 16, 1984:** Patricia Londoño, Anti-Drug Coalition leader, is kidnapped, and physically and mentally tormented, on orders of the drug cartel.

**Jan. 24, 1985:** Medellín Cartel drug lord Carlos Lehder tells press that those who follow in Lara Bonilla's footsteps "will be measured with the same yardstick."

**Feb. 4, 1985:** Based on a complaint by shady Venezuelan financial magnate Gustavo Cisneros, Venezuela's political police raid *EIR*'s Caracas office, confiscate all copies of *Narcotráfico, S.A.*, and arrest and deport *EIR*'s four foreign correspondents. One week later, Cisneros's lawyers secure an injunction banning circulation of the book inside Venezuela.

**September 1985:** Peruvian financier Manuel Ulloa initiates a \$100 million libel suit against *EIR*, which had accused him of implementing policies which fostered the drug trade in Peru. On Oct. 14, 1985, the Peruvian courts ruled that this characterization of Ulloa was not slander.

**November 1994:** British embassy in Bogotá intervenes to force hotel cancellation of an *EIR* conference entitled, "The Fall of the House of Windsor: How Colombia Became a British colony." Conference is held at another location.

**April 23, 1995:** Leader of the Ibero-American Solidarity Movement (MSIA) in Colombia, Maximiliano Londoño, receives a telephone death threat, first of a series of attacks against the MSIA that go on for months, including robberies and assaults of members and residences, vehicle thefts, and an attempted break-in at the MSIA office.

**August 1995:** Several death threats are called into the home of *EIR* correspondent in Bogotá Javier Almario, including one threatening, "You're all going to pay for writing all that bulls—t!"

## Bosnia and Croatia upgrade their alliance

by Umberto Pascali

Croatian Foreign Minister Mate Granic explained the results of the high-level talks between the leaderships of Bosnia and Croatia on Aug. 8 and 9 in Zagreb, with these words: "Our meetings took place in an excellent atmosphere, so to reach an agreement was no problem at all. We needed just three minutes to draw up the final statement, because we had no point of disagreement."

The summit saw the participation of Bosnia President Alija Izetbegovic and Croatian President Franjo Tudjman; the two chiefs of general staff, Croatian Gen. Zvonimir Cervenko (the genial strategist of the resounding victory in Slavonia and Krajina), and his Bosnian counterpart, Gen. Rasim Delic; Bosnia Foreign Minister Muhamed Sacirbey and Croatian Foreign Minister Granic; and other officials.

The summit was organized immediately after the conclusion of a coordinated offensive that in 72 hours liberated 3,500 square miles of Croatian territory and put an end to the quisling self-styled Serbian Republic of Krajina, which had been created through the terror of the Chetnik gangs and the force of the Yugoslav Army unleashed against civilians in 1991, when 430,000 non-Serbs were "cleansed" from Croatia. The offensive also broke the three-year-old siege around the U.N.-protected "safe area" of Bihac in Bosnia, saving the lives of the 200,000 starving people at the moment when the gangs of "Krajina prime minister" Milan Martic and Radovan Karadzic had launched their final attack, aimed at repeating there the slaughter of the "safe areas" of Srebrenica and Zepa a few weeks before.

By Aug. 5, "Operation Storm 95" was basically concluded. Gen. Ivan Tolj, the spokesman for the Croatian Army, stated: "Up to 80% of our goals have been achieved. The self-styled Republic of Serb Krajina does not exist anymore de facto, as it has never existed de jure." The general said

that not a single paramilitary brigade surrendered as a unit, they all broke up. "Our liberation plan, Storm 95, was an ambitious one, but it was accomplished twice as fast as we ourselves expected."

That afternoon, on the bridge between Trzacka Rastela and Sturlic at the Croatia-Bosnia border, the Croatian Army and the Bosnian Army 5th Corps linked up, ending over 1,200 days of siege. "This means that nothing will be the way it was. It means *the end of greater Serbia*," said Tolj.

### 'Our Serbian citizens have equal rights'

One of the first acts of the Croatian government was to appeal to the Serbian civilians not to leave the country. The paramilitary gangs were pushing the civilians to leave. They often used them as "human shields" to get into Serb-occupied territory in Bosnia with their heavy weapons, after an agreement had been reached that such weapons were to be handed to the Croatian Army in exchange for free passage.

This was a more than generous offer, considering the crimes that the Serbian gangs had committed, including the internment in concentration camps and mass murder of Bosnian males, such as in Srebrenica. Instead, for example, 14,000 paramilitary Serb forces used the exodus of 40,000 Serb civilians on their way from Glina and Dvor to Banja Luka, under the eyes of the U.N. forces, to transport tanks, artillery, and rocket launchers into northern Bosnia.

Croatian Prime Minister Valentic called on the Serbian population not to leave their homes. "I call on the Serbs not to be manipulated into leaving and falling into a situation of complete insecurity. Let them stay here, they are our citizens, protected by the law, while those who are accused of crimes will have the right of a fair trial. Our ethnic Serbian citizens, have rights equal to our Croatian citizens. They have the right



## The Croatian-Bosnian theater of war



to a house, a job, and social security.”

A statement from the Croatian bishops issued on Aug. 8 makes the point: “In this sudden change, we note that the Serbian inhabitants of these territories, who according to the 1991 census numbered approximately 160,000, are to a great extent abandoning their homes. This occurred at the bidding of the Serbian Orthodox Church (cf. statement by Bishop Longin) and at the orders of Serbian Gen. Milan Martić. We

believe that *many did not make the decision themselves to abandon their homes*. Therefore we support the statements and attempts by the Croatian authorities to urge the citizens of Serbian nationality to remain in their homes where they are guaranteed personal and civil safety as well as the inviolability of their property. We express the hope that this guarantee will be fulfilled in its entirety for those who remain and that it will inspire the return of at least those who are not

persecuted by feelings of guilt. We urge the Croatian Caritas organization, as already begun, to organize itself to aid all who are in distress, *without looking at ethnic or confessional differences.*”

But the pressure and the fear instilled by the paramilitary gangs was too strong. Around 150,000 people just left. Although many of the Serbs in the “Republic of Krajina” had taken over the houses and property of the “cleansed” people, many others had lived there for hundreds of years. By forcing them away, Martić, Karadžić, and their ilk intend to create a mass of people who are enraged and easily manipulable, and recruitable into their paramilitary gangs.

Sources inside Serbia told *EIR* that many of the refugees who arrived there are already thinking of going back to Croatia. “Only now are they beginning to talk about the insanity of this irrational three years of Greater Serbia and the paranoia of the ‘racial superiority,’ ” the source said.

Despite the understandable resentment of the Croatian population toward their Serbian co-citizens who profitted from or accepted the ethnic cleansing, during the entire “Storm 95” operation, the civilian casualties amounted to 19. Croatian Vice President Ivica Kostović said that only 200 people had been detained, and that the Red Cross will have complete access to all of them. During the exodus, literally at every turn of the road, the Croatia police guaranteed the security of the Serbs.

### **A smashing defeat . . . for Britain**

Operation Storm 95 has been an unprecedented defeat for the masters of the Greater Serbians, the British oligarchy. “London went berserk more than Belgrade,” a Bosnian observer told *EIR*. “So much so that those British gentlemen began to make serious strategic mistakes.” In 1993, British intelligence, the infamous MI-6, was caught red-handed organizing a confrontation between Bosnians and Croats in central Bosnia. The dirty trick provoked a war between the two victims of the Anglo-Serbian aggression. The British knew that collaboration between Zagreb and Sarajevo means the end of Greater Serbia. It is the reason why the large empire of the British-controlled media and sycophants “went ballistic” trying to demonstrate that the Croats, by liberating their national territory and saving the people of Bihac, were committing a crime. It did not quite work.

At the same time, the British have thrown everything they have into a psychological warfare game to create hostility between Croats and Bosnians. Suddenly, the *London Times* published its by now famous map-on-the-menu—a map of Bosnia divided between Belgrade and Zagreb supposedly drawn by President Tudjman during his May 6 visit in London. It was supposed to provoke a Bosnian backlash against Croatia. A few days later, the “map” was unmasked as a pathetic fraud. Croatian Ambassador in London Ante Cicin-Sain revealed that the source of the map (which included obvious misspelling and geographic errors) was Brit-

ish Liberal Party leader Paddy Ashdown, who had himself drawn the “incriminating annotations” on the menu. Ashdown is a “former” member of the SAS, the elite military corps that supplies personnel for intelligence operations of the kind organized in central Bosnia in 1993.

Like a wounded beast, the British oligarchs are screaming. The British foreign minister is roaring against the United States and Germany for not condemning Croatia. Both whippers and screams are coming from the entire British-controlled political and media spectrum. To no avail. The last great hope to provoke a split between Bosnia and Croatia, was an invitation by Russian President Boris Yeltsin to Tudjman and Serbia’s President Slobodan Milošević to come to Moscow to discuss “peace.” Izetbegović was purposely excluded. Tudjman posed two conditions—enough time to prepare such a meeting, and the presence of Izetbegović.

Instead, on Aug. 8, Tudjman awarded Bosnian President Izetbegović the highest Croatian government decoration, the Order of Queen Jelena, and presented Muhamed Sacirbey with another high honor, for their contributions to improving relations between the two countries.

And this defined the atmosphere of the Zagreb talks. Concrete decisions? Yes, explained Foreign Minister Granić: even closer military cooperation between the two armies in the area of Bosansko Grahovo, Kupres, Kulen Vakuf, and Donji Vakuf. I.e., according to military experts who spoke to *EIR*, an operation to free the area around Banja Luka, the center of the Chetnik operation and the base for the Serbian aircraft that hit civilian targets in both countries, is to be expected. A second point of agreement: concern for the help supplied by the U.N. to the Serb paramilitary groups and U.N. complicity with those groups in smuggling heavy weapons from Croatia into Bosnia. Third, a call to the international community to “help peace” by preserving the “integrity and sovereignty” of Croatia and Bosnia-Herzegovina.

And while the situation in Belgrade explodes in mutual recriminations among Milošević, Karadžić, the metropolite Pavle, and others, more evidence of the Serbian genocide is being unearthed. The mass graves near Srebrenica documented by aerial photos, evidence of rapes, mass executions, torture, and of the direct responsibility of General Mladić were all reported officially on Aug. 9 by White House spokesman Michael McCurry.

On the same day, CIA Deputy Director John Gannon testified to the Senate Intelligence and Foreign Relations committees that there was no “ethnic cleansing” committed by the Croats; instead, the Greater Serbians and Radovan Karadžić and his colleagues are responsible for genocide. “At least several thousand [Bosnians] were murdered in Srebrenica and Zepa,” and the number could rise much higher, he said. The Serbian gangs have destroyed thousands of Muslim villages, targeting particularly mosques and cemeteries. In the territory they occupied, Karadžić’s men have killed or “cleansed” 90% of the non-Serbs.



# Serbian resistance fighters: Milosevic regime can be defeated

by Umberto Pascali

"Tell the American people that there is a resistance inside Serbia. And we feel like the French in 1944. We are waiting for our Normandy landing. Many are disappointed with America. For 50 years we have been looking with great hope to the United States, as the center of democracy. But we, who are carrying out those ideals, have not received any support. The West just negotiated with the Milosevic regime. We expect much more from the U.S. We believe in those ideals." The voice of the leader of the renewed Serbian resistance is tired, but emphatic. Behind the frustration, there is a palpable faith that the United States will live up to its image.

Indeed, there is a resistance inside Serbia: a resistance that has been ignored and even de facto opposed by the West, but is nevertheless active and determined to fight against all odds in a situation that is often desperate. The members of this resistance are present in the captive ethnic areas subjugated by Belgrade (Kosova, Vojvodina, Sanjak), but also in Serbia as such.

Because of the oligarchical control over the media, we have accustomed ourselves to think in terms of "Serbians" against "Croats" or even "Muslims." This induces people to think in racist terms, as Henry Kissinger, Lawrence Eagleburger, and Lord David Owen say that the war in the Balkans is due to some violent characteristic inherent in the genes of the people living there. In this way, the public is blinded to the real causes of the Greater Serbian aggression: the British oligarchy. Thus the genocide that has been going on for four years is dismissed as "pragmatic racism," as a Serbian observer called it, of the kind that says, "Well, those people like to kill each other, it's their nature."

## The Center for Anti-War Action

This "pragmatic racism" is also a way to ignore the call for help from the courageous Serbian men and women trying to resist the Nazi-Communist regime of Slobodan Milosevic. *EIR* talked to some of them on Aug. 2. These are the leaders of the Centar Za Antiratnu Akciju (Center for Anti-War Action), based in Belgrade and Ada, Vojvodina. We spoke with Mrs. Vera Tatic, the president of the Ada office (who was interviewed in *EIR*'s April 9, 1993 issue), and with Istvan Webel, Tajti Tibor, and other leaders. The main task of the

center is to help those who do not want to be swallowed up by Milosevic's war machine.

It is Milosevic's Serbia, of course, that arms, supplies, trains, and provides military personnel for the paramilitary gangs of Radovan Karadzic. The way this is done is by arresting citizens and sending them by force into Bosnia and Croatia. Of course, Milosevic claims that he does not provide any support for these gangs. An increasing number of Serbian citizens have turned to Mrs. Tatic after their family members have been arrested and disappeared.

The center began its activities in 1991, when anti-war demonstrations broke out in several Serbian cities and towns, including Belgrade. These demonstrations and the activities of the emerging resistance against the genocidal line of Milosevic were greeted by the western media with virtually total silence. The center collects information on violation of human rights, works "for the development of democracy," and tries to establish as many contacts as possible with organizations abroad, while organizing domestic groups.

## Milosevic's strategy

The leaders of the center astound one with their clarity and political insight. "Remember that Milosevic was elected with only 30% of the votes," they said. "There *is* resistance to the regime. This regime can survive *only* in a situation of war. If the war stops in Croatia and Bosnia, if the regime cannot keep and hold onto the minds of the people with the promise of racial victory, then it will collapse faster than you would believe. The regime has no idea what an economy is, what a normal society is. It must have a war; any halt, any defeat, and it's the end." They stress that the regime is afraid that Serbians might be able to communicate with Croats and Bosnians, because in that case the paranoid view of a "superior Serbian race" could collapse.

"This is why the government cut any telephone communication between Serbia, and Croatia and Bosnia. They do not want us to talk to the people there, because in that case, anybody would see how absurd and criminal this war is. The only information the Serbians receive is through television, radio, and newspapers. They are 100% controlled. It is a totally controlled environment. I want to call on the West:

Why don't they broadcast radio programs into Serbia? Why do they leave our people at the mercy of the organized lies of the regime's media?" And those lies are based on professionally organized brainwashing. The agency de facto advising the psychiatrists of the regime was the Tavistock Institute of London (see *EIR*, Feb. 12, 1993, "The Tavistock Psychiatrists Behind the Rape of Bosnia").

The Greater Serbians took special care to prevent Bosnia and Croatia from having effective, long-range TV and radio transmission. In this they were helped by the United Nations leadership. Sarajevo, for example, was prevented by the U.N. from transporting inside the city the technological means to establish a TV station that could reach the Bosnian population. The U.N. argued that this was strategic material forbidden by the arms embargo. "But the moment the Big Lie collapses, the moment that the black magic of the 'victory of the superior race' vanishes, then the regime is in deep trouble."

This was a rather prophetic statement, as a few days later, the coordinated counterattack of the Croatian and Bosnian armies broke the deadly siege around the "safe haven" of Bihac and liberated the whole region of Krajina. For the first time, the Milosevic-sponsored paramilitary gangs faced a normal army—and not unarmed civilians—and were smashed.

### Weakness of Belgrade exposed

As a consequence, a process of implosion is taking place inside the Greater Serbian clan. Karadzic attacked "his" general, Ratko Mladic, and Milosevic. The synod of the Serbian Orthodox Church issued a statement against Milosevic, calling his regime "incapable of leading the people." Until a few days before, Metropolitan Pavle had been "preaching," in the occupied territories of Croatia, about the inevitability of Serbian victory. The media in Belgrade are violently attacking Karadzic.

The Serbia resistance leaders warned us during the interview that the Belgrade regime in reality was very weak. And that made even more absurd the fact that the emissaries of the West never wanted to establish contact with any real opposition in Serbia. "Lord David Owen was practically living in Belgrade," our interlocutors said sarcastically, referring to the British psychiatrist and former European Community "mediator." "But he talked only to Milosevic and his men. All the leaders of the opposition were ignored. The West should stop this policy. The new European mediator, the Swede Carl Bildt, was here five times to negotiate with Milosevic, not to talk to the opposition. This must stop."

The image before the resistance leaders is that of the German resistance to Hitler. "Yes, we know, the leaders of the German resistance to Hitler asked the British for help, and the British betrayed them to Hitler. They gave Hitler the lists of their names. . . . Yes, we see what the British are doing today. We really hope they will be isolated. . . . Never again should happen what happened then. On this, we abso-

lutely agree with Mr. [Lyndon] LaRouche."

### Boutros-Ghali, Akashi, and other criminals

"The only person in the U.N. structure who listened to us was Mr. [Tadeusz] Mazowiecki," the Serbian leaders told *EIR*. Mazowiecki, as reported in the last issue of *EIR*, was the U.N. Human Rights Investigator in former Yugoslavia, who resigned on July 27. "He resigned in disgust at the U.N. and the West's attitude, after the U.N.-protected safe havens of Srebrenica and Zepa were abandoned to Karadzic's men. This is exactly the same disgust we feel. We informed Mazowiecki in detail about the attitude and activities of the U.N. in Serbia. He agreed with us. And that common view of the situation was the basis for his resignation. Yasushi Akashi, the envoy of [U.N. Secretary General Boutros] Boutros-Ghali in former Yugoslavia, secretly negotiated with the criminals. Boutros-Ghali approved those secret negotiations and the immoral exchange of the kidnapped Unprofor soldiers for the acceptance of the mass expulsion from the safe havens. We were among the first to write a letter to Mazowiecki to applaud his decision. And we wrote him that from now on, we are not going to have contact with the United Nations and with whoever will be his successor."

The absence of Mazowiecki will be felt by the Serbian resistance. "Beginning last June, the regime has escalated the forced mobilization of the refugees. These are people who were in the Yugoslavian Army until 1991. Then they demobilized and came to Serbia from Croatia or Bosnia, as refugees. Now, during the night, the police arrest them and send them by force to fight with the paramilitary groups in Krajina. There is not even the appearance of legality; it's simply kidnapping. Just today, we had a new wave of calls from terrorized mothers, from wives whose relatives have been taken away. We are organizing protests and demonstrations. There is a hunger strike in front of the presidential palace in Belgrade. Mazowiecki used our information in his reports. And now?"

