and the Brazilian Amazon. Faced with their own terminal crisis, and with nothing to offer to solve the economic crises of the South American nations, the U.S. foreign policy dictated by Wall Street interests, is solely to drive these nations into chaos, which threatens to sink the region in a "Thirty Years' War" such as that which ravaged Europe during the 17th Century.

At the same time that they proclaim themselves the champions of the fight against drugs, no one touches the hundreds of billions of dollars in drug monies which sustains the liquidity of the Anglo-American financial centers. Their dependence on ever-increasing flows of drug monies from South America became even more savage after September 1998, when the bankruptcy of the Long Term Capital Managment hedge fund and the succession of economic crises of Asia, Russia, and Brazil demonstrated that globalization had exhausted itself. At that point, as speculator George Soros made public with his talk of a "wall of money," a hyperinflationary policy was adopted to postpone the bursting of the global financial bubble at all costs.

Brazil had a place in this scheme, as was seen when Soros's right-hand man, Arminio Fraga, was named president of Brazil's Central Bank, to administer just the right amount of capital to cover the country's financial bankruptcy between January and February 1999. From that moment on, the country has been in a kind of financial intensive care unit, prostrate, dependent on the infusion of doses of capital to keep an appearance of stability.

This is what determines President Cardoso's policies, and which puts his government in ever greater conflict with the enormous domestic political-military storm which is building. His persistent clinging to the commitments of the international financial system, and to the anti-national and demilitarization agenda of the Inter-American Dialogue, will lead over the short term to an institutional crisis which will tend to reverse the current domestic disintegration.

For Brazil to survive as a nation, it is essential that a new strategy based on military considerations be formulated, a "military diplomacy" commensurate with the requirements of the moment. This military diplomacy requires the establishment, in the context of the South American Presidential summits, of a South American military agreement whose number-one priority would be to establish a cordon sanitaire around the FARC narco-terrorists - which emphatically includes a defense of Peru and its Armed Forces from Wall Street's onslaught. Simultaneously, the regional infrastructure projects proposed at the South American Presidents' summit must be built as a military, as well as a political priority, to integrate the nations of the Mercosur (Southern Cone economic pact) with the Andean countries, and to seek alliances with the Asian nations on alternatives to the narcofinancial system of Wall Street and the IMF, as General Jansen proposed. This line of action would have the immediate benefit of offering employment and hope to populations made increasingly miserable by globalization.

New ETA Terror Wave Is Out To Weaken Europe

by Elisabeth Hellenbroich

On Oct. 30, a car-bomb with 30 kilograms of dynamite exploded in the residential area of Madrid, the Spanish capital, killing three people and wounding 68, six seriously. Blamed on the Basque separatist group ETA, the attack is one of the bloodiest ETA assaults in the last decade. Among the victims of ETA's latest attack were Supreme Court Justice José Francisco Querol, 69, who held the rank of general and was responsible for military hearings at the Supreme Court, his driver, Armando Medina Sánchez, 57, and his bodyguard, Jesús Escudero García, 53. The three were killed when the bomb exploded as the General's vehicle passed Badajoz Avenue in the center of Madrid during the morning rush hour. The blast was so massive, that it destroyed a bus and wrecked 30 cars, ripped away the facades of buildings, and damaged 500 apartments.

Supreme Court Justice Querol, who reportedly was a good friend and former teacher of Spanish Defense Minister Federico Trillo, is ETA's 19th victim since it announced the end of a 14-month cease-fire in December 1999. This extensive terrorist assault clearly marks an escalation in the ETA terrorist strategy, which is primarily aimed at judges and military personnel.

- The escalation started on Oct. 9, when Andalusian Senior Prosecutor Luis Portero was assassinated in Granada; the ETA shot him three times in the entrance to his home. Preceding that assassination, Spanish police had defused several car-bombs in Seville at the last minute. The bombs were located beneath the driver's seats of military vehicles.
- The next assault followed on Oct. 16, when well-known military physician Col. Antonio Muniz Carinanos was killed by the ETA. Spanish police arrested two of the ETA members involved in the killing—26-year-old Juan Igor Solana from Bilbao, and 23-year-old Harriet Iragi, both of them suspects in the July attack against Malaga City Councilman José Asenjo, of the Socialist Party (PSOE).
- On Oct. 22, ETA killed a prison guard in the Basque province of Vitoria.

