

# EIR

Executive Intelligence Review

September 28, 1990 • Vol. 17 No. 37

\$10.00

Iraqi envoy: Anglo-U.S. occupation 'preplanned'  
Will France and Germany play deputy sheriff?  
Rembrandt celebrated man's mastery of nature

**Man-made rivers and lakes,  
key to saving Middle East**



**"The two arrested Israeli spies, Jonathan Pollard, and his wife, are merely third-level figures in a ring working under the sponsorship of Israeli bully-boy Ariel Sharon. The ring reaches high into the ranks of the Executive Branch of the U.S. government.**

**This is not merely an Israeli spy-ring; it is a spy-ring operating under the Israeli flag, but controlled by a network of Soviet agents. . . ."**

## **An EIR Special Report**

**Moscow's  
Secret Weapon:**

# **Ariel Sharon and the Israeli Mafia**

In this remarkable, thoroughly researched document, you will finally learn the truth about:

- **Billionaire Soviet agent Armand Hammer**, and the complex of wealthy financial figures known as "the Trust" who are the power behind would-be dictator Sharon.
- **The role of Henry A. Kissinger** in the notorious "landscam" real-estate swindle in the Israeli-occupied West Bank territories.
- **The history of the Luzzatto family** of Venice, the Recanati, and the Syrian Jewish families of Aleppo, the Jewish fascists of the Irgun, and the noose of organized crime tightening around Israel today.
- **The plot to set off a new Middle East general war**, by blowing up the second holiest site of Islam, Jerusalem's Dome of the Rock Mosque. The facts, exposing the plot and the plotters, some never before published anywhere, are the results of an investigation covering four continents, an investigation which risked the death of the investigators.
- **The massive coverup of the Pollard case itself**—the facts which Secretary of State George Shultz, and especially Undersecretary of State Elliot Abrams, are fanatically determined to bury.
- **The anatomy of a JDL terrorist**, Mordechai Levi, and Levi's role as a joint-asset of the FBI and the Anti-Defamation League, as well as an asset of Sharon's cohort "Dirty Rafi" Eytan.

148pp.

Order your copy today!

Price: \$250

From

**EIR** News Service

P.O. Box 17390  
Washington, D.C.  
20041-0390



# EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: Nora Hamerman

Managing Editors: John Sigerson, Susan Welsh

Assistant Managing Editor: Ronald Kokinda

Editorial Board: Warren Hamerman, Melvin Klenetsky, Antony Papert, Gerald Rose, Allen Salisbury, Edward Spannaus, Nancy Spannaus, Webster Tarpley, William Wertz, Carol White, Christopher White

Science and Technology: Carol White

Special Services: Richard Freeman

Book Editor: Katherine Notley

Advertising Director: Marsha Freeman

Circulation Manager: Cynthia Parsons

## INTELLIGENCE DIRECTORS:

Agriculture: Marcia Merry

Asia: Linda de Hoyos

Counterintelligence: Jeffrey Steinberg,

Paul Goldstein

Economics: Christopher White

European Economics: William Engdahl

Ibero-America: Robyn Quijano, Dennis Small

Medicine: John Grauerholz, M.D.

Soviet Union and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: Mark Burdman

United States: Kathleen Klenetsky

## INTERNATIONAL BUREAUS:

Bangkok: Pakdee Tanapura, Sophie Tanapura

Bonn: George Gregory, Rainer Apel

Copenhagen: Poul Rasmussen

Houston: Harley Schlanger

Lima: Sara Madueño

Mexico City: Hugo López Ochoa

Milan: Marco Fanini

New Delhi: Susan Maitra

Paris: Christine Bierre

Rio de Janeiro: Silvia Palacios

Rome: Stefania Sacchi

Stockholm: Michael Ericson

Washington, D.C.: William Jones

Wiesbaden: Göran Haglund

*EIR/Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, the third week of August, and first week of September by EIR News Service Inc., P.O. Box 17390, Washington, DC 20041-0390 (202) 457-8840*

**European Headquarters:** Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany  
Tel: (06121) 8840. Executive Directors: Anno Hellenbroich, Michael Liebig

**In Denmark:** EIR, Rosenvaengets Alle 20, 2100 Copenhagen OE, Tel. (01) 42-15-00

**In Mexico:** EIR, Francisco Diaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

**Japan subscription sales:** O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

Copyright © 1990 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional mailing offices. 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

**Postmaster:** Send all address changes to EIR, P.O. Box 17390, Washington, D.C. 20041-0390.

## From the Editor

“Contrary to the conceptions of British ‘economics,’ fresh water is not a limited resource. Based on the expansion of human productive powers, through science and technology, we can generate as much fresh water as human needs will ever require—anywhere on this planet, at any level of population, and at any time in the future. The same is true of every other commodity needed to sustain and enrich human life. The doctrine of ‘limited resources’ is a lie, propagated by imperialists who seek to control nations and populations by imposing artificial scarcity.”

This assertion, which opens our *Feature*, may offend the war propaganda machine dominating the major U.S. media more than anything else we publish here. It asserts the scientific basis for cultural optimism, and from that, everything else flows. In this context we publish an interview with the Iraqi ambassador to the United States, which reveals that the present U.S. military occupation of Saudi Arabia was premeditated years in advance—long before Iraq’s invasion of Kuwait took place.

Our lead news articles in *International* and *National* outline the measures being put into place, with daunting haste, to impose a one-world, U.N.O.-centered government as the means to guarantee “peace,” and in fact to build up the conditions, through savage austerity and population-reduction scenarios, for drawn-out wars and unspeakable human suffering. Prof. Dario Composta’s speech warning of the true aims of the one-worldists, which we published in two parts and conclude this week on p. 19, provides a useful counterpoint to the news.

On p. 43, we present evidence to prove that two of the world’s greatest artists, Rembrandt and Leonardo da Vinci, drew their inspiration from the battle to build civilization upon great water-management projects.

On Sept. 17, Jacques Cheminade (author of the first-hand report on p. 13 on resistance to austerity in Gdansk) was joined by Jonathan Tennenbaum, the co-author of our *Feature*, and Helga Zepp-LaRouche, the top candidate of the Patriots for Germany party in the all-German elections, for the Schiller Institute’s historic first meeting in Poland. It was held in the same room where the strike committee of Solidarnosc met in 1980. We’ll have more on that in the next issue.

Nora Hamerman

# EIR Contents

## Interviews

- 48 Mohamed al-Mashat**  
Iraq's ambassador to the United States says that an Anglo-American effort to crush Iraq was already being prepared after the Iran-Iraq War failed to destroy the country.

## Book Reviews

- 38 Will Britain's 'Great Game' bring new world war?**  
*The Great Game: on secret service in High Asia*, by Peter Hopkirk.
- 40 Read Nehru to fathom the British Empire**  
*Glimpses of world history; An autobiography; and The discovery of India*; by Jawaharlal Nehru.
- 43 Rembrandt celebrated man's dominion over water**  
*Rembrandt's landscapes*, by Cynthia P. Schneider.

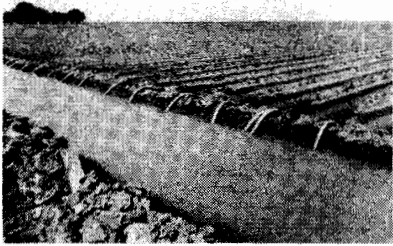
## Departments

- 23 Report from Rio**  
Technology noose tightens.
- 58 Dateline Mexico**  
Mexico, the "perfect dictatorship."
- 59 Panama Report**  
A lesson in hypocrisy.
- 60 Northern Flank**  
Stopping the satanic youth culture.
- 61 From New Delhi**  
Resurgent Rajiv.
- 72 Editorial**  
Lest we forget.

## Economics

- 4 Uncle Sam is insolvent: the \$5 trillion theft**  
In September-October 1989, the U.S. underwent a sharp contraction in bank lending as dramatic as the loosening of risk criteria which typified the "roaring '80s." But, unlike 1930-32, today the solvency of the U.S. government itself is in question.
- 6 Europe looks to cooperation with Third World, Soviet Union**
- 8 New oil price shock will finish off the U.S. economy**
- 11 U.S. cities face bankers' dictatorship**
- 12 India rejects use of food as a weapon**
- 13 Gdansk workers confront Mazowiecki, attack Balcerowicz Plan**
- 15 Brazil's monetarist 'bullets' won't stop inflation**
- 17 U.S. says 'Mexico belongs to us'**
- 18 Currency Rates**
- 19 Poverty and neo-capitalism in the 1990s**  
The second half of an exposé by Prof. Dario Composta of the Urbaniana University in Rome, Italy.
- 22 Banking**  
"Take or be taken."
- 24 Business Briefs**

## Feature



U.S. Bureau of Reclamation

Irrigation of a cotton field in California's Central Valley. The technology that has made the desert bloom here must be used in the Middle East and North Africa, as the foundation of a peace policy.

### 26 Creating a network of rivers and lakes in the desert

All talk of "limited water resources" is bunk. If we decide to, we can turn deserts green by producing unlimited supplies of water, even with present technologies. Jonathan Tennenbaum of the European Fusion Energy Forum shows how nature can be humanized in the Middle East and Africa, just as it has been over the centuries in Europe.

### 29 Greening the desert: the Mideast's potential for water development

An economic geography of the region.

### 34 Water projects for the Mideast, Africa

A rundown of the leading projects, some proposed, others actually begun and then sabotaged by ecology fanatics.

## International

### 46 Will France and Germany play deputy sheriff in the Gulf?

The nations of continental Europe have so far allowed themselves to be coerced into helping the Anglo-American drive toward war, but the point of no return is fast approaching. Will Europe have the courage to say "no" to Bush and Thatcher?

### 48 Anglo-American Mideast occupation was 'preplanned and premeditated'

Interview with Iraq's ambassador to the United States.

### 53 U.S. cozies up to narco-terrorist

A profile of Syrian President Hafez al-Assad.

### 54 Pope in Africa seeks dialogue, development

### 55 Is a 'third force' pushing a bloodbath in South Africa?

### 56 Gaviria joins Bush's 'Three Stooges'

### 62 International Intelligence

## National

### 64 U.S. uses Gulf crisis to wage war on Germany, Japan

Those industrialized countries which have dared to place production and growth above "free market" usury, are being targeted as enemies by the decaying Anglo-American empire.

### 66 Congressman seeks full U.S. force withdrawal

**Documentation:** Text of the resolution introduced by Rep. Henry Gonzalez (D-Tex.).

### 67 Attack on ADL sparked by Gulf policy fight

Columnist Patrick Buchanan, smeared as an "anti-Semite" by the same Anglophile, drug-pushing Anti-Defamation League which targeted Lyndon LaRouche, is fighting back.

### 68 Congressional Closeup

### 70 National News

## Uncle Sam is insolvent: the \$5 trillion theft

by William Engdahl

With the U.S. economy sliding into depression, it is useful to look at an area which almost nobody is willing to mention: What is the state of the “full faith and credit” of the U.S. government today?

The answer is: Alarming.

The present depression is unlike any other in American history. In September-October 1989, the United States underwent a sharp contraction in bank lending as dramatic as the loosening of risk criteria which typified the “roaring '80s.” But, unlike 1930-32, today the solvency of the U.S. government itself is in question. How did this come to pass?

The government’s own budget, with an expenditure line of more than \$1 trillion, could be as much as \$400 billion in deficit in the next fiscal year, if the present known costs of the savings and loan bailout are added to the anticipated revenue shortfall. Beyond the operating budget itself, the government stands behind another more than \$9 trillion in obligations, of which more than \$3 trillion are accounted for by the accumulated national debt, and the balance by what are called “contingent liabilities.”

A novel report crossed my desk recently. Stanley Salvigen, of Comstock Partners, points to a special aspect of the downturn. “There exists a gigantic web of legal obligations to pay money in order to make good on the many government-backed indemnifications and legal assurances spread throughout our financial system,” he notes in a recent client advisory.

As the economy weakens, foreign investors are abandoning the dismal U.S. economy, and the government of the United States will be forced to pay a *vastly higher interest rate premium* to honor its promises to pay. Who’s left holding the bag? The New York investment house Salomon Brothers

recently estimated that if the capital outflow from the United States in the first six months of this year were looked at as an annual rate, then foreign capital is leaving the country at a rate in excess of \$100 billion per year. Japanese and British fund managers have been liquidating U.S. assets across the board, including holdings of stocks, bonds, and other securities, and the debt of the U.S. government itself. For the first time, Japan has become a net seller of U.S. government paper. Yet, it is precisely such foreign flows of funds on which the U.S. government and banking system has depended, since especially 1982.

There is only one candidate, under present policy arrangements, for the task of picking up the tab. As you might suspect, it will be the U.S. taxpayer, if London and Wall Street investment bankers have their way.

### Off-budget shenanigans

Let’s look at just one tiny “off-budget” area that Washington has allowed to go out of control.

Some years ago, the U.S. Congress got the idea to manage the deficit by sleight of hand. Instead of paying for things directly on budget, it sponsored a variety of entities known in the jargon as Government Sponsored Enterprises (GSEs). Though most have never been tested in bankruptcy courts, they tend to convey the impression that the agency—such as the Federal National Mortgage Association or “Fannie Mae”—is backed by the legendary “full faith and credit” of the U.S. government. That’s normally strong assurance. The problem is that these off-budget obligations have exploded during the last 10 years of Reagan and Bush “voodoo” economics.

The largest single contingent liability is the controversial

Federal Deposit Insurance Corp. Created during the Great Depression to restore public confidence and stop bank panic by depositors, the FDIC is today at its lowest level of insurance reserves since 1934. Officially it has \$13.2 billion to cover total insured bank deposits of slightly more than \$2 trillion. If even one large bank, say of the size of Chemical or Chase Manhattan or even the Bank of Boston, were to require government bailout like the 1984 Continental Illinois bailout, the FDIC would be out of funds.

If depositors begin to withdraw funds and invest in gold or other commodities, ultimately the U.S. government could be forced to guarantee \$2.7 trillion, a sum that makes Treasury Secretary Nicholas Brady's incompetent S&L bailout look like chump change.

The signs that this is what is coming are already visible. On Sept. 20, Resolution Trust Corp. chairman William Seidman presented yet another set of proposals on how to deal with the S&L mess. What Seidman now wants to do epitomizes where the country is headed. He proposes that the government now *lend* money to finance purchases of assets of failed S&Ls. The original, and obviously unworkable idea, was that the government *raise* money to finance the cost of closing the bankrupt part of the system through such sales. Now, to help keep the costs of disposal down, and encourage buyers, the government is proposing to lend them the money to do it. Funny, isn't it, that the congressmen who have made so much noise about the way the Southwest Plan of 1988 was financed, with government giveaways to sharks like the Basses and Perelmans, have had nothing to say about this one. Seidman is also in charge at the FDIC.

### **The crisis in real estate**

Other GSEs, such as the National Mortgage Association or the Federal Housing Administration, guarantee tens of billions in home mortgage loans, or an estimated 88% of all U.S. housing credit outstanding today. The FHA in the last two years has begun to lose money for the first time in its history, and the fund may soon be bankrupt, experts say. Again, the government must make good on these obligations. Real estate prices continue to fall nationally and mortgage defaults are rising to scary levels.

Since real estate investment has provided the collateral for bank lending, troubles in the real estate sector spill over very quickly into the banking sector. As with the banks themselves, this process could go quite quickly now. For example, the largest private holder of commercial real estate in the United States is the Canadian-based company Olympia and York, owned by the Reichman brothers. The Reichmans are partners of Henry Kissinger and Lord Carrington in the Hollinger Corp. Now, they want to sell some 20% of their U.S. holdings of commercial real estate. Lazard Frères from New York has been retained to handle the sales. Their intent, it seems, is to raise money within the United States to finance their shaky operations in Great Britain.

What the Reichmans are actually setting up, is the first major test of what U.S. real estate markets will now bear. The sales will establish real price levels, not just on the commercial property directly affected, but in all market segments. The price levels thus established will have their impact in turn on the book values of the assets held by banks which have extended property loans. The Reichmans' test will then feed back into the kind of process that Slavigsen and Seidman are talking about.

### **'Reckless banks, absent-minded students'**

Or take the Guaranteed Student Loan program, which gives banks a 100% guarantee against student loan defaults totaling some \$100 billion. Unemployable ex-students cannot repay these, so, more for the government. And of course, President Bush and his administration, perhaps on advice from son Neil, the family financial wizard, decided to bailout the S&Ls off-budget by, you guessed it, creating yet another GSE, the Resolution Funding Corp.

Added up, the United States has legal obligations to pay, in event of default on all GSEs, theoretically as much as \$5.7 trillion, according to the FY 1991 budget.

As Slavigsen points out, in a deepening depression, with defaults on the GSE loans multiplying, the U.S. Treasury will be forced try to issue more Treasury bonds to, in effect, pay for a useless asset a second time. "The government has," he says, "by lending its credit rating and good name indiscriminately, created a situation in which its credit is being dragged down to the levels of those whose transactions it is backing, whether reckless banks or absent-minded student borrowers."

When the government credit rating is down, it must offer a higher return for its paper to attract investors. Never has the United States gone into a depression with such high interest rates and immediate prospects of far higher rates down the road. No wonder Federal Reserve chairman Alan Greenspan is terrified to mention the "R" word, let alone "D" word.

What this would add up to is devastating. It would mean a combination of higher interest rates, as primarily the government scrambles to borrow more, and hyperinflation, as more paper values are created to back up and cover for those which the government is committed to stand behind. Out of this, the U.S. government's "full faith and credit" guarantee would rapidly become the biggest inflation-generating engine the world has ever seen.

But this cannot be the reason why Alan Greenspan continues to insist that inflation remains the biggest problem facing the U.S. economy. If it were, he would have insisted on changing the policy a long time ago. Nor has the Bush administration anything more sensible to say. Among the proposals coming from that quarter, are that all such government-sponsored enterprises be required to maintain not less than a AAA-grade credit rating. What kind of absurdity is that, under the kind of conditions now emerging?

# Europe looks to cooperation with Third World, Soviet Union

by Volker Hassmann

Two days after the Sept. 12 signing in Moscow of the historic treaty on German reunification, West German Chancellor Helmut Kohl joined French Prime Minister Michel Rocard and high-ranking Soviet representatives at a podium in Wolfsburg, West Germany, to call for the extension of Europe's new unity to benefit the Third World.

"We are proud and full of hope about the developments here in Germany and in Europe," Kohl said, "but we have to be aware that other regions of the world are equally important—for example the developing sector, which has to be integrated into the world economy. The industrial countries have to open up their markets to the developing sector." Europe will not become a protectionist fortress, he said, stressing that "the big task of the 1990s" is to help the poorest countries, especially in Africa, and to solve the debt problem.

"The inalienable rights of man have to be realized," Kohl declared, pointing to the revolutionary upheavals of the past year that led so rapidly to the reunification of his nation.

The chancellor was addressing some 500 top industrial managers and scientists from 36 countries at a conference of the newly founded International Partnership Initiative (IPI).

French Prime Minister Rocard spoke next. "I want to thank German Chancellor Helmut Kohl explicitly for his courageous statement, that there should be no decoupling between the industrialized nations and the developing sector," he said. Rocard went on to demand a change in Western financial policies toward the developing sector, which are strangling some 100 nations. "How did the indebtedness of the Third World come about?" he asked, and gave the following answer: "Because they used *our* methods of financing. This has to stop. There has to be a methodological change in this respect."

In reference to the tasks of economic development in the Third World and Eastern Europe, Rocard spoke of two different approaches ("two money zones") taken by the industrialized countries—one represented by "the United States, but also by Great Britain, Canada, and the big international cartels," the other by the "German-Japanese productivity zone." While the first is oriented toward short-term capital gains rather than investments for the future, and sees investments in the future as a drain on current profits, "the most

effective industries exist in Germany and Japan, where banks grant credits in a different way to the entrepreneur." It is the second, productive approach, that must be applied to the developing sector, said Rocard.

## Development of the Soviet economy

Both Kohl and Rocard pledged increased German-French cooperation toward the economic development of Eastern Europe and the Soviet Union, which is now considered a strategic necessity. A Soviet delegation to the conference, led by Oleg Bogomolov, member of the Soviet Academy of Sciences and adviser to Russian Republic President Boris Yeltsin, made clear that they in turn have adopted economic security as their primary foreign policy interest. Soviet President Gorbachov sent a personal message to the conference, praising Chancellor Kohl for his achievements in the process of German unification and offering broad cooperation.

Bogomolov offered a great opening to the West: "In the next 10 years, the Soviet Union and the whole of Eastern Europe have to be integrated into Europe. It is in the West's own interest to develop the Soviet Union. After 70 years of separation, we are now coming back to European civilization." The challenge is gigantic, as Bogomolov's report about the abysmal state of the Soviet economy showed. To avert a total breakdown, with its obvious destabilizing political ramifications, Moscow needs low-interest credits, modern technology, and transfer of know-how.