Our interlocutors made available to *EIR* a letter that was delivered on June 14. It reads in part: "Our center has confirmed that the Serbian Ministry of Internal Affairs, together with the military police of the so-called republic of Serbian Krajina [the occupied territory in Croatia now liberated—ed.] are engaged in the forced mobilization of individuals in the territory of the Federal Republic of Yugoslavia. The target of the mobilization are refugees from Krajina, also those who enjoy the *status of refugees* and also nationals of the F.R. Yugoslavia who had some connections with Krajina before the split of Yugoslavia. We have already informed the public about this.

"With this going on, the F.R. Yugoslavia cannot be regarded as neutral concerning the military conflict in this part of the world. And this action disproves the claim of the F.R. Yugoslavia government that it has no territorial aims on the neighboring states of former Yugoslavia."

# U.S.A. has One-China policy

by Lyndon H. LaRouche, Jr.

During World War II, U.S. President Franklin Roosevelt's policy was for a strong, unified, and developing China, in opposition to the policy of British Prime Minister Winston Churchill's government, which sought a break-up of China through civil war and other means.

Today, in the U.S.A., under President William Clinton, the U.S. Presidency, if not all of the Republican majority in Congress, are also committed to a unified, stable, and developing China. In Taiwan, the Kuomintang continues its traditional, one-China policy. The British government is not; many forces, in many nations, are assisting London's efforts to foster conflicts which might contribute to bringing about a break-up of China.

## The greatest danger to China

One of the greatest dangers to China, is the mistaken belief of many in Beijing, that the mis-beknighted Sir Henry A. Kissinger, an open and confessed agent of the British foreign service, is a "friend of China." Similarly, some in Beijing appear to be blinded to the role of former U.S. President George Bush, presently an active collaborator of Kissinger's in several projects, including China, and a former Kissinger appointee as special U.S. representative to China. As former Prime Minister Margaret Thatcher detailed her infallible manipulations of President Bush, in her memoirs, the former President is a British agent by family pedigree and on his own record to date.

Another relevant British political co-thinker is George Bush's Far East-based, reputedly Yakuza-linked big brother, Prescott Bush. Similar is the pro-London faction inside Japan. The Dalai Lama is an open agent of the British monarchy, under an arrangement continued since the days of British Governor-General Lord Louis "Dickie" Mountbatten in India, and in command of the China-Burma-India Theater, during World War II. British assets inside the government and parliament of Taiwan, some backed from Prescott Bush's circles, are, like Britain's International Institute for Strategic Studies, working to promote conflicts, in Taiwan and elsewhere, aimed at the break-up of today's China.

Inside the U.S. Congress, a cabal fairly described as

"the Bush League" of radical-conservative anglophiles, is currently deployed in a manic fit of attempts to destroy the "One China" policy of the Clinton administration. Among the tales which London assets such as the "Bush League," Kissinger, and others are spreading around the world, and into China, is the following "spin."

## The 'London Line'

These fellow travellers of the London Line argue that U.S. President Clinton is already a "lame duck" President, that the Republicans, who control the Congress, will sweep the 1996 general elections in the U.S.A. It is argued, that Moscow, Delhi, Beijing, and other centers should recognize that what the Republicans, like Kissinger, do and say, is the real policy of the U.S. Establishment and government, and that anything which Clinton says contrary to those announcements should be disregarded.

Curiously, but understandably, one of the shrinking Sir Henry A. Kissinger's remaining values to his Chatham House controllers, is that he still serves as one of London's most significant propaganda assets in misleading the government of China on current U.S. policy. For many in China who are not familiar with the distinctions between virtual reality and substance in western diplomacy, Kissinger is remembered as "a friend of China," since the days of Kissinger's preempting a role in the Warsaw and other negotiations leading to the U.S. recognition of Beijing as the single capital of China. Beijing remembers the first act of that play, in which actor Kissinger played a key role; since Beijing was not allowed to see the final act of that London-scripted drama, many in Beijing are still deceived by those memories, into imagining that there are important distinctions between Margaret Thatcher's Hongkong pirate Chris Patten and Sir Henry A. Kissinger as a relatively friendly figure.

The case of the reckless Mr. Wu who sacrificed himself maliciously, as part of the British-directed Republican effort to wreck the U.S. government's relations with China, is part of the effort to prompt China to isolate itself from President Clinton, and thus set up China itself to become the victim of London's continuing "One, Two, Many Chinas" policy.

# Kissinger plays double game with China

by Kathy Wolfe

China's expulsion on Aug. 2 of two U.S. attachés caught in military espionage is but the latest incident in a crisis in U.S.-China relations, which began with the June 7-11 U.S. visit of Taiwanese President Lee Teng-hui and escalated with the mutual withdrawal of ambassadors from Washington and Beijing in mid-June. "U.S.-China relations are in the most serious difficulty since the opening of diplomatic relations in 1971," President William Clinton's Assistant Secretary of State for East Asia Winston Lord said in Washington on July 21.

A chronology of events and interviews with top London figures shows, however, that it was the British oligarchy and its retainers, most prominently Henry Kissinger, who started the conflict. London's objective is to hand a foreign-policy debacle to Clinton, the man who broke the "special relationship" with London, and to destroy China, which the London Institute for International and Strategic Studies (IISS) has repeatedly said must be broken into pieces.

President Clinton's policy toward China, to be carried out with Commerce Secretary Ron Brown, was to forge a new relationship with China, through which China would become a market for high-tech U.S. goods. On Aug. 12, 1994, a Clinton official told *EIR* that a proposed trip to China by Brown represented a decision to stop investing in cheap-labor projects and shift into "very high-tech" investment in China, in infrastructure, even nuclear power. This will help U.S. exporters "who produce heavy capital goods in the U.S., which creates jobs here. It's an effort to treat China as a serious market for U.S. capital goods."

During Aug. 27-Sept. 3, 1994 Brown traveled to China with 24 U.S. corporate executives, and discussed \$25 billion in infrastructure deals, of which \$5 billion were signed. "President Clinton has sent substantive signals that we regard China as a commercial ally and a partner," Brown said in Beijing. "A new relationship is being built."

During the same period, Central Bank chief Zhu Rongji began attacking the free trade and *laissez-faire* policies foisted on China by the World Bank and Britain's dope lords from Hongkong, saying they had caused "chaos and speculation" in China. In May 1994, Chinese Vice Minister of Science Hui Yongzhen, in an *EIR* interview, called for a major American-style rail infrastructure buildup in China. By February 1995, the Beijing press was praising "Clintonomics" as a way to "replace *laissez-faire* with activism, and re-strengthen government intervention in economic life."

The prospect of Washington-Beijing cooperation for economic development, as dreamt of by Abraham Lincoln, Sun Yat-sen, and Franklin D. Roosevelt, was not greeted with enthusiasm in London. The British decided that Clinton's strategy toward China, as with his peace plans in the Mideast and in Ireland, had to be brought to a halt, and the United States brought into open conflict with a China whom the London and allied press would portray as "a military superpower," the next enemy image on the horizon after the collapse of the Soviet Union.

The campaign began in earnest in March 1995. The initial point-man for the attack was Kissinger, architect of the "China card" and a man who avowed his loyalty to the British Foreign Ministry above his loyalties to the U.S. President, during a 1982 speech at the Royal Institute of International Affairs (RIIA). On March 21, 1995, the newly knighted Kissinger announced the new doctrine in Bombay. China, he said, is a threat to Asia due to its "extraordinary economic progress," which threatens "especially Northeast Asia."

On March 29, Kissinger addressed the RIIA, demanding that Washington adopt a British geopolitical policy of *containment* and balance-of-power toward China. "It is against the American interest that any major region of the world, either Europe or Asia, be dominated by any country," he said. He further predicted that Asia would become an arena for an outbreak of wars.

Precisely then, the March issue of the *American Spectator* magazine issued a lengthy feature attacking Clinton and Commerce Secretary Brown for massive exports of military goods including fighter-jet engines and arms-producing machine tools to China. The *Spectator*, owned by the same British Hollinger Corp. whose *Sunday Telegraph* and others have led the Whitewater attacks on President Clinton, even charged Brown with illegally exporting an entire aircraft carrier to China via India, without Defense Department approval. Yet Resource Recovery International, the company that bought the carrier, charged in August that the *Spectator* article "is a complete lie." The carrier was chopped down into scrap metal, and the sale approved by the Navy.

Shortly after this, Kissinger's friends in Congress suddenly went high-profile, with demands for a visa for Taiwan's President Lee, and demands for a stepped-up policy to separate Tibet from China (see *EIR*, June 23, p. 45, "Kissinger's China War Comes to Congress"). The crisis escalated, as China recalled its ambassador, arrested British-sponsored provocateur Harry Wu, and tested missiles off the Taiwan coast.

At this point, Kissinger, hoping to cash in yet again on his China card, put on his "diplomat" hat and publicly offered to help smooth the crisis in U.S.-China relations, in July 25 columns in the *New York Post* and the German daily *Die Zeit*. After "encouraging Sen. Jesse Helms, Rep. Newt Gingrich," and other Republicans to attack Beijing, one *EIR* source, a friend of George Bush and Kissinger, said, "We are now

positioned to mediate.”

As Lyndon LaRouche put it on July 26, “The British are saying to China: ‘Clinton is finished. Our friends in the United States are coming into power. . . . The United States is against you. Forget Clinton, he’s a lame duck. What’s happening from the Senate, from Jesse Helms and company, is the real policy of the U.S. And we, of course, are more flexible and more friendly.’ ”

### London’s game of cat and mouse

David Howell, chairman of the British House of Commons Foreign Affairs Select Committee, corroborated Britain’s double game, in an interview with *EIR* on June 21. Howell noted that Bush, and his China Ambassador James D. Lilley, had met Lee Teng-hui in Taipei to make the original U.S. invitation to Lee. But he averred that Kissinger’s real policy was that of his March 29 RIIA speech. Kissinger’s analysis “is certainly one that we share,” Howell said. “We’ve noted the Chinese are getting more strident, over Taiwan and over Tibet, and are getting more possessive about the Spratlys. . . . China’s path is toward being a more aggressive military power.”

Deteriorating U.S. relations with China will be helpful to Britain, which China will see as the lesser of two evils, Howell noted. “We try to do it differently in London,” he said. “We have our Hongkong play, as you know. . . . There

is no doubt that there is a limited amount of anger from Beijing, and it’s all being directed at the U.S. That diverts some of the heat and fire from Britain, and allows us to proceed undercover.”

“I’m afraid it sounds very devious,” Howell continued, “but we’ve learned—ever since the McCartney mission of 1793—that there are various ways, of handling the Chinese. . . . We politely bow, and say: ‘We quite understand. It’s *One China*, and Taiwan’s a rebel state’—and meanwhile develop our own ties with Taiwan.

“And that’s why our relations with China are in a different place, than yours in Washington,” he concluded.

Indeed, Britain is already reaping the benefit of the U.S.-China chill. During June 23-25, after years of stalled negotiations, China suddenly agreed to British plans for the huge boondoggle Hongkong Airport, for which China has agreed to assume the \$21 billion construction debt after 1997, when Hongkong reverts to Chinese sovereignty. Beijing also agreed that Britain-appointed Hongkong politicians may stay in office after 1997, and canceled a planned overhaul of Britain’s civil service.

In early July, Kissinger met with Prime Minister Li Peng in Beijing, and on July 11 it was announced that Kissinger’s business partner, AIG Insurance magnate Hank Greenberg, had been appointed to as an adviser to the Beijing City Council.

## The Harry Wu provocation

On June 19, Harry Wu, a naturalized U.S. citizen and human rights crusader, was detained trying to enter China. He has since been charged with stealing state secrets and other serious charges, relating to his earlier visits there. Since 1991, Wu has made several trips to China, often with the British Broadcasting Corporation, with the stated intent of exposing China’s prison system. In 1994, BBC and CBS’s “60 Minutes” released film footage made by Wu, where he tried to show that the Chinese use prison slave labor for producing goods for exports, and even sell the organs of prisoners.

Whatever the truth of such allegations, the coverage documents that Wu broke Chinese law. In Qinghai, he impersonated a policeman in order to gain access to a prison. His film footage of labor camps was taken with a hidden camera. He entered military and related areas declared off-limits to foreigners. In his broadcast, he claimed to have obtained secret “internal” government documents praising the quality of exports produced there.

Wu had been a prisoner in a Chinese labor camp during

1960-79. Since arriving in the United States, he has worked for several Republican Party-linked outfits, including the Heritage Foundation and the Hoover Institute, his current employer. Director of the Laogai Research Foundation, dedicated to exposing human rights violations in China’s prison system, Wu has often testified before Congress at the request of Senate Foreign Relations Committee Chairman Jesse Helms (R-N.C.). Funding for his operations in part comes from the International Division of the AFL-CIO. The coordinator of his trips to China has been Lord Avebury, of the British Parliamentary Human Rights Committee, among others.

Reaction to the arrest has been swift. Sen. Jesse Helms wrote Secretary of State Warren Christopher, insisting that “there will be severe implications for China in the U.S. Congress” if any harm comes to his “friend” Wu, he said. On July 14, Helms, Sen. Bob Dole (R-Kan.), and House Speaker Newt Gingrich (R-Ga.) wrote Clinton demanding that the United States boycott the U.N. Conference on Women scheduled for Beijing this fall unless Wu is released. On July 20, Gingrich pushed through the China Policy Act in the House, on a vote of 416-10, demanding Wu’s unconditional release, and demanding China stop human rights abuses.

# British set up U.S.-China crisis

## 1994

**January:** Economic czar Zhu Rongji announces China will form three government development banks to finance industry, agriculture, and foreign trade.

**March:** Clinton Commerce Secretary Ron Brown announces "National Export Strategy" to increase exports to "Big Emerging Markets," such as China, India, and Africa.

**March 7:** London Institute for International and Strategic Studies (IISS) issues report, "China Changes Shape," which calls for the breakup of China.

**April 9-11:** Trilateral Commission in Tokyo produces a report, "An Emerging China," demanding International Monetary Fund shock therapy against China.

**May 15:** World Bank Managing Director Ernest Stern in Beijing demands China deflate and cut credit.

**May 13-22:** Zhu Rongji calls for government support for "improving agriculture and state industries."

**May 27:** Chinese Vice Minister of Science Hui Yongzhen calls for "A modern Silk Road," in *EIR* interview.

**May 27:** Bush China Ambassador James Lilley criticizes President Clinton for not allowing Taiwan President Lee Teng-hui to visit the United States. Sens. Paul Simon (D-Ill.) and Frank Murkowski (R-Alaska) begin a "Taiwan lobbying" drive.

**June:** New York Council on Foreign Relations journal *Foreign Affairs* reprints IISS report "China Changes Shape."

**July 1-4:** Chinese Prime Minister Li Peng leads a delegation to Bonn which signs \$3.7 billion in contracts.

**July:** President Clinton travels to Bonn and announces new "partnership" with Germany on policy toward the East.

**Aug. 11:** People's Liberation Army (PLA) Gen. Xu Hui-zi visits Pentagon; first Chinese general in U.S. since 1989.

**Aug. 12:** Clinton official tells *EIR* that coming China trip by Commerce Secretary Brown signifies Clinton policy shift away from sweatshops, toward U.S. export of capital goods to build China's infrastructure.

**August:** Zhu Rongji says "erroneous ideas" that government should no longer intervene in the economy have led to "chaos and speculation"; he attacks *laissez-faire* and "blindly worshipping western economics textbooks."

**Aug. 16:** A Beijing official tells *Juang Chiao Ching* of Hongkong that Li Peng's trip to Germany created a Sino-German partnership "to isolate Britain."

**Aug. 27-Sept. 3:** Clinton Commerce Secretary Brown travels to China with 24 corporate executives.

**Sept. 2:** President Jiang Zemin asks Clinton to China.

**Sept. 9:** Chinese President Jiang Zemin rides on high-

speed train, the TGV, in France.

**Oct. 16-19:** Defense Secretary William Perry in China.

**Oct. 21:** Clinton landmark North Korea nuclear accord.

**Dec. 2:** Zhu Rongji blames China's inflation on "the invisible hand," attacks lifting of price controls and "market opening," again attacks "western textbooks."

## 1995

**January:** Li Peng warns that China should not link yuan to the dollar because "another October 1987 crisis" would drag China into global crash.

**Feb. 1:** Beijing's *Shijie Zhishi* journal praises "Clintonomics" as an attempt to "replace *laissez-faire* with activism and restrengthening government intervention."

**February:** British agent and Hongkong financier Li Ka Shing under fire as his allies in China's Politburo and companies are forced to resign.

**March:** London-controlled *American Spectator*, in "China Shops," charges Clinton and Brown with aiding massive arms sales to Beijing.

**March 11:** Zhu Rongji denounces financial derivatives, saying "losses here were \$1 billion last year abroad."

**March 21:** Henry Kissinger in Bombay says China is a threat because of its "extraordinary economic progress."

**March 29:** Kissinger in speech to the Royal Institute of International Affairs (RIIA) in London demands U.S. adopt geopolitical policy to contain China.

**April 3:** *China Daily* declares "special relationship" between United States and Britain is "over."

**April 22:** May issue of London *Jane's Intelligence Review* warns China is a military threat.

**May 2:** U.S. House of Representatives unanimously urges Clinton to let Taiwan's President Lee Teng-hui visit Cornell University, his alma mater, in New York.

**May 5-6:** Secretary of State Warren Christopher tells National Press Club it's not appropriate to issue visa for Lee Teng-hui.

**May 9:** U.S. Senate votes 97-1 to urge Clinton administration to grant Lee's visa.

**May 11:** China warns of grave consequences of Lee Teng-hui's trip.

**May 16:** London RIIA's Peter Ferdinand tells *EIR* that by 2010 China will threaten Asia militarily, and start regional wars, which will lead to China breaking up.

**May 21:** Bush-league Sen. John McCain (R-Ariz.) calls for recognition of Vietnam to "encircle" China.

**May 22:** Clinton grants Lee Teng-hui visa.

**May 23:** China recalls military team from U.S. visit.

**May 26:** China cancels defense minister U.S. trip.

**May 26:** The Lee Teng-hui visit "will turn out to have been very useful for the Republicans in the elections" to attack Clinton, Heritage Foundation tells *EIR*.

**June 1:** Recent Republican bills are "meant to demonize China," Dr. Lawrence Nicksch of the Congressional Research

Service warns in Washington; charges Bush crowd plans attack on Clinton for bettering China relations.

**June 2:** Clinton extends China Most Favored Nation trade status.

**June 7:** House and Senate foreign aid bills have "over 20 pages of China-bashing," aide to House International Relations Committee says. Senate calls for U.S. to recognize Tibet sovereignty. Both call for U.S. military "encirclement" of China in Spratly Island area.