Protecting the Bankrupt IMF System

The series of bloody ETA attacks must be seen in the context of the escalating international financial and political crisis: the heating up crisis in the Middle East and the attempt by the London-centered financial oligarchy to weaken Europe, in particular NATO's southern flank, with a strategy of tension, chaos, and civil war. The attacks are escalating just

EIR November 10, 2000 International 67

as, under the French presidency of the European Union, an EU conference has been discussing new initiatives for closer energy cooperation with the Organization of Petroleum Exporting Countries and Russia.

The ETA irregular warfare is *the* model for ethnic separatism. Having killed more than 900 people, 400 of them military personnel, since its founding in 1953, ETA aims to destabilize Spain and France, where the Basque region spans their Pyrenees border area. Enjoying the ideological support of the Basque Nationalist Party (PNV), the aim of ETA is to have an independent Basque state, made up of three Spanish Basque provinces—Guipuzcoa, Alava, and Viscaya—together with the neighboring Navarra and France's southwestern areas of Labourd Soule and Basse Navarre.

The myth of Basque separatism is based on a synthetic blood-and-soil belief, whose roots go back to Sabino de Arana i Goiri (1865-1903), who founded the Basque Nationalist Party in 1883. His central demands at the time were the complete independence of the then-industrially flourishing Basque region, the protection of rural life against capitalism, and the defense of Euskera, the local dialect, against the Spanish language. Today, the ETA is financing itself with "revolutionary taxes," including ransom money from kidnappings, and drug-trafficking revenue. Politicians such as Gil Lazarro, from the governing Popular Party (PP), already in 1997 characterized the ETA as "a criminal association" which has direct ties to the drug mafia.

Reaction to Madrid's Success

ETA's escalated terror campaign is partly a response to the stepped-up operations of the government of Prime Minister José María Aznar against the ETA and its sympathizers.

- At the end of August, 30 members and sympathizers of ETA were arrested, among them a number of its leaders, thanks to increased cooperation between the French police and the Spanish Civil Guard. French police had arrested 15 ETA members in the French part of the Basque country, among them the alleged chief of the "military ETA," Ignacio Gracia Arregi.
- Gracia, together with Javier Arizcuren (alias Kantauri), Angel Pacabea Ulgade, and six others, are now on trial in a Paris court, accused of membership in a terrorist organization. At the beginning of proceedings on Oct. 9, there was an uproar in the court when some 60 ETA sympathizers jumped up on the seats, singing ETA songs and waving ETA flags.

At the same time, Spanish investigating Judge Baltasar Garzón had 18 members of EKIN, an organization of ETA sympathizers, arrested and placed under investigatory detention.

- A proposed change of the law is now being considered by the Spanish Ministry of Justice, to allow minors between the ages of 14 and 18, who terrorize the Basque population each weekend with riots, arson, and street fights, to be treated as adults and sentenced to up to ten years in prison.
 - During the recent 13th convention of the International

Christian Democracy, in Santiago, Chile, the Popular Party presented a motion to oust the Basque Nationalist Party, which is making no secret about its ideological support for the ETA.

The ETA murders have sent shockwaves throughout Spain, and each of the terrorist assaults (on Oct. 9, 16, 22, and 30) has triggered has mass protests throughout the country. The demonstrations are reminiscent of the mass-strike movement in 1997, when several million Spaniards took to the streets in opposition to the ETA. During Portero's funeral in Granada, 170,000 demonstrated, chanting "ETA No" and "Murderers." The Archbishop of Granada, Antonio Canizares, called Portero's assassination a "satanic act," while Prime Minister Aznar called upon the population to keep up its civil resistance against the ETA and its sympathizers. At universities, regional administrative offices, and courthouses, civil servants and employees stopped work for five minutes to express their indignation at the killing of Portero.

King Juan Carlos responded to the most recent ETA atrocity by declaring that, "sooner or later, the murderers will pay for their crimes," while Aznar urged Spaniards to not despair over ETA's continued violence. Aznar vowed to stand firm in his policy of combatting the group through police measures rather than negotiations. The more the ETA and its sympathizers escalate toward civil war, the more the resistance will grow throughout the country, which over the long term could paralyze the ETA.

So, You Wish To Learn All About Economics?



by Lyndon H. LaRouche, Jr.

A text on elementary mathematical economics, by the world's leading economist. Find out why *EIR* was right, when everyone else was wrong.

Order from:

Ben Franklin Booksellers, Inc.

P.O. Box 1707 Leesburg, VA 20177 \$10 (703) 777-3661 Call toll free 1-800-453-4108 fax (703) 777-8287

plus shipping (\$1.50 for first book, \$.50 for each additional book). Bulk rates available. Information on bulk rates and videotape available on request.

68 International EIR November 10, 2000