He was echoed by the deputy president of the Russian Republic, Gennadi Filshin, who called on German industrialists to help set up a new structure of small and medium-sized enterprises in the Soviet Union, based on Western technology.

## Agreements at the Leipzig fair

A consensus between the Bonn government and German industry on Soviet economic aid had been demonstrated one week earlier at the Leipzig trade fair, where the Eastern Trades division of the German Industrial Association had assembled 200 managers from both parts of Germany and the Soviet Union on Sept. 7. The Soviets sent a high-ranking delegation, including Foreign Trade Minister Katushev, an



economic adviser to Gorbachov, the chairman of the Moscow Foreign Trade Bank, and the deputy ministers for trade and the chemical industry. The German head of the Eastern Trades division, Otto Wolff von Amerongen, endorsed the draft for the German-Soviet economic treaty, which had just been negotiated between West German Economics Minister Helmut Haussmann and Katushev in Bonn.

The "agreement on the establishment of broad cooperation in the field of economics, industry, science, and technology" supersedes the existing treaties between the Soviet Union and East Germany and West Germany, respectively. Besides guarantees for goods deliveries from the eastern part of Germany to the Soviets after unification, it includes the small and medium-sized companies in production cooperation, removal of trade barriers, promotion of joint industrial exports and technology to third markets, best possible conditions for the exchange of experts, pilot projects to modernize agriculture, and cooperation in the fields of space research, shipbuilding, high-speed rail systems, and nuclear energy. Also, the structure of the German-Soviet Economic Commission will be changed to add representatives of different Soviet republics.

While infrastructure development in the East was repeatedly named as "strategic priority" by the tycoons of West German industry, they left no doubt that this requires a "change in the method of thinking," as the head of the Association of German Industry, Dr. Tyll Necker, put it. The traditional instruments of finance credits, going into the bottomless pit of a socialist planned economy, are outdated, said Necker: "We have to be more creative." The economic structures in the U.S.S.R. have to be strengthened, so as to allow higher productivity. "It is not enough to deliver rail cars. The question is whether they will be used effectively. We know that the Soviets lose more food per year than they import. A functioning infrastructure to prevent catastrophic bottlenecks in transport and storage facilities will save the Soviets billions in foreign currency."

### **East German industry: gateway to the East**

In presenting the German-Soviet economic treaty in Leipzig, Economics Minister Haussmann made clear that there can be no economic development in Eastern Europe without development of the Soviet economy. The transmission belt in his "trilateral" West German-East German-Soviet cooperation is the industry of the former German Democratic Republic (G.D.R.), with its numerous economic links to the Soviet Union. Industrial growth and modernization after unification will increase this crucial potential, even if it is now blocked by an inevitable liquidity crunch for companies in the East after the currency union was introduced in July. But the close links to the Soviet and other East European economies are key to the integration of East Germany into the European market, as they are decisive for the required structural changes in the Soviet Union.

The G.D.R. and the U.S.S.R. are strong foreign trade partners. The Soviets conduct 10-12% of their foreign trade business with the G.D.R., which in turn conducts 23-25% of all its foreign trade with the Soviets. This mutual dependency shows in the importance of the U.S.S.R. as a supplier of energy and raw materials to the East German economy. The G.D.R. imports all of its natural gas from the Soviets, 97% of its oil, and 75% of its coal. These energy imports covered 30.5% of its energy consumption in 1987. More than one-half of its imported trucks and tractors come from the Soviet Union.

Almost two-thirds of all G.D.R. exports to the Soviets are in the categories of machine tools, equipment, and transport vehicles. This underlines how important the Soviet market is for these East German economic sectors. Within this category, the biggest portion are vehicles and spare parts, followed by agricultural machinery, equipment for the chemical and timber industries, as well as machines for the metalworking industry. According to the East German Economics Ministry, 25% of all jobs depend directly or indirectly on the close interlink between these two economies. More than two-thirds of the total industrial exports to the U.S.S.R. (in 1988 this was DM30.2 billion) have been produced by 38 state companies employing 935,000 workers. These companies will play a crucial role in the future economic relations between a united Germany and Eastern Europe.

At a Franco-German industry panel held in Vittel, France, in mid-September, West German Economics Minister Haussmann particularly urged French industry and banks to invest in what used to be East Germany, and denounced propaganda to the effect that East Germany would become "the Mezzogiorno of Germany"—a reference to the poorer and more backward regions of southern Italy.

He pointed to the opportunity for every French company and investor that cooperated with a German firm to receive special tax rebates and subsidies on Eastern investments. Haussmann said that close economic cooperation between France and Germany shall play the role of a catalyst for developing an "economic zone from the Atlantic to the Urals."

French Foreign Trade Minister Jean-Marie Rausch responded positively to Haussmann's remarks, emphasizing that there is good reason to be confident that France, being West Germany's number-one trade partner in the West, will keep that position also with the united Germany.

Chancellor Helmut Kohl, too, at the close of Franco-German consultations in Munich on Sept. 19, issued a special appeal to the industrialists of France to invest in East Germany. Following a meeting with French President François Mitterrand, the two leaders pledged to pursue economic cooperation in such areas as nuclear power, the high-speed train projects ICE and TGV, space enterprises, and investments in what used to be East Germany, as well as the rest of Eastern Europe.

# New oil price shock will finish off the U.S. economy

by Marsha Freeman and Anthony K. Wikrent

On Sept. 18, the price of crude oil futures contracts rose to their highest levels ever. The October contract on the New York Mercantile Exchange reached \$33.63 per barrel, while the price of Europe's benchmark North Sea Brent climbed above \$36 per barrel. This nearly \$15 per barrel price rise since a year ago renders unavoidable what has euphemistically been termed a "recession" in the United States. Sources in Europe say that the desperate shortfall of world refining capacity has yet to be felt, and forecast a sharp new rise in gasoline and heating oil prices sometime during October through November.

While the price of oil has been artificially low over recent years, which has masked a growing depression collapse of the physical economy, once the price of oil rises, the depression becomes painfully clear. The effects of the oil price rise will tear through various sectors of the economy in obvious and not-so-obvious ways.

The total of refined petroleum products supplied to U.S. end-users in 1989 was 17.24 million barrels per day (bpd). Of that, 62.9% went to the transportation sector, of which 42.5% or 7.33 million bpd was motor gasoline, almost all consumed for transportation. Another 18.3% or 3.15 million bpd was distillate fuel oil, more than half of which was diesel fuel consumed for transportation. Jet fuel accounted for 8.6% or 1.49 million bpd, all of which was consumed for air transportation.

According to Nancy Sidhu, an economist with Security Pacific Bank in Los Angeles, each \$5 per barrel increase in the cost of oil adds a cost on the U.S. economy of 0.3% of Gross National Product, forcing the U.S. to pay about \$60 billion more for its petroleum imports. Each 5¢ increase in the cost of gasoline increases the cost to consumers by about \$3.5 billion, which is just under 0.1% of disposable income. According to Sidhu, Security Pacific's macro-economic model showed that a \$5 per barrel increase reduced 1991 GNP growth by half a percent, with effects first seen in the fourth quarter of 1990 and first quarter of 1991.

A \$15 per barrel oil increase would wipe out present GNP growth. Mike Moran, chief economist of Daiwa Securities in New York, noted that \$25 a barrel "was enough, against the background of slow growth, to tip the economy into recession. If we had robust growth, we might be able to absorb it, but right now the economy is only growing at 1.5%

... with oil moving to \$25 a barrel, we are flirting with negative growth."

In reality, the doubling of oil prices will send certain sectors of the U.S. economy, such as air transport and trucking, which are already tottering on the edge of bankruptcy, over the edge. The cost to the consumer, particularly in home heating oil and gasoline bills, will mean another ratchet collapse in the fragile standard of living of the majority of Americans.

## Transportation hardest hit

Transportation industries will be decimated, especially trucking and airlines. The U.S. trucking industry hauls slightly over one-third of U.S. domestic intercity tonnage and accounts for slightly over one-quarter of U.S. intercity ton-miles of freight. As of 1988, the U.S. trucking industry consisted of 39,609 Interstate Commerce Commission-regulated motor carriers, according to the American Trucking Association (ATA). These carriers operate about 1.2 million trucks—which will consume 462 million barrels of petroleum products this year. Assuming that the trucking industry will have to spend an additional \$15 for each barrel of oil for the remainder of this year, then the trucking industry's fuel bill has just soared by \$2.23 billion.

In 1988, the 39,609 trucking carriers earned \$57.4 billion in revenues, but only \$2.4 billion in operating income and \$1.24 billion in net income. In 1989, according to figures from the Regular Common Carrier Conference, operating revenues for the 55 largest American trucking companies were \$13.822 billion, with operating income of \$532.0 million and net income of \$259.4 million. Obviously, there is no way that the trucking industry can absorb the increased fuel prices. The industry is now in the process of obtaining approval for rate increases, and in some cases have already obtained them. But, as trucking industry representatives attempted to explain to the Interstate Commerce Commission on Sept. 9, the industry is already in ill health as a result of cut-throat price competition resulting from 10 years of deregulation.

They received little sympathy: ICC chairman Edward Philbin and vice-chairman Karen Phillips—who was a member of the Senate Commerce Commission when trucking deregulation was pushed through in 1980—instead purveyed

the line that the fundamental problem in the industry is "over-capacity."

Reflecting the ill health of the trucking industry, new sales of heavy trucks in the U.S. have registered 12 consecutive months of double digit declines, with sales of Class 8 trucks (33,000 pounds or over)—the truck type that moves the vast majority of the nation's truck freight—leaving sales for the year down 16.8% from the same period of 1989. The oil price shock will help sink this ailing industry as new sales shrivel even more.

Over the past two months, the price airline companies pay for jet fuel has doubled, to close to \$1 per gallon. Fuel accounts for approximately 20% of an airline's operating cost, and as such, is the industry's highest operating expense after labor. Within days of the start of the Iraqi invasion of Kuwait, many commercial airlines announced fare increases as pass-ons to customers of the expected fuel price hikes. But declining passenger traffic and a weakening financial position have left little hope that fare increases can bail out the industry.

The jump in oil prices will potentially hike annual costs to airlines for fuel from about \$9 billion to about \$14 billion per year. According to the Air Transport Association, each \$1 increase in the price of a barrel of crude oil increases the cost of gallon of jet fuel by 3¢. That means a cost increase of almost \$500 million per year per penny increase.

According to the ATA, in the first quarter of this year, the airline industry lost \$600 million. In the second quarter, the industry turned a profit, but it was not enough to make up for the first quarter's losses. Industry analysts expect a consolidation (i.e., rationalization, or cartelization) among the nation's 25 air carriers. It is unlikely that a consolidation will improve either service or safety, in an industry that already ranks as one of the worst in the world in passenger preference and service.

### **Electric power more oil-dependent**

The oil shock of 1974 created a situation in the United States which had never existed before: The price of delivered electric power increased for the first time since the 1880s. Some utilities dependent upon oil had to raise rates by over 30%, but learning a hard lesson, the electric utilities planned to decrease their use of imported petroleum. At the time of the 1974 price hike, 17% of all electricity was generated through the burning of oil. As nuclear power plants were only just starting to come on line by the time of the 1979 Iran embargo, the utilities were still 16% dependent upon oil.

At the current time, however, nuclear power is producing nearly 20% of U.S. electricity, and oil only 5.6%, mainly for peaking and not baseload capacity. As nuclear plants came on line, the delivered cost of electric power resumed its historical decline. Today the utilities use about 731,000 barrels per day of oil, which is only 0.5% of total national oil use.

But in the past three years, the use of oil in the electric utility industry has actually *increased* by 34%, up from 546,000 barrels per day in 1987. The inability of the utilities to build nuclear or baseload coal-fired plants due to financial, environmental, and regulatory sabotage, has pushed them into adding virtually only peak power capacity. It is estimated that 50% of the new capacity coming on line in the next five years will be oil- or natural gas-fired. According to the U.S. Council for Energy Awareness, this could push oil use up from today's level by *2 million additional barrels per day*.

The use of imported oil by the electric utilities is geographically specific, concentrated on the east and west coasts, with New York being the most oil-dependent. The New York City-based Consolidated Edison Company is 41% oil-dependent, and the nearby Long Island Lighting Company (LILCO), 63%. In New York, which has the highest electric rates in the country because of its imported oil bill, the trade-off between oil and nuclear can be directly drawn. If Gov. Mario Cuomo and the anti-nuclear lobby in and around the state had allowed the Shoreham nuclear plant to operate when it was completed five years ago, it would be reducing the amount of oil the Long Island Lighting Company has to import by nearly 8 million barrels per year, saving nearly a quarter of a billion dollars.

### **Chemical industry can't pass on costs**

According to Owen Keane of the Chemical Manufacturers Association, the U.S. chemical industry used 2.5 million bpd oil equivalent of energy, 45% of which was crude oil, or 1.125 million bpd of oil in 1989. About 95% of that crude oil is used as feedstock, mostly for the production of three major primary derivatives: ethylene, propylene, and butalyne.

The total energy bill (fuel and feedstocks) for the chemical industry is about \$20 billion a year, of which half is for oil. The Chemical Manufacturers Association has estimated that a \$10 increase in the price of a barrel of oil would cost the chemical industry another \$7.5 billion each year.

The industry manufactures over 60,000 products, and many would not be greatly affected by an increase in the price of oil. However, some products, such as ethylene glycol, used in antifreeze, are 80-85% oil derived and would have to increase 20-25% in price to recover a \$10 price increase in a barrel of oil. According to Ronald Whitfield, vice president of Charles River Associated, Inc., in Boston, \$25 per barrel oil forces ethylene prices up about 15%, to 27.6¢ a pound, while propylene prices are forced up 16%, to 18¢ a pound. Further along the production process, prices for low-density polyethylene will be forced up 17%, to 39¢ a pound, and the price of crystal molding grade polystyrene will rise 21%, to 47¢ a pound.

Overall, Keane stated, if the additional energy cost of \$7.5 billion were to be successfully passed through, chemical industry products would have to increase about 4% in price

on average. In 1989, the industry's estimated operating income was \$25.93 billion. Thus it appears that the industry can absorb the price increase, as it might well have to. Keane noted that the chemical industry has begun a number of new projects in recent years to increase capacity, but now demand is slackening due to recessionary factors. Keane stated that "the supply-demand factors facing the chemical industry would work against any major passing through of increased energy costs."

### Agriculture may be the most vulnerable

A rise in oil prices will substantially affect every aspect of growing, processing, and delivering food. Petroleum-based fuels used directly for farm equipment in grain production, for example, are only \$8 per acre of a total \$150 per acre operating cost, but every other aspect of agriculture depends upon energy inputs as well. Drying and storing grains, for example, requires another \$4-5 per acre of production of mainly natural gas and oil-derived liquid petroleum gas.

A recent study by the Congressional Research Service stated that while agricultural production accounted for only 3-4% of total U.S. energy consumption, the entire food and fiber industry—production, processing, packaging, and distribution—represents 15-20% of energy consumption.

In a report issued on Sept. 11, the U.S. Department of

Agriculture estimates that if oil prices stay around the \$30 per barrel level, farm production expenses can be expected to increase by \$1.7 billion over previous \$20 per barrel oil estimates, for 1991. If oil were to go to \$40 per barrel, the increase could top \$2.6 billion.

Agriculture is distinct from other sectors of the economy. The USDA states, "Net farm income would drop as farmers are unable to pass cost increases directly to the consumer." The increase is initially borne by the producer, who can only get a set price for his commodity at market. Therefore, for the section of farmers already at financial risk, such increased production costs could be impossible to absorb.

In the last two oil hoaxes, animal production was very hard hit, due to increases in the costs of heating (fuel) and cooling (electricity) the farm facilities, and increases in feed from rising transportation prices. The USDA report states that "higher transportation costs raise meat distribution costs, which would be passed on to consumers and back to livestock producers."

Overall, the USDA projects a 1-2% rise in food prices accompanying a \$30 or \$40 per barrel price for oil, primarily from higher transportation costs.

This higher cost of food translates into fiscal year 1992 increases of about \$170 million for food stamps, and increases in the cost of school lunch programs.

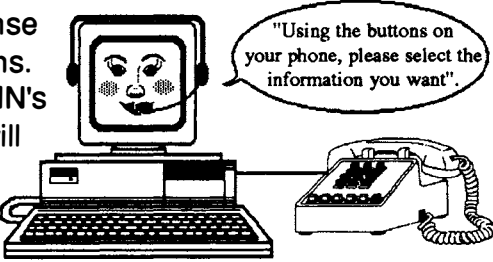
**Fax (215) 340-2415**

**GRALIN** associates, inc. (215) 340-2411

3613 Old Easton Road, Doylestown, PA 18901

**Specialists in Voice Response Systems.**

The Audio Info Engine, provides you with a powerful tool to deliver your information. GRALIN offers today's Information Provider a wider choice of options than any other vendor of audio response systems. GRALIN's staff will work with you to design and implement a system to meet your needs. Call or Fax us with your ideas or requirements for a quotation.




## CONSULTING ARBORIST

Available to Assist in

The planning and development of wooded sites throughout the continental United States as well as

The development of urban and suburban planting areas and

The planning of individual homes subdivisions or industrial parks



For further information and availability please contact Perry Crawford III

**Crawford Tree and Landscape Services**  
8530 West Galumet Road  
Milwaukee, Wisconsin 53224

# U.S. cities face bankers' dictatorship

by Steve Parsons

Under the impact of collapsing revenues, state and local budget crises all over the United States are turning into fiscal hemorrhages. The situation is becoming so severe that no amount of the usual budget-cutting will stanch the flow of red ink.

In the offing is a plethora of "emergency" fiscal measures, so-called "budgetary shock therapy," aimed at radically altering the function of government to enable imposition of even bigger tax hikes and expenditure reductions. Using the model of what was done to New York City during 1975, hard-nosed Wall Street "realists" are preparing bankers' dictatorships to control and in effect replace local governments that are deemed to be too beholden to their constituencies.

In 1975, under the banner of saving New York from bankruptcy, Wall Street's top banks and investment houses abruptly terminated further debt financing—after years of encouraging and providing funds for such borrowing. This immediately precipitated a cash-flow crunch that pushed the city to the brink of bankruptcy. The bankers then insisted on the creation of an Emergency Financial Control Board and the Municipal Assistance Corporation to rule over the city's budget and borrowing practices. Lazard Frères' Felix Rohatyn was installed as chairman of what became known as Big MAC, with the mandate to impose austerity so severe that the city has become a living hell.

To this day, even though the city supposedly "recovered" from its budget crisis years ago, Rohatyn is still the chairman of Big MAC; the Financial Control Board is still in place to take over the city's finances; and a statute is still on the books that dedicates various city revenues, including sales tax receipts, to debt repayment to guarantee bonds that the banks either underwrite or own themselves.

## Big MACs for Massachusetts . . .

Already in Massachusetts, five towns and cities have been forced to agree to having financial control boards oversee their budgets. Brockton was the latest, having to accede to such a board when Shawmut Bank suddenly stopped its traditional lending against the city's tax anticipation notes. The city had run out of cash for its payroll—not through its own doing, but primarily as a result of the state's fiscal quagmire that has resulted in savage cuts in state transfers to

towns and cities.

In January, Shawmut Bank President John Hamill presided over a state commission, the Governor's Task Force on Local Finance, which called for imposition of such state-appointed financial control boards as "a regular part of the state-local relationship." Brockton officials report that approximately 100 other towns are in similar straits, just inches behind Brockton. Will banks like Shawmut and the financial moguls holding the state hostage to impending bankruptcy, precipitate local fiscal insolvencies that force these towns' elected governments to submit to overseers appointed by the same state and banks?

## . . . and Philadelphia

On Sept. 20, an emergency meeting of Pennsylvania state officials, Philadelphia leaders, and sundry financial "advisers" was taking place at that city's Chamber of Commerce. Both the Chamber and the *Philadelphia Inquirer* have called for a financial control board to run the city, which is facing bankruptcy by November. Moody's and Standard & Poor's recently dropped Philadelphia's credit rating below that of junk bonds, to "near-default" status, and no bank will finance even its revenue anticipation notes. As a result, the city halted new spending for one week in order to conserve cash.

Speaking at a forum in July on the city budget, former New York City Budget Director and Rohatyn crony Donald Kummerfeld endorsed the Chamber's call for formation of a "bipartisan advisory board, in the following terms: "The tough things to be done can't be done by the local elected official unless he has someone else to blame."

Rohatyn himself has been "consulted" about Philadelphia, and his Lazard Frères firm is advising an untold number of cities and states. The national media once again have him in the headlines. On Sept. 11, the *New York Times* featured a commentary by Rohatyn titled "New York can be made to work," in which he focuses on gutting labor as the solution to New York's new fiscal crisis.

"For things to get better," he writes, "the city will have to make fundamental changes in the way it goes about its business." Rohatyn maintains that it's not the lack of money that creates the city's problems; it's "the work force [that] has grown by more than 50,000 people in the last 10 years," he states, adding the lie that "in the same period, labor contracts have grown generously."