**June 7-11:** Lee Teng-hui visits United States.

**June 11:** Bush holdover U.S. ambassador in Beijing Stapleton Roy announces he will leave his post.

**June 15:** Taiwan Prime Minister Lien Chan on tour of Europe.

**June 16:** Beijing recalls Washington ambassador.

**June 16:** Beijing postpones high-level Taiwan meeting.

**June 17:** Stapleton Roy leaves China. Xinhua accuses U.S. of "undermining Chinese sovereignty."

**June 17:** Vincent C. Siew, chairman of Taiwan Mainland Affairs Council, says, "Taiwan is a sovereign state."

**June 19:** BBC agent Harry Wu arrested by China at Kazakhstan border, charged with spying.

**June 20:** Beijing Foreign Ministry says China has no plans to send an ambassador to Washington.

**June 21:** David Howell, chairman of British House of Commons Foreign Affairs Committee, tells *EIR* that London is working with Bush, Kissinger, and Congress to create a U.S.-China split, to the benefit of Britain.

**June 23:** Beijing says Britain's Hongkong politicians may stay after 1997, asks no changes in civil service.

**June 25:** China agrees with Britain over Hongkong Airport; China assumes \$21 billion construction debt.

**July:** Kissinger in Beijing, meets Li Peng.

**July:** Jiang Zemin and Foreign Minister Qian Qichen under attack in Politburo for softness on U.S.

**July 9:** Newt Gingrich demands Clinton establish official relations with Taiwan, damns U.S.-China ties. Sen. Jesse Helms (R-N.C.) attacks Beijing detention of Wu.

**July 11:** AIG Insurance magnate and Kissinger business partner Hank Greenberg appointed to Beijing advisory post.

**July 11:** London *Financial Times* editorial attacks China military buildup, arrest of Harry Wu, says inept Clinton administration is to blame.

**July 13:** Kissinger criticizes Gingrich before Senate Foreign Relations Committee, poses as China ally.

**July 19:** *Wall Street Journal* says Clinton "needs help" and should send George Bush or Kissinger Associates President Brent Scowcroft to China as ambassador.

**July 20-26:** China launches nuclear-capable missile tests aimed just north of Taiwan. Tapei markets crash.

**July 21:** Clinton National Security Council expert Ezra Vogel charges Republicans are forcing China into war. "Beijing believes that Congress believes, that *China is too big and ought to be split up*," he states.

**July 21:** "U.S.-China relations are in the most serious difficulty since the opening of diplomatic relations in 1971," the State Department's Winston Lord warns.

**July 21:** "The China card is no longer viable in any way, shape, or form," Sen. Chuck Robb (D-Va.) says, asserting that the U.S. will militarily defend Taiwan.

**July 25:** Kissinger in *Die Zeit* and *New York Post* calls on U.S. and China to stop "collision course."

**July 25:** Lilley tells Senate that Clinton weakness is causing Beijing to become belligerent.

**July 26:** Lilley "is a Republican electoral strategist" who has helped orchestrate the crisis to use against Clinton, and now Lilley, Kissinger, and Bush are "positioned to mediate," Lilley associate tells *EIR*.

**July 28:** Christopher reaffirms Clinton "One-China policy" at National Press Club in Washington.

**July 31:** Defense Minister Chi Hoatian says PLA "will not sit idle if foreign forces meddle in China's internal affairs or are bent on splitting China."

**July 29:** London *Economist* editorial states that official British policy is that "China must be contained."

**July 30:** China charges two U.S. Air Force officers with spying on a Chinese military base.

**July 31:** *Time* magazine's Charles Krauthammer pens a column demanding "containment of China."

**Aug. 1:** Christopher meets Qian Qichen in Brunei. U.S. asks release of Harry Wu, and China asks for pledge of no more Taiwan visits, but no agreement.

**Aug. 1:** Lee Teng-hui says that Taiwan may hold a military exercise on National Day, Oct. 10.

**Aug. 2:** China expels two U.S. Air Force officers as spies. U.S. chargé d'affaires summoned for protest.

**Aug. 3:** Christopher demands investigation into why the Pentagon sent officers to spy in China. "The timing was incredibly bad," State Department tells press.

**Aug. 3:** House International Relations Committee resolves U.S. should support Taiwan entry into the United Nations. Democratic Progressive Party of Taiwan testifies this "means acceptance of Taiwan as a sovereign state."

**Aug. 4:** *People's Daily* charges U.S. government is behind *Time* magazine article, which "reveals a plot to 'contain' and even 'subvert' the Chinese government" and "reflects opinions of some U.S. policy-making levels."

**Aug. 4:** Xinhua charges Lee Teng-hui "incited Taiwan's masses . . . toward splitting" China.

**Aug. 6:** China cancels a senior Taiwanese visit.

**Aug. 6:** Christopher denies normalizing relations with Vietnam is an effort to neutralize China.

**Aug. 8:** The U.N. officially circulates a statement by Taiwan's Lee Teng-hui, infuriating Beijing.

**Aug. 9:** Taiwan stock market plunges to a 20-month low on reports of more Chinese military exercises.

**Aug. 10:** PLA announces new missile tests north of Taiwan in the East China Sea on Aug. 15-25.



## London is working to split U.S., China

*David Howell, chairman of the Foreign Affairs Select Committee of the British House of Commons, spoke to EIR on June 21.*

**EIR:** China has recalled its U.S. ambassador.

**Howell:** We've always said that these people will happily shoot their own foot off, or hand off, to retain their power and grip, the Chinese leadership. . . . It's like all dictators, they always put their own survival first.

**EIR:** There's been some anti-China legislation in the U.S. Congress. Would Britain find this useful?

**Howell:** I've just come back from Washington and the spirit is very anti- the human rights transgressions of the communist regime which still rules in Beijing. . . . My sentiments go along with a good many things being said by the Republicans in Congress. . . .

The big play was that if China got what they wanted on trade [i.e., U.S. Most Favored Nation trade status], they'd come good on human rights. But, of course, the Chinese don't work like that. They just grabbed what they wanted, and carried on. . . . I do think this is going to cause a lot of problems for Clinton. The umbilical cord's been cut! Now *you've* [United States] not got proper diplomatic relations with the biggest republic on earth!

**EIR:** I can understand, given Hongkong, that Britain might want to be a bit cautious, but do you find it useful that Mr. Bush and the Republicans here could go out front where Britain can't be so forthright?

**Howell:** There is no doubt, that there is a limited amount of apoplexy and anger from Beijing—and it's all being directed at the U.S., the present flood of vituperation. Maybe that diverts some of the heat and fire from Britain, and allows us to proceed undercover. . . .

It's a question of cat and mouse: To what extent can we assert the principles of human rights, rejection of barbarity, and repression in Tibet, and the right of Taiwan to do its own thing, while maintaining some *modus vivendi* with China?

**EIR:** Dr. Kissinger gave a speech at the London Royal Institute for International Affairs in March, saying we must get tougher with China.

**Howell:** Yes. . . . The general analysis he made is certainly

one that we share. We've noted that the Chinese are getting more strident, over Taiwan and over Tibet, and are getting more possessive about the Spratly's, and some other islands they've got their eye on. There's considerable nervousness among their Asian neighbors, particularly Japan, that China's path is toward being a more aggressive military power. And that's mirrored on the other side by the Chinese getting increasingly anti-American, and convinced that the U.S. is trying to block China's path to being a serious world power. . . . And meanwhile *we* have our Hongkong play . . . and there, too, we're on very delicate grounds with them. They're very, very touchy, sensitive, prickly people. But we're going to mend fences with China over Hongkong. . . .

We're just in a slightly different relationship with China now. We have a direct practical problem with Hongkong. Although one argues publicly that it's China which suffers if Hongkong goes wrong, the truth is: *We've* got a lot of interests in a minimum disruption. . . .

**EIR:** What do you think we should do vis-à-vis the growing power of China?

**Howell:** We push where we can. We don't take these lectures on Taiwan, we do continue to develop relations with Taiwan. . . . We're not taking lectures from China either on Hongkong, although they've got the whip hand. And we do speak out on Tibet, and on human rights. But one is never happy to see real extreme ideology take over in international relations. One extreme attitude breeds another. When the U.S. cut Japan off in the 1930s from its oil supply, Japan responded with fascism, saying, "We're not putting up with this; let's attack everyone in sight." That's not clever foreign policy.

**EIR:** Yet there is in-fighting in Beijing, and the International Institute of Strategic Studies report of a year ago says we might wish to have two, three, or four Chinas to deal with.

**Howell:** Yes, that's a possibility. . . . First there was a school here of China hands who thought the best thing to do with Beijing was kowtow and give in. But then Parliament and opinion here began to get a bit cross. . . .

The trick with China, which is one-fifth of the world's population, may be, to play it a bit Oriental ourselves: kowtow and smile and agree with one hand—and carry on with what you want to do, with the other!

I'm afraid that sounds very devious, but we've learned over a couple of hundred years of dealing with the Chinese—ever since the McCartney mission of 1793—that there are various ways of handling the Chinese. And, frontal boycott politics isn't necessarily the best. We could politely bow, as we do, and say: "We quite understand. It's One China, and Taiwan's a rebel state"—and meanwhile get on and develop our own ties with Taiwan. And say: "We quite understand that you're doing wonderful work in Tibet, suppressing all these wicked people," but meanwhile we actually get on and build our own Tibetan re-inforcement policy.

# Palmerston crowd tightens the screws on Pakistan

by Ramtanu Maitra and Susan Maitra

At a three-day conference held in Ilford in the United Kingdom on July 28-30, the Ahmediyya sect, created by the ideological descendents of British Prime Minister Lord Palmerston in the 19th century, announced the establishment of a new television channel called the Muslim Television Ahmediyya in London. Making the announcement, Tahir Ahmed, the spiritual leader of the sect, made no bones about who will be targeted by the MTA.

At the convention, reportedly attended by 13,000 sect members representing 65 countries, Tahir Ahmed gave the clarion call to start a fresh vilification campaign against the Pakistan government, and issued a warning to Pakistani Prime Minister Benazir Bhutto. Ahmed said that all those who had confronted him were either disgraced or dead. Ahmed said that on Aug. 12, 1988, he had predicted the end of then-President of Pakistan Gen. Mohammed Zia ul-Haq, who had carried out a campaign of persecution against the sect. "Five days later, on Aug. 17, the world saw Zia's body blown to smithereens when his plane crashed in mid-air," gloated Tahir Ahmed.

## Why the sect was created

The Ahmediyya sect was founded in 1889 by one Mirza Ghulam Ahmed in Qadian, now part of Punjab in India. Rejecting the Islamic tenet that Prophet Muhammad was the last prophet, Ghulam Ahmed claimed himself a prophet representing—all in one—Imam Mahdi, the Messiah of the Shias; Jesus Christ; and the Hindu incarnation of God, Krishna. Despite the ecumenical mix the sect pretends to represent, Ghulam Ahmed claimed himself to be the Prophet of the Muslims, and said that a new prophet will be born every 1,000 years.

The rise of the Ahmediyyas naturally caused a split among the Muslims, but the timing is also important. Throughout the 19th century, the Palmerston foreign service crowd, with Giuseppe Mazzini's secret service network, had created a number of new movements in Europe based on race and dedicated to decimating sovereign nation-states on behalf of the oligarchs and colonialists. The Ahmediyya sect was formed just after a major uprising in British India, in which the minority Muslims had joined hands with the majority Hindus in 1857 to reinstate the last Mughal emperor, Bahadur Shah Zafar, and challenge British might. The British suc-

ceeded in quelling that uprising, and resorted to ruthless suppression of the Muslims, whom they had considered as allies before, as well as the Hindus. In 1889, the Muslims were united with the Hindus against British colonialism, and had shown a willingness to pick up arms once again to drive the British out—a picture which changed drastically by the beginning of the 1930s because of the success of the Palmerston crowd. The Muslim mullahs' council, *ulema*, in British India was also then protesting against the invasion of the Allied forces against the Ottoman Empire.

Mirza Ghulam Ahmed served the British interest to the hilt. He announced that *jihad* (holy war) by sword had become obsolete, and he also opposed the *ulema* in denigrating the invasion against the Ottoman Empire. The role of the Ahmediyya, however, is not unique. Earlier, in the 1860s, the Jamaat-i-Islami was created to split the Sunni consensus which even today dictates Muslim views in the subcontinent. Resembling the Wahabi Sect of Saudi Arabia, the Jamaat challenges the mainstream Sunni Muslims who follow the Hanafi legal code within Islam. While the Ahmediyya are anti-confrontational, the Jamaat is ready to declare *jihad* at the drop of a hat.

## In Iran, the Bahais

In Iran, in the early 1870s, the Bahai movement was launched through Mirza Huseyn Ali Nuri, who assumed the title of *Bahauallah* (Glory of God) and declared himself to be He Whom God Shall Manifest (man *Yazhirullah*). Bahauallah claimed that the Koran is an infallible revelation of God, but that Islam is out of date. Bahauallah, like Mirza Ghulam Ahmed, was also cultivating those Muslims who opposed confrontation.

But the real nature of the sect became clear when it was learned that the Bahais were involved in splitting the Shias. The Bahais formed an alliance with the Jews in Iran and became a wealthy and powerful factor in Iran politics.

The Bahais sided with the British- and Soviet-controlled coup, plotted through then-Prime Minister Dr. Mossadeg, to oust Shah Reza Pahlavi. In later years, when the Shah became isolated in his own country because of his despotic rule, it was the Bahais who provided him support. As a result, Bahais were slaughtered by the regime of Ayatollah Khomeini, and the sect has since reportedly moved its headquarters to Tel

Aviv in Israel.

There is a great deal of similarity between the Ahmediyyas and the Bahais, obviously because they were both cooked in the same pot. Both sects have highly educated personnel, most of whom were educated abroad, and these individuals have become successful financially, making the entire sect wealthy. Equally important is the fact that both sects were persecuted by militants, who also were serving the Palmerston crowd's interests.

While the Ahmediyyas in Pakistan are very active in the high and middle-level bureaucracy—very much like the Mormons in the United States—the Bahais in Iran were wealthy businessmen. This accumulation of wealth and power has been used to instigate persecution against the two sects. Another commonality is that members of both sects have many contacts abroad, particularly in Britain.

### Why the Ahmediyyas again?

But in this game among Palmerston's heirs, there are no winners. In Pakistan, the British-controlled Jamaat persecuted and apostatized the Ahmediyyas, creating a wave of sympathy for them internationally. In Iran, mindless killings of the Bahais by Khomeini adherents have also strengthened the Bahais' cause internationally and earned them the "respectability" of a victim.

The Ahmediyyas have been persecuted by two Pakistani Presidents, Zulfikar Ali Bhutto and Zia ul-Haq, both of whom were instigated and lured by the street muscle of the Jamaat. Zia ul-Haq was himself a Jamaati, and very much controlled by the same Palmerston crowd.

The decision to reactivate the Ahmediyyas after a lapse of almost 12 years is to put further pressure on Islamabad by destabilizing the Pakistani province of Punjab. The Ahmediyyas enjoy some support among Punjabi Muslims, not particularly because of their beliefs, but due to their success and emphasis on education and "good upbringing."

Turmoil in Punjab comes on top of the major crisis in Karachi, and Sindh province generally, where yet another product of the Palmerston crowd, Altaf Hussain, leader of the Mohajir Qaum Movement, is virtually at war with the Benazir Bhutto government. Altaf Hussain and his followers even today, after almost five decades of residence in Pakistan, refuse to be identified as anything other than Mohajirs, or "immigrants." Karachi is the only port in Pakistan and a major sea connection to the new republics of Central Asia. Besides its vast strategic importance, Karachi has also become a major outlet for narcotics and guns.

The impact of the devastation of Karachi has been felt throughout Pakistan. Nonetheless, Punjab, being the most populous and wealthy of the provinces, continues to function as if not much has gone wrong. The reintroduction of the Ahmediyyas into the scene by the Palmerston crowd is to reinject another source of tension in the most powerful province in the already-weakened Pakistan.

## Geopol chief Hafner goes to jail

by Dean Andromidas

Pierre Hafner, president of Geopol Services SA, is currently sitting in a Geneva jail. Judge Denis Mathey ordered his arrest at the end of June, following several official complaints for *gestion déloyale*: He is accused of issuing false statements to his clients following the mismanagement of their private portfolio funds. It is believed that he lost up to 100 million Swiss francs following the failure of several high-risk investments.

Hafner, as a director of CBI Holding, a Geneva-based holding company, is directly linked to Union Bancaire Privée (UBP), a private Swiss bank that has been linked with international dirty money operations in Europe, South America, the United States, and Africa. For the last two years, it has been the target of investigations by the intelligence services and police authorities of several nations. Most significant were investigations by the U.S. Drug Enforcement Administration, for money laundering (see *EIR*, Dec. 16, 1994), and by South African authorities, for its links with that country's largest gold-smuggling ring (see *EIR*, Aug. 16, 1994). As president of Geopol Services SA, Hafner was part of a British intelligence operation that included leading Swiss political and intelligence operatives who have been involved in major international arms deals, high finance, and U.N. operations in former Yugoslavia (see *EIR*, Feb. 12, 1995).

A closer look at UBP will show that this case has potentially broader significance than just another colorful case of financial fraud. Edgar De Picciotto, chairman of UBP, is a man who brings one directly into the center of the Club of the Isles, the group of oligarchical families led by Prince Philip, consort to Queen Elizabeth of Great Britain. De Picciotto, as a board member of the Quantum Fund of speculator George Soros, is a tool of the Rothschilds, traditional bankers to Europe's oligarchy. In fact, according to one Swiss source, UBP would be nothing if it weren't for the "Rothschilds and the British." UBP is a merger of Picciotto's bank, CBI Bank, and the Trade Development Bank. The latter was formerly owned by Edmond Safra, a major funder of the Anti-Defamation League of B'nai B'rith, and the American Express Corp. Safra and Picciotto had been schoolmates in Lebanon, and both come from Levantine banking and merchant families. Mrs. De Picciotto is a member of Prince Philip's 1001 Club, and last year was one of the organizers of a fundraising event

in Geneva for Prince Philip's World Wide Fund for Nature. De Picciotto's Milan office is run by Rodolfo De Benedetti, whose father Carlo De Benedetti heads one of Italy's richest families, and is also a member in good standing of the Club of the Isles. The bank is at the center of the dirtiest financial and intelligence operations of the Club of the Isles.

Hafner, through his Private Management Hafner SA (PMH), is a private portfolio fund manager who works directly with UBP. Most of these management funds are placed in care of UBP and are substantial enough to have made him a board member of the bank's holding company for the better part of the last decade. According to Judge Mathey, who issued the indictment and arrest warrant, proceedings were brought against Hafner following complaints filed by several clients. He is accused of investing their funds in high-risk investments contrary to their contractual agreements. He is also accused of issuing false statements to clients in an effort to hide the losses. He is currently being held without bail, because it is feared he would tamper with evidence.

Michel Halperin, Hafner's attorney, told *EIR* that the case began over a year ago, when several former clients, who were not Swiss citizens, accused him of investing their funds in financial scams. Hafner claims their funds were invested in "venture capital," including international telecommunications. But Halperin disclosed that the real target of the clients is UBP. "They hope to get to the bank over Hafner's dead body," he said. Although Halperin claims the case should really be a civil proceeding, the attempt by UBP to cut off ties to Hafner demonstrates that the case is far more serious than Halperin alleges. UBP issued an official statement announcing that Hafner was no longer on the board of the bank or its holding company, CBI Holding, and therefore, they claim, they bear no responsibility. This move was taken last year, precisely at the time when the case against Hafner began. If Hafner had been on the bank's board at the time of his indictment, it would have been the worst case for the bank.