"The city must develop an economic and management philosophy in setting wage and personnel policies," he writes. For Rohatyn, that "philosophy" means paying city workers not even the miserable 1.5% increase so far offered. "Nothing would be more destructive to the city's economy than an across-the-board labor settlement at rates the city cannot afford." The solution: "a one-year freeze in total labor costs . . . attrition and layoffs."

Perhaps Rohatyn hopes no one will ever again visit New York to witness the "success" of his Big MAC.



# India rejects use of food as a weapon

by Mary Burdman

Along with the vast quantities of modern weaponry now being sent to the Persian Gulf, another weapon is being fielded by the Anglo-American war machine against Iraq: the "food weapon." This was foreseen in 1989, when U.S. congressional candidate Lyndon LaRouche warned that food was going to be used as a strategic weapon by the Anglo-American financial establishment against the nations of the South.

The U.S. and British-led faction in the United Nations Security Council has "interpreted" Resolution 661, which set up an embargo against Iraq, as a total embargo of even food and medicine—using military might. Ships attempting to bring food supplies to Iraq have been stopped by force by the naval patrols in the Gulf. The blockade threatens more than Iraq's population. Hundreds of thousands of foreign workers, mostly Asians, still in Kuwait and Iraq face starvation.

But a group of nations, led by India, is fighting back. India and other nations of the Non-Aligned Movement, representing almost the entire developing sector, which led the fight for a New World Economic Order in the 1960s and 1970s, have forced the blockaders to back down. An Indian ship carrying 12,000 tons of food sailed for Iraq on Sept. 16, and India has reached a direct bilateral agreement with Iraq that the food will be distributed to Indian citizens and to any developing-sector foreign workers—from Sri Lanka, the Philippines, Thailand, Pakistan, and other nations—who need it.

## No right to stop medicine and food

"We are determined that food and medicine will *not* be used for political purposes by any side," India's High Commissioner to Great Britain, Kuldip Nayar, told *EIR* Sept. 19. "The Indian ship will land in two to three days. We want the food to be distributed to all nationals.

"Iraq must quit Kuwait, there is no question on that. However, the U.N. Resolution totally exempts food and medicine from the blockade. No one has any power or right to stop food and medicine. After this first ship, the process should expand."

Claims that Iraq's government would seize any food shipments are unfounded, the High Commissioner said. This has been cited repeatedly as a reason to prevent food shipments to Iraq. Although, Nayar said, he is sure that it has not been reported in the Western media, "after the food ship was cleared for sailing, Saddam Hussein agreed that the food will

be distributed to Indians and other foreign nationals in Iraq and Kuwait who need food. The Indian ambassador to Baghdad met with the Iraqi Foreign Ministry to make this agreement. The Indian Red Cross and Iraqi Red Crescent will distribute the food."

There is no question who is using food as a weapon. Even among the "Permanent Five" on the U.N. Security Council—the U.S., Britain, France, China, and the U.S.S.R.—there is no unanimity on the issue. Soviet leader Mikhail Gorbachov not only refused to support the U.S. military deployment in the Gulf during his summit with George Bush in Helsinki Sept. 9; the summit statement also emphasized that Resolution 661 permits food imports by Iraq in "humanitarian circumstances." China voted with Cuba and Yemen on Sept. 14 for a new resolution totally excluding food from the embargo. Yet British Foreign Secretary Douglas Hurd said that the U.K. would prevent countries "sympathetic to Iraq" from sending in food supplies in the guise of humanitarian aid, the *Hindustan Times* reported Sept. 9.

The U.N. Sanctions Committee is trying to shift the blame for the food warfare onto Iraq. Chairman Marjatta Rasi of Finland said Sept. 13: "The information we have is that there is still plenty of food in Iraq, but Iraqi authorities are using food as a weapon." Despite these claims, Iraq has tightened food rationing just two weeks after rationing was first introduced.

It is children who are suffering most from the embargo. The Berlin daily *tageszeitung* reported Sept. 19 that Iraq currently has sufficient vegetable and meat supplies, and that U.S. journalists there were "furious" about the lack of effect the embargo was having. But Iraq is heavily dependent on imports for foods necessary for children, including fresh milk. On Sept. 8, the London daily *Independent* reported that the U.S., using its veto power at the United Nations, had barred two Bulgarian ships carrying 26 containers of baby food from leaving Hamburg harbor for Iraq. Iraqi doctors at the Saddam Hospital for Children in Baghdad report that sick children will be dying in the hospitals in another few weeks, as supplies of fresh milk, insulin, saline drips, antibiotics, and oxygen run low.

On Sept. 14, the U.N. Security Council, "sensitive to criticism that the organization has used food as a weapon," pushed through Resolution 666, the London *Times* reported. Its intent is to extend the embargo to increase pressure on Iraq, and blame Saddam Hussein for the hungry Asians. Resolution 666 says the U.N.—which has no personnel in Iraq—must first "determine" the need for food, report back, and then any food shipped in must be distributed under the control of the international agencies, which Iraq has refused to allow. Indian Foreign Ministry spokesman Antaf Seth blasted these tactics in an interview with the BBC Sept. 12. "There will be no gain in delay except deaths by starvation," Seth said. "If that is the goal of the U.N. Sanctions Committee, I have nothing more to say to them."

# Gdansk workers confront Mazowiecki, attack Balcerowicz Plan

by Jacques Cheminade

The crowned eagle of Poland, a crucifix, and the symbol of the Gdansk shipyards decorate this hall where the Solidarnosc wave began in 1980, where the strikers' passionate speeches mingled with poems of Slovacki, Mickiewicz, and Norwid, where today, Aug. 30, Prime Minister Tadeusz Mazowiecki has come to confront the anger of these workers of the Baltic Sea. Regardless of what one may think of his policy, one cannot help but admire a prime minister who came with his Labor and Industry Ministers to submit himself to questioning from working men; nor can one help but love a country where it is possible to do so with neither violence nor personal attacks.

The assault is very rough, the more so for the high degree of political consciousness that guides it. Wieslaw Wodyk, representing the Gdynia shipyards, is the first to attack. "Your program, the Balcerowicz program, claims to fight inflation. That may be, but to the detriment of the workers. This is the Nomenklatura's program, not that of the workers who brought about the changes in Poland. Stability? Yes, but at a level of very little supply, and an even less demand. Therefore, in such conditions, it is easy to say that inflation is disappearing. . . . Don't be surprised if the country is apathetic: austerity against those who made the Revolution and privileges for the Nomenklatura cannot engender enthusiasm with anyone! Of course there is apathy in society at large, but it's the result of the government's apathy. You claim to be cleaning up the economy, but did it ever occur to you to clean out the ministries in Warsaw? You are fighting inflation, but have you thought about production? You worry about finances, but what about growth? A competent economy is like a train, you have to begin by choosing which locomotive to pull it. But I don't see one. Do you have an employment strategy? Do you plan to protect budding industries like every successful industrial economy has done?"

The charge is relayed from one speaker to the next, all of whom represent regional enterprises. "Prime Minister, you are doing nothing to promote investments. The substance of a ship is the equipment to produce it and the high skill of labor. What are you doing to ensure the survival of both?" demands one. "You are not telling us anything about the financial agreements with the U.S.S.R., or with Comecon.

We want to go on selling our goods, but not to be robbed. Is federal Germany going to indemnify us for the canceled contracts of the former East Germany? Do you know that you are in the process of creating an army of unemployed? Your policy has no effect; it controls inflation by ruining us and ruining what we produce. Your policy has no effect; it risks bringing to nought what we've fought for for 10 years, 20 years," says another.

Another worker then raises the fundamental question: "Are you for or against production? Things are going very well for shipyards in the world today, making lots of profits, except for us, here in Poland. Why are you letting us founder by imposing impossible conditions? Personally, we consider you as a friend, we were comrades in battle and in prison, but I can no longer support your austerity policy for the workers and pork-barrels for the Nomenklatura, who are not only surviving but getting prosperous. I like you a lot, but not enough to die for you. I would rather live with Lech Walesa."

Embarrassed and not hiding it, Mazowiecki responds that Poland is the first country to go from communism to capitalism, from a centralized economy to a market economy. It has the chance to occupy an important place in a nascent Europe, but it has to be an example. It depends on a difficult worldwide conjuncture. We can't go too quickly, we have to keep the most competent people in their positions, we don't want any witchhunts. . . .

Industry Minister Tadeusz Syryjczyk, who intervenes next, himself shows an absolute ignorance of economics. He simply repeats the buzzwords of various American and British institutes and goes so far as to say, "People complain that they have to leave a qualified job in order to sell things on the streets. But that's normal; that's a proof of vitality. We should develop business and services much more. . . . Business is the basis of capitalism and it begins with a little stand in the street. Our role is simply to ensure health standards for those who sell." Only the invisible hand is missing.

Labor Minister Jacek Kuron is obviously of a different caliber. He defends himself like a skillful devil, admitting that prices in Poland look more and more like those of Western Europe and the wages like those of East Germany. But "we can only eat what we produce. Our system of production

has been destroyed or left to abandon by the communists. Our profit capacities are seven times less than the principal Western European countries. We could keep prices artificially low, but that would lead to ruin. . . . The state can no longer do everything. We must get rid of the welfare mentality. We cannot be constantly protecting the weak, and maintaining a facade of equality. Elsewhere in Europe, they had tried to have equal wages. Then the socialists themselves realized they were mistaken. They created unemployment, by preventing firings. Now, they have given up. Everyone should be paid according to his skills. We, in Poland, cannot do things differently than in Bonn or Paris.” Mazowiecki then takes the floor again to add, “After the wonderful hour of liberation, people are coming back to reality. People are having a difficult time and are closing themselves up in private affairs. It is not the fault of the government, but of the whole society.”

At this point, it has become clear that the government representatives are taking refuge behind a deterministic conception of history, by simply replacing the Marxist gospel with the liberal one. “We can’t do anything about it; the conjuncture works this way; the laws of the free market work that way. We have to clean things up, make things pay, cut the fat.”

The problem with Mazowiecki and his government is that they define themselves in terms of initiatives and conceptions foreign to themselves, in terms of a certain fatality or pattern of constraints that dooms any of their own, internal initiatives from the outset. In this way reality is divided into slices of knowledge, each served up independently from the next, deprived of life and vigor. In such a closed, gray universe, no perspective for production, for creation can appear.

### **Speculators traffic in human flesh**

In this atmosphere of impotence raised to a doctrine, it was left to a worker to echo the voice of truth. Hans Seyc, director of the Gdansk Naval Shipyards, does not mince his words and takes all the risk of displeasing some people. “Let’s tell it like it is. My shipyard is functioning without a plan or a program. We are placed in impossible conditions. We are giving away the most profitable parts of the shipyards to Polish-foreigner ‘joint ventures,’ who are exempt from taxes, who come with considerable means of financing and begin with no debts; whereas we have to pay taxes, to repay our debts, and we have no means of financing. We don’t want to destroy these new associations, these ‘joint ventures,’ quite the contrary; but we do want fair competition. There, the elements of the Nomenklatura have become ‘privatized’ while giving themselves all the advantages, and here they are at the head of the ‘joint ventures’! We have been substantially looted, not to profit the investors or the producers, but by the speculators in the Nomenklatura! They have organized a veritable traffic in human flesh. They plunder our best workers with wages twice what we are authorized

to pay out, and not to have them produce, but to occupy profitable niches, especially in services! There is trading in human flesh: I know of cases in which workers have been bought and sold, there is looting of the state-owned enterprises, and total falsification of terms of competition—and all in favor of our former enemies. Is that what we have fought for?”

The director of the Gdansk shipyards continues his attack: “The only real way to fight inflation is to increase production, to satisfy the demand for goods. Is that what are you doing? The answer is, ‘no.’ What you are doing is to reduce demand, to reduce production. That’s how speculative activities are created, the sources of future inflation. You have reduced inflation in the short term by creating the conditions for a tragedy in the medium and long terms. And even that is not true. Because, if there were no inflation today, if you had at least achieved that end, how could the annual interest rates on loans to industry be at 66% since the beginning of the year? Funny way of not having inflation, Mr. Prime Minister. At the same time, here in Gdansk, although we are the only Polish non-military production present in Europe, although we have one of the most highly skilled work forces, although other shipyards are working full capacity, here 65% of our plant is not utilized. You are in the process of dismantling our whole Baltic coast. More than 600 firms linked to ours are being shut down, as well as technical schools the whole world appreciates, although shipyards are doing well throughout the world.

“You know, Mr. Minister, we don’t ask anything of you. We don’t want aid or subsidies or whatever. We want equal terms of competition, the freedom to produce. The ‘joint ventures’ don’t pay taxes. We do. That is unacceptable! The law does not allow us to pay human labor what we would like to. That, too, is unacceptable. Privatize? Yes, I applaud it with both hands. But not if it means removing the substance of the state. Or selling off cheaply the companies that we are prevented from making profitable! People aren’t fighting any more like they used to, they don’t believe in it any more. The question is: How can a worker whose purchasing power is falling continue to believe in it, while his neighbor from the Nomenklatura is prospering?”

This discourse only received a dilatory response from the Industry Minister, who treated it as “demagogic,” all the while announcing, along with the prime minister, a large wage hike for Sept. 1, which was far, far below European norms. This was the one concrete element to come out of the meeting which was notable for the evidence of deep political consciousness of the trade union leaders, but disappointing from the standpoint of the government’s behavior. It is clear in any case, that the social base for an alternative to the Balcerowicz Plan exists in Poland. It remains now to be built up, and for France and Germany to lend the necessary support. The Schiller Institute will certainly help that alternative, so crucial for the future of Europe.

# Brazil's monetarist 'bullets' won't stop inflation

by Lorenzo Carrasco

Just before Brazilian President Fernando Collor de Mello took office on March 15, he compared himself to an expert hunter who could fell the fierce tiger of inflation with a single shot from his rifle. Exactly six months later, the official economic indicators reveal that President Collor and his economic team shot wild, only grazing the tiger. The actual impact of the "bullet" hit the country's real productive activity, creating conditions for an unprecedented depression which threatens to add dramatically to the millions of Brazilians already living in dire poverty.

The violence of his anti-inflation program was recognized by President Collor himself, in statements to the London *Financial Times* reported Sept. 12 in the Brazilian press. "No economic compendium contains an adjustment plan as rigorous as this. . . . Neither the IMF [International Monetary Fund], nor any banker, would dare impose such a far-reaching program on any country in the world."

Collor's program was indeed severe. In one stroke, he froze two-thirds of the nation's money supply (\$80 billion in savings, financial assets, bank deposits, and investments), unexpectedly liberalized foreign trade—which now threatens to drive thousands of Brazilian industrialists into bankruptcy—and slashed public spending. But inflation resisted, remaining at a level of 12% per month, and the rate has not increased only because the Central Bank as of June has been pumping liquidity out of the economy.

## **Eighth letter of intent with the IMF**

Despite every indication that his monetary policies have failed, Collor has insisted on aggravating the conditions of economic depression in the country with a suicidal monetarist policy designed to stabilize the inflation rate at 7% per month by the end of 1990, and at an annualized 25% in 1991. At least this is what is solemnly pledged in the latest "letter of intent" signed with the IMF and revealed to the public in mid-September. The letter of intent bears the signatures of Economics, Finance, and Planning Minister Zelia Maria Cardoso de Mello, and of Central Bank President Ibrahim Eris.

Other promises to the IMF included in the letter of intent are the creation of an operational budget surplus in 1990 of

0.5% of the Gross National Product, which in reality translates into a budget cutback of about 8% of the GNP (approximately \$32 billion), given the fact that last year's operational deficit was 7-8% of the GNP. This brutal cutback is being achieved through, among other things, laying off scores of thousands of public employees, and through the sale of national patrimony, prominently including various state sector companies which are being auctioned off to the highest bidders, be they national or foreign.

Regarding the layoff of public officials, the letter of intent says that "the government is determined to achieve a significant reduction in the number of federal officials. . . . Through mid-August, nearly 145,000 officials had been laid off, 43,000 placed on paid suspension, and 13,000 induced to retire early."

On the privatization program, the letter of intent says, "The first group of public companies to be privatized within the first three years includes ten firms in the petrochemical, steel, and fertilizer sectors, with a total value preliminarily estimated at 15 billion liquid dollars. Apart from these companies, the government is also selling its minority holdings in another 16 firms in the petrochemical sector. The resources from privatization will be used to rescue the public debt. As of July 1990, the financial institutions should acquire, in 12 equal allotments, nearly \$2 billion in Privatization Certificates which will be used to buy stock in the public companies that will be privatized. . . . The privatization program will be open to the participation of foreign investors."

## **New monetary shock**

In another part of the letter of intent, the Brazilian government commits itself to a new monetary shock: "After the March freeze of financial assets, the money supply grew rapidly. . . . In order to obtain the desired reduction of inflation, it will be necessary to have policies that strictly restrict credit, implying rigid control over the growth of the money supply, independent of the effects of such policies on the levels of interest rates."

The government's stubborn insistence on lowering inflation with monetary policies based on the quantity theory of

money, is digging the pit still deeper. The Central Bank has already announced a "black September," with new and more drastic measures to cut back the monetary base.

On Sept. 10 alone, 120 billion cruzeiros (nearly \$2 billion) were withdrawn from circulation, by a mechanism which increased the banks' reserve ratio. This in turn immediately provoked a leap in bank interest rates. On that single day, time deposits (CDBs) shot up 170 points, reaching a record 620% annualized interest rate. The next day, CDB interest rates rose to 650%. Companies seeking credit on those days had to sign contracts with interest rate levels at between 700-800%.

Further, the Central Bank had already announced that on Sept. 17, national banks would have to hand over 950 billion cruzeiros (about \$13 billion), equivalent to the amount the banks had not delivered to the Central Bank on March 15, when the program was first launched. This measure has the potential to drive more than half of the national banking system into bankruptcy. Even Central Bank President Ibrahim Eris recognized that "we created a situation of panic on the market by mistakenly proposing a September monetary adjustment." The banks have reached an agreement to pay off the debts in four installments.

Interest rates in the overnight market, which are used to negotiate Treasury bonds (LFTs) and have stayed at a real negative rate since March, began to go positive as of July. On Sept. 10, in unleashing the panic, the government had to offer LFT buyers interest rates above 22% a month, an absurdly high level compared to the 12% monthly inflation rate.

This policy of drastic cutbacks in monetary liquidity has created a bizarre situation. For example, the fictitious shortage of cruzeiros and high interest rates caused dollar-dumping, which devalued the U.S. currency against the cruzeiro to levels so unreal that they placed the entire Brazilian export sector at risk. This forced the Central Bank, in turn, to buy up more than \$800 million in dollars since Sept. 3. That is, the cruzeiros which the Central Bank withdrew from circulation on the one hand, in some cases paying excessively high interest rates to do so, are now returned to the monetary market through dollar purchases. The artificial fall of the dollar has turned Brazil's cities—from one day to the next—into the most expensive cities in the world—with the lowest salaries in the world.

## Heading for depression

In revealing its promises to the IMF, the Collor government estimates that its monetary measures will cause a 3% fall of the GNP this year, but promises that next year will show a 3% positive growth. This goal, despite the fact that it offers nothing more than zero growth, is a lie. The truth is that government measures are forcing the economy into a deep depression from which it will be difficult to recover. Harvard economist Jeffrey Sachs was fully aware of this fact, according to *O Estado de São Paulo*, when he candidly told

a foreign debt seminar held in São Paulo on Sept. 11 that "society has to understand the new reality, and for this there is nothing better than a painful recession like the one that is coming."

Economics indicators already show signs of a serious depression, much more serious than a mere 3% fall in GNP. For example, the August economic review published by the National Industrial Federation reported that the index of industrial production fell below 1981 levels, according to statistics from the Brazilian Geographic and Statistical Institute.

Comparing industrial production of June 1990 with average 1989 production, the production collapse of the industry in general is 10.41%. The major effects show up in the mechanics industry, with a negative index of 17.81%, the electrical material industry, with -15.21%, and transport material industry, with -35.49%. The social implications of this industrial fall can be clearly seen in the level of layoffs in São Paulo industries.

According to the most recent research on economic tendencies by Price Waterhouse, published in *Jornal do Brasil* Sept. 13, it is estimated that the rate of gross fixed capital formation this year will scarcely reach 14% of GNP, which is the lowest rate in the last 20 years. During the 1970s, this rate reached the level of 25% of GNP. This latest research also reveals that investment plans of the top 500 industrial companies in the country are virtually nil.

According to statements published in *Gazeta Mercantil* on Sept. 13 by Lindolfo Ernesto Paixao, the operations director for Electrobras, growth in electrical energy consumption—which should remain around 2% during 1990—will be the lowest of the past decade. Earlier, a 6% growth rate had been anticipated for 1990. In the 1970s, electrical energy consumption grew 10-12% a year.

The perspective for industrial recovery is almost nonexistent; in fact, the depression tendency is expected to worsen as the result of new monetary measures and the latest orders of President Collor for a new 25% cutback in state company spending for the last trimester of 1990. This will increase the financial difficulties of these public companies, which are already suffering from the controls on public service rates that have been artificially contained by the government's anti-inflation program.

The economic depression is also revealed in the collapse of consumption levels. Between January and June of this year, compared to the same period in 1989, retail sales fell 14.24%. Supermarket sales fell nearly 20%, department stores 30%, and clothing sales 40%.

Given this picture, government estimates of a mere 3% GNP fall this year, and a 3% recovery next year are a cruel hoax. The GNP collapse in 1990 could surpass 6%.

Having fired his last shot, President Collor, in his insistence on taking Brazil down this monetarist path, could well lead to a fatal confrontation with the tiger of inflation.



# U.S. says 'Mexico belongs to us'

by Peter Rush

With Mexican President Carlos Salinas de Gortari and U.S. President George Bush both pushing hard in their respective countries to achieve a so-called "free trade pact" at the earliest opportunity, it is becoming ever clearer that the objective of both Presidents is the economic annexation of Mexico to the United States.

The precondition for the planned economic annexation is completing the dismantling of Mexico's national economy which was begun in 1983, at the behest of the International Monetary Fund, by Salinas's predecessor Miguel de la Madrid.

Elliott Abrams, formerly President Reagan's Assistant Secretary of State for Inter-American Affairs and his chief policymaker for the continent, who is known to reflect the views of the Bush administration as well, made clear in an interview with Mexico City's *El Financiero*, published Sept. 11, what is entailed in the push for a free trade accord with the United States.

Mexico's "price" for such an accord, Abrams said, is "less independence and less sovereignty."

In order to enforce the pact, Abrams remarked that Salinas will have to use naked force. "Only a real explosion of violence in Mexico could interrupt the [free trade] negotiations," he observed, "but this is considered a remote possibility, since Washington has full confidence in the capacity of the government of President Salinas to maintain order and to use force when necessary."

## The view from Washington

Abrams attacked the very idea that Mexico should have much economically to do with the rest of Latin America, heretofore considered, both in Mexico and the rest of the continent, to be Mexico's natural partners in carrying out continental integration. Even the term "Latin America," Abrams said, is an anachronism. "Mexico has ceased having authority in this region, toward which it has no affinity," Abrams said, reflecting the attitude in Washington of treating Mexico as a colonial extension of the United States.

The head of Mexico's National Council of Foreign Trade (CONACEX), Jorge García Fernández, said almost the same thing in an interview with *Excelsior* newspaper on Sept. 10. "We can't let ourselves remain tied to the umbilical cord of the subcontinent," he said. "And if, for political, or even demagogic reasons, we are going to let ourselves become

stragglers as a country, losing this unique historical opportunity to stop being underdeveloped and to integrate ourselves into the U.S. bloc—the bloc of opportunities and challenges—it will be totally unjust for the nation."

Mexican Foreign Minister Fernando Solana harped on the same point, when he addressed an odd gathering on Sept. 14 celebrating the 99th anniversary of the founding of the University of Chicago, held in Mexico City and attended by numerous Mexican graduates of monetarist Milton Friedman's economics department who now hold top posts in the government there. "I see a Mexico linked closely to the future of the United States," he proclaimed, adding an oxymoronic qualifier, "but a country independent and stronger politically."

## Bankers hail the 'Mexico model'

With the Salinas administration so docile, bankers are urging other countries, especially in Eastern Europe, to copy the "Mexico model." William Rhodes, the leading debt negotiator for Citibank, Mexico's major U.S. creditor bank, speaking at the annual trade fair in Leipzig, East Germany, said that the "Mexico model" for dealing with debt should be seen as a solution for Poland and other Eastern European countries.

And at a meeting in Bonn, he recommended that Eastern European governments copy the processes of economic reforms, such as privatization of state companies, as best demonstrated by Chile and Mexico.

Rhodes conveniently failed to mention that despite all the reforms made by Mexico, the banks have not resumed lending, nor has foreign capital flowed in—the two supposed benefits of carrying out the reforms. He also failed to spell out the real policy of the banks: Keep the squeeze on until Mexico has abandoned national control over not just most of its state industries, but *all* of them, including most importantly the state oil company Pemex.

Moreover, the *real* "Mexico model" being referred to, is not the phony debt agreement which has not saved Mexico much money, nor the privatizations, which less sanguine observers say is part sham anyway, but the government's ability so far to impose drastic cuts in wages, salaries, and the development and infrastructure budget, without provoking political upheavals—so far.

## Salinas, jailer for the bankers

Salinas recently stated that he envisioned *maquiladora*-type industries all over Mexico. On Sept. 8, Salinas attacked the leaders of several independent trade unions representing workers in the *maquiladora* industries in the region of Tamaulipas, who have been leading strikes and protests against low wages and terrible working conditions. He accused them of "defending their own interests" and not those of the workers, and said that their attitudes "contravene our laws and damage our country, provoking a climate of uncertainty in

foreign investors, who are induced to look for other places to invest." The next day, Fidel Velázquez, head of the CTM trade union confederation, the Workers' Central of Mexico, dutifully announced the removal from office of the leaders in question. So far, the leaders are risking arrest by refusing to step down.

Salinas also mocked all efforts to salvage the ruling Institutional Revolutionary Party (PRI) as anything but an arm of government entrusted with enforcing austerity. At the PRI's national convention Sept. 3-5, numerous speakers attempted to argue for separating the party from the government, and for creating democratic procedures whereby the masses could have a say in the running of the party.

But Salinas said "no."

Speaking at the closing session Sept. 5, Salinas attacked all who would criticize the PRI. "All opinions are welcome," he stated, "save those that while talking of democratization, in reality encourage the party's division. . . . We . . . firmly refuse to debate those of the opposition who denigrate the party within the country and have no political modesty when it comes to criticizing the PRI and the government abroad . . . without recognizing the damage that this attitude can cause the party," he said.

As Salinas probably anticipated, the leader of the internal opposition, the "Critical Current," Rodolfo González Guevara, felt forced to announce his resignation at the conclusion of the convention, after 44 years in the party, saying it could no longer be reformed from within.

## Mexico's extreme misery

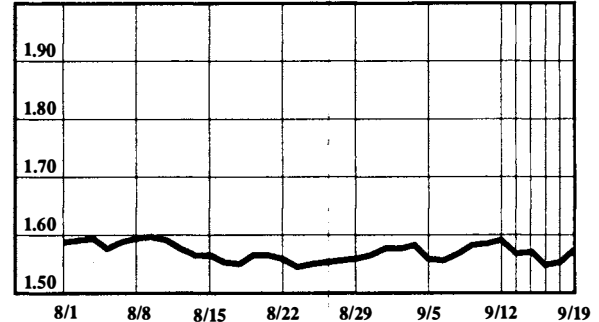
The reason for Salinas's hard line is not hard to find. A two-part feature in *Unomasuno* newspaper on Sept. 5 and 6, based on a new report on the internal condition of Mexico, revealed that more than 20 million Mexicans live in "extreme misery," "housed in hovels of cardboard, mud, straw, clay or palm," while more than 40 million people, half the entire population, "struggle at the limits of poverty." The minimum wage today is well under half the real value, measured in buying power, that it had in 1980, and is only 56.6% of its value in 1970. Some 40% of the population is underemployed, and another 12% are unemployed, leaving less than half the population working full-time jobs. The study documented that 40% of the population suffers nutritional deficiencies, and that the country is completely incapable of feeding its own population.

Food production has plummeted. In 1981, the country produced 14.5 million tons of corn, but only 10.6 million tons in 1988, while the population grew over 15%. Output of beans, another staple, has also fallen, while production of rice, at 533,000 tons in 1985, was only 300,000 tons in 1988. The wheat harvest, on which the population depends, fell from 5.2 million tons in 1985 to 3.6 million tons in 1988. And milk output is down from 7 million tons in 1982 to 5.2 million in 1988.

# Currency Rates

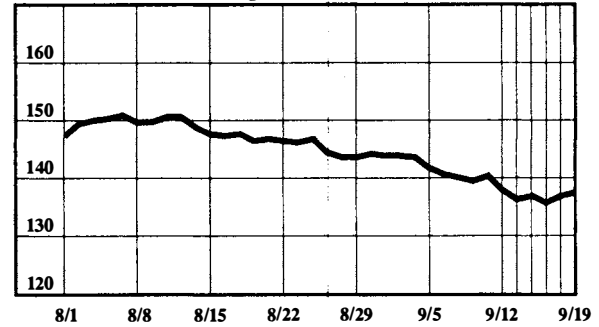
## The dollar in deutschemarks

New York late afternoon fixing



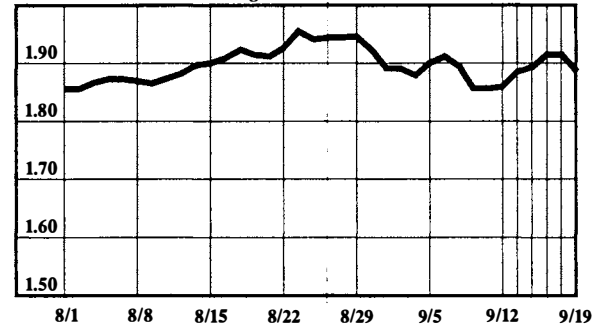
## The dollar in yen

New York late afternoon fixing



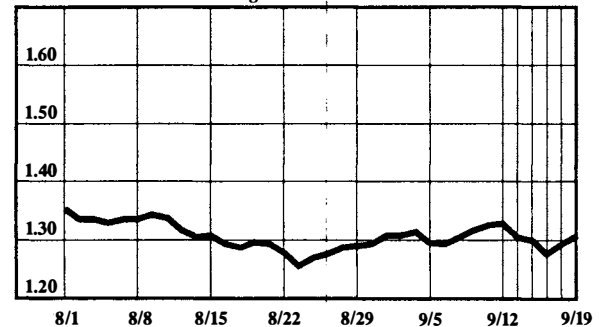
## The British pound in dollars

New York late afternoon fixing



## The dollar in Swiss francs

New York late afternoon fixing



# Poverty and neo-capitalism in the 1990s

---

*Professor Dario Composta, a Catholic theologian, exposes the one-worldist view behind the environmentalist movement. Part II of II.*

*Dario Composta, a theologian at the Urbaniana University in Rome, delivered the lecture excerpted here at the Cultural Center of Viterbo, Italy, on March 10, 1990. In Part I, Professor Composta traced the development of capitalism from the Italian Renaissance and its perversion by Calvinism, touching upon Pope John Paul II's Encyclical Sollicitudo rei socialis of Dec. 30, 1987, and his attack on the "structures of sin." While aimed primarily at a Catholic audience, we believe his synthesis will be of general interest to EIR readers. It has been translated from the Italian original and abridged.*

## 5) Origins and development of one-worldism

According to the *EIR* Special Report published [in Italian] as a supplement to *Nuova Solidarietà* on Nov. 26, 1988, there is now an ongoing ecologist plot promoted by a malthusian oligarchy and the Soviet KGB against the Christian West. We note the technical expression: Behind "the ecologist movement is hidden a malthusian plot"; and that is to say, behind the smokescreen of concern for the environment lies hidden the project of destroying Christianity through birth control and other criminal expedients such as pornography, drugs, satanism, invasion of cults, and corruption of youth by the spread of rock. At the apex of the pyramid stand Prince Bernhard of Holland and the English royal family.

The origins of the plot go back to Aldous Huxley, one of the strategists and founders of the ecologist movement and of the malthusian forces, who with Bertrand Russell and others, amid a group of homosexuals and satanists, in 1937 founded in Oxford the "Peace Pledge Union."

Huxley suddenly moved to California, taking with him the cult of the Greek god Dionysius, and soon discovered LSD. From there he made contact with Thomas Mann, the German novelist, to spread this terrible drug. After the war, he joined up with the satanist Aleister Crowley and founded groups of druggies (Remember the "psychedelic" culture of California?) dedicated to the cult of Isis, the Egyptian goddess who offers pseudo-mystical experiences. They translated the Tibetan *Book of the Dead* to involve unwary youth in esoteric journeys of perversion into the Buddhist monaster-

ies of Himalaya or the so-called Hindu *ashrams*. In California during the 1960s, the "hippies" emerged, and from Britain arrived the Beatles from whom sprouted the Rolling Stones, etc., with their new frenetic and irrational rhythms. Huxley's view was that the irrational is the human ideal. This was the American counterculture of dirty, fleabitten "beatniks," of the various satanic groups, including those who, when caught by the police in Guyana, committed suicide—all 900 of them!

This attack on Christianity is only one cultural fringe. Another fringe is the population lobby led by the Club of Rome, presided over for many years by Prof. Aurelio Peccei with financing from Volkswagen and other malthusians. Peccei, in his 1974 autobiography, states among other things that it is time to introduce into the citadel—i.e., into Christianity—the Trojan Horse which consists of creating fear over increases in population. In those same years, the multinationals artificially sparked the oil crisis so as to convince people that to survive, the population must be reduced. One episode: In those years there appeared in *Il Giornale* a significant article entitled "How to remain few and live happily," which stated that "the optimum is for Italy to be reduced by 20 million inhabitants." Then there was a pamphlet printed in California but destined for India entitled "Famine! Can we survive?" (1969). It talks about the population bomb and prophecies universal famine. A third component was the "Greens," tied both to Moscow and to U.S. potentates. Battle was joined against food production, demands went up for closing down atomic power plants, farm production was reduced, etc. The capital of the Greens seems to be London, but with branches in the U.S.A., U.S.S.R., and Europe. In Italy, we reached the suicide of building mammoth atomic plants, only to then change their purpose, with probably much worse pollution. Thus many workers were thrown out of work, and Italy now depends 80% on foreign energy sources, spending 13 trillion liras for it, while the energy demand increases 4% a year. So, somebody wants poverty and unemployment. Likewise the anti-pesticide struggle, and the loud calls for closing certain factories, emerged only in this decade thanks to hidden persuaders who want to reduce

us to poverty, to create fear of the future, and to induce people to not have children. To destroy Christianity consists also of exhausting the sources of life and pushing people toward abortion.

The orders for dismantling came from the National Environment and Policy Act (NEPA), inspired by the malthusian Paul Ehrlich. That was in 1970. I do not intend to deny the ecological problem; the Holy Father spoke authoritatively of it at the end of December last year. Rather, a different issue is at stake here. The malthusian and pagan conspiracy, impregnated with gnosticism, went so far as to celebrate ecologist bachanals by instituting Sun Day. In the U.S.A., on May 1, this holiday was celebrated under government sponsorship with anti-nuclear objectives. . . . Then-President Jimmy Carter, himself tied to the cults, gave a strong push to the movement.

Now there exists a "Green International" with its malthusian "priests." At this point, too, the U.S.S.R. comes into play, by encouraging pacifism and thus weakening anti-Soviet resistance in the name of the futility of nuclear deterrence and the dangers of progress. In Canada in 1970, Greenpeace was born, with the aim of blocking all underground nuclear experiments. When the *Rainbow Warrior* trawler, which belonged to that pacifist movement, was blown up in 1985 in a New Zealand port while it was getting ready to disrupt French atomic tests in the Pacific, one perceived the pawprints of Soviet espionage. And it was Andropov who (apparently) ordered the failed assassination against the Pontiff.

Meanwhile in Varna, on the Black Sea, Westerners and Soviets, with Warsaw Pact representatives, were meeting to promote closer collaboration among the Western European Greens, led by Denis de Rougemont, a Swiss, one of the most prominent one-worldists. This led to Ecoropa in 1977, with a manifesto apparently drawn up on behalf of saving the environment, but inspired by malthusian ideas.

Besides these three fringes, the cultural, population-control, and environmentalist, we should (and this is the most important) indicate, however briefly, the one-worldist financial groups, such as Bilderberg Group, the Trilateral Commission, and the drug traffickers headed up by the Russian-American Jewish businessman Bronfman and others. In Italy these groups are led by Enrico Cuccia of Mediobanca, Bruno Visentini of the Cini Foundation in Venice, Eugenio Scalfari, [publishing magnate Count] Carlo Caracciolo, the Agnelli family [of Fiat], and the Odiscalchi princes linked to the English royal family, which presides over the World Wide Fund for Nature (WWF). We add the Radicals who spread drug use, and ally with the Greens and the Reds when there are anti-Christian causes to be promoted. . . .

Now everyone knows that world finance is headed by Wall Street where the International Monetary Fund acts as the loan shark to starve Catholic Latin America.

On Nov. 24, 1988 *Avvenire*, the well known Catholic daily in Italy, started a series of articles bylined Maurizio

Blondet. The big names tied to each of the abovementioned four groups were listed: soft drug financing by persons enrolled in the P-2 [illegal Freemasonic lodge] such as Roberto Memmo and De Cataldo, and *Il Manifesto*. Then: struggle for "saving the Labrador seals," and collaboration in the campaign against nuclear energy by four organizations: Greens, ecologists, pacifists, and Radicals, with the contribution of Italian Esso, one of the "seven sisters" Rockefeller oil companies. In order to block nuclear power, they go around spreading lying propaganda—as if methane, oil, and naphtha were "healthy" substances. . . .

As you see, the political reviews and the Catholic newspaper agree in their diagnosis of the present situation; what is striking in this concordance is the affirmation of a dark, worldwide movement of encirclement of Christianity, and especially of the Catholic Church, by diverse forces which we call neo-capitalism, for what seem to me to be obvious reasons. All these forces are attempts at a project of one-worldist domination to bring about a single monstrously murderous power. Dear listeners: The issue is no longer poverty nor misery—but life or death.

Is it not perhaps true that when this power started moving on all fronts, that the aim was to attain the desecration of human life with abortion and euthanasia? Neo-capitalism differs from the classic capitalism, in that if capitalism created misery in the poor classes, neo-capitalism promotes death. Allow me simply to report that AIDS in Uganda has infected 20% of the population according to reliable information. Yet it has been revealed that neo-capitalism will not lift a finger to stop this scourge. Cynically, the death of the poorest of the poor is desired. (*Avvenire*, Oct. 5, 1988: "It costs too much, let them die!") Here, death begins with the moral breakdown of the youth who, after the corruption of his adolescence, reaches marriage age (as I read a few weeks ago in *Corriere della Sera*) impotent, or 20-30% incapable. We do not speak of the massacre of women through the continuous use of contraceptives: A conspiracy of silence surrounds the grave consequences on the body: tumors, vaginal herpes, nephropathies, cardiovascular problems. The major pharmaceutical companies, such as Sandoz-Nestlé of Switzerland, are they not hitched to the neo-malthusian cart?

I end this rather gloomy summary, warning my listeners that at the peak of this perverse movement is the project of bringing about the Age of Aquarius to replace that of Pisces, i.e., they want to destroy every vestige of Christian civilization (identified with the sign or constellation of "Pisces") in order to create a new man. This is the Aquarian Conspiracy, according to the programmatic 1974 volume, *Changing the Image of Man* (Stanford Research Institute, directed by Willis Harman, Margaret Mead, B.F. Skinner, Erwin Laszlo of the U.N., and Sir Geoffrey Vickers of British intelligence.)

Now we understand the stark language of the Encyclical *Sollicitudo rei socialis*: Today's world is involved in "perverse structures," with "organizations of sin," with Satan's

allies. This is the true face of the neo-capitalism which is reabsorbing even communism and entwining it in its coils. . . .

## 6) Conclusion

This overview allows us to reach certain conclusions: The first is that *science and technology* are not responsible for human misery nor even for the grave present situation of the rapid spread of AIDS. The first industrial revolution of steam was preceded by great public works in France such as the Languedoc Canal at the end of the 1600s and, in England, the internal navigation canal in 1780 between Manchester and Liverpool. It was in Manchester where the canal built by the Duke of Bridgewater and his engineer Gilbert promoted a system of rapid extraction of coal. An employee of the canal, the Scottish worker Watt, in 1769 discovered the steam engine; but only in 1780 was it used for the textile factories. Manchester in 1790 had become a very rich city; only five years later "Manchesterism" became synonymous with exploitation. In those years Lavoisier, following suggestions from the Protestant pastor Priestley, experimentally demonstrated that water was composed of hydrogen and oxygen. That began the manufacture of gunpowder. Shortly thereafter, steam energy would be applied to ships and to locomotives: railroads are born. Behind science stood the ideologies to turn these tools into tools of oppression. Yet Adam Smith's statement that science arose by accident and that (as later Karl Marx stubbornly insisted) the industrial revolution was due to the exploitation of the working class, was not true. It was rather the ideologies and the Enlightenment that perverted science and technology. The physiocratic theory that became pervasive in France (but also elsewhere) thanks to Turgot and Condorcet around 1750, which asserted that agriculture alone was the source of wealth, was of Enlightenment origin. The laws passed in France in those years in the name of intensive cultivation, abolished common pastures, i.e., the right of shepherds to lead their flocks onto cultivated lands. The landowners spent huge sums to fence their lands and the shepherds were thrown out on the street, and with them the cheesemakers and butchers. Decades later the French Revolution broke out, which kept the *status quo*: increasing, in fact, the rural poor so as to make them into enraged Jacobins.