This denial, in fact, is merely a legal maneuver, because the office of PMH is the same as that of CBI Holding. The president of the board of PMH continues to be Daniel Alain De Picciotto, a relative of Edgar and member of the board of CBI Holding. While Judge Mathey refused to affirm that UBP was a target of the investigation, he said that they have a great deal to "explain." It should be noted that the official address of Geopol Services SA is the same as PMH, Place Camoletti 8.

## Enter Geopol

The *Tribune de Genève* on July 30 and other Swiss newspapers highlighted Hafner's presidency of Geopol Services SA. They had good reasons. Geopol Services SA was founded in June 1993 and claims to engage in studies dealing with "geopolitics" and "geoeconomics" upon the request of its clients. According to the minutes of the "founders

meeting," it has a paid in capital of SF 100,000, which is held in a numbered escrow account at UBP for "safekeeping." Although the activities of the company are alleged to be in the "intellectual" field, its directors hardly appear to be intellectual types. On its board of directors is Elisabeth Kopp, former Swiss justice minister and wife of Hans Kopp, a Zurich-based lawyer. Mrs. Kopp was forced to resign as justice minister when she informed her husband that one of his clients, Shakarchi Trading AG, was the target of an investigation by the U.S. Drug Enforcement Administration. Hans Kopp is believed to have been at the center of various arms and munitions sales to Iran and Iraq in the 1980s. His brother, Dr. Max Kopp was general manager in the 1980s of *Crédit Suisse*, one of Switzerland's largest banks, which was deeply involved in financing such arms deals. Following a recent conviction for financial fraud, Hans Kopp has had his license to practice law in Geneva revoked.

Another board member of Geopol is Helmut Raiser, whose Zug-based Consen SA played a key role in Argentina's Condor Missile project. Raiser was top man at Bohlin Industries GmbH, which is owned by the brothers and family of the late Alfred Krupp, of the famous German industrialist family and weapons producer. Although Krupp was forbidden to produce weapons after World War II, Bohlin is a munitions manufacturer and is believed to have been part of the so-called "explosives cartel" which sold billions of dollars of munitions, in contravention of an embargo, to Iran and Iraq during their war.

Another Geopol director is Peter Arbenz, a Swiss brigadier and chairman of the Swiss Officers Association. Arbenz formerly worked for the International Red Cross in Geneva and later had been in charge of refugee affairs in the Swiss government. Between April 1994 and September 1994, he was General Inspector of Unprofor in Zagreb, Croatia. At this time, Hans Kopp was president of the Zurich branch of Yugotours, the official travel agency of the Yugoslav (Serbian) government which is notorious for functioning as a cover for Serbian intelligence operations.

The last member of Geopol is Laurent Murawiec, a former associate of Lyndon LaRouche. While he is the only one who might pass as an "intellectual," for want of any other skill, Murawiec is the author of the company's only known "geopolitical" and "geoeconomic" studies. These were four studies dealing with China. A review of one of them demonstrated that Murawiec plagiarized several well-known works on China. Nonetheless, Murawiec is a member of the International Institute for Strategic Studies in London, where he has collaborated with IISS's China expert Gerald Segal. Segal is currently *persona non grata* in China because he has advocated a breakup of China through civil war. It is therefore believed that Geopol is used as a front for potentially more sinister activity, by a group of directors capable of anything, from selling weapons, to questionable financial dealings.

# International Intelligence

## ***Brits won't send back troublemaker to Pakistan***

According to Pakistan Press International (PPI), reporting from Islamabad, Britain has turned down a request from the government of Pakistan to extradite the self-exiled leader of the Mohajir Qaum Movement (MQM) leader Altaf Hussein who remains sitting in London. The MQM has been largely blamed by Pakistan for the bloody and anarchic situation in Karachi, Pakistan's commercial center.

"When Altaf sits in London and he gives a call for a strike [in Karachi] and his militants enforce that strike and kill 30 innocent people a day, I think the British government has a moral responsibility to restrain him," Prime Minister Benazir Bhutto said on BBC Television on July 31. Bhutto told BBC that Hussein "cannot use your soil for violence."

In a dispatch over the previous weekend, PPI quoted a British Foreign Ministry spokesman as saying that the MQM leader had not violated any British law and hence could live in the country. The spokesman also said that Britain was not aware of any evidence of Hussein's involvement in "terrorism" in Pakistan.

## ***Argentine military about to close shop***

Efforts to completely smash Argentina's Armed Forces have reached new levels of insanity. The Menem government is about to impose the fourth budget cut this year, which according to the heads of the three branches of the military, will mean the virtual paralysis of all operations. In an attempt to meet International Monetary Fund targets, Finance Minister Domingo Cavallo demanded a further \$31 million cut in the military budget, on top of the \$130 million already cut from the 1995 budget.

*La Nación* commentator Eduardo Barcelona reported Aug. 5 that not only will the U.S.-Argentina maneuvers have to be called off, but the cuts could mean closing

down the Naval College and the Naval Mechanics School. The Air Force has canceled all flights until September. The young men and women of the new volunteer Army will receive food and housing, but no military training, because there are no funds available to finance it!

Unrest is such that, according to Barcelona, "some military communiqués have begun to ask whether the government in Argentina 'wants to have Armed Forces.' " If the goal were to destroy the military, Barcelona continues, "these actions would be more coherent . . . because you don't invest in something which doesn't exist: defense."

On Aug. 4, a proposal by Argentine Labor Minister Armando Caro Figueroa was published: to draft 25,000 unemployed into the Army and put them to work as janitors who will maintain barracks at a monthly pittance of \$200.

## ***Baroness Chalker acts brutish in Kenya***

The Kenyan government blasted Britain's Baroness Lynda Chalker for "bullying" behavior, with her threat, even before meeting President Daniel arap Moi, to cut off all further development aid to Kenya, unless "reforms" be implemented in the economic and political domains.

The statement, released Aug. 1, said that Nairobi "takes great exception to the breach of diplomatic etiquette by Baroness Lynda Chalker," Britain's minister of overseas development. It said that her behavior in Kenya, the week before, was "impolite and contemptuous, and likely to hurt the relations between the two countries."

The *Financial Times* on Aug. 2 quoted a second Kenyan government statement: "The country has carried out reforms in various sectors for the last four years. But since this is not appreciated, the government will think twice before carrying on with the reforms, which cause suffering to our people." The statement pointed out that Kenya "attained independence from Britain in 1963."

"White people see blacks as nothing. See, this British lady, just a woman, comes to Kenya and says, 'Do this and do that,' " Kenyan President Daniel arap Moi told a group of farmers in Nairobi. "It is as if she is handling kindergarten school kids, she is like their headmistress," Moi said in remarks relayed on the state Kenya Broadcasting Corporation and the Kenya Television Network of the ruling KANU party.

A spokeswoman for the British High Commission would not comment on newspaper reports that the row could affect a long-standing agreement allowing the British Army to train in northern Kenya.

## ***Pol Pot twist on Burundi 'ethnic cleansing'***

According to Burundi Communications Minister Germain Nkeshimana, Bujumbura University, the premier university in the country, has been completely cleansed of any Hutu students, after a terror campaign waged by squads armed by former Tutsi Prime Minister Jean Baptiste Bagaza. Bagaza returned to Burundi in 1993, after six years of exile in Libya. Hutu professors were also murdered. Hutus are also now fleeing other campuses. During the 1970s rampages of Cambodia's Pol Pot, all schools were closed, and students and teachers—in fact, anyone who could read—were systematically butchered.

According to Tanzania radio, the Burundi military, which is 99% Tutsi and backed by Uganda's British warlord Yoweri Museveni, is crossing the border into Tanzania to attack Hutu refugee camps there. "The same army has embarked on a campaign of destroying Hutu primary schools in villages along the border."

In Bujumbura, out of nine districts in the capital city, only two have any Hutu residents left. One district is Kamenge, from which most Hutus have fled after intense fighting in July, which left 75% of the district's houses destroyed, according to the Burundi communications minister.

In addition, according to the London-

● **EL TIEMPO**, a leading Bogotá newspaper, reported in its Aug. 5 edition on death threats received by *EIR* journalist Javier Almarío Almarío. The coverage breaks an 11-year blackout in all Colombian media of any mention of *EIR*, or of any organization or body associated with Lyndon LaRouche.

● **METHYL NITRATE**, mostly used by professionals, is likely the explosive used in the Paris St. Michel metro train bombing, police revealed in information first published on Aug. 3. The gas container had only a small hole through which the explosive had been introduced. Apparently the Armed Islamic Group (GIA) has often used this type of container for bomb attacks in Algeria.

● **ALGERIAN** opposition spokesman Rabah Kebir, of the Islamic Salvation Front (FIS), denied in an Aug. 3 interview with the French daily *Le Figaro* that Islamists are targeting France. He cautioned against hasty conclusions that Islamic radicals carried out the recent Paris bombing, and praised the Chirac government's Algeria and Bosnia policies.

● **THE TAMIL TIGERS** suffered their biggest defeat yet, when the Sri Lankan military took over and held against attack a stronghold of the Tamil Tigers in Jaffna peninsula of Sri Lanka over the July 29 weekend.

● **UKRAINE** has been affected since June by a cholera outbreak. By early August, health officials had notified the World Health Organization of 307 cases in Nikolaev Oblast and 5 in Kherson Oblast.

● **LIBYA** is funding Somalia warlord General Aideed, and Somalia is heading toward renewed total war, say sources cited by *Al Shara Al Aswat*, the London Arabic paper on July 21. Over 50 Libyan experts are said to be operating with military units attached to Aideed. Uganda's warlord President Yoweri Museveni also reportedly backs Aideed.

based Impact International, the Tutsi military is also slaughtering Burundi Muslims. In the Buyenzi district north of Bujumbura, 700 Muslims were killed by the military, and other Muslims fled the country for Zaire refugee camps. Buyenzi's Muslim religious leader, himself a Tutsi, was subject to repeated death threats with the charge that anyone who works for reconciliation is pro-Hutu.

The opposition Uprona Party, the Tutsi party which runs the military, has refused any mediation from the Organization of African Unity, and forced the cancellation of an OAU conference on Burundi to have been held July 26-27 in Ades Ababa. These reports were gathered by Paris Radio International on July 27.

## **Polish Catholic agency on LaRouche in Warsaw**

The following is from the June 14 bulletin of the Catholic Information Agency, which goes to the church hierarchy, Catholic newspapers, and universities in Poland.

"Prominent American economist and politician, five-time presidential candidate in the U.S.A., Prof. Lyndon LaRouche, participated in the Warsaw symposium titled, 'Development Is a New Name for Peace,' which was organized by the Polish Catholic-Social Union (PZSK) on June 10 in the House of Crafts in Warsaw.

"Professor LaRouche gave a speech on the subject of the just economic order based on the Christian view of a man as a basis for overcoming the present world financial crises, and on the subject of the importance of the definition of a man presented in the encyclical *Evangelium Vitae* for economic knowledge.

"Prof. Lyndon LaRouche, who is now 73 years old, in 1982 worked out a program for Latin America called 'Operation Juárez' in which he proposed to establish a union of indebted countries and create a new monetary system. Four years ago he published a program concerning rebuilding eastern Europe as a response to the changes undergo-

ing in this region of the world.

"As a result of his decisive campaign against the usurious policies of the IMF [International Monetary Fund], drug mafia, and financial oligarchy, he became a victim of a 'witchhunt' which led to his trial. He was sentenced to 15 years in prison for supposed conspiracy to avoid paying taxes. In January 1994, he was released thanks to the action of thousands of politicians, scientists, church people, and lawyers. Presently there is a campaign being run to exonerate him and his collaborators.

"The PZSK seminar was preceded by a mass celebrated by Bishop Wladyslaw Miziolek in the chapel of one of the Warsaw churches."

## **Prince Philip's monks want to stop Indian dam**

Claiming that the dam is being built in a Buddhist holy place, Buddhist monks in West Sikkim, India are demanding an immediate shutdown of a dam project in the region, and threatening to organize a rally of 600,000 monks from all over Sikkim to shut it down, according to United News of India. The sudden decision to target the project—which is already in the construction phase—comes at the point that Thai Buddhist non-governmental organizations (NGOs) are directly taking aim at India.

A recent confab of NGOs to create a "People's SAARC"—in imitation of the South Asian Association for Regional Cooperation government-level council—sporting a hefty delegation of Thai NGOs, including the Coordinating Committee for Human Rights in Thailand, the Thai Coalition for Peace and Development, the Campaign for Popular Democracy, the Student Federation of Thailand, and the NGO coordinating Committee for Rural Development.

Many of these Thai and Buddhist organizations work directly with Prince Philip's World Wildlife Fund, which considers the Buddhist monk "a natural gamekeeper," according to WWF literature.

## Hiroshima: Hamlet bombs out

by Lyndon H. LaRouche, Jr.

*This article was released on Aug. 7, 1995.*

Respecting the next several decades, and beyond, the vital strategic interests of the United States depend upon establishing secure forms of cooperation with Russia and the key nations of East Asia, most notably China and Japan. The stability of those nations, and our relations with them are crucial; otherwise, the world as a whole becomes a most perilous place for us all.

Whatever criticisms some might direct against it, the Clinton administration has been working toward such stability, often despite attempted sabotage, especially from London, but also from well-known hindquarters. The dominant factions centered in London are doing the utmost to wreck U.S. strategic interests: attempting to destabilize countries in South and Central America, Africa, the Middle East, South Asia, Russia, the Balkans, and East Asia, among other locales. So far, the United States under Clinton has kept its head above water, and has had a few significant, if inconclusive successes.

Now, comes another London-directed game. This time, a pack of credulous Americans—notably including veterans of the World War II Pacific Theater—have fallen into the trap. This threatens the fragile stability of U.S. relations with East Asia, and also Russia, threatening incalculable consequences for all of the nations of this planet.

These days, many Americans seem to find it difficult to resist a queen. Each report of dirty deeds which merry old London is doing to the United States, or Africa, or the Middle East, or the Balkans, brings a George-Bush-like, “I’m-sick-and-tired-of” whine, protesting: “Conspiracy theories!” One

hears Bush-league fairy tales on the subject of a poor little island fallen upon hard times, or of a withered old Snow White’s Disneyland monarchy in tatters. The common premise of such heart-rending fantasies, is the popular delusion that the United Kingdom is a nation, rather than a merely make-believe nation, the financial-oligarchical plantation which it is in fact.

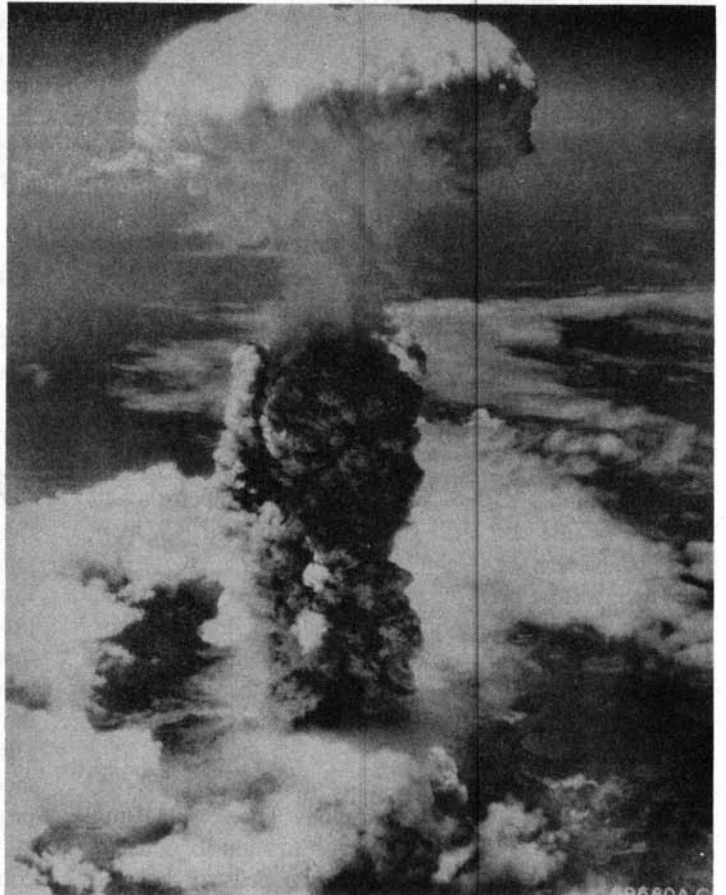
The subjects of the U.K. have really very little to say about British policy; policy is made by a Venice-style oligarchy of several thousand persons, of whom the currently dominant faction is typified by the “Doge” of Edinburgh’s World Wide Fund for Nature, or the wild right-wing doctrines of Lord William Rees-Mogg, Sir Peregrine Worsthorpe, and such Bush-linked Dwayne Andreas cronies as former Soviet Ambassador Bob Strauss and the Hollinger Corporation press empire. It is that dominant faction of that few thousand oil-and olig-archs, typified by the interests of Royal Dutch Shell, which makes current British policy against the United States.

The following report has a double significance. It outlines what might be called the “Hiroshima Gambit,” a sophisticated sort of ongoing chaos operation, which the London oligarchy is conducting against the flanks of the United States’ vital strategic interests. That operation is important in itself; but, it also illustrates the way in which the same roster of British con-men, time and time again, succeeds in swindling the United States into buying the proverbial used car without engine or wheels. Sad to say, the United States is taken in, again and again, not because those British oligarchs are so smart, but because so many influential Americans insist, so stubbornly, on being so terribly dumb!

Right now, Americans who insist that dropping the urani-



*The key to the bombing of Hiroshima and Nagasaki was Bertrand Russell's drive to make war so horrifying, that nations would surrender their sovereignty to a world government. Right: The atomic bomb explodes over Nagasaki, Japan, Aug. 9, 1945.*



um bomb on Hiroshima “saved one million American lives,” are being very stubbornly, terribly dumb.

### **The Hiroshima flap**

Within approximately a week following author Gar Alperovitz's review in the London *Sunday Times* of July 20, 1995, anyone who wished to know should have known. Alperovitz is working against his native United States, in the British interest. After two centuries of many like Jeremy Bentham's Aaron Burr, that, by itself, should not surprise us. What is pathetic, is the number of presently senior U.S. figures, who have decided to play the fool in this British game.

On the surface, the issue is the fiftieth anniversary of the U.S. nuclear bombing of the city of Hiroshima in Japan. Alperovitz writes, that there was no military necessity for the nuclear bombing of Japan cities; that far, he is right. The trouble is, too many veterans of the World War II Pacific Theater insist on retelling the lie which President Truman's crowd told them back then, that “one million American lives” had been saved by the bomb dropped on Hiroshima. That foolishness, by those veterans, could spell disaster for the United States whose honor they pretend,

mistakenly, to be defending. They are falling into London's Alperovitz trap.