Of the Enlightenment too was Adam Smith's theory, based on individualistic and amoral optimism, by which the market is regulated not by morality, but by the laws of "Darling Nature." It was heavily pushed by the Oxford historian Arnold Toynbee, a close follower of Voltaire; he, like all the chieftains of liberalism, saluted the industrial revolution and the French Revolution as a liberation from "medieval morality which regulated production and distribution of wealth." In his judgment, economic science and socialism would be the two great systems of thought of the new epoch.

Also based on the Enlightenment was the thinking of Karl Marx. . . . Thus the misery of the last century cannot be

attributed to the great discoverers, but to Enlightenment ideologists, trained in agnostic and anti-Christian schools. Why be scandalized then if Pius IX in his famous *Syllable* rejected the liberal statement: "The Roman Pontiff can and must reconcile himself and ally himself with progress, with liberalism and with recent civilization"? The great Pontiff did not condemn science, but liberal progress, the exploitation of the poor, and perverse anti-human ideologies. Today the most honest scientists have become convinced that science, when it is corrupt or sells itself to perverse policies, prostitutes itself for the manipulation of nature and man. Pius IX was a prophet!

A second observation arises from the foregoing diagnosis: The fall of Marxism as an ideology (I do not say communism, because as a military power it has remained practically at the same competitive levels of a few years back) has provoked ideological revisionism; the bible of the Marxists is no longer the gospels of Marx and Engels, but the sacred cows of the French Encyclopedia: Diderot, D'Alembert, Helvetius, D'Holdach, Voltaire, and the divine Marquis de Sade. In other words, the Marxist economic failure has not yet provoked the conversion of the leaders, but their return to communism's origins; or rather to the utopias of French romantic socialism: Saint-Simon, Fourier, Proudhon, and the atheistic rationalism of the cited Enlightenment thinkers.

The days of the little red books of Mao, or the minute exegeses of the sacred texts of Marx (young or mature, it does not matter) are by now a memory. But Marxist perversion has not touched just the belly, but the heart of the communist leaders. Left without food, they beg from the West, but, it seems, their thoughts have remained materialistic and atheistic. So, yes, democracy, but no religion. Religious freedom yes, but no change in the anti-Christian ideological system.

The philosopher Augusto Del Noce, one of the greatest thinkers of Italy in this century, 25 years ago foresaw that the Marxist revolutionary impetus would be weakened by prosperity and would be softened into that form of general decadence which is nihilism. Therefore, no more noisy parades and barricades, but closing in on itself in the "reflex" of privacy and hence hedonistic enjoyment of life in the radical, secular sense. The bible of the Marxist and radical bourgeoisie in Italy is the newspaper *La Repubblica*, where sarcastic cartoons attack the Pope and Stalin, [Communist leader Achille] Occhetto, and [Vicar of Rome] Cardinal Poletti: This is the most expressive form of nihilism, the last suicidal beachhead of Marxist materialism and anticlerical liberalism.

Dear friends, in the face of these assertions which are part of our deepest thoughts, the believer poses a question to himself: Where are we going? . . . The years ahead will be decisive. . . . We are the bearers of hope: The world looks to Rome, to the Pope. And to whoever jeers, we have an infallible response: "*Non praevalent.*" They shall not prevail! The faith is our strength!



## 'Take or be taken'

*Plans to save the banking system via "megamergers" and consolidation will destroy the banks, and the nation.*

As the U.S. banking crisis deepens, federal regulators are embarking on a desperate plan to save the nation's biggest banks by allowing consolidation and cartelization.

In testimony before the Senate Banking Committee on July 31, Federal Deposit Insurance Corp. chairman L. William Seidman laid out "three objectives in reforming the system: First, to reduce the potential liability to the government. . . . Second, to maintain the stability of the financial system. . . . Third, to increase the market orientation of the system, so we have a system that is competitive and consumer-oriented. The foregoing is *all* we need to do to vastly improve the performance of the financial system of the United States, and it's all we need to do to improve the ability of our financial institutions to compete successfully in the world economy."

To achieve the first objective, reducing the government's insurance liability, Seidman proposed reducing the amount of deposit insurance provided per customer and limiting the kinds of investments that can be made with insured deposits. "Most important," he said, "is to evolve a structure that separates insured deposits from risky ventures by using separate legal entities."

To achieve the second objective, stability, Seidman recommended that the "tools" be put in place to allow the government to "always be able to act to meet problems in the financial system."

To secure the third objective, a competitive banking system, Seidman proposed a sweeping revision of U.S. banking laws: "Eliminate unnecessary restrictions on products and ser-

vices. Glass-Steagall must go. . . . Eliminate the Bank Holding Company Act's regulation of capital requirements. The separation of finance and commerce must go. . . . Eliminate geographic restrictions so that our institutions can compete as truly U.S. institutions."

The Bank Holding Company Act, he said, "generally increases regulatory costs, reduces available capital and creates the most awkward and expensive structure that exists anywhere in the world."

Seidman's call, although remarkably blunt by the standards of Washington "insider" jargon, nevertheless failed to make clear exactly what he planned to do. The bureaucrats generally prefer to let others launch their trial balloons.

Such a trial balloon was launched by the Establishment mouthpiece *Forbes* magazine on Sept. 17, in an article entitled "Megamergers: a solution to the banking crisis?"

"Get ready for a big new wave of bank consolidations—and we mean big," *Forbes* warned. "Outfits like Chase Manhattan and Manufacturers Hanover will take or be taken."

There are "far too many banks with far too much overhead making far too little profit and showing little or no growth," wrote author James R. Norman. "The main remedy must be consolidation."

Norman complained that the U.S. banking system is "fragmented"—with the top 50 banks only controlling about 65% of the assets—and raises the specter of U.S. multinationals being pushed "into the arms of foreign banks" because U.S. banks cannot meet their needs.

Norman floated the line that mergers between giant banks in the same market, such as Chase Manhattan and Manufacturers Hanover in New York, would allow the resulting megabank to dramatically reduce overhead, and thus expenses.

However, given the financial condition of the big money-center banks, loaded down as they are with Third World debt, leveraged buyouts, and real estate loans, it would be difficult for one of them to raise enough money to buy another.

For those tempted to believe that two bankrupt banks can save each other by merging, recall the 1987 merger of RepublicBank Corp. and InterFirst Corp., two of the largest Texas banks. At the time of the merger, both legions of experts proclaimed the merger the salvation of Texas banking. The resulting bank, First RepublicBank Corp., collapsed spectacularly in one of the biggest bank failures in U.S. history—at a cost of billions to taxpayers.

That's where Seidman's ending "the separation between finance and commerce" comes in. By eliminating the Bank Holding Company Act's prohibition of bank ownership by non-bank companies, the government would free the way for a whole new range of buyers. In Norman's words, "That would let big industrial companies with large credit operations—such as Ford, General Motors and General Electric—to step in as consolidators. Not to mention raiders and restructuring artists."

There you have it: the future of American banking, with banks, corporations and corporate raiders gobbling up the banking system in a frenzy of takeovers, all in the name of "stability."

And all backed by a blank check from the Federal Reserve, courtesy of the U.S. taxpayer.

## Technology noose tightens

*In reward for its break with Iraq, Brazil is seeing the Anglo-Americans train their guns at its high-tech trade.*

The daily *Jornal do Brasil* reported Sept. 14 that the Bush administration is demanding from Brazil the head of Air Force Brigadier Hugo Piva (ret.), as punishment for his leading a group of Brazilian technical experts who are collaborating with Iraq in aerospace projects through a private firm. When the Middle East crisis erupted, *Jornal do Brasil* reported, the government of President Fernando Collor de Mello concretized its abrupt rupture with Iraq by making "a secret promise to the U.S. government that Piva's actions would be investigated."

Collor further guaranteed that "vigilance over the aeronautic-technological complex" at São José dos Campos would be increased.

The same newspaper reported that the Brazilian Senate was proposing to "fully investigate" trade and, above all, technological relations that Brazil has maintained with Iraq for more than a decade.

"It will be a veritable inquisition," *Jornal do Brasil* commented on the dozens of inquests which the investigation, proposed by Sen. Jutahy Magalhães, will entail.

Brazil's dramatic abandonment of its longstanding close ties to Iraq was hardly a wholehearted contribution to the Anglo-American war effort. Rather, it was the direct result of overt U.S. blackmail. Exemplary are the nearly daily attacks against Piva, attacks which have grown to the point of accusing him of endangering "Brazil's prestige."

In exclusive statements to *O Estado de São Paulo* on Sept. 7, Brigadier Piva said that the attacks—above all

from the U.S. press—were "because I am inconveniencing people, because I occupy a space which until a short time ago was the privilege of the superpowers. And they are interested in destroying me for that."

He also defended the legitimate motives behind Brazil's original close relations with Iraq: "Iraq helped us substantially during the first oil crisis, when there was no oil available anywhere in the world and Brazil had no money to buy it."

All indications are that the punishment demanded by Washington goes far beyond Brigadier Piva, and is modeled on what former Secretary of State Henry Kissinger has been accustomed to imposing upon Third World nations and leading figures who aspired to provide their nation with advanced technological development as essential to defeat poverty.

Kissinger was famous for expressing his attitude by saying, "Nothing important for universal history could come from the South."

The current offensive against Brazilian-Iraqi relations represents a watershed in the superpowers' longstanding efforts to prevent Brazilian access to advanced technology. Instead of being rewarded for its break with Iraq, the United States has been tightening the technology noose around Brazil. This is the most important strategic consequence of the escalation of North-South conflicts which began with the current Middle East crisis.

For example, the administration of George Bush has indefinitely "postponed" the sale to Brazil of an IBM 3090-300 supercomputer, which was

intended for purchase by the aircraft construction company Embraer to conduct crucial aerodynamic calculations. The sale had already been authorized by U.S. Special Trade Representative Ambassador Carla Hills, but on Sept. 14, it was revealed by the press that the final decision was up to Bush's National Security Adviser, Gen. Brent Scowcroft.

This decision is coherent with the Aug. 29 statement made by the former U.S. representative to the Coordinating Committee on Multilateral Export Controls (Cocom), Richard Perle, who told the London *Financial Times* that Cocom would be reimposing controls over previously unrestricted sales to Third World countries. The aerospace programs of India, Brazil, Iraq, Argentina, and Egypt have been continually victimized by discriminatory decisions by Cocom, and nothing has changed.

What has the military and scientific-technical elite of Brazil most concerned about the country's sovereign right to technological development, is that President Fernando Collor himself, and especially Science and Technology Secretary José Goldemberg—a fanatical devotee of Thomas Malthus—have insisted, at least publicly, on the need to end such high-technology projects as the nuclear program. Collor told the foreign press on Sept. 5 that, to his way of thinking, "Nuclear energy is a permanent threat to the citizen."

This new Brazilian position is being received with euphoria by circles around the State Department in Washington, because it is seen as a "demonstration that President Collor is prepared to break with past policies, and indicates that Brazil is prepared . . . to adhere to precepts of international control over advanced technology that it had always rejected," according to *Jornal do Brasil*.

# Business Briefs

## Science

### Biology teaching 'snuffing' interest

The 13-member Committee on High School Biology Education has stated that "nothing short of a massive attack" on the problems of teaching biology and science could change the serious deficiencies in U.S. education, in a report released Sept. 7 by the National Research Council of the National Academy of Sciences. The committee believes that biology is simply being mistaught in America's public schools.

The three-year study found that biology is the only science most high school students take. It is also the first science course in the high school curriculum, and therefore should function as the gateway to chemistry and physics. But its teaching seems to be designed to "snuff out interest" in science. Only 30% of high school students go on to study chemistry, and only 15% go on to study physics.

The panel, made up primarily of science educators, stated that preparation of teachers is inadequate, and that the curriculum focuses too much on terminology and too little on concepts.

Among the panel's recommendations are that more science be taught in elementary school, that more science specialists be hired, and that each prospective teacher of high school science be required to do an original research project in college under the direction of a scientist.

## Development

### U.N. reports bleak Third World picture

The U.N. Conference on Trade and Development, concluding its conference in Paris, projects economic deterioration for the world's 41 poorest nations, a situation made markedly worse by recent oil price increases. UNCTAD calculates that these poorest nations, with \$70 billion in debt, would require additional aid of \$11 billion by 1995 to get them started on the path to recovery, but that a \$25 per barrel price

for oil increases that amount to more than \$14 billion.

For these countries to achieve a growth level of 5% per year, they would require \$36 billion in aid annually, or three times the amount they received last year.

The conference report noted that only a few European nations have maintained their 1981 pledge to make 0.15% of their GNP in aid to the Third World, while most, including the U.S. and Japan, have lagged behind. Instead, aid has totaled only 0.09% of GNP, resulting in some \$40 billion shortfall from the targeted levels over the decade.

"We thought things would get a lot better after 1981 and they got worse," said Yves Berthelot, UNCTAD deputy secretary general. "It's simply not acceptable that one-tenth of the world's population continue to be marginalized."

## Europe

### German industry calls for railroad building

The Congress of German Industry (DIHT) has called for priority projects in railroad-building, in a memorandum to the Ministry of Transportation in Bonn in mid-September.

"For decades, railroads have been the weakest element in the composition of transport sector enterprises. In order to change this situation, investments in a national and European-wide system of high-speed railroads must be given priority," a relevant passage read.

After study of proposals by jailed American economist Lyndon LaRouche, many German industry and government leaders have been discussing the economic potential of a "Productive Triangle" centered on high-speed rail networks linking Paris, Berlin, and Vienna-Prague, as a basis for rebuilding Eastern Europe and providing tangible economic aid to the Soviet Union. The DIHT proposal seems to reflect that discussion.

In tandem with British intelligence instigated attacks on rail development, the Sept. 11 *Journal of Commerce* carried a guest editorial by Jack Duchemin entitled "Forget About

High-Tech Trains," which attacked magnetically levitated trains and the French TGV high-speed train.

## East Bloc

### Soviet monthly praises Count Witte's economics

A call for the revival of the economic and foreign policies of Count Sergei Witte, turn-of-the-century prime minister under Czar Nicholas II, has appeared in the July 1990 issue of the Soviet Foreign Ministry's monthly, *International Affairs*. The call proposed that Witte's development policy be revived, anchored in Russia's "good and reliable partner," Germany.

The call took the form of a letter, "Foreign Policy to Meet National Priorities," written by Yuri Ilyin, deputy director of International Politics at the Higher Party School in Moscow.

Ilyin states, "The old European order has now crumbled. . . . Let us not fool ourselves: The postwar settlement has gone never to return. One can and, perhaps must speak of it, but that will, after all, be like trying to hold on to the Holy Alliance and the Versailles system in their days. . . . So, we have to base our approach to the 'German issue' on our own long-term interest."

Ilyin asserted that when Russia stopped listening to Witte, who was overthrown in the revolution of 1905, the result was World War I and Russia's ruination: "Russia's confrontation with Germany in World War I stood out as amazingly senseless. For it interrupted a continuous 30-year cycle of the world's fastest economic growth! Now, what course would world history have taken if the rulers of Russia had followed the worldly-wise statesman, Count S.Y. Witte, who insisted back at the turn of the century on 20-25 years of full calm in Russia's foreign affairs?"

Ilyin also praised Witte for not wanting to "pull Britain's chestnuts out of the fire" in its confrontation with Germany. "For Russia to have kept out of the Entente could have meant radically changing the course of world developments in the 20th century. We have now once more reached a similar threshold in our

relations with Germany, and God save us from starting to pull the chestnuts out of the fire for somebody else! So, it is high time we started turning back to the traditional foreign policy values of Russia. . . . A united Germany must live in peace with Russia and must be her good and reliable partner. . . . We should, if belatedly, follow the abovementioned recommendations of Count Sergei Witte."

## Insurance

### Industry asks for federal regulation

"It might be necessary to have federal regulatory assistance," the president of the American Insurance Association, Robert Vagley, told the House Energy and Commerce Committee Sept. 14. The association represents 239 of the nation's largest property and casualty insurers.

The statement, which represents a major shift for an industry long opposed to federal regulation, reflects the industry's fear that state insurance regulators are unprepared to deal with the widespread financial problems affecting insurers.

However, the American Council of Life Insurance, which represents the most powerful life insurance companies, still opposes federal regulation, according to the *Washington Post*.

## Energy

### Andreotti calls for nuclear revival

Italian Prime Minister Giulio Andreotti has called for a revival of nuclear energy in his nation, and charged that "American oil companies" are a major culprit in the international sabotage of the nuclear industry. "It seems that the oil companies are not extraneous to the American anti-nuclear campaign," said Andreotti at a conference held in Perugia on Italy's energy situation in the wake of the Persian Gulf crisis.

Andreotti asserted that Italy must return to

nuclear energy, and cited the deleterious effects of the anti-nuclear referendum voted up in Italy in 1987.

He warned, "One must be careful about foreign infiltration," citing the Six Sisters oil cartel.

"In the best scenario, we are bound to the aspirations of the Arab world to consider oil as a common good. But there is also the prospect of a class war in those areas, and then we should really fear for our supplies."

The president of public industries, IRI, declared, "It was a mistake to stop the construction of the Montalto di Castro nuclear energy station. Now we are at the mercy of the oil-exporting countries."

Industry Minister Battaglia said that Italy's energy bill this year will be 5 trillion liras higher than last year.

## Labor

### Depression conditions put unions on the ropes

American industry is contracting rapidly, and according to Morgan Stanley analyst Scott Merlis, as quoted in the *Wall Street Journal*, "They're buying the right to downsize" from their labor unions.

The United Auto Workers and General Motors have come to terms under which GM will spend some \$4 billion on job and income protection programs, but is apparently not required to find work for any of the 30,000 union members the company has laid off during the past three years.

Meanwhile, 5,000 schoolteachers have gone on strike in New Orleans over \$400,000 worth of health benefits—the first walkout in New Orleans schools since 1978. It is expected to be a long strike since the teachers are asking \$1 million in new benefits and pay raises, but the school board offered only \$600,000.

Workers at the *New York Post* have also agreed to \$20 million in wage and salary cuts to keep that newspaper in business, the *New York Times* reports.

# Briefly

● **ONLY ONE COMPANY** that is still fully American-owned produces high-powered industrial lasers for materials processing, according to a laser industry analyst at the Arthur D. Little Company. These lasers range in power from 5-25 kilowatts and are used as machine tools for cutting, drilling, and other operations.

● **THE MAGELLAN** spacecraft, during a test of its radar on Aug. 16, produced three images of craters on Venus similar to those on Earth, and also earthquake faults. The poor quality of resolution on previous missions to Venus had left open the question of whether or not there is geological and tectonic activity on Earth's sister planet.

● **THE WORLD BANK** has reported record looting of developing countries in 1989. The new annual report says there was a "record net outflow of resources" from developing countries to industrialized countries of \$42.9 billion in 1989, surpassing the record \$37.6 billion of 1988, the *Financial Times* reported. The report says that the main reason for the net outflow was a collapse in new loans (minus capital repaid) to only \$16.6 billion from \$22.8 billion.

● **THE TWO LARGEST** industrial groups in the world, Mitsubishi and Daimler-Benz, are meeting in Tokyo to map out broad global cooperation. According to Mitsubishi spokesman Taniguchi, "Between 100 and 150 joint ventures" are planned worldwide. Daimler chairman Edzard Reuter has led a 70-man corporate delegation to discuss specifics of the cooperation.

● **SOUTH KOREA** and the Soviet Union signed a trade agreement in Moscow Sept. 15 granting most favored nation status treatment to one another, a spokesman for South Korea's Trade and Industry Ministry told UPI.