I was in service in northern Burma at the time. I heard the Truman administration's lie, just as the rest of my fellow-veterans from the Pacific Theater did. At that moment, I believed the lie, too. Later, I corrected my error; I checked the facts, and found that I had been misled.

Also, after the war, I reread Shakespeare's *Hamlet*. Hamlet was a swashbuckling, macho fool, ready to thrust his sword at the man behind the curtain before he knew who was there. Hamlet was a born soldier, afraid of nothing but ghosts and ideas which conflicted with his well-established prejudices; it was those fears that killed him, and those stubborn prejudices which led him, and his kingdom to their doom. Like Hamlet, some surviving veterans of the Pacific Theater choose to blindly defend the lying myth of “The One Million American Lives Saved.” Like Hamlet, those old swashbucklers, too, are afraid of ghosts, and of ideas which might be contrary to a popularized mythology.

Consider the essential points. First, the facts about the U.S.A.-Japan military situation, 1945. After that, the significance of the way in which London is playing the issue of the Hiroshima bombing today: why that, which those

thick-headed veterans are doing, is so dangerous to the United States today.

## Spring/Summer 1945

By April 12, 1945, the day of President Franklin Roosevelt's untimely death, he, Gen. Douglas MacArthur, and Adm. Chester Nimitz had led the United States and Australia to assured victory in the Pacific Theater. Already, Japan's Emperor Hirohito was negotiating surrender with President Roosevelt, and other U.S.A. allies, working through Pope Pius XII's acting secretary for diplomatic affairs, Giovanni Montini (later Pope Paul VI). At the time Roosevelt died, the islands of Japan were already effectively blockaded; Japan's military situation was hopeless. Surrender on the Emperor's proposed terms was virtually assured within a few more months, as the logistical noose tightened sufficiently to end all Japan military leaders' resistance to the Emperor's will. At the time, the best U.S. guess was Autumn 1945, by no later than November.

There was no need for a military invasion of the islands of Japan. There was no military reason for dropping those nuclear weapons on two cities, Hiroshima and Nagasaki, of a Japan which had been utterly defeated; there was only a British geopolitical motive, which had almost nothing to do with Japan as such.

As Niccolò Machiavelli's commentaries on the ten books of Livy emphasized to many generations of professional military officers, there is no military justification for a deadly assault on an adversary who is already hopelessly defeated, and cornered; to invade Japan head-on, in such circumstances, would have been a folly fit for the court-martialling of any commander incompetent enough to order it.

There was one crucial motive for that bombing: Winston Churchill and Company wished those bombs used. Once Churchill's political adversary, President Franklin Roosevelt, was dead and buried, Churchill and his U.S. accomplices had their way with Harry S Truman.

Among London's first steps toward setting up dupe Truman to drop the bomb, was sending British asset Allen Dulles and his wretched James Jesus Angleton into Italy, to wreck the channel of peace negotiations being run through OSS Italy, and to discredit with lies the Vatican's mediation between Tokyo and Washington. Inside Washington, D.C., itself, the key London asset was the group of so-called "brain trusters" gathered around Churchill's crony, Averell Harriman, especially Secretary of War Henry Stimson. London's other key asset, Truman's Secretary of State James Byrnes, was a special figure in the configuration; but, the key was Gen. Douglas MacArthur's deadly, Anglophile enemies inside Washington, the crowd of the so-called "best and brightest" of the Liberal Establishment, around the patron of President George Bush's father, and, later of George Bush himself, Averell Harriman.

To understand the U.S. side of Hiroshima nuclear poli-

tics, keep your eye on the Harriman-versus-MacArthur controversy of 1945-51, and keep your eye on the significance of post-MacArthur U.N.O. policy in the Korean War: the model for dragging the United States as a nation down into the quicksands of the 1964-75 Indo-China war, and into London's 1992-95 Serbian Balkan War, conducted under U.N.O. management, later on.

First, look at Gar Alperovitz's role in this affair.

## The Enola Gay and Gar Alperovitz

The recent public stir over the Hiroshima issue began during 1994. The opening gun was an attack upon the Smithsonian Institution's plans to feature a partial reconstruction of the "Enola Gay," the B-29 bomber that dumped the uranium bomb on Hiroshima. The exhibit was intended as a memorial for the 1995 fiftieth anniversary of the bombing. In response to questions which the exhibitors raised about the need for the bombing, there was a flurry of letters and other documentation in the press, asserting that the bomb "saved 'One Million American Lives'"; there were a few token pieces expressing an opposing view. It was in that 1994 time-frame, that I wrote and published my 71-page report, addressing this subject: "How Bertrand Russell Became An Evil Man," in the Fall 1994 edition of *Fidelio* quarterly. For a time, the Hiroshima issue grew relatively quiet; once the somewhat modified Smithsonian exhibit opened, and August 1995 approached, the controversy flared again.

A veteran of the 1960s New Left, Gar Alperovitz, has contributed an increasingly prominent part in this 1994-95 process, even prior to his surfacing as an asset of British interests, with his London *Sunday Times* piece.

Alperovitz has a staked-out interest in the issue: his current, 847-page, \$32.50 book: **The Decision to Use the Atomic Bomb: And the Architecture of an American Myth**. This book has been used to establish Alperovitz as a putative authority on the subject of the Hiroshima-bombing policy. He has been wielding that literary authority with significant success over the recent months: in such locations as the *Washington Post*, the *New York Times*, the London *Sunday Times*, the London *Independent* daily, and the BBC.

On the least complicated aspect of the Hiroshima issue, whether or not there was a military need to bomb Japan, Alperovitz is usually right, and has the facts to prove it.

However, as it is said, Satan sometimes tells a half-truth, for the Devil's own reason; so it goes with Alperovitz. If the need to defeat Japan supplies no proper military premise for the nuclear bombing of Hiroshima, what then was the real motive of Stimson and those behind him? To that question, Alperovitz replies with a threadbare, decades-old relic from early during the Cold War era: to threaten Russia. That is the kind of half-truth of which big lies are made. That is the bait for the British strategic trap into which the Hamlets among our Pacific Theater veterans have fallen.

The key to the bombing of Hiroshima is Bertrand Russell's "The Atomic Bomb and the Prevention of War," published, a year after the bombing of Hiroshima, in the September 1946 edition of **The Bulletin of the Atomic Scientists**. Another key to the bombing of Hiroshima, is the speech delivered by Russell's crony, Dr. Leo Szilard, at the Second Pugwash Conference, held in Quebec, in 1958; this was the address which fully earned Szilard the fictionalized role of "Dr. Strangelove," in the Stanley Kubrick film of the same name. Another key to the 1945 bombing, is a May 10, 1982 public confession by a veteran "Pugwashee" and former U.S. Secretary of State, Henry A. Kissinger. On that occasion, Kissinger bragged of having been a British agent during "my White House incarnation" (of 1969-77), and explained that he was politically on the side of wartime Prime Minister Winston Churchill, against the American patriotic, anti-colonialist tradition of President Franklin Roosevelt.

As Russell and his crony, former British foreign-intelligence chief H.G. Wells, had insisted repeatedly before the war, their objective was to make war so horrifying, that nations would surrender their sovereignty to the arbitration of a world government, such as the United Nations Organization (U.N.O.)'s "Blue Helmets," instead. Russell's goal was never to eliminate war, but to eliminate the existence of the nation-state, especially the United States which Russell, like his grandfather, Lord John, envied and hated so bitterly all his adult life.

What the British oligarchy is doing, by bull-baiting duped old veterans with Alperovitz's sly half-truths, is to poison the foreign-policy atmosphere of the 1996 U.S. election campaign with the rewarmed lie of the "One Million American Lives Saved." To those credulous Americans, provocateur Alperovitz offers, "If not Japan, then Russia." The effect of such a ruckus among already half-crazed American populists, is to tend to render the foreign policy of a President politically unmanageable during the reelection-campaign period. At the same time, that London-managed chatter in the U.S.A. and British mass media, enrages already infuriated Moscow, Tokyo, and Beijing to the relative maximum degree.

One key fact, which should suffice to upset London asset Alperovitz's version of Hiroshima, is that it was not the United States alone which dropped the bomb on Hiroshima: It was Churchill delivering orders to dupe Truman through Secretaries Byrnes and Stimson. It was the same policy used for the Churchill war-crime known as the militarily useless British fire-bombing of Dresden. The targeting of a militarily irrelevant civilian center, Hiroshima, for the dropping of the first bomb, was a direct continuation of the Churchill-Lindemann imitation of Nazi Propaganda Minister Josef Goebbels' policy of *Schrecklichkeit*: blind terrorism against civilian populations (as in Oklahoma recently) as a strategic weapon.

There is a second fact, a much deeper reason for both

the Hiroshima bombing and the London propaganda stunt on whose behalf Alperovitz is currently deployed. Whoever does not know and understand this fact, is not qualified even to speak the phrase "foreign policy." The name of this fact is "British balance-of-power doctrine," the only doctrine which Henry A. Kissinger ever really learned during his 1950s and 1960s apprenticeship in the British foreign-intelligence service.

### **'Britain has no permanent allies'**

Britain's Lord Palmerston explained the monarchy's "Balance of Power" politics to the British Parliament this way: Her Majesty's government has no permanent allies, only permanent interests. This standing British "balance of power" doctrine, was established by the present monarchy's mother, the financier oligarchy of Venice, by approximately A.D. 1510.

That latter watershed is the triumph of Venice's diplomacy, in the time of the notorious Gasparo Contarini, in pitting Venice's enemies, the League of Cambrai, at one another's throats, in a moment when the League was about to rid Europe once and for all of the usurious evil which Venice represented. Later, during the last quarter of that Sixteenth Century, Venice adopted the policy of developing the Netherlands and London as the capital of a new, worldwide financial and maritime power, to be a clone of Venice. Venice took control of the English monarchy by 1603, established its British monarchy in 1714, and launched the British Empire, under the direction of the William Fitzmaurice Petty known as "Shelburne," beginning 1763.

The history of Europe since A.D. 1510 poses the crucial question: How did tiny, physically weak states such as Venice and, later, Venice's clone, Britain, contrive to exert imperial diplomatic hegemony over many nations more numerous and more powerful than itself? The answer, is "balance of power" politics: to play powerful potential competitors against one another, and to orchestrate the balance of power between them to one's advantage.

When Britain sensed its power threatened by economic cooperation among 1890s France, Germany, and Russia, London organized the Entente Cordiale, with the Anglophile French faction of Palmerston's former puppet, Napoleon III, and, with aid of Britain's Serbian puppets, created the Balkan Wars and the Triple Entente, putting France, Germany, and Russia at one another's throats in World War I.

When Britain feared, in 1932-33, that the Great Depression was impelling Germany toward economic cooperation with the Soviet Union, Sir Peregrine Worsthorne's stepfather, Montagu Norman, worked with the New York Morgans and Harrimans to bring Nazi Adolf Hitler to power in Germany, to ensure a future, mutually devastating war between Germany and Russia, in which Britain hoped the two nations would bleed each other to death. The British monarchy backed Hitler's consolidation of power in Germany, during

1933-38, and then abandoned its Hitler protégé, in preparation for the pre-arranged general war in Europe.

During World War II, Britain's great fears were, that the U.S.A. would force Britain to accept bringing Germany to defeat "prematurely"—before a sufficient number of Germans and Russians had been killed to satisfy Winston Churchill's appetite. The other great fear among Churchill's circles then, was that an anti-colonialist Roosevelt would organize relations with a realistic Stalin and a unified China, to the purpose of defeating London's design for the postwar world. London's answer to this latter threat, was to organize a balance of nuclear terror between Washington and Moscow, which London would manage, through the aid of its agents within both capitals, ensuring decaying London's continued intellectual and financial hegemony over a "balance of power" world-order.

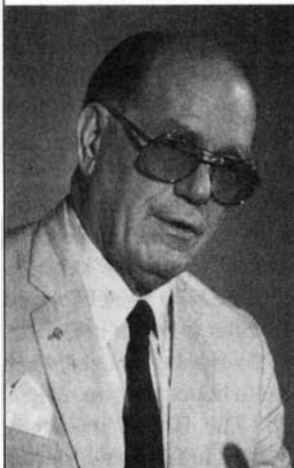
Today, the International Monetary Fund-centered, worldwide monetary and financial system is heading toward an unavoidable, early collapse. Either powerful nation-states put the old financial order into government-controlled bankruptcy-reorganization, or the world as a whole descends into chaos. The majority within the British oligarchy, those allied with voices such as Prince Philip, Lord William Rees-Mogg, and the Hollinger Corporation press, prefer chaos. A stable new monetary and financial order, arising out of the bankruptcy of the old, would represent a world in which London's

former financial position was ended, and the power of the London-centered oligarchy—Royal Dutch Shell, British Petroleum, and so on—reduced to also-rans or worse.

In this circumstance, that faction, currently in the saddle in London, is engaged worldwide in a wrecking-campaign, pure and simple. London uses its right-wing Israeli and Hamas assets, in the attempt to destroy the efforts of Rabin and Peres, together with Yasser Arafat, to build peaceful cooperation in the Middle East. London acts, around the planet, with the intent to ruin U.S.A. Clinton administration policy in the Balkans, and toward Moscow, Beijing, Tokyo, Delhi, and western Europe as a whole. London uses willing assets such as former President George Bush's Halcyon mob, London's assets inside the Criminal Division of the Justice Department and FBI, and outright London assets such as the *American Spectator* and Speaker Newt Gingrich, to cause as much chaos inside the U.S.A. as possible.

The Kitson-style gang-and-counter-gang operation which London has orchestrated between Gar Alperovitz and the Hamlets of the Pacific Theater veterans circles, is an important, and potentially dangerous, added element in London's global chaos game. One hopes those Pacific Theater veterans will come back to their senses before their Hamlet-like, swashbuckling fear of ghosts and serious thinking, causes some very unpatriotic damage to the future of the United States.

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Baltimore . . . . .	1700	Mexico City . . . . .	1600
Bangkok . . . . .	0500*	Milan . . . . .	2300
Beijing . . . . .	0600*	Minneapolis . . . . .	1600
Belfast . . . . .	2200	Montreal . . . . .	1700
Berlin . . . . .	2300	Moscow . . . . .	0100*
Bohemian Grove . . . . .	1400	New Delhi . . . . .	0330*
Bogota . . . . .	1700	New York . . . . .	1700
Bonn . . . . .	2300	Nogales . . . . .	1500
Bombay . . . . .	0330*	Norfolk . . . . .	1700
Boston . . . . .	1700	Oslo . . . . .	2300
Bretton Woods . . . . .	1700	Paris . . . . .	2300
Bucharest . . . . .	2400	Philadelphia . . . . .	1700
Buenos Aires . . . . .	1900	Pittsburgh . . . . .	1700
Buffalo . . . . .	1700	Prague . . . . .	2300
Cairo . . . . .	2400	Rangoon . . . . .	0430*
Calcutta . . . . .	0330*	Richmond . . . . .	1700
Caracas . . . . .	1800	Rio de Janeiro . . . . .	1900
Casablanca . . . . .	2200	Rome . . . . .	2300
Chattanooga . . . . .	1700	St. Louis . . . . .	1600
Chicago . . . . .	1600	St. Petersburg . . . . .	0100*
Copenhagen . . . . .	2300	San Francisco . . . . .	1400
Denver . . . . .	1500	Santiago . . . . .	1800
Detroit . . . . .	1700	Sarajevo . . . . .	2300
Dublin . . . . .	2200	Seattle . . . . .	1400
Gdansk . . . . .	2300	Seoul . . . . .	0700*
Guadalajara . . . . .	1600	Shanghai . . . . .	0600*
Havana . . . . .	1700	Singapore . . . . .	0530*
Helsinki . . . . .	2400	Stockholm . . . . .	2300
Ho Chi Minh City . . . . .	0600*	Sydney . . . . .	0800*
Honolulu . . . . .	1200	Teheran . . . . .	0130*
Hong Kong . . . . .	0600*	Tel Aviv . . . . .	2400
Houston . . . . .	1600	Tokyo . . . . .	0700*
Istanbul . . . . .	2400	Toronto . . . . .	1700
Jakarta . . . . .	0500*	Vancouver . . . . .	1400
Jerusalem . . . . .	2400	Vladivostok . . . . .	0800*
Johannesburg . . . . .	2400	Venice . . . . .	2300
Karachi . . . . .	0300*	Warsaw . . . . .	2300
Karneburkport . . . . .	1700	Washington . . . . .	1700
Kiev . . . . .	2400	Wellington . . . . .	1000*
Khartoum . . . . .	2400	Wiesbaden . . . . .	2300
Lagos . . . . .	2300	Winnipeg . . . . .	1700
Lima . . . . .	1700	Yokohama . . . . .	0700*
Lincoln . . . . .	1600	Yorktown . . . . .	1700
Lisbon . . . . .	2300		* Mondays

# Lying media shape Hiroshima 'debate'

by Paul Goldstein

On the 50th anniversary of the atomic bombing of Japan, the U.S. electronic and print media have engaged in a propaganda campaign to justify the decision of President Harry Truman to drop the bomb. During the last several weeks, every major newspaper and television and radio show has extensively covered this historic event. With a few exceptions, all of the coverage has been heavily weighted toward guiding the audiences into again accepting, after 50 years, the idea that the atomic bomb's use was a military necessity. Opposition to dropping "The Bomb" was characterized by Washington Beltway pundits and TV commentators as coming from a group of politically correct "revisionist historians," who see the decision to use atomic weapons as the beginning of the Cold War.

The media circus is a "chaos game" aimed at manipulating a passive audience into accepting one of two choices—support for or opposition to "The Bomb"—with the truth buried by the emotional rubble. This propaganda blitz, which began a full year ago when the Smithsonian Institution launched an exhibition on the Enola Gay, is a construct, designed to look like a debate on "Why the Bomb Was Dropped," but never leading its victims to a proper understanding of what happened.

## Gangs and countergangs

From the very inception of the exhibition, veterans groups protested the Smithsonian's display, claiming it was based on present-day judgments of political correctness, portraying the "Japanese as victims" of the U.S. decision to drop the bomb, while ignoring Japanese atrocities against American POWs. As we write today, most veterans organizations are still decrying the "liberal media" for giving too much ground to "revisionist historians" and supporting the "revisionist" argument that it was not necessary to drop "The Bomb."

In the meantime, New Left British asset Gar Alperovitz was leading "the opposition," the "revisionist historians." His recently published book *The Decision to Use the Atomic Bomb: And the Architecture of an American Myth* (New York: Alfred Knopf, 1995) tries to show that Japan was already defeated and that dropping the bomb was unnecessary. Alperovitz reports accurately that even the U.S. Strategic Bombing Survey had predicted a Japanese collapse before the scheduled November 1945 invasion of Japan.