# Creating a network of rivers and lakes in the desert

by Jonathan Tennenbaum

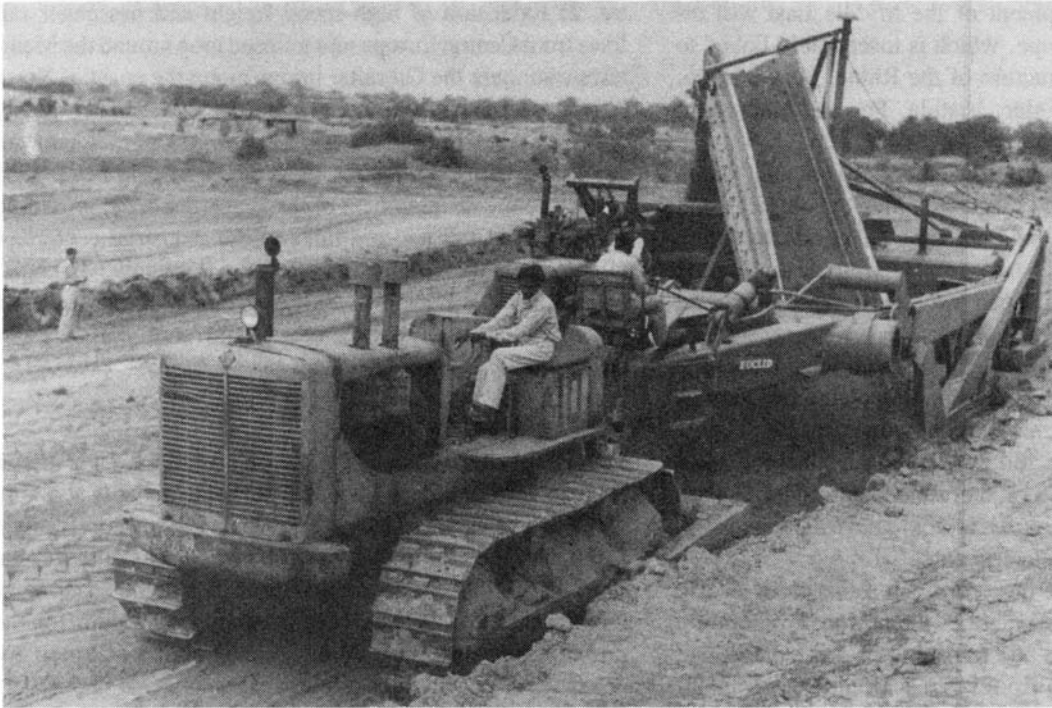
Without water there is no life. He who can bring fresh water to the deserts, wields a power greater than any force of arms, a life-giving power which alone can bring stable peace to the tortured Middle East.

Contrary to the conceptions of British "economics," fresh water is not a limited resource. Based on the expansion of human productive powers, through science and technology, we can generate as much fresh water as human needs will ever require—anywhere on this planet, at any level of population, and at any time in the future. The same is true of every other commodity needed to sustain and enrich human life. The doctrine of "limited resources" is a lie, propagated by imperialists who seek to control nations and populations by imposing artificial scarcity.

We call for combining a series of already proposed water-management projects with the large-scale use of nuclear power to desalinate water, to establish a system of reservoirs and man-made fresh water canals and rivers throughout the Middle East-North Africa region. By this means, we can meet all foreseeable water needs and provide the foundation for development and peace into the next century.

Consider what we can do with nuclear energy. Take an extreme case: an agro-industrial colony in the middle of a desert, in a location not easily reachable from fresh water-management projects now on the drawing boards. We take half a dozen high temperature reactor (HTR) modules of a type which today can be produced on an assembly line. We put these modules into a power plant producing 1-2 gigawatts of electric generating power and an additional 1-2 gigawatts of usable heat output. We apply a portion of that electric and thermal output to desalinate sea water, using a combination of existing processes, to the rate of 70-100 cubic meters per second. This provides ample fresh water for the domestic, irrigation, and industrial needs of a self-sustaining agro-industrial colony of 1 million people. The rest of the HTR power we use for pumping between the sea and the location of our colony (at an elevation of, let us say, 400 meters). A few more nuclear units cover the electricity and process-heat requirements of the colony itself.

Two dozen such HTR-desalination centers produce a flow of fresh water



United Nations

*Contrary to the beliefs of the imperialists and ecologists, we can generate as much water as human beings require, anywhere on Earth. India, with over 50,000 dams, has great experience in greening the desert, and its engineering expertise is a potential treasure for water management in the Mideast. Shown here: Earth-moving equipment at work on the construction of the Panchet Hill Dam in India, a giant project of the 1950s that developed the Damodar River system.*

equivalent to that of the Nile and Euphrates combined—a man-made river system.

In practice, the actual size of desalination complexes can vary over a wide range, using recently perfected modular nuclear reactor designs. Complete desalination units, including nuclear power sources, can be built in assembly-line fashion on floating platforms for rapid transport and installation. The technology and most of the development work for such mass-produced units are already complete. The HTR modules possess stability and inherent safety characteristics which make them ideally suited for large-scale use throughout the region.

This application of nuclear power illustrates what can be done more generally, with the quality of productive power which nuclear technology embodies. Apart from the unlimited potential of desalination, it is eminently possible to transfer huge quantities of fresh water from areas with a surplus of such water—above all the tropical rain regions of Central Africa—into the Sahel, North Africa, and the Middle East. Projects to accomplish this, through systems of canals, reservoirs, and pumping stations, have long been on the drawing boards. Included are projects for channeling water from the Congo River system (Ubangi) to expand Lake Chad, and for generating a “second Nile” by further developing the source regions of the “White Nile.” To this is added a smaller, but significant and expandable fresh water potential which could be pumped from Turkey to its southern neighbors, as proposed by the Turkish government in its “Peace Pipeline” plan. Through these and related projects, significant improvements in the water supply of the Middle East and North

Africa could be realized within a few years, with dramatic improvements by the year 2000.

It is crucial that the water flows thus generated not be dispersed in an arbitrary manner, but be organized and concentrated in a network of man-made rivers and lakes.

Water from the Mediterranean, Red Sea, Persian Gulf, and Arabian Sea can be channeled via canals into a series of artificial reservoirs. The variants of the Qattara Depression reservoir project in Egypt and the plan to refill the Dead Sea from the Mediterranean, are illustrative of some ways in which this can be accomplished. Where necessary, water must first be raised through pumping to points from which the water can then flow to reservoirs via canals. The power for this can be supplied by nuclear reactors. Where the creation of canals and reservoir basins requires large earth-moving operations, nuclear excavation can be employed with advantage. Canals provide both the water flow to fill the reservoirs, and also a transport means. Along the canals and reservoirs we can construct complexes of nuclear power and large desalination units, generating fresh water for a system of fresh-water canals. Large-scale use of desalination is complemented by channeling and pumping of fresh water from natural sources.

Instead of simply spreading the fresh water around evenly in an irrigation system, we can create with these rivers a network of interconnected “green bands” of development. As opposed to mere isolated “green islands,” these green bands become at the same time transportation axes for the movement of goods and persons by ship, rail, and road, and the locations for new towns, cities, and industrial complexes.

In this way, the development of the Middle East will re-create the history of Europe, which is inseparably linked to the natural water infrastructure of the Rhine, Seine, Loire, Rhone, Danube, Elbe, Oder, Vistula, Po, and other great rivers.

The locations and courses of the new rivers and "green bands" must be determined by geographical, geological, and infrastructural considerations, bearing in mind the future growth of population and transport as well as the regime of water flows which will arise through increase in natural rainfall.

The reservoirs of (salt) water channeled inland from the seas will serve to supply the desalination plants and various industries along their shores; provide a means of transport, together with the canals; and evaporation from these lakes enhances the water cycle of the atmosphere. The Qattara Depression and Dead Sea projects would have these benefits, in addition to their hydroelectric potential.

The ability to provide flows of fresh water gives us also the power to modify the climate of the region. Evaporation from lakes and reservoirs and transpiration from plants and the other effects deriving from large-scale, irrigated, intensive agriculture in desert areas, enhances the natural processes for generation of rain. Provided that water management and agriculture expand in parallel with the increase in rainfall, this process becomes self-accelerating. The throughput of water among the atmosphere, sea, land, and biomass grows to the point that the deserts finally disappear, and a mild, "Mediterranean" climate is established.

### Link to the 'Productive Triangle' in Europe

The most essential precondition for the proposals outlined here, is the speedy realization of Lyndon LaRouche's infrastructure development program for the Paris-Berlin-Vienna "Productive Triangle." The fate of the Middle East is inseparably linked to generating a new "economic miracle" in Central Europe via high-speed rail and magnetic levitation systems and a renaissance of nuclear energy. Given the collapse of the U.S. economy, it is continental Europe, together with Japan, which must provide the decisive margin of technology for developing the Mideast. This includes the mass production of nuclear modules and desalination units over the next 15-20 years.

In this context, we must upgrade the transport infrastructure between North Africa, the Middle East, and the "Productive Triangle" in Europe. The LaRouche "Triangle" program provides for a series of infrastructure corridors known as "spiral arms," which link the core Paris-Berlin-Vienna region to the entirety of continental Europe and which include connections to the southern tip of Spain, a bridge to Sicily, high-speed rail connections to Istanbul, and connections to the Black Sea. These infrastructure corridors must now be extended to embrace North Africa-Middle East in the following manner: 1) Construction of a bridge over the Strait of Gibralt-

ar. 2) Extension of high-speed freight and passenger rail lines from Central Europe into a closed loop around the Mediterranean: over the Gibraltar bridge along the coast of North Africa, over the Suez Canal to Israel-Jordan-Lebanon-Syria, and via Turkey back to Central Europe. 3) Upgrading of rail connections through Turkey into Iraq, Iran, and beyond. 4) Infrastructure development of the Black Sea area, providing for improved rail and sea links to the industrial centers of Ukraine, via the "Danube arm" of the Productive Triangle, and through the Caucasus. 5) Improvement of maritime and pipeline connections between Sicily and North Africa (Tunisia), with the option of a tunnel.

### War against the desert

The process outlined here can be usefully thought of as a "war against the desert," with the goal of eventually attaining "final and complete victory." Europe's Productive Triangle is the decisive ally in this war. To cement this alliance, we must clarify that the common interest lies in the securing of long-term peace and the generation of real wealth for the present and future generations. This requires a common understanding of what constitutes real wealth, as opposed to fraudulent (British) notions.

There is no wealth apart from the power to maintain human life. In the war against the desert, we must maintain and extend human life in a hostile environment, just as man one day in the future will conquer Mars and other planets. It is the power to do that which constitutes, in first approximation, real wealth. Wealth resides in the power to advance the productive powers of labor, as measured by the relative potential population density of a society: the maximum density of population which could sustain itself, by the forms of economic activity prevailing in that society, per square kilometer of any given quality of land. It is growth of productive powers—to *produce* what human beings require to live and work *productively*—that constitutes real wealth, not "natural resources" in and of themselves. This is proven by the huge population density in Japan and Western Europe, which are poor in natural resources compared to many other regions of the world, but have achieved high rates of progress.

Oil, for example, has no intrinsic value in and of itself. It is useless without the technologies which extract, refine, and consume that oil. Only through technology does oil become useful for the maintenance of human life. And the progress of technology will one day make oil obsolete.

Water would seem to be immediately valuable, for life is impossible without it. But, is it the immediate possession of some quantity of water now which constitutes wealth, or the power to *generate* sources of water in any quantity into the future? If we have water to drink today, but are going to thirst tomorrow, is that wealth?

In the following pages, we present the major projects that must become reality to bring water and peace to the Middle East.



# Greening the desert: the Mideast's potential for water development

by Marcia Merry

The best way that nations can respond to the imperious demands by President Bush and Secretary of State James Baker for soldiers, arms, and money in the Middle East, is to forge ahead with the array of infrastructure development programs for the region that would be the basis for peace and prosperity.

For decades, designs and even engineering blueprints have existed for water, power, agricultural, and related development programs. Besides the Israeli, Arab, Turkish, Egyptian, and other specialists involved in these designs, there are teams of French, German, Japanese, and U.S. engineers who are ready and able to be deployed to get the job done.

Amid the war cries from London and Washington, D.C. come voices of reason. In a statement in early September, Michel Vauzelle, a confidant of French President François Mitterrand, and a deputy of the French Socialist Party, called for a "vast plan for economic development for all the Mediterranean," including the Middle East region. Vauzelle said that what is needed now is a conference on "security and cooperation in the Mediterranean." This would be crucial for France and other European nations, he stressed. Vauzelle insisted that European policy not be a caricature of the main protagonists in the current policy, but be independent.

At the center of the question of development, is the issue of water supplies.

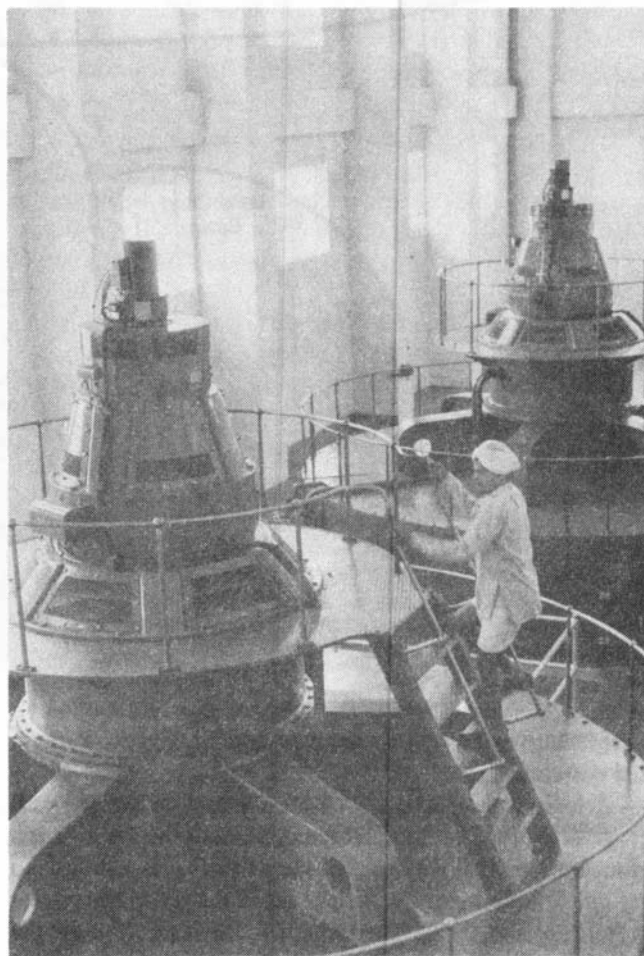
On Aug. 29, the *Jerusalem Post* ran an editorial on how cooperation in developing water resources in the Mideast could contribute to the basis for political cooperation. The editorial stated, "The struggle for water could sooner or later trigger hostilities in the region. . . . There is a steadily worsening water shortfall. . . . Israel, Jordan, and Egypt are expected to reach 30% water deficit by the end of the decade, while Iraq and Syria are expecting a gap of 60% by then."

"Since the issue is vital to all of the peoples of the region," the editorial continued, "a concerted effort to solve the water problem—a Herculean but by no means impossible task—is imperative.

"Such an effort cannot await the resolution of political conflicts, but it most certainly can improve its prospects. Indeed, cooperation on the water problem may be the most

promising way to bring Israel and its neighbors closer."

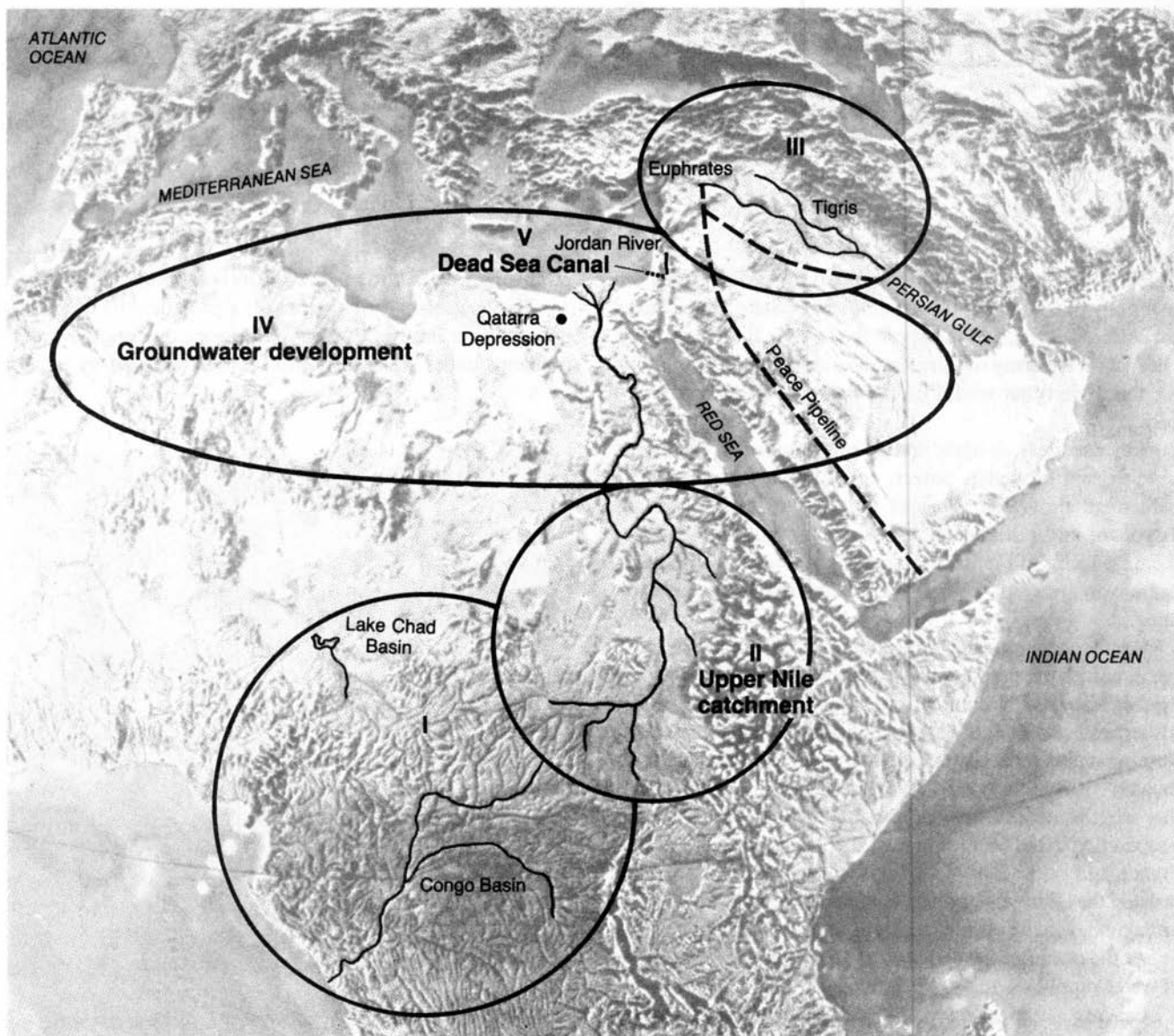
The *Jerusalem Post* also recalls a precedent for cooperation on water issues. "A 1987 conference on regional water problems under American auspices was attended by Israeli



United Nations

*From North Africa to the Indian Desert, extends an area without close exposure to ocean-related rainstorm patterns. Whoever brings water here, brings life. Pictured here are hydroelectric generators at the Tilaiya Dam in India's Damodar River valley. In the dry Middle East, technology can truly make the deserts bloom.*

FIGURE 1  
**Major water development projects**



representatives as well as those of Jordan, Egypt, Turkey, and even Iraq.”

A look at the globe shows the features of the physical geography of the region that have, without the intervention of modern technology, created the world’s greatest dryland region. The vast expanse from east of the Atlas Mountains in North Africa, extending through Southwestern Asia to the Indian Desert, is an area without close exposure to ocean-related rainstorm patterns. When you visualize a desert, you think of the Sahara, or the Arabian Desert, bounded by the Mediterranean Sea, the Red Sea, the Arabian Sea and the other lesser bodies of water.

However, there is no necessity to perpetuate vast, uninhabitable tracts of sand dunes. Rivers and lakes can be created by man. Much of the Sahara, the Arabian, and other legendary desert lands are as fertile as California’s Imperial Valley, or the test plots on Israel’s Negev Desert. The accompanying map (Figure 1), and the descriptions of “great water projects” in the following article, show the means by which the process of “greening the deserts” can take place.

In this dry region, the same as the world over, water resources can come from three sources: precipitation and surface water, ground water, and desalination of briny water.

As indicated by the stylized mountains and river basins

TABLE 1

### Volume of water for direct use by consumers, drawn from net precipitation and from rivers

Nation and year	Per capita per year cubic meters	Per capita daily liters
A. Eastern Mediterranean and Persian Gulf		
Iran, 1975	40.9	114
Iraq, 1970	91.5	250
Turkey, 1985	76.1	208
Syria, 1976	26.9	76
Lebanon, 1975	35.2	98
Jordan, 1975	5.2	15
Israel, 1986	71.5	197
B. Arabian Peninsula		
Saudi Arabia, 1975	115.6	318
Yemen, Dem., 1975	11.7	34
Oman, 1975	11.2	30
U.A.E., 1980	38.6	106
Qatar, 1975	77.2	212
Bahrain, 1975	73.5	201
C. United States, 1985	259.2	712

1 cubic meter = 1,000 liters = 264.2 gallons

shown on the map, there are three locations where significant amounts of surplus surface water can be mobilized for use in the dry lands of North Africa and the Middle East:

I. The tropical rain forest basin of the Congo River;

II. The marshy Sudd area of the headwaters of the White Nile;

III. The runoff from the Taurus and other mountains in the Anatolian Peninsula in Turkey, through the arc of highlands into Iran.

Large quantities of ground water also exist, and remain largely untapped, in vast areas of the region, shown on the map as section IV.

And finally, the design for a Dead Sea Canal (V on the map) includes the proposal of desalination of seawater, which can also be dramatically increased at many other points on the map.

### The water gap

The large water deficiencies cited by the *Jerusalem Post* have been in the making for decades, and should have been reversed long ago by modern technologies. Table 1 shows the per capita water supplies per day withdrawn from mostly surface water sources (net precipitation and rivers) for personal and public use, in nations of the Eastern Mediterranean, Persian Gulf, and Arabian Peninsula.