To keep this so-called debate going, the military and intelligence community establishment trotted out one prominent historian, Russell F. Weigley, Distinguished University Professor at Temple University, to refute Alperovitz's claim that Japan was about to collapse militarily. Weigley also chastised Alperovitz for not properly considering the intelligence reports from top-secret MAGIC and ULTRA intercepts, which purportedly show that the Japanese government was in the hands of hard-line militarists committed to fighting to the last man.

Reinforcing this "institutional" view is an article that appeared in the July 31 issue of *U.S. News and World Report*, which asserts that "Japan was beaten, but unbowed. Its Navy was mostly beneath the waves, its Air Force smashed, its cities battered. Yet Allied intercepts of communications revealed that the militarists in charge in Tokyo were bent on vindicating their honor and that of their emperor through a bloody, bitter-end defense of the home islands."

Since the "controversy" of the Smithsonian's Enola Gay exhibition, the *New York Times* and *Washington Post* belatedly joined "the debate" on the impact of the dropping of "The Bomb." In all their articles, there was not a hint of the real reason for dropping the bomb. A lead editorial in the Aug. 6 *New York Times*, "Hiroshima, 50 Years Later," went to great lengths to whitewash the role of Secretary of War Henry L. Stimson, attempting to lend credibility to the idea that Stimson was one inner circle figure who sought to "modify the unconditional surrender policy so that Emperor Hirohito could remain on the Japanese throne."

The July 24 cover story in *Newsweek* (which is owned by the *Washington Post*), titled "Hiroshima: August 6, 1945: Why We Did It," also portrayed Stimson as one of Truman's advisers with doubts about dropping the bomb. Evan Thomas, the author of the article and apologist for the liberal establishment, wrote, "The only voice agitating for a political solution belonged to Henry Stimson and his view was edged in doubt."

Self-serving diaries penned by Stimson and used by Thomas, Alperovitz, and other authors, purport to show Stimson's reluctance. One account has Stimson protesting the idea of dropping the bomb on Kyoto and being upset about Gen. Curtis LeMay's firebombing strategy against Tokyo, which killed 150,000 Japanese in a ten-day period in March 1945.

While some of the diary's entries express a half-truth, Stimson had a notorious penchant for lying. Not only did he approve an article written by his Skull and Bones Society protégé, McGeorge Bundy, in a 1947 issue of *Reader's Digest*, titled "We Saved a Million Lives by Dropping the Bomb," but he was one of the main figures involved in covering up the so-called "intelligence failure": the Japanese surprise attack at Pearl Harbor.

Television coverage also tried to give the appearance of a full-scale debate. ABC's "Nightline" used a compelling





Visitors inspect the fuselage of the plane that dropped the atomic bomb over Hiroshima. An exhibition on the Enola Gay at the Smithsonian Institution began the current propaganda campaign on "Why the Bomb Was Dropped."

and emotional piece on how the bomb saved the lives of American and Allied prisoners of war. CBS's "48 Hours" had a broadcast with Gen. Norman Schwarzkopf (ret.) and anchor Dan Rather, going through a detailed military history of the battles in the Pacific leading to the bombing of Hiroshima. *U.S. News and World Report's* July 31 issue, "50 Years Later: Hiroshima, The Aftershocks," displayed a military map detailing how the United States was going to invade Japan. Entitled "The Domsday Scenario Truman Averted," it states, "The bloodbath was avoided when the atomic bomb forced Japan to surrender."

### The key myths

Ironically, one of the central issues for which the bomb was dropped is barely mentioned in all this coverage: Bertrand Russell's agenda for world government. Only *U.S. News and World Report* covered the fact that leading writers, politicians, and scientists in 1945 were clamoring for a "world government." "Max Lerner, Dorothy Thompson, E.B. White, and a number of scientists joined a boomlet for world government. . . . Even the conservative *Reader's Digest* printed an article declaring, the 'atomic bomb has made political and economic nationalism meaningless,'" reported the magazine. Albert Einstein was mentioned in passing as being "behind the cause of world government."

The myth that dropping the atomic bomb was a military necessity continues to receive the greatest coverage, because the aim of its perpetrators was to force all governments to sacrifice their sovereignty and surrender to a "world govern-

ment system." Even the lying Stimson reveals in a slightly disguised form his underlying assumptions, when he recounted in his diary that dropping the bomb "may destroy or perfect International Civilization. . . . The weapon could be a means for World Peace, or it may be a Frankenstein." The notion of "World Peace" was a code-phrase for oligarchical "world government."

Another key myth was that the American military establishment adoringly supported the bombing. In reality, a sizeable faction opposed the policy. Gen. Dwight Eisenhower, along with FDR's Chief of Staff Admiral Leahy, voiced consistent opposition. An assistant secretary of the Navy resigned in protest over the bombing. In fact, the Navy in general wanted to blockade Japan into submission, and opposed a full-scale invasion. Even though Gen. Douglas MacArthur drew up the invasion plan "Operation Olympic and Operation Coronet," he viewed it with great trepidation. It is not generally known, but MacArthur viewed the Marine assault and subsequent slaughter at Iwo Jima and Okinawa as incompetent and unnecessary. Iwo Jima and Okinawa were seen as the prelude to a U.S. invasion of Japan, and shaped the projections of casualties which were used to justify the bombing. The Army, Air Force, and ground forces generally supported dropping the bomb.

Perhaps the single most important myth is that the "militarist" faction was in control of Japan and would continue the war, and that the peace faction was only a small group of "civilians," mainly in the Foreign Ministry. However, the U.S. command knew from the MAGIC intercepts that the

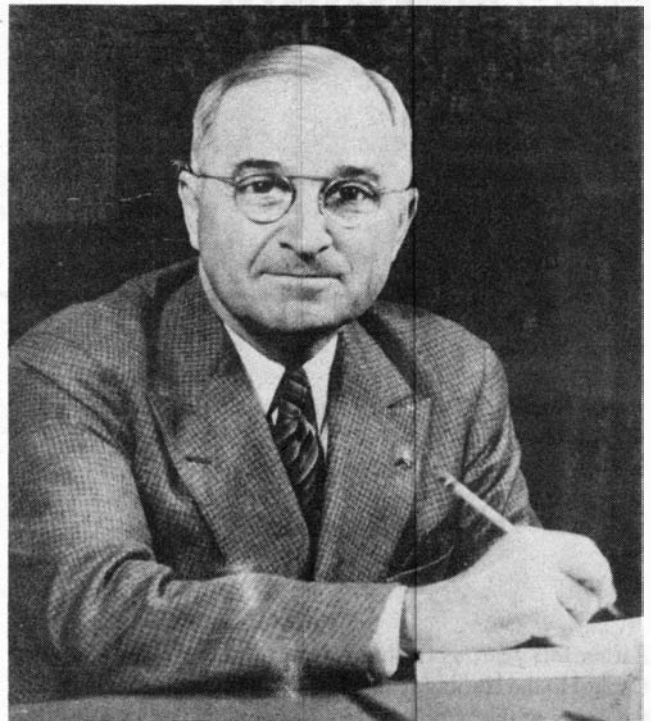
emperor wanted to pursue peace. "It is His Majesty's heart's desire to see the swift termination of the war," read a MAGIC cable. Moreover, as Lyndon LaRouche has pointed out, British intelligence sought, at all costs, the sabotage of the Vatican-Japanese peace negotiations. British asset Allen Dulles, then head of OSS Germany, and the scoundrel James Jesus Angelton, with backing from the highest levels of British intelligence, the "Double Cross Committee" (XX/C), operated a clever stratagem designed to pull the rug out from under these sensitive negotiations, by discrediting the "Vessel Operation." The Vessel Affair is dismissed by every historian as a fraud.

However, Vessel was not just a putative Vatican source, but a well-organized network within the Vatican, operating under the direction of Giovanni Montini, which conducted negotiations between the Vatican and the Japanese with the full knowledge of President Roosevelt and the emperor of Japan. During the 1944-45 interval of relevance to Operation Vessel, Montini was an acting secretary of Pope Pius XII's Secretariat of State of the Vatican, responsible for non-diplomatic affairs, although actually dealing with Japan diplomats in connection with the Vessel Affair.

Moreover, the Japanese "Peace Faction" was not just a bunch of bureaucrats inside the Foreign Ministry, but included leading members of the Navy establishment, which historically had opposed the Army—a fact well known to U.S. intelligence. Although all the relevant documents have yet to be declassified, it is clear that the XX/C, which in effect ran OSS's X-2 (counterintelligence and counterespionage), effectively utilized their asset Angleton to discredit the Vessel, ensuring that a Japanese surrender, with the emperor still in power, would never succeed.

The famous May 18, 1945 meeting at the White House with Stimson, Assistant Secretary of War McCloy, the Joint Chiefs of Staff, and President Truman, to discuss modifying the unconditional surrender policy which would have permitted the Japanese to keep the emperor, was a clever ploy aimed at duping the President of the United States, the haberdasher Harry Truman. It is now virtually certain that had FDR lived, he would have ended the war with Japan through the Vessel negotiations.

Finally, and one of the most explosive myths, is the notion that the supremacy of "air power" won the war in Europe and Japan. Up until the Hiroshima and Nagasaki bombings, the United States and Britain had conducted massive carpet- and firebombings of civilian areas, aimed at breaking the will of the population to conduct war. Based on the assumptions of this air power doctrine, the British led the bombing of the cultural center of Dresden, Germany, while the United States carried out the firebombing of Tokyo, which cost the lives of over 100,000 to each city. These actions were touted as the hallmark of the doctrine of air power. In both cases, as all intelligence reports at that time indicated, these so-called strategic bombings failed to ac-



*President Harry Truman: His decision to drop the atomic bomb was viewed by the "air power" utopians as a vindication of their doctrine.*

complish their intended aim.

In fact, until the dropping of the atomic bombs, the air power "utopians" were churning out psychological warfare propaganda extolling the great success of "strategic bombing." When the decision was made by Truman to drop the bomb, it was viewed by the air power utopians as not only a continuation of their doctrine, but its complete vindication.

The Army Air Corps, later the Air Force, promulgated this air power doctrine, in which atomic weapons became the supreme power in warfare, thereby virtually eliminating the need for ground forces to occupy and control enemy territory. Later on, this became the justification for the British-inspired notion of "Mutual Assured Destruction," arising out of the Strategic Bombing Survey and Army Air Corps. Not only did this strategic doctrine produce the insane ideas of Vietnam-era Defense Secretary Robert McNamara; it was the *raison d'être* for initiating the war in Vietnam, as a "limited" or "cabinet warfare" operation.

As *EIR* has documented over the years, the British intelligence-controlled left-wing peace movement, created by Bertrand Russell, was entirely built in opposition to the use of atomic weapons and of peaceful nuclear power. It is one of the great ironies of history that the very veterans organizations which continue to support the dropping of the bomb are, de facto, whether they realize it or not, supporting the historical creation and continued existence of the left-wing pacifist and radical anti-nuclear organizations.



# Fissures in the ranks wreak havoc on conservative agenda

by William Jones

Earlier this year, as freshmen Republicans walked from the Capitol to the Heritage Foundation, following, goggle-eyed, the gurus of the “Conservative Revolution” led by knuckle-dragger Rush Limbaugh and salon floozy Arianna Huffington, they felt confident of being able to force their radical agenda on an unsuspecting America. After an initial 100 days of frenetic activity, in which they succeeded in ramming through hardly one-third of their agenda, the Conservative Revolution and its Contract with America started to falter. The “steamroller” of House Speaker Newt Gingrich (R-Ga.) began to sputter.

At this point, the “sound and fury” of the first hundred days is beginning to look more and more like the “tale told by an idiot.” After all, behind all the fanfare about Newt’s Contract, was the Big Lie that the American people had somehow in the November elections bought the panaceas of the Conservative Revolution. The media hype around the beaming “Boy Wonder” served to make the Big Lie almost credible. But the ugly reality of the conservative agenda began to show itself in a practical way—in the fissures developing over that very agenda within the Republican Party itself.

## **Deserted on environmentalism**

Confirmation of the splits was seen in the scurrying of many GOP lawmakers over an Appropriations bill for the Environmental Protection Agency. On July 28, fifty-one GOPers joined 160 Democrats to eliminate a broad package of provisions that would have curbed the EPA’s enforcement of clean air and water standards. The EPA had come in for a lot of criticism for its draconian restrictions—for ostensibly environmental reasons—on industrial development and exploitation of natural resources.

Over the past years, the environmental lobby has succeeded, in both the Bush and Clinton administrations, in

implementing a large part of its “green” agenda. Only recently has the Clinton administration begun to ease up on many of the restrictions imposed by the EPA. Because of the pervasiveness of its activity, the EPA has become a symbol for many of “intrusive government.” The Republicans succeeded in tapping that growing dissatisfaction against the environmental lobby, despite that lobby’s pervasive influence in the Bush administration.

The current bill would significantly reduce EPA funding. Not being satisfied with that, conservative Republicans went hog-wild, introducing 17 riders to the bill, which would have barred the EPA from using funds to enforce a slew of regulations affecting pesticides, emissions from oil refineries and toxic waste incinerators, runoff of storm water and sewage into rivers and lakes, and accident prevention plans in chemical plants. Not wanting to be labeled as “anti-environmental” by the green wing of the party, many Republicans joined with Democrats to eliminate those riders. As Rep. Wayne Gilchrest (R-Md.) put it, “They [the voters] may have been voting to get government off their backs, but they weren’t voting to get arsenic in their water or benzene in their air,” indicating the fears of how their vote might be played by their opponents.

House Republican leaders, aghast at what had happened to one of their pet projects, quickly moved to limit the damage. On July 31, House Majority Leader Richard Armey (R-Tex.) signaled that he would, under House rules, force a second vote on the matter after the House had completed all other action on the bill. As legislators began to straggle back from their weekend in the districts, they were hit by lobbyists and fellow legislators eager to get them to reverse the earlier vote. Rushing to a vote before all legislators had returned, Armey just barely succeeded, in a 210-210 tie vote, in maintaining the riders intact.

## Housing, labor bills changed

In other action, a revolt led by Rep. Rick Lazio (R-N.Y.) produced changes in a housing appropriations bill which, at Lazio's urging, restored more than \$600 million in housing funds for the elderly, sick, and disabled, and eliminated rent increases. Another measure that would have eased enforcement of job safety and labor laws, also provoked a revolt from Republicans in districts with strong labor constituencies, who feared the electoral fall-out from such anti-labor provisions. As Capitol Hill staffers have readily admitted to *EIR*, legislators are getting the message from their constituents back home that they aren't exactly thrilled by the "Contract" agenda.

Another issue that has helped fuel constituent anger toward GOP representatives in recent weeks, has been the inept and flagrantly partisan handling of the Waco and Whitewater hearings. When congressmen, especially first-termers, went back home for the July 4 recess, they began picking up dissatisfaction over the partisanship. Those feelings were aggravated by the middle of July, when the Senate Whitewater and House Waco hearings turned into such shameful performances. This added to the growing belief among many Republicans, according to Washington sources, that they had better show a bit more independence from Gingrich, Arme, and the House leadership.

## Abortion, taxes, and welfare 'reform'

A sensitive item that was conspicuously absent from the Gingrich Contract, dealt with abortion. Although many of the newer conservative Republicans are pro-life, the New Age Gingrich, ever a pragmatist, didn't want to touch that "hot-button" item prior to an election campaign. But even after the elections, Gingrich has done everything to skirt the issue—much to the chagrin of many conservative members. Inevitably, however, it did come up and proved one of the most rancorous issues in the Republican Party.

Anti-abortion activists and the Christian Coalition made an all-out effort to eliminate funding for a 25-year-old federal family planning program. The \$193 million for the program was eliminated when the bill was reported out by the Appropriations Committee. But when the measure came to the floor on Aug. 2, the money was restored in a 224-204 vote. On Aug. 3, in a raucous session, the House passed a measure that would deny Medicaid funding of abortions even to victims of rape or incest—two of the conditions, together with danger to the life of the mother, under which most pro-life Republicans have said they would allow abortion. Tensions were so high, that Gingrich had to lead a "T-group session," in which both sides were allowed to air their grievances, in order to bring about some semblance of unity. Ironically, a day later, the Senate voted 50-44 to maintain abortion coverage in federal employee health plans in cases of rape, incest, or in which the mother's life is endangered.

No one is more aware of the problems entailed by this "house divided" than Senate Majority Leader Robert Dole

(R-Kan.), who is attempting to unify the party around his presidential candidacy. Aware of the new-found strength of the Republican Right, Dole is attempting to trim his sails accordingly. Having earlier refused to sign a "no new taxes" pledge, Dole this year signed an anti-tax pledge. Although more of a "deficit hawk" than a tax-cutter, Dole is now championing tax cuts as a panacea for economic problems and government "excesses."

The dichotomy in the Republican Party is nowhere more marked than in the jockeying for the Republican presidential nomination between Dole and Sen. Phil Gramm (R-Tex.). The Republican stalking-horse of "welfare reform" has served as the most recent focus of the Dole-Gramm fight.

A welfare reform proposal has already moved through the House. It contains all the shibboleths of the conservative agenda: It would turn over welfare to the states, with strict requirements to deny aid to teenage mothers, legal immigrants, many disabled children, people on the rolls for more than five years, and those adults who won't work.

In the Senate, Dole has put forward a similar but not so mandatory proposal. The Dole legislation would end the guarantee that poor Americans are entitled to welfare benefits, and would farm out the money and the responsibilities to the states in the form of lump-sum grants. But in Dole's proposal, it is left up to each state to decide how draconian the restrictions will be, and who gets the benefits and who doesn't. President Clinton immediately criticized this approach, saying it was a "very bad idea" to give states block grants without a federal requirement that they use the money for welfare.

Gramm was not happy with this "passing the buck" to state discretion. Gramm attacked the proposal as "token" welfare reform, claiming that the majority leader was still proposing to "pay welfare recipients more money to have more children." Always eager to cozy up to the Christian Coalition, whose votes he hopes to win in his presidential bid, Gramm said that he wanted to "strengthen" the Dole legislation, i.e., to shape it more in conformity with the Conservative Revolution agenda. Gramm would force states to take away money from recipients who don't work, and cut off funding to unwed mothers under 18 and to welfare mothers who have additional children, and to legal immigrants. At last count, Dole had 33 sponsors for his bill; Gramm had 26.

With Democrats opposed to both bills and with Gramm-supporter Sen. Lauch Faircloth (R-N.C.) threatening to filibuster the bill unless the Gramm amendments were added, the situation had become a "Mexican stand-off." On Aug. 8, Dole took the legislation off the Senate agenda, postponing any resolution until after the August recess.

How successful Dole will be in bringing his "house" in order has yet to be determined. That the fissures will become greater rather than less the more we get into the election season, is all but certain—as the feeling "back in the district" starts to take precedence over the Washington Beltway "theater of the absurd."

# School 'privatizers' caught in new scam

by Charles Tuttle

Advocates of school "privatization" and other schemes aimed at looting America's \$800 billion per year public education budget are becoming increasingly desperate, as parents, teachers, and school officials in many parts of the country continue to throw up serious obstacles to their plans.