From 76 to 114 liters (19-30 gallons) per person is the amount withdrawn from available water, for domestic uses including drinking water, sanitation, cooking, laundering,

TABLE 2

### Millions without reasonable access to community water supply services, 1970

	Percent of population not supplied		Number of persons not supplied (thousands)
	Urban	Rural	
A. Eastern Mediterranean and Persian Gulf			
Iran	18%	88%	17,594
Iraq	2%	94%	5,065
Kuwait	4%	—	341
Turkey	35%	34%	13,292
Syria	2%	50%	1,815
Lebanon	5%	15%	257
Jordan	2%	41%	544
Total, this group			38,908
B. Arabian Peninsula			
Saudi Arabia	3%	66%	3,986
Yemen	55%	98%	6,120
Qatar	2%	60%	16
Bahrain	2%	n.a.	4
Total, this group			10,126

Source: World Health Organization, 1970

and for "public" uses (fountains, swimming pools and public baths, personal needs at worksites, etc.).

Compare the 76-114 liters with the average daily amount of 712 liters available to a person in the United States. Since this 76-114 liters is an average, this indicates that there are many residents who are today short of water for health in the Middle Eastern nations shown. According to a World Health Organization (WHO) survey in 1970, there were over 40 million people in this region without reasonable access to community water supply services (Table 2). Twenty years later, there are still millions unsupplied, though the estimates of personal water use are not updated for the region.

The same water gap also exists for per capita water supplies available for industrial uses and agriculture uses. For most areas of the hot, dry region, most available water goes for agriculture. This shows that there is no "leeway" for improvement in people's living standards, nor for population expansion.

The lack of potable water is the direct result of deliberate policy decisions by the WHO, among others, that the cost of the required infrastructure is "prohibitive." This is coherent with the decision of the 1978 Alma Ata conference of the WHO not to invest in medical infrastructure, but to rely on "primary care" provided by local witch doctors and other "indigenous healers." This approach to medical care and its accompanying "clean your own latrine" approach to sanitation and water management, is now taking its predictable toll in the deserts of Jordan.

As of early September, doctors in the refugee camps created by the U.S.-British standoff with Iraq, reported that there was only one liter, or about one quart *a day* available for some of the displaced persons. This is a death sentence: Death by dehydration is automatic under these conditions. In the event of cholera, a person in a dehydrated condition can die within 15 minutes. In contrast, the U.S. soldier on desert duty in Saudi Arabia is assigned 6 gallons a day for drinking, hygiene, and personal needs.

## Water supplies

There are four sources of water which must be assayed for availability, and developed to meet the continuing needs: 1) net precipitation (snow and rainfall, minus evaporation—which varies under the temperature regimes in the locale); 2) ground water stocks; 3) rivers and other water from outside the political boundaries of the countries concerned; and 4) desalination.

Hydrologists have calculated the estimated net precipitation for most parts of the Earth. The world total amount of annual water availability is calculated to come from the equation of 110,305 square kilometers of precipitation minus 71,475 cubic km of evapotranspiration, which gives an overall annual runoff of 38,830 cubic km from rivers, 26,945 cubic km from surface runoff (floods), and 11,885 cubic km of stable base water.

Rivers can be developed for maximum use. Floodwaters are difficult to utilize, but ground water is potentially a major

water resource. However, there are no handy guides to ground water availability—aquifers, underground rivers, and natural tanks. Many nations keep ground water locations and data secret, for security reasons. Moreover, the radical ecology movements regard ground water as “non-renewable,” and therefore, not a resource to be utilized or measured. This assertion is false. Much ground water can be recharged with infusions of water of various types (rainfall, wastewater, or desalinated seawater) to achieve a hydrological balance.

If nations are forced to forsake development of ground water and desalination, then they may be dependent on river flow from outside their national boundaries, and forced into strife over short supplies. Both the Tigris and Euphrates Rivers, on which Iraq depends, rise in Turkey. Egypt has a treaty arrangement with Sudan to share water from the upper Nile. However, there is no similar arrangement with Ethiopia, the location of much of the Nile headwaters.

Desalination processes have been dramatically improved over recent decades, and the critical cost question is the cost of energy to fuel the procedure. With the amount of natural gas “flared off,” that is, burned for no result, in the Middle East oilfields, there is no validity to the anti-growth argument that desalination is too expensive (see box).

Table 3 shows various ways in which parts of the region make use of net precipitation, and river water available. Ground water analysis is not shown here, due to the paucity of data at present.

TABLE 3  
Utilization of net precipitation and of river flow from other countries,  
for selected nations in the region

Nation and year	Water potentially available km <sup>3</sup> /year		Water withdrawn km <sup>3</sup> /year	Percent of available water withdrawn	Per capita m <sup>3</sup> /year	
	Net precipitation per year	River flows from other countries			Net precipitation	Amount of water withdrawn
<b>A. Eastern Mediterranean and Persian Gulf</b>						
Iraq, 1970	34	66	42.8	43%	1,870	4,575
Iran, 1975	117.5	—	45.4	39%	2,350	1,362
Turkey, 1985	196	7	15.6	8%	3,660	317
Syria, 1976	7.6	27.9	3.34	9%	620	449
Israel, 1986	1.7	.45	1.9	88%	370	447
Jordan, 1975	0.7	0.4	.45	41%	170	173
<b>B. Arabian Peninsula</b>						
Saudi Arabia, 1975	2.2	0	2.33	106%	160	321
<b>C. Selected other nations</b>						
United States, 1985	2,478	n.a.	467	19%	10,060	2,162
France, 1980	170	15	33.3	18%	3,070	606
Mexico, 1975	357	357	54	15%	4,110	901

Source: *World Resources, 1988-89*

TABLE 4

## Utilization of annual per capita water by sector

Nation and year	Per capita surface water utilization per year* cubic meters	Per capita use (and percent of total) by sector, per year m <sup>3</sup> /year		
		Public use	Industry (self-supplied)	Irrigated agriculture
Iran, 1975	1,362	41 (3%)	— (0%)	1,321 (97%)
Iraq, 1970	4,575	92 (2%)	137 (3%)	4,346 (95%)
Turkey	317	76 (24%)	60 (19%)	183 (58%)
Syria	449	27 (6%)	— (0%)	422 (94%)
Israel	447	72 (16%)	22 (5%)	353 (79%)
Jordan	173	3 (public and industrial use combined)	—	97
United States	2,162	259 (12%)	995 (46%)	908 (42%)
West Germany	671	81 (12%)	584 (87%)	— (0%)
Mexico	370	67 (18%)	167 (45%)	137 (37%)
France	606	17% (17%)	71% (71%)	12% (12%)

\*Total refers to the total of net precipitation and inflowing foreign river flow.  
1 cubic meter=264.2 gallons

Turkey, with significant amounts of water from the rainfall in the highlands, makes only 8% use of net precipitation. In contrast, Israel uses fully 88% of the surface water available to it—which is very little. Likewise, Saudi Arabia is shown to use more than the net precipitation (indicating desalination and ground water utilization). In between, in Iraq, there is about 43% use of surface water. In the latter case, there appears to be a very large amount of water per capita from surface sources, and most all of this is taken up in agriculture. The amount of water used annually, or “with-drawn” from the precipitation and outside river flow, covers all types of water use (personal, public, and for agriculture, and industry) in that nation. This amount does not correlate with the living standards in the respective area, because all the water may go into agriculture, for example, with relatively little for industry and domestic use. This is the profile of use for most of the region shown (Table 4).

The figures in Tables 3 and 4, considered together, illustrate that much more water is required each year per capita overall, much more is required for per capita health use, and per capita industry, as well as for an expanding irrigated agriculture sector. The available water figures illustrate that by channeling the unused surface water in Turkey more efficiently within Turkey itself, as well as southward to the dry areas, and by developing a more extensive use of ground water and implementation of desalination, then the per capita

supplies of water for personal, industrial, and agricultural needs can be raised to the levels required for higher living standards and productive output potential for millions of people.

### Industrial and agricultural requirements

The amounts of water required per person for every kind of agriculture, industrial, and living standard level can be calculated, and the means determined to provide the quantities required. For illustration of water used in industrial processes, here are the gallons per unit required in Israel to produce a unit of the given product:

- For milling one ton of wheat: 700-1,300 gallons;
- For canning one ton of raw citrus: 1,050 gallons;
- For processing one ton of dressed chicken: 33,000 gallons;
- For brewing one kiloliter (264 gallons) of beer: 13,500 gallons;
- For making one kiloliter (264 gallons) of wine: 500 gallons (very water efficient);
- For dyeing and finishing one ton of cotton yarn: 60,000 to 180,000 gallons;
- For dyeing and finishing one ton of woolen yarn: 70,000 to 140,000 gallons;
- For mining one ton of copper: 3,100 gallons;
- For quarrying one ton of gravel: 400 gallons.

# Water projects for the Mideast, Africa

by Marcia Merry

*The map on page 30 shows the basic target areas for water development in the Mideast and Northern Africa. In what follows, we analyze these projects in greater detail.*

---

## I. Lake Chad-Congo Basin development

---

This massive hydraulic project is the centerpiece for transforming the continent of Africa, and beginning the desertification of the northern Sahara. The concept is to construct a link canal to channel water from the Congo River basin, northward to flow into Lake Chad.

The Congo River, which ranks second only to the Ama-

zon in volume of water discharge, could be dammed and channeled to create a "Central African Lake," in place of its current meandering flow through Zaire to the Atlantic Ocean. From this body of water, a canal could be cut north—probably involving a lift pump over the relatively narrow divide, to send water northward to Lake Chad. Now a seasonal lake, Chad could be stabilized at a high water level, to benefit the five nations on its shores—Nigeria, Chad, Niger, Central Africa, and Cameroon—which together have more than one-quarter of the population of the entire continent.

Lake Chad water in turn can be used for further irrigation and transport routes north, even potentially to interconnect with old, dried-up river beds and underground water sources in the Sahara Desert.

The overall project would bring into cultivation an estimated 800,000 square miles of land, which is more than five times the arable terrain of Japan, where 110 million people live.

The new Central African Lake and Lake Chad would become a man-made "Great Lakes" of Africa, to serve, as the glacier-formed Great Lakes of North America once did, as the center of gravity for industry, transportation, electrical power supply, and agriculture for many developing areas. This project, in combination with mosquito eradication and

## Desalination: an advanced solution for the Mideast

Turning the abundance of the world's salt water into drinking water requires reducing the parts per million (ppm) of dissolved solids (80% of which is sodium chloride or salt) from 35,000 ppm to less than 500 ppm, a reduction of 70 to 1.

Distillation (evaporation using steam heat), is one of the three basic methods of desalinating, and has been used for more than 100 years on oceangoing steamships. Today, about 95% of the world's desalination plants use modern distillation methods: multi-effect distillation, multi-stage flash distillation, or vapor-compression distillation.

The two other basic desalination methods are the reverse osmosis membrane system and electrolysis, both of which are used mainly for purifying brackish water, which can contain up to 10,000 ppm of dissolved solids.

In the past two decades, more than 1,500 desalination units (each with a capacity of 100 tons per day of fresh water) have been installed with a total capacity of approxi-

mately 7 million tons per day. About 60% of these plants are in the Mideast, and almost all the Mideast plants use multi-stage flash distillation. Worldwide, 82% of the large desalination plants (those producing more than 1 million gallons per day) use multi-stage flash distillation.

The efficiency of desalination plants, termed performance ratio, is measured in terms of the pounds of fresh water produced per 1,000 BTU of heat input. The performance ratio of present Mideast plants is 8, which is quite low and is acceptable only because of the low cost of local energy (flare gas, for example, which would otherwise be wasted).

The relatively high cost of current desalination technologies, although on a per capita basis within the range of other types of essential infrastructure, could be improved if more intensive and efficient methods were developed. Jonathan Tennenbaum, director of the Fusion Energy Forum in Europe, has suggested that advances in optical biophysics and laser chemistry and laser isotope separation be applied to solve the problem, making use of the inherent *harmonic* properties of living organisms. For example, Tennenbaum notes that the amount of sodium in living cells differs from that in the surrounding medium. He suggests that it would be fruitful to examine the electromagnetic structures of water and the role of nuclear magnetic resonance.

vaccines, would end the plague of malaria, which now afflicts 160 million Africans—fully two-thirds of the population of sub-Saharan Africa. The additional element to the river control and central lakes system is a net of cross-African rail lines.

There are a number of options and designs for this grand African water project. The Ministry of Construction of Japan has officially designated Lake Chad development as one of its five priority world "great projects," along with a new Panama Canal, a canal through the Isthmus of Kra in Thailand, flood control in Bangladesh, and a bridge between Sumatra and Java.

In Paris on Sept. 8, a conference of the Schiller Institute considered detailed proposals to link the Congo-Chad Basins. Water can be pumped up from the Ubangi River into the Chari (flowing into Lake Chad), through 200 kilometers of reinforced pipeline. There needs to be on the order of 50 billion cubic meters of water in order to recover the 90% of lost lake surface—some 20,000 square kilometers (almost the size of Belgium.)

## II. Yonglei Canal and improvements in the Nile headwaters

In southeastern Sudan, where the upper White Nile River rises, before joining the Blue Nile and flowing on as the Nile

River into Egypt, there are extensive marshy areas known as the Sudd swamp (see **Figure 1**). Construction of a channel from Yonglei, at the swamp, downwater to Malakal, and construction of a canal system, would regulate the swamps of southern Sudan, where large quantities of water are now lost by evaporation. Much of this water would be conserved, and the flow of the White Nile increased. Hundreds of thousands of acres of prime farmland would be created in the process in Sudan.

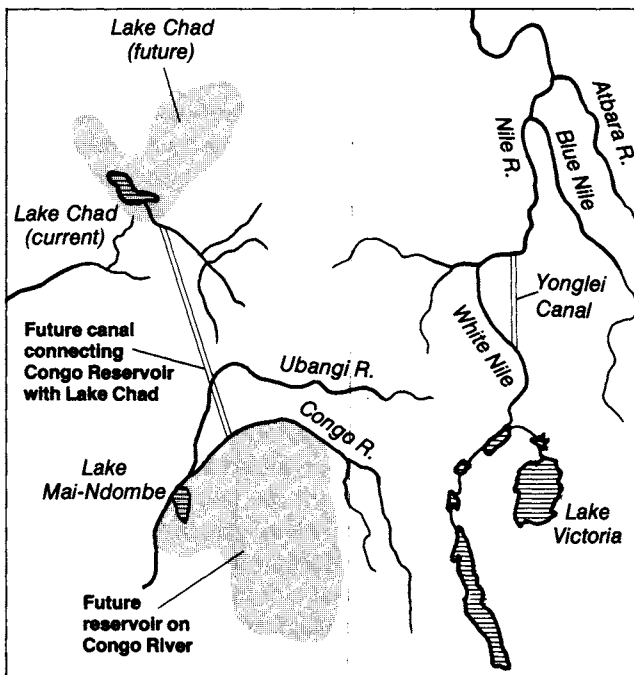
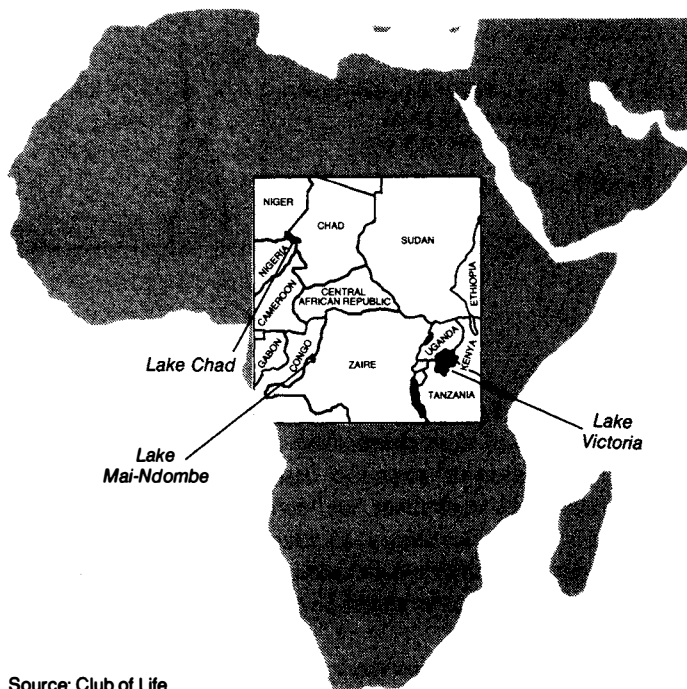
The project was started, then halted because of funding problems, and the obstructionism of the ecology movement, which has made preserving swamps and "wetlands" the excuse for stopping water improvement programs.

## III. The Peace Pipeline and development of the waters of Turkey and Iran

The "Peace Pipeline," shown schematically on the map (page 30), is a \$14.5 billion project, organized and managed in Turkey, designed to pipe water from Turkey south all the way to Yemen on the Arabian Ocean, with branch tap lines going out to the Jordan River nations, and to Iraq. In return, a twin pipe would bring petroleum back from the Arabian oil fields.

This water-for-oil peace project was funded in part through a public offering of shares to investors in Turkey and

FIGURE 1  
Lake Chad-Congo Basin, and Yonglei Canal projects



Source: Club of Life



throughout the Middle East. Construction on the pipelines has begun; but now, with the crisis in the Persian Gulf, the program is halted.

The mountainous ranges of the Anatolian Plateau region continue through the Caucasus into the mountainous highlands of Iran, where water development projects can greatly enhance the agriculture and industrial output of the entire region.

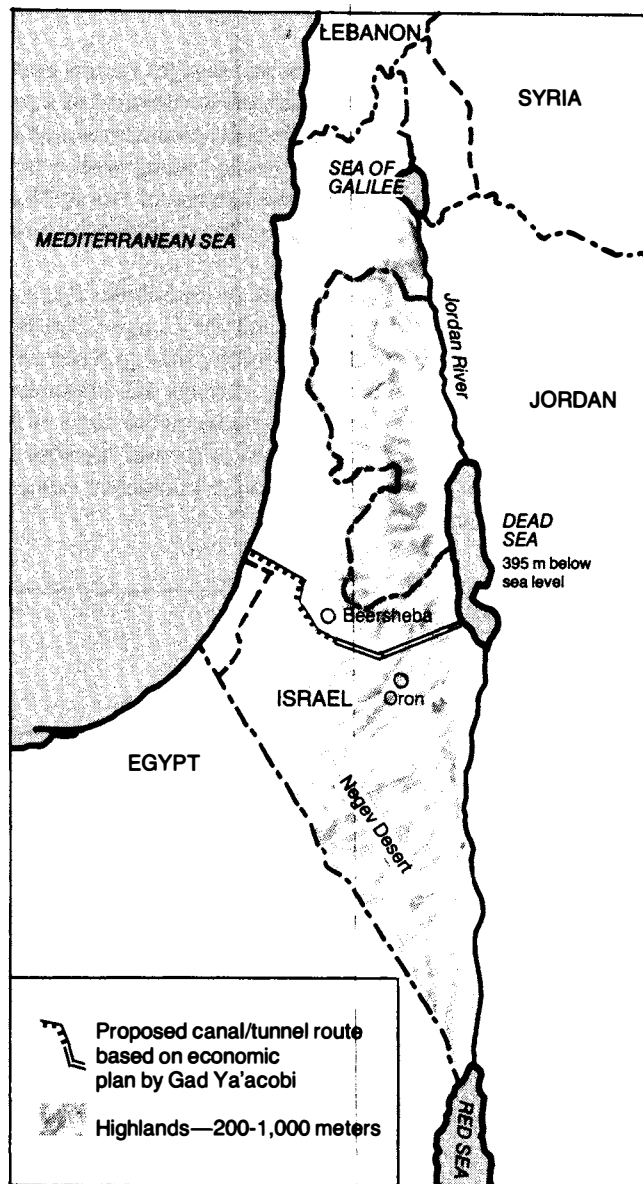
The famed Euphrates and Tigris Rivers rise in Turkey, and provide water for farmland in Syria and Iraq, before discharging into the Persian Gulf at the Shatt al-Arab. Improved water management systems would greatly enhance the use of these waters all along the course of the watershed, which has been studied in depth. In addition, there are millions more of acre-feet in Turkey that can be utilized within the nation.

The "GAP" project in Turkey, originally planned by the State Hydraulic Works, would make use of the waters of the Firat and the Dicle rivers and their tributaries, in the southeastern Anatolian region. The project envisages the building of 21 dams and 17 hydroelectric plants, and at full development, would irrigate 1.6 million hectares of land, and provide 26 billion kwh of electricity a year, with installed capacity of 7,500 MW.

The total planned irrigation amounts to 19% of the total economically irrigable area in Turkey (8.5 million hectares) and the GAP electricity output would materialize 22% of the hydropower considered viable in Turkey (118 billion kwh). A master plan was prepared as a joint venture with Nippon Koei Co. Ltd. of Tokyo.