One of the more important national test cases for school privatizers is playing out in Wilkesburg, Pennsylvania, a suburb of Pittsburgh. The case is important for two reasons. First, it breaks new ground in tearing apart the tenure system, an underpinning of American education, and, second, it involves a head-to-head showdown with one of the pivotal figures in the Conservative Revolution—Mont Pelerin Society and Heritage Foundation moneybags Richard Mellon Scaife.

In early 1995, the Wilkesburg School Board signed a contract with the Nashville-based Alternative Public Schools Inc. (APS), placing the company in charge of the Turner Elementary School, and granting it extraordinary powers, including the right to "furlough" tenured teachers, who were members of the Wilkesburg Education Association (WEA, a local union affiliated with the National Education Association), and set up their own staff and faculty to privately manage the school.

On July 18, a day after the board met to work out plans to accelerate payments to APS to ensure the program was in place by the start of the school year, two dozen Turner teachers were furloughed.

## Mellon Scaife's 'baby'

The Wilkesburg pilot project, known as the "Turner Initiative," was started last year, when Richard Mellon Scaife gave the school board \$25,000 in foundation money to launch the experimental school.

Following the furloughing of the teachers, the WEA filed a lawsuit to void the contract. On March 30, Allegheny County Common Pleas Judge Judith Freeman ruled that the Wilkesburg contract was, in fact, illegal.

Richard Mellon Scaife next arranged for the Landmark Legal Foundation, a libertarian group heavily funded by two of his family trusts, to file a counter-suit to have the contract reinstated. After contradictory lower court rulings, a Pennsylvania state appeals court ruled on July 17 that the contract was illegal. Nevertheless, after being informed of the court decision, the Wilkesburg School Board voted later the same day to go ahead with the contract, and authorized the wiring

of \$950,000 in public funds to APS so they could hire replacement teachers in time for the Aug. 27 start of the new school year.

When she learned of the board's action, Judge Freeman scheduled an Aug. 17 contempt of court hearing that could lead to the jailing of Wilkesburg School Board members and attorneys if she decides that the district illegally proceeded with plans to privatize Turner.

The day after the state court threw out the Wilkesburg contract, Gov. Tom Ridge (R) lamented the ruling, promising to introduce legislation in the fall that would permit districts to turn over operation of elementary and secondary schools to private firms.

Ridge, in June, pushed legislation as part of the upcoming year's education budget, allowing for charter schools, vouchers, privatization, and other "school choice" programs. However, the Pennsylvania House Rules Committee eliminated a provision in the package to give districts broad authority to enter into contracts with private firms to run schools—including authority to suspend teachers or other staff "not needed" under the private contract.

In a tumultuous session in the state House on June 16, Speaker Matthew Ryan (R) and Majority Leader John Perzel (R) pulled the bill from the floor at the last minute in order to avert certain defeat.

Minority Leader H. William DeWeese (D) denounced the GOP action as reminiscent of politics in an eastern European totalitarian state. Another provision shot down in the same session, was a "home rule statute" which would have given local school districts autonomy to charter local experimental schools with no requirement to comply with state school codes.

Similar maneuvers by U.S. House Speaker Newt Gingrich (R-Ga.) to use the District of Columbia as a national showcase for privatization under the auspices of the D.C. Financial Control Board, have also run up against a brick wall. Rep. Steve Gunderson (R-Wisc.), Gingrich's point-man on education in the Speaker's D.C. Task Force, is pushing a combination of charters, vouchers, and privatization on D.C., but has been unable to marshal public support.

And efforts by the D.C. School Superintendent to give Education Alternatives, Inc., the Minneapolis-based company that has an abysmal track record in running schools in Baltimore and Hartford, contracts to administer a dozen District schools also was blocked. A vote scheduled on July 28 by the D.C. School Board was cancelled when privatization advocates on the board, aware that the EAI contract would be soundly defeated, boycotted the meeting to prevent a quorum.

The pattern of parliamentary tricks and violations of the law that have been recently used by the would-be privatizers may have bought them time, but it is not winning them support from parents and educators who are painfully aware of the crisis in the nation's schools, but who have not been bamboozled by "free market" rhetoric.

# Is the Unabomber's skin green?

by Rogelio A. Maduro

Increasing evidence indicates that the most dangerous serial bomber in U.S. history, the so-called Unabomber, may be an environmental activist. In early August, one of the foremost experts on eco-terrorism, private investigator Barry Clausen, released a "hit list" that appeared in a 1990 underground newspaper distributed by members of the self-professed terrorist group Earth First! Two of the most recent victims of the Unabomber were among the top three names on the list of 11 targets. Two other victims had been singled out in the newspaper. This would seem to indicate that the Unabomber is using this material for his campaign to destroy industrial civilization.

Clausen's revelations became major news stories. On Aug. 3, the *Sacramento Bee* in California published a front-page story on the hit list. That evening, both ABC and NBC carried nationally televised interviews with Clausen describing the list and pointing out the similarities between the Unabomber's philosophy and that of Earth First! Clausen knows Earth First! well. He infiltrated the organization in the early 1990s, and was able to gather first-hand evidence of their terrorist activities and future plans. He also discovered the close ties between Earth First! and "mainstream" environmental groups such as Greenpeace.

The hit list, titled the "Eco-F—ker Hit List!," appeared in a 1990 issue of the underground newspaper *Live Wild or Die*. The first name on the list was that of the Timber Association of California. In April of this year, its head, Gil Murray, was killed by a bomb sent by the Unabomber. The bomb had been addressed to Murray's predecessor, care of the Timber Association of California. This is a tell-tale sign, since the association had been renamed the California Forestry Association several years ago. The Unabomber sent his mail-bomb to an old name and address.

The third name on the hit list was Exxon Corp. One of the individuals killed by the Unabomber last year was Thomas Mosser, an advertising executive who worked for Burson-Marsteller. In letters to the *New York Times* and the *Washington Post*, the Unabomber wrote that he had targeted Mosser because "among other misdeeds, Burson-Marsteller helped Exxon clean up its image after the *Exxon Valdez* incident."

The hit list as printed was framed on the top left side by a picture of the *Exxon Valdez* spill with the caption "Good Friday 1989. Prince William Sound, Alaska. They Anointed Our Waters With Oil. Our Cup Runneth Over," and flanked

by a blurb that read "Disarm Authority. Arm Your Desires." Underneath, there was another picture with the title "Sabotage." It stated, "Sabotage means to push back, pull out or break off the fangs of capitalism. W.D. Haywood." On the top right side there was a box titled "People who live in greenhouses shouldn't burn fossil fuels." The box advocated that environmentalists carry out acts of terrorism against Exxon in retaliation for the oil spill.

Others were targeted in an article on stopping animal rights "abusers." Those named were at the research biology laboratories at the University of California at Berkeley (UCB) and at San Francisco (UCSF). In June 1993, a mail bomb explosion injured Charles Epstein, a geneticist working at UCSF. Two Unabomber bombs exploded at UCB in the mid-1980s.

*Live Wild or Die* is a 40-page, underground version of the *Earth First! Journal*. While the *Journal* has over 6,000 subscribers and is sold at newsstands, one cannot subscribe to *Live Wild or Die* or purchase it publicly. The newspaper is personally handed out to people who have entered the "inner sanctum" of Earth First! Following his successful infiltration of Earth First!, Clausen received two issues of the paper from one of the top leaders of the group.

The targets on the "Eco-F—ker Hit List" were chosen from the steering committee of the National Wilderness Conference of 1989. Other names include the National Cattlemen's Association, the American Farm Bureau, the Nevada Mining Association, the Utah Association of Counties, and the Pacific Legal Foundation.

## CFA head backs Clausen

Clausen's revelations have been corroborated by the acting head of the California Forestry Association, Vice President Don Zea, the *Sacramento Bee* reported. Zea told the *Bee* that he obtained a copy of the hit list about two years ago. Following the murder of his boss, Murray, in April, Zea gave a copy of the list to the FBI. During his TV interviews, Clausen criticized the FBI for not following up on this lead, and for failing to alert the other targets named in the "Eco-F—ker Hit List."

Zea told the *Bee* that the hit list was published at the height of the battle against the failed Proposition 130, which would have authorized up to \$900 million in bonds to buy out vast forest tracts in California and turn them into protected habitats. It was backed both by Earth First! and Wall Street junk bond raiders, and opposed by the CFA, which denounced the alliance between the greens and Wall Street.

Zea said that the articles in *Live Wild or Die* bear an uncanny resemblance to the Unabomber letters published by the *New York Times*. He said that "the language in that *Live Wild or Die* document seems almost surrealistic to me. It seems so close to what the Unabomber has said."

The *Bee* also interviewed members of Earth First!, who claimed there was no connection between their group and *Live*

*Wild or Die*. Conveniently, one Earth First! leader, Karen Pickett, knew the contents of the underground newspaper well enough to assert that "none of the information published in *Live Wild or Die* represents a call to violence." Pickett said "that the rhetoric is extreme, but what it is, is a list of corporations that are doing harm to the environment and have been the target of direct action and protest, not murder."

After years of ignoring eco-terrorism in the United States, the FBI seems to be finally acknowledging the importance of Clausen's work. According to the *Bee*, FBI spokesman George Grotz in San Francisco stated, "I can confirm that we have met with [Barry Clausen] and we are very interested in what he has to say." The article is titled "'Hit list' Had Unabomber Targets. Terrorist's Possible Links to Underground Newspaper Probed by FBI."

In November of last year, Sens. Conrad Burns (R-Mont.) and Slade Gorton (R-Wash.) had written to FBI head Louis Freeh urging him to have the FBI look into the evidence on eco-terrorism and drug smuggling that had been uncovered by Clausen. According to Clausen, the FBI did not contact him until July of this year, but told him that it is now reviewing the evidence that he has gathered.

### Philip, the prince of eco-terror

The exposure of Earth First!'s potential connections to the Unabomber may lead directly to the doorstep of Prince Philip, due to the close collaboration between Earth First!, Greenpeace, and Philip's World Wide Fund for Nature (WWF). This collaboration was detailed in an Oct. 28, 1994 *EIR Special Report*, "The Coming Fall of the House of Wind-

sor," commissioned by Lyndon LaRouche, and in a Jan. 13, 1995 *EIR* feature story. A German judge backed these claims, ruling against Greenpeace in a libel suit that "the collaboration of Greenpeace with the terrorist organization Earth First!" cannot be denied.

A source has told *EIR* that members of Earth First! have identified Earth First! activist Mitch Friedman as the publisher of *Live Wild or Die*. Friedman is now the head of the Greater Ecosystem Alliance (GEA) of Bellingham, Washington, an institution working to implement Prince Philip's vision of ecosystem management. GEA's publications reveal that it receives almost \$400,000 a year from blue-blood foundations, including the W. Alton Jones Foundation in Virginia, which has also funded attacks against Lyndon LaRouche and his collaborators.

The main activity of GEA is to draft the maps to implement Prince Philip's bioregion concept and to map out the breakup of Canada and the United States along the lines of the scenario in the book *The Nine Nations of North America* (see *EIR*, June 2, 1995). These maps are being used by WWF to promote a series of "bioregions" that will run from Alaska to New Mexico, cutting up western Canada and the western part of the United States.

The board of GEA reads like a "Who's Who" of Earth First! and the chief priests of the Gaia cult. These include David Foreman, founder of Earth First! and now head of the Wildlands Project; David Brower, a leader of the Sierra Club and co-founder of Friends of the Earth and the Earth Island Institute; and Reed Noss, a spokesman for the cult of Gaia's Deep Ecology belief structure.

## Clausen's special report

Private investigator Barry Clausen released a 50-page report on terrorism on July 22, documenting over 120 incidents of terrorism in the United States and Canada since 1983. The report concludes that "two groups, the Animal Liberation Front and Earth First!, are responsible for the majority of crimes and damages," and criticizes the FBI and the Justice Department for not taking action to stop these acts of terrorism and for failing to report their occurrence in their 1994 Report on Terrorism.

While the FBI report claims that "there were no incidents of terrorism [in the United States] in 1994," Clausen's report says that "there are several reports for the year 1994, that show acts of terrorism were committed in the United States. This information was easily attainable by North American Research [Clausen's private detective firm] and therefore should also be available to the FBI."

One such report "is one prepared by the Tennessee Val-

ley Authority [TVA] which documents malicious destruction of property. Under the FBI's definition of 'terrorism,' this qualifies as a terrorist incident, yet it fails to appear in the FBI's report on terrorism for 1994," Clausen said.

The TVA report describes the protest staged on July 11, 1994 by Earth First! against the Watts Bar nuclear plant in Tennessee. The local sheriff's department arrested 57 protesters, but not before their vandalism and sabotage cost TVA \$480,000.

Clausen concludes that the U.S. government, "even though provided with documentation, requests from two U.S. senators and, given the horrific nature of some of the crimes perpetrated under the flag of 'animal protection' and 'environmentalism,' has failed to respond to the threat radical environmentalists and animal rights groups pose to the safety and security of the citizens of the United States."

Clausen calls upon citizens to contact their elected representatives to demand that the FBI "take immediate action to put a stop to this carnage." A copy of his \$10 report can be obtained by calling 1-800-422-0074.

### AFL-CIO insurgents gear up 'militancy'

*The Sweeney slate is attacking Gingrich's Conservative Revolutionaries, but ignoring the Depression.*

As had been expected for months, Lane Kirkland has resigned after 16 years as president of the American Federation of Labor-Congress of Industrial Organizations. Many years of falling wages, disappearing jobs, and declining union membership finally brought a serious challenge last spring to the federation's leadership. John J. Sweeney, head of the Service Employees International Union, is running to replace Kirkland. The executive board, still controlled by Kirkland's allies, has appointed Kirkland's second in command, AFL-CIO Secretary-Treasurer Thomas R. Donahue, as interim president until the election of a permanent president at the AFL-CIO national convention on Oct. 23.

Donahue, who is also seeking the AFL-CIO presidency, has responded to Sweeney's challenge with a militant tone and has pledged to put millions of dollars into a union organizing drive. Sweeney doesn't blame the old leadership for labor's disastrous decline, but says he will more quickly and effectively move American labor into increased political involvement and a new membership sign-up campaign.

Running with Sweeney are United Mine Workers President Richard Trumka, candidate for AFL-CIO secretary-treasurer; and Linda Chavez-Thompson, a vice president of the American Federation of State, County, and Municipal Employees, for AFL-CIO executive vice president.

The Sweeney slate now looks likely to win. An Aug. 1 Sweeney press release said 26 national unions, representing close to 60% of the AFL-CIO membership, support his slate for the October election.

Sweeney's insurgents have thrown down the gauntlet to House Speaker Newt Gingrich's (R-Ga.) "Conservative Revolutionaries." Among his recent outspoken public appearances, Sweeney led a July 21 rally in Columbus, Ohio, home of the maniacal budget-slashing Rep. John Kasich (R). Sweeney denounced Kasich, Gingrich, their Republican allies, and "turncoat Democrats" who would "destroy job training and education and Medicare and Medicaid to give another tax cut to the rich."

Three of the biggest unions supporting Sweeney, the United Auto Workers, the United Steel Workers, and International Association of Machinists and Aerospace Workers, announced on July 27 that they will merge to form a 2 million-member unit—"the most progressive, militant labor organization" in North America. At a Washington, D.C. press conference announcing the merger, USWA President George Becker said bluntly that Democrats in Congress "should be happy about this. We're looking at our combined strength to increase their numbers."

For the moment, simply blocking Republican assaults on the poor, unemployed, and labor is the heart of the program of AFL-CIO insurgents.

The three unions have invited others to join them, looking to form a sort of labor cartel on the order of IG Metall, the 3 million-member industrial union in Germany.

With allies lined up throughout and beyond a particular industry for potential strike support, union leaders hope to be able to withstand the terrible pressure of continual factory clos-

ings and ratcheting down of living standards. Exulting at the merger of the three large national unions, Pennsylvania steel workers leader Andrew "Lefty" Palm told the July 28 *Pittsburgh Post-Gazette*, "This is the re-birth of the CIO," referring to the creation of the Congress of Industrial Organizations during the 1930s Great Depression.

But ironically, the insurgent unionists are not even discussing the current depression collapse of the U.S. economy. They have certainly not summoned up the nerve to criticize the deindustrialization policy which has collapsed America's productive industries—and drastically shrunk labor unions.

In the "Unity Declaration" adopted on July 27, the three unions said: "Throughout our history, our unions have, time and again, responded to the need to adapt to new economic and political circumstances. Now, is time to change again. . . . [We are now] in a globalized economy dominated by the mobility of capital . . . [with many] unrepresented men and women employed in the emerging new work of the information age."

Brookings Institute economist Barry Bosworth mocked the union leaders' efforts, telling the *Post-Gazette*, "They are managing the politics and economics of decline." Sadly, the Brookings Institute knows whereof it speaks. Brookings itself helped to lead the U.S. policy change to the insane hyper-speculative, utopian, anti-industrialism after President John Kennedy's 1963 murder.

The "information age" is a euphemism for the fall of production and employment. Without the courage to demand a return to the traditional American policy before the JFK assassination, of massive industrial construction and scientific progress, the labor movement will be crushed, along with the rest of the country.



## **Tougher anti-abortion language adopted**

After a heated five-hour debate on abortion in a rare Saturday session on Aug. 5, the Senate voted 50-44 to approve a stricter abortion ban in legislation regulating health insurance for federal employees.

The House had passed a bill that permitted federal insurance to cover only abortions necessary to save the mother's life, but the likelihood of such an extreme measure passing in the Senate was very small indeed. There, a measure proposed by Don Nickles (R-Okla.) that was similar to the House measure, failed to garner a majority.

Nickles then put forward an amendment with language that would also permit abortions in the cases of rape or incest, thus broadening support for the bill, and bringing on board three Democrats and five Republicans who had voted no on the more restrictive language in the House measure.

## **Missile defense proposal challenges ABM Treaty**

The Republican-controlled Senate beat back attempts to keep an anti-ballistic missile defense program within the bounds of the 1972 Anti-Ballistic Missile (ABM) Treaty, and adopted the Senate Armed Services Committee proposal to add \$300 million to the \$371 million requested by the Clinton administration for missile defense. The money was explicitly provided to speed the development of a multiple-site missile defense system to protect U.S. cities from missile attack. The committee stipulated that the system should be deployed by the year 2003.

According to the 1972 treaty, the United States and the Soviet Union could only have one ABM site each.

The bill would also mandate a demarcation between regional defenses permitted by the ABM Treaty and strategic systems banned by the treaty. "We should work with Russia to move to a situation in which both we and Moscow can defend our peoples against limited missile attacks," said William Cohen (R-Me.), a supporter of the bill.

Secretary of State Warren Christopher indicated that the Senate measure could "put the U.S. on a path to abrogate the ABM Treaty." The Defense Department has expressed concern that such a move might endanger Russian ratification of the START I and START II (strategic arms limitation) treaties. The administration has threatened to veto the legislation.

## **Republicans attempt to dismantle Commerce Dept.**

Hearings were held by the House International Relations Committee on Aug. 4 to deal with two pieces of legislation that together would totally dismantle the U.S. Department of Commerce. The legislation, sponsored by Dick Chrysler (R-Mich.), would farm out some Commerce functions to other departments, with export licensing being transferred to the State Department, and the International Trade Administration to be absorbed by the U.S. Trade Representative. Other functions would be eliminated entirely, such as the Office of International Economic Policy, Economic Development Administration, the Minority Business Development Agency, and the Technology Administration.

On the other hand, the Trade Reorganization Act, introduced by John Mica (R-Fla.), would transform the U.S. Trade Representative into a cabinet-level United States Office of

Trade, which would focus exclusively on trade.

These measures would sabotage efforts of the Clinton administration to establish peace in areas such as Northern Ireland and the Middle East, in which the department, under Commerce Secretary Ron Brown, has played a key role in encouraging private investment in those war-torn areas as the basis for reconstruction and lasting peace. Further, the measure would also cripple economic cooperation with key countries such as Russia and China, where Commerce has played a central role in fostering cooperation. The President has indicated he would oppose any attempt to dismantle the department.

## **Bring Taiwan into U.N., say House Republicans**

The House International Relations Committee on Aug. 3 held a hearing on a resolution sponsored by Gerald Solomon (R-N.Y.) expressing the sense of Congress that the U.S. government should support and encourage the entry of Taiwan into the United Nations. The proposal is part of a strategy aimed at maximally antagonizing the Chinese government in Beijing.

Committee Chairman Benjamin Gilman (R-N.Y.) opened the hearings by complaining about the behavior of China and the failure of the State Department to make dialogue with China anything more than a "one-way endeavor." Gilman said that this failure compelled Congress to ask "if Taiwan's time has come" to be recognized by the world's community of nations. "Now is the time," he said, "to help our friends on the island of Taiwan who have been waiting far too long to respond to their aspirations at home."

Most of the other committee members, including Tom Lantos (D-Calif.), Bob Torricelli (D-N.J.), and Dana Rohrabacher (R-Calif.), gushed praise for Solomon's resolution, as well as for the \$80 billion in foreign exchange reserves held by Taiwan, and had only harsh rhetoric for the Beijing government.

The only committee members who expressed reservations were Doug Bereuter (R-Neb.) and Jay Kim (R-Calif.), both of whom pointed out that Taiwan's entry into the U.N. would require the cooperation of Beijing—cooperation that would definitely not be forthcoming. Bereuter noted that the resolution, if passed, "will only aggravate the downward spiral of U.S.-China relations."

## Senate GOPers pan Clinton war on drugs

In an 11th-hour reversal of an incredibly stupid proposal, the Senate on Aug. 5 restored \$9.3 million in funding to the Office of National Drug Control Policy. The House had deleted the funding in its version of the Treasury, Postal Service, and Independent Agencies Appropriations bill, claiming the White House had a "do-nothing" drug policy.

In light of the recent dramatic arrests of key figures of the Colombian Cali Cartel, especially, the claim is ludicrous. The Clinton administration, as noted by Sen. Edward Kennedy (D-Mass.), has succeeded in persuading the Colombian government "to take a more aggressive stand against the cocaine cartels."

Nevertheless, Republicans have trying to eliminate the White House Office of Drug Policy. Sen. Orrin Hatch (R-Utah) claimed that casual drug use dropped by more than half between 1977 and 1992, but that "un-

der President Clinton's leadership, we are losing ground." "Over the past two years, almost every available indicator shows that these gains have either stopped or been reversed," ranted Hatch.

During an election year, the Republicans will have a difficult time explaining how eliminating that office is being "tough on drugs."

## Simpson would privatize Social Security system

On Aug. 2, Alan Simpson (R-Wyo.), chairman of the Senate Finance Subcommittee on Social Security and Family Policy, held a hearing to consider the advantages of "privatizing" Social Security. With these hearings, he has gone one step further in targeting the elderly to bear the brunt of Republican "budget austerity."

Simpson said that the complete privatization of the Social Security system is an idea that "deserves" consideration. He introduced as witnesses two individuals, Steve Enten of the Institute for the Study of the Economics of Taxation and Michael Tanner of the Cato Institute, who called outright for the full privatization of the system.

Simpson is also the key player in attempting to dismantle the Association for the Advancement of Retired Persons, the largest lobby organization for the elderly in the country. Simpson prided himself on being the only Republican who is saying, "in a bipartisan way," that Social Security "is not off the table." Simpson claims that the deficit and debt ceiling issues can't be dealt with unless "we deal with an item of \$360 billion," the amount of the Social Security fund.

Enten called Social Security a "tax transfer system" that has been responsible for reducing the income of the working population. It must be "re-

placed by a private system of savings," he said, that puts funds into private plans. He said that it was preferable for private plans to invest in stocks rather than government bonds. Enten endorsed the Chile model, in which workers' mandatory contributions are used to prop up Chile's financial system, with the qualification that he "wouldn't want to see the entire Chilean system adopted."

Tanner called privatization of Social Security "the only viable alternative" to the current system, because private investments "produce higher rates of return."

Also testifying was Matthew Fink of the Investment Company Institute, of the mutual fund industry, which would benefit from the Simpson proposals.

## Anti-terrorism bill stalled in House

The anti-terrorism bill that the Clinton administration crafted shortly after the Oklahoma City bombing, which the President asked to have on his desk for signing by Memorial Day, is not likely to arrive before Labor Day.

The Senate approved its version of the bill two months ago, but the legislation has been bogged down in the House, held up by conservative Republicans, who feel, in the words of Thomas Ewing (Ill.), "the bill goes too far in granting new powers to the federal government at the expense of civil liberties."

Forty-three Republicans have written House Judiciary Committee Chairman Henry Hyde (R-Ill.) complaining of the legislation. The anti-terrorism legislation was endorsed by the Judiciary Committee six weeks ago, but has been delayed in getting to the floor because of the workload, according to Hyde.

## American Spectator caught lying—again

The August issue of the *American Spectator*, the recycled propaganda rag for the British Hollinger Corp., has come up with another “complete and utter lie” against the Clinton administration, according to a recent Internet posting on the White House Bulletin Board.

The current issue includes a lengthy diatribe against Department of Commerce (DOC) Secretary Ron Brown, attacking the department’s export licensing program. The article charges “that the DOC approved the export of an aircraft carrier to India that was then sent on to China, all without Department of Defense approval. This is a complete and utter lie,” the reply on the Internet declares.

The author of the reply states that he is “a director of Resource Recovery International, the company that bought the vessel from the Department of Defense. The vessel was cut down to the hull at the Port of Port Angeles, Washington before it was exported to India. Once there, it was cut into scrap, as fully documented by a television camera team. Naval Sea Systems Command and the Office of the Chief of Naval Operations approved this export a full eight months before the export occurred. . . .

“Navy inspectors certified that the hull had no value other [than] reclamation of the metal content thereof. The Department of Commerce merely certified . . . that the hull was scrap that did not require a validated export license.”

## Meatpacker cartel under USDA price-fixing charge

The U.S. Department of Agriculture has charged IBP, the nation’s largest meatpacking company, with price discrimination in purchasing cattle from feedlots. The USDA complaint against IBP—which, along with Cargill, ConAgra, and Farmland Foods, controls 80% of the U.S. meatpacking in-

dustry—was announced Aug. 3 by Agriculture Secretary Dan Glickman.

This latest move by the Clinton administration against the food cartels follows anti-trust actions against the leading grain monopolies, including Archer Daniels Midland, Cargill, and Tate and Lyle. The charges and ongoing investigations may reflect growing concern over the prospect of global outbreaks of famine this fall, as well as the threat to national security posed by the international cartels’ control of food supplies even for the United States.

The Lincoln, Nebraska *Star* reported on Aug. 4, “Glickman, in a statement and in recent speeches, said the department has become increasingly worried about industry concentration that has given four firms control of 80% of meat packing. . . . The department is undertaking a larger review of packer concentration. The issue has become more critical because of the record-low prices that beef cattle producers [farmers and ranchers] have been receiving for their products.”

## Riverboat casinos are starting to go under

Riverboat gambling casinos, touted in recent years as a “quick fix” for public budget deficits, have already sunk in a number of instances, and are listing badly in many others. Two riverboat casinos in New Orleans recently shut down, for lack of business, just nine weeks after opening.

A feature story in the Aug. 6 *Washington Post* claimed that casino “industry analysts” have been forced to concede that “casinos are not a panacea for politicians hoping to revitalize a failing city or finance a state government while cutting taxes.” Another land-based casino in New Orleans has earned only \$12 million, about one-third of the \$33 million a month its owners had projected.

Other riverboat casinos around the country were also suffering from a lack of business, until state legislatures rescued them by relaxing restrictions on their operations. In Davenport, Iowa, a riverboat casino earned \$14 million last year, after its operating hours had been increased and a

rule limiting a gambler’s losses in one day to \$200 was dropped.

In Missouri, six riverboat casinos earned money after the state allowed them to install slot machines. The Missouri attorney general has ordered a grand jury investigation of the state’s House speaker, for accepting thousands of dollars from casino companies before the laws were changed.

The casinos’ financial difficulties are prompting officials in Virginia and Maryland, as well as in the District of Columbia, to have second thoughts about legalizing gambling. The *Post* also claimed that some studies show that casinos hurt the local economies in which they operate. A 1991 study by the state of South Dakota found that, while overall taxable revenues did not decline “appreciably” after casinos opened, there were “significant declines” registered by other businesses, especially clothing stores and auto dealerships.

## Gonzalez hits ‘rigged’ Whitewater hearings

Prior to the Aug. 7 opening of House Banking Committee hearings on Whitewater, several Democratic members of the committee denounced the proceedings as a “kangaroo court” and a “witchhunt.”

Former committee chairman Henry B. Gonzalez (D-Tex.) charged at an Aug. 4 press conference that “the Republicans have shamelessly rigged next week’s so-called Whitewater hearings.” Gonzalez said that the only witnesses who are scheduled are those who support the Republican claims. “So we’ll have a week of accusations,” he continued, “followed by an announcement that more hearings are needed, because we have to have ‘full disclosure.’” And, he added, “Why should we be staging a week-long mud show?”

According to the Aug. 6 *Washington Post*, committee Democrats planned to introduce a letter from the Republican-appointed U.S. Attorney in Little Rock, Arkansas, declining to open a Whitewater case against Bill and Hillary Clinton in 1992, on grounds of insufficient evidence. Bush appointee Charles Banks, the U.S. Attorney

at the time, wrote a letter to the Little Rock field office of the FBI on Oct. 16, 1992, rejecting the FBI's demand for a criminal investigation of Madison Guaranty Savings and Loan.

U.S. Attorney Banks wrote that "the insistence for urgency in this case appears to suggest an intentional or unintentional attempt to intervene into the political process of the upcoming presidential election." He warned that the issuing of grand jury subpoenas would lead to immediate news media inquiries, which often seek to "legitimize what can't be proven." In fact, Banks told the FBI, opening such an investigation a month before the election would amount to "prosecutorial misconduct."

Banks was concerned not only about the proximity to the elections, but also about the lack of evidence. "While participation of some or all of these witnesses certainly suggests poor judgment, possible conflicts of interest, or ethical infractions, proving specific intent or knowing criminal conduct would be a prosecutorial burden that could not be carried beyond a reasonable doubt."

## Judge strikes down Oregon's 'suicide' law

A federal judge has ruled that the Oregon statute, legalizing murder under the guise of physician-assisted suicide, is unconstitutional. According to preliminary reports, the 40-page opinion, issued by U.S. District Court Judge Michael R. Hogan, declares that the law enacted as Ballot Measure 16 in the November 1994 election, violates the equal protection clause of the Fourteenth Amendment of the U.S. Constitution.

On Nov. 8, 1994, Hogan issued a temporary restraining order to block the state of Oregon from enforcing the Nazi-like measure. The order was issued in response to a lawsuit on behalf of terminally ill patients, who claimed that they would face imminent and irreparable loss of their constitutional rights, including their right to life.

The American Civil Liberties Union attempted to have the lawsuit dismissed, and was joined in its efforts by the "mercy killing" maniacs of the Hemlock Society and

the Oregon Right to Die Committee, who had sponsored Ballot Measure 16.

On Dec. 27, 1994, however, Judge Hogan issued a preliminary injunction against the law, which declared, "Death is overwhelmingly final and not subject to reversal, mitigation, or correction. Although death may be viewed as a release from suffering, it is nevertheless the end of life. . . . An erroneous decision to withdraw life-sustaining treatment . . . is not susceptible of correction."

## Gloomy over GOP in '96, Brit puffs Huffington

Deepening gloom among President Clinton's British enemies, over prospects for defeating his bid for reelection, is producing some strange hallucinations in the London press. London *Times* columnist James Adams, in a review on Aug. 6 of the Republican Party's sagging fortunes, even claimed he had a vision of Arianna Huffington as the new star on the GOP horizon.

Huffington is the London-bred wife of Conservative Revolution darling Michael Huffington, the failed GOP challenger for Democrat Dianne Feinstein's Senate seat in 1994. Arianna, Adams claims, has transformed herself from a bizarre New Ager to such a right-wing heroine, that she will host the gala "Dark Ages Weekend" for Republican conservatives this year-end in Miami.

Adams concedes there may still be a bit of an image problem. He notes that Huffington currently co-hosts a television show with Camille Paglia, "a supporter of drug legalization, homosexuality, pornography and paganism." So, she "may be the acceptable face of the Newt revolution inside the Republican Party, but whether her exotic appeal will spread to the country at large remains to be seen."

Meanwhile, Adams reports, President Clinton's 47% approval rating in the polls is better than that of either Ronald Reagan or Richard Nixon, before their "crushing" reelection victories. Worse yet, Adams notes, the proportion of Americans who hold a very negative view of Clinton has dropped from 25% last year to 17% currently.

## Briefly

● **CLEVELAND** National Association for the Advancement of Colored People President George Forbes said of Newt Gingrich's "Contract on America" on July 31, "What he is doing is exactly how Hitler got started with his persecution of Jews, and Gypsies, and other groups in Germany. We are sending a message that he can't do the same thing with blacks in America." The NAACP, the Nation of Islam, and the Urban League were among a dozen groups protesting Gingrich's appearance before the Cleveland City Club.

● **PHILADELPHIA** officials are reviewing the records of over 1,100 arrests, after five officers in the 39th Police District admitted to illegally framing dozens of innocent people over a number of years. The district attorney has already overturned 42 convictions, on the grounds that they were based on falsified and planted evidence, and perjury by the officers.

● **SERBIAN BUTCHER** Radovan Karadzic, justifying the genocide against Bosnia, told David Frost in an interview aired on National Public Radio on Aug. 2, "We used to live together in Yugoslavia, but Bosnia never existed as a nation, and Henry Kissinger said, 'It never existed and it would never exist.'"

● **EMMETT TYRRELL**, editor of the *American Spectator*, apparently cannot wait for the New Year's weekend "Dark Ages" gala featuring Newt Gingrich. The August opener of Tyrrell's syndicated newspaper column—a staple item of Rupert Murdoch's *New York Post*—may have waxed beyond Icarus, describing Newt as "sunshine and showers on the wasteland," and the man who is "ushering in the new epoch."

● **GEORGE BUSH** nearly sank to new depths, during a fishing trip to Newfoundland in July. Landing by helicopter, Bush had barely touched ground, when he walked off and fell into a bog up to his elbows within seconds. Secret Service agents rescued him.

## Editorial

### *What they are really worrying about?*

The July 30 London *Sunday Times* has a column from their man in Washington, James Adams, headlined: "Queen Blamed for American Unrest." Its ostensible topic is the Waco hearings, but it is really yet another British tantrum over the growing influence of Lyndon LaRouche in international policymaking circles.

Typical of the standards of truth-telling in the land which produced that great fraudster Isaac Newton, we have the following quotation from the article: "According to the latest edition of the *New Federalist*, a journal that has been dropping on people's front lawns in Washington in the past few days, the [Oklahoma City] bombing was not carried out by the right-wing militias as everyone suspected: It was part of a conspiracy involving Buckingham Palace.

"According to the journal put out by Lyndon LaRouche—in jail for tax fraud [sic]—the Queen and the Duke of Edinburgh are behind a European effort to destabilize the Clinton Presidency and it is they who have created the climate of distrust and division in America."

On the same day, the London *Sunday Express* ran a piece with the title "Plot to Destroy the U.S." It begins on the same note: "Prince Philip is the mastermind of a dastardly plan to destroy the U.S.A.

"His cover is the sinister World Wildlife Fund, which he founded as an international intelligence organization to consolidate the wealth and power of the royal family." The column by one Tom Utley goes on, "The Prince and his cronies, behind the Oklahoma bombing, are now targeting the Clintons. . . . These are the serious views of a group of American conspiracy theorists, set out in the *New Federalist* magazine [sic]."

It is now nine months since this magazine published "The Coming Fall of the House of Windsor" (*EIR*, Oct. 28, 1994), which exposed how Prince Philip set up the World Wildlife Fund (WWF) as an instrument for political warfare in the service of British imperial interests. This documentation was covered in *New Federalist*, the weekly newspaper of the LaRouche political movement.

Utley also references the December 1994 *EIR* feature story which included the article, "Great Britain's

Known Role in Assassinating U.S. Presidents." This was also reported on in *New Federalist*, to which Utley refers, writing, "The magazine claims Philip is carrying on an evil family tradition—the Windsors having assassinated Presidents Lincoln, Garfield, McKinley, and Kennedy."

It is interesting that both newspapers misidentify *New Federalist* as a magazine, but that is a lesser point compared to the dishonesty of the coverage which seeks to caricature a true bill of indictment against the Windsors. Moreover, both articles were obviously written to order, since they are so similar in content. It is rather like the case of two students who each have the same bizarre answer to an examination question. Obviously, there is cheating involved, otherwise how did these two newspapers come up with virtually identical stories on the same day? Surely if it was the distribution of the newspaper *New Federalist* which was the stimulus, at least one of the journalists would have described it properly.

Coupled with the *EIR* cover stories, which have documented the evil role of the British royal family at the center of an international, oligarchical conspiracy, we have also exposed how they use the press for the kind of black propaganda which was the trademark of Josef Goebbels. In this regard, we have identified the role of such agents of the royal family as Lord William Rees-Mogg, Sir Peregrine Worsthorne, and Ambrose Evans-Pritchard.

Adams and Utley are far lower down in the intelligence hierarchy, and apparently theirs was simply the task of putting their names to a pre-packaged bit of venom.

In the present period of the impending blow-out of the world financial system, it is obvious that the British no longer ignore LaRouche's growing influence. While they might have hoped that the judicial frameup and railroad of LaRouche and his associates might have consigned them to oblivion, that has not been the case—far from it. Now the British are forced to admit that their main enemy today is Lyndon LaRouche, who is supported by teams of historians and honest investigative journalists.

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