A priority project in Iraq has been the Badush Dam, near Mosul, on the Tigris River, whose headwater reaches include the Dicle River—targeted for development by the Turks. The dam would have been part of a scheme to build an entire system of dams, irrigation, and water and sewage treatment facilities, to boost food output and living standards. The Italian Banca Nazionale de Lavoro was involved in funding the project, and for that reason among others, was targeted in 1989 by British anti-development circles, using the London *Financial Times*, in a contrived scandal about allegations of loans to gun-runners.

FIGURE 2  
The Mediterranean-Dead Sea Canal proposal



#### IV. Ground water development

In 1984, satellite overflights of the Mideast and North Africa, and use of the "Big Camera" remote sensing (from Itek Optical Corp.), confirmed the location of significant bodies of underground water, whose existence was previously known only in part. The satellite data give only the location; the depth, quality, and size of the water deposits must be confirmed by on-site hydrological measurements.

Subsequent tests show quantities of underground water

in the western Egyptian desert that could provide sweet water for 50 years of agriculture. One proposal is to undertake the construction of strings of oases, forming corridors of agriculture and settlement, and converting the sands of the desert into sod. The siting and archeological features of these water deposits indicate the existence of rivers flowing northward into the Mediterranean Sea from highlands in central Africa.

In the western Sahara there are at present extensive under-

ground flows of water, whose direction and quantities could be programmed for use, and for re-charging in the process of greening the desert. Like rivers, underground bodies of water course across political boundaries, and require cooperative development plans.

In Saudi Arabia, the underground water in the northeastern region has been utilized to create 3 million hectares of wheatfields, turning the country from a grain-importing nation into an exporter. The aquifers of the Arabian peninsula are famous, including upwellings of sweet water in the Persian Gulf, bubbling up through the salty sea.

---

## V. Dead Sea Canal, Qatarra Depression, and the creation of water corridors

---

There have been many grand designs for linking the waters of the Mediterranean into the Dead Sea (Figure 2). As proposed by Prof. Haim Ben-Shahar, former president of the Tel Aviv University, the project was more an energy program, and not a water project. But the strides that have been made in desalination processes and nuclear power reactor technology make the old dreams come alive again.

In Ben-Shahar's plan, there would be a canal, and then a tunnel, proceeding from the Mediterranean and passing in between between Beersheba and Oron, into the southern area of the Dead Sea. There were protocols envisaged to involve Jordan in the development benefits. As of the 1970s, the plan called for the water going into the Dead Sea through a series of waterfalls.

Today, the plan—as most recently proposed by Lyndon LaRouche—calls for lining the canal with a number of nuclear plants. Besides using distilled sea water for their own functions, the plants can produce water for use in the entire region. The water course thus becomes a development pathway. It is a zone of urban development, and location for industries and efficient agriculture production in the adjacent region.

Another proposal for a canal from the Mediterranean is to channel water into the Qatarra Depression—a large, dry sinkwell in northern Egypt, 35 miles from the seacoast, and 140 miles from Cairo (see map, page 30). The dank hole lies about 200 feet below sea level, and extends 185 miles from north to south. If filled, it would create a large inland salt water lake the size of Lake Ontario.

Like the earlier Dead Sea Canal plans, the Qatarra Depression Lake was conceived in the post-World War II era as an energy development scheme. The hollow is rimmed by steep escarpments, perfect for hydropower, were water available.

Egyptian President Gamal Abdul Nasser engaged German scientists and engineers to study the possibilities. The

proposed scheme involves digging a canal from the sea to within 9 miles of the depression, and then running water through a tunnel into the cliff wall. The German plan estimated that 2.7 billion kilowatt hours of electricity a year could be recouped.

Besides transmission of power to the Cairo metropolitan area, power could be used to pump up sweet ground water in the surrounding desert region.

Desalination plants could play a role in recharging the underground waters, and, with agriculture and other vegetation, a new hydrologic cycle could be created because of the man-made lake.

Even without this, engineers estimate that 100 years of salt water fishing could be supported in the lake. Because of evaporation in the desert heat, the lake would most likely remain at about 150 feet below sea level, but this could be regulated.

The Qatarra Depression Lake was one of the early proposals for use of PNEs—peaceful nuclear explosives—in the “Project Plowshare” program of U.S. science and defense agencies.

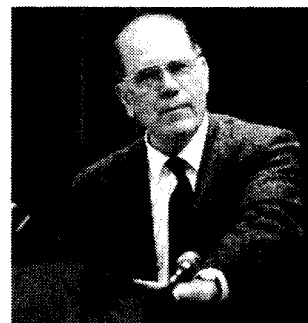
*'From the prison in which the politician's career expires, the influence of the statesman is raised toward the summits of his life's providential course. Since Solon, the Socratic method has become the mark of the great Western statesman. Without the reemergence of that leadership, our imperiled civilization will not survive this century's waning years.'*

—Lyndon H. LaRouche, Jr.



## IN DEFENSE OF COMMON SENSE

by Lyndon H. LaRouche, Jr.



Available for \$5 from:  
Ben Franklin Booksellers  
27 S. King St.  
Leesburg, Va. 22075  
Telephone (703) 777-3661

Postage & Shipping  
U.S. Mail: \$1.50 + \$.50  
each additional book.

UPS: \$3 + \$1 each  
additional book.

# Will Britain's 'Great Game' bring new world war?

by Mark Burdman

---

## **The Great Game: On Secret Service in High Asia**

by Peter Hopkirk

John Murray, London, 1990

562 page, with index, hardbound, £19.95

---

Peter Hopkirk's *The Great Game* was completed in January 1990 and published months before the eruption of the current Iraq crisis. That makes it all the more interesting to read now. With Hopkirk's narratives of the Central Asian Great Game in mind, the reader gets the eerie sensation that the United States is now hooked into a script that was authored in London well over a century ago. Think of the comment made by the London *Sunday Telegraph's* chief editorial writer, neo-imperialist Peregrine Worsthorne, on Sept. 2: "In the old days, the British Empire faced many Saddam Husseins. A gunboat and a brigade of troops sufficed to deal with them. . . . These local tyrants usually ended their days in exile on a large heap of empty gin bottles. Happy days. Coping with Saddam Hussein, however, requires several American divisions and a vast assortment of the most advanced weaponry." Hopkirk is not quite the cynic that Worsthorne is, but one can easily conjure up the "many Saddam Husseins" among his cast of characters—and get a flavor for how the British treated them.

The main geographical area for Hopkirk's story is not what is today called the Middle East or Near East, but Central Asia, comprising Afghanistan, Iran (formerly Persia), northern India, Pakistan, Tibet, and Soviet Central Asia. The shift of geography makes the book all the more topical at this moment. As each day passes in the Gulf crisis, it is becoming

more and more obvious that the combat with Iraq is a prelude to a much bigger adventure, vis-à-vis what are today the Soviet Central Asian republics. As the Israel-based Soviet analyst Mikhail Agursky wrote in the *Jerusalem Post* Sept. 13, "Some American experts would very much like to see Soviet Central Asia removed from Russian control." Agursky said this possibility should be "dreaded," since it would unleash "new fundamentalist and nationalist" upheavals, and, "in such a situation, who can tell where the new ayatollah would appear: in Baghdad or Teheran, Samarkand or Bokhara?"

Indeed. Without doubt, dreams are proliferating these days, in the London social-club set that Worsthorne frequents. The dreams include the idea of an Anglo-American-sponsored "independent Turkestan" including parts of the Soviet Union and China; NATO extending its "out-of-area" purview to Soviet Central Asia; and a new "domino theory," in which Iraq's fall is only the prelude to snatching back the Central Asian republics "lost" in the 19th-century Great Game. It is all part of the "new world order" that's the stuff of Margaret Thatcher's dreams—and of most of the rest of the world's nightmares.

So, Hopkirk's last words are worth remembering: "For more than a century now the vast Russian empire [in Central Asia] has served as a monument to the Czarist heroes of the Great Game. How much longer it will continue to do so, in view of the violent turmoil threatening the Soviet Union, is impossible to forecast."

Should what he calls the "forward school" of British foreign policy thinking continue to dominate London in the coming weeks, the world could soon be on a short fuse toward a third world war, for reasons we shall discuss later on. The reader of Hopkirk's book receives some clues about what that mentality is like.

## The real Great Game

Two things must be said in Hopkirk's favor. One is that he is well informed, evidently having placed himself in the shoes of those he is writing about, and in the tradition of such top British intelligence operatives as Sir Fitzroy Maclean, whose book *Eastern Approaches*, about his travels through Central Asia, was one of the inspirations for Hopkirk's book. The second is that he is a talented writer, and writes history in the manner a good spy-thriller writer would do. He has written three books on this region, which are all quite entertaining, as well as informative in a casual way. But this is both the lure and the trap in Hopkirk's newest book. It tends to romanticize and glorify activities of the British that are more often than not—as in the cases of British massacres of Afghans and Tibetans—quite revolting. The unwritten assumption in the "Great Game," as Hopkirk defines it, is the sanctity of the British Empire in India, as something to fight and die for. Many of the heroes are the sepoy, gurkhas, and others who courageously fought and died for the Crown. But there is little regret expressed for the Indians who had to live under British rule.

There is also a basic fallacy of composition: The *real* Great Game is not just a British versus Russian fight for turf in Central Asia, not just that fight immortalized in Kipling's poem "Kim": "Now I shall go far and far into the North, playing the Great Game."

As current events show, there is a bigger Great Game, whereby the British utilize developments in and around the "soft underbelly" of Europe to prevent the emergence of a progressive industrial-capitalist civilization in Eurasia, in part by inducing, or strengthening, an imperial reaction-formation inside Russia to Britain's imperial games. The coming-into-being of a German-French-Russian industrial capitalist alliance on the Eurasian continent has been the recurrent threat to the British Empire, ever since the creation of the United States of America. Hopkirk's sin of omission is to leave this larger issue out entirely.

So, it all makes for a good movie-script, but it trivializes history.

For example, he peddles the mythology, common in British writings, that the root of the threat to Central Asia lay in the alleged secret deathbed testament of Peter the Great, calling on Russia to achieve domination over India and Constantinople, as key to ruling the world. Hopkirk doesn't say what the nascent British Empire of the 17th and early 18th century was *really* worried about, namely the philosophical, scientific, and political influence of Gottfried Wilhelm Leibniz in Petrine Russia. To this day, the British are petrified by the possibility that that influence will re-emerge. Certainly, in the 1890s, which was one of the historical peaks of the Central Asian Great Game, the heyday of the likes of Lord Curzon and Francis Younghusband, the profound British *global fear* was that an alliance would form between the France of Gabriel Hanotaux, an industrializing Germany,

and the Russia of Count Sergei Witte. And what was feared in Witte is not what Hopkirk claims in a passing reference, that Witte wanted to control Asian resources as a means of controlling Europe, but that Witte wanted to establish an alliance with the industrial-capitalist powers of Europe, to further industrialize Russia.

There is only the barest hint of this in the last couple of chapters, where Hopkirk points out that Britain and Russia resolved their Great Game in 1907, in order to join forces against Germany. But, in fact, it is probable that the chief "game players," sharing an imperial-romantic worldview, were in some way in a symbiotic alliance against Christian-republican civilization. Sir Francis Younghusband is particularly interesting, since he became a proponent of creating a one-world religion through his famous 1930s "World Congress of Faiths." In content, his ideas were no different from such Russian "Third Rome" theological philosophers as Nikolai Berdyaev. From the Russian side, there is the Tibetan-origin intriguer Badmayev, who had ties with the occultist New Age circles in the West.

Hence, it is disappointing that Hopkirk never discusses Theosophy, since if anything embodies an Anglo-Russian convergence in and around India, it is the movement created by Russia's Madame Blavatsky, England's Annie Besant, and others. Truly, the Theosophical New Age movement is a Great Game against Judeo-Christian Western civilization!

## What Moscow knows

Today again, the British are possessed by the fear of a continental "Eurasian" axis that would eliminate the basis of their neo-imperialist ambitions. This is the true strategic background for the Gulf crisis, which has been orchestrated at every critical point by British intelligence or its assets.

Hopkirk's *The Great Game* is eminently worthwhile to read, side by side, with the fascinating July 1990 issue of the Soviet Foreign Ministry's *International Affairs*. It is clear from a careful reading, that leading personalities in Moscow today view the "Great Game" in the broader strategic sense that we have indicated above.

For one, there is an article by Igor Malashenko, a senior consultant to the Central Committee, on the "Eurasian Heartland," in which he warns of new war dangers arising from an Anglo-American policy, dating from geopolitician Lord Mackinder, that no one power or coalition of powers ever be allowed to be dominant on the "Eurasian land mass." Malashenko focuses on the theory of the "Eurasian Rim," whereby the areas peripheral to Russia are targeted for destabilization, as a means of containing Russia and/or Russia's alliance with other great powers in the Eurasian area. (It is curious, by the way, that Hopkirk never mentions Mackinder once.)

There is also a piece, in the form of a letter, titled "Foreign policy to meet national priorities," by Yuri Ilyin, Deputy Head of the Department of International Politics at the Higher

Party School, Moscow, which calls for the revival of the policies of "worldly-wise statesman" Count Sergei Witte, for rapid economic growth and war avoidance, anchored on Russia's "good and reliable partner," Germany. Ilyin attacked such balance-of-power approaches as the Congress of Vienna and the "Versailles system." He also praised Witte for having refused to "pull the chestnuts out of the fire" for the British before World War I, and called for "turning back to the traditional foreign policy values of Russia," based today on living in peace with "a united Germany."

From the German side, the conservative daily *Die Welt* returned the compliment, with a feature Sept. 18 promoting the emergence of a new Eurasian economic superpower, along a Berlin-to-Moscow axis, that would incorporate 800 million persons, and become the predominant economic power. With different nuances, such ideas have also been expressed in Paris and Rome.

It is such thinking that the British fear more than anything else. But that book still needs to be written.

## Read Nehru to fathom the British Empire

by Marianna Wertz

---

### **Glimpses of World History**

by Jawaharlal Nehru

Oxford University Press, New York, Delhi, 1989  
992 pages, with index, hardbound, \$19.95

---

---

### **An Autobiography**

by Jawaharlal Nehru

Oxford University Press, New York, Delhi, 1989  
624 pages with index, hardbound, \$18.95;  
paperbound \$9.95

---

---

### **The Discovery of India**

by Jawaharlal Nehru

Oxford University Press, New York, Delhi, 1989  
582 pages, with index, hardbound, \$18.95

---

In search of a fuller understanding of the non-violent method of Mahatma Gandhi and Martin Luther King, Jr., I was led to the trilogy of Jawaharlal Nehru, written by India's first prime minister during his many prison terms prior to India's independence. The trilogy, comprising over 2,000 pages, was released in 1985 by the Jawaharlal Nehru Memorial Fund, in a beautiful edition, bearing an introduction by Nehru's only child, Indira Gandhi, the assassinated prime minister of India. Oxford University Press in India issued these three books to commemorate his centenary on Nov. 14, 1989.

Mrs. Gandhi's Foreword, written in 1980, gives the reader a sense of the richness and beauty of the collection, and bears quoting from directly:

"My father's three books—*Glimpses of World History*, *An Autobiography* and *The Discovery of India*—have been my companions through life. It is difficult to be detached about them.

"Indeed *Glimpses* was written for me. It remains the best introduction to the story of man for young and growing people in India and all over the world. *The Autobiography* has been acclaimed as not merely the quest of one individual for freedom, but as an insight into the making of the mind of new India. . . . *The Discovery* delves deep into the sources of India's national personality. Together, these books have moulded a whole generation of Indians and inspired persons from many other countries."

Indira Gandhi, who was a personal friend of Lyndon LaRouche and Helga Zepp-LaRouche, was assassinated on Oct. 31, 1984. Her assassination, like Mahatma Gandhi's, Martin Luther King's, and John F. Kennedy's, was an attempt to stop the current of republican nation-builders from creating large industrial republics on this Earth.

The great value of these works lies in Nehru's clear understanding of *who that enemy is*, and his willingness, despite great hardship during his long years of imprisonment, to speak out harshly against his people's oppressors. If you want to understand the British Empire, read Nehru.

Since the United States is presently committed to fighting World War III on behalf of British oil interests, and President Bush is acting like a lapdog of Nanny Thatcher, it is imperative, for our national survival, that Americans take the blindfold off on just how evil the British Empire is. Naturally, we could turn to our own bloody history with the British. But India's liberation struggle, reaching success only half a century ago, has the benefit of including people like Winston Churchill, who exist in the memory of people living today. It was Churchill in January 1930, who said, "Sooner or later you will have to crush Gandhi and the Indian Congress and all they stand for." In December of that year he said, as Nehru quotes him: "The British nation has no intention whatever of relinquishing control of Indian life and progress . . . which, more than all our dominions and dependencies, constitutes the glory and strength of the British Empire."

## Discovering India

Nehru wrote *The Discovery of India* while imprisoned at the Ahmadnagar Fort Prison Camp from Aug. 9, 1942 to March 28, 1945—i.e., while World War II was raging in Europe and Africa. Because he was imprisoned as part of a mass movement for Indian independence, he had the fortune of sharing his prison cell with numerous Indian freedom-fighters and scholars. Drawing on their mental resources and whatever books he could obtain, he constructed a universal history of India and its relations to the other major powers in Asia and the West, from the earliest period of the Indus Valley civilization, centuries before Christ, to the period of World War II.

By developing this broad sweep through history, which encompasses scientific, artistic, economic, and cultural achievements, Nehru establishes that the India which the East India Company so brutally raped, beginning in the 17th century, was once an advanced civilization. He breaks through the racist preconception held by most (illiterate) Westerners today, that India is just a backward, illiterate, and impoverished nation. Indeed, as Nehru establishes, India was the leading scientific force in the world, giving so-called “Arabic” numerals and the Sanskrit language, which is the basis for every modern European language today, to a Europe enmired in the Dark Ages.

When *Discovery* was being written, the key problem facing India was to gain independence in the context of Britain’s involvement in World War II. Nehru’s Congress Party was clearly opposed to fascism, and knew that Japan threatened invasion of India. Yet, the question, whether to fight as a *colony of Britain*, knowing that the war would not end that colonial status, was a very difficult one. It forced Nehru to weigh the *fascist* character of the British oppressor against the evil of the Nazis. In the balance, he found no real difference. Indeed, as he said, the Nazis invented nothing new—they just used the methods that Britain had been using in India for over a century.

## British Nazis

In *The Discovery of India*, Nehru compares British colonial rule directly to Nazi policy: “Since Hitler emerged from obscurity and became the Führer of Germany, we have heard a great deal about racialism and the Nazi theory of the *Herrenvolk*. That doctrine has been condemned and is today condemned by the leaders of the United Nations. Biologists tell us that racialism is a myth and there is no such thing as a master race. But we in India have known racialism in all its forms ever since the commencement of British rule. The whole ideology of this rule was that of the *Herrenvolk* and the master race, and the structure of government was based upon it. . . . There was no subterfuge about it; it was proclaimed in unambiguous language by those in authority. . . . India as a nation and Indians as individuals were subjected to insult, humiliation, and contemptuous treatment. The En-

glish were an imperial race, we were told, with the God-given right to govern us and keep us in subjection; if we protested we were reminded of the ‘tiger qualities of an imperial race.’ ”

The East India Company, which actually ruled India on behalf of the Crown for more than a century, began to loot India of its wealth and resources as early as the 17th century. Nehru points out that the English word “loot” comes from the Hindustani word to describe the operations of the British East India Company in Bengal.

Then as now, the British looters hid under the mantle of “free trade.” Says Nehru, “It was pure loot. The ‘Pagoda tree’ was shaken again and again till the most terrible famines ravaged Bengal. This process was called trade later on but that made little difference. Government was this so-called trade, and trade was plunder. There are few instances in history of anything like it. And it must be remembered that this lasted, under various names and under different forms, not for a few years but for generations. The outright plunder gradually took the shape of legalized exploitation which, though not so obvious, was in reality worse. The corruption, venality, nepotism, violence, and greed of money of these early generations of British rule in India is something which passes comprehension.”

The famine of 1770, caused by the policies of the British East India Company, killed over a third of the population of Bengal and Bihar.

## The objective is depopulation

Nehru notes, a “significant fact which stands out is that those parts of India which have been longest under British rule are the poorest today. Indeed some kind of chart might be drawn up to indicate the close connection between length of British rule and progressive growth of poverty. . . . Bengal, once so rich and flourishing, after 187 years of British rule, accompanied, as we are told, by strenuous attempts on the part of the British to improve its condition and to teach its people the art of self-government, is today, a miserable mass of poverty-stricken, starving, and dying people.”

He describes the progressive “re-ruralization” of India under British rule. “India became progressively ruralized. In every progressive country there has been, during the past century, a shift of population from agriculture to industry; from village to town; in India this process was reversed, as a result of British policy. The figures are instructive and significant. In the middle of the 19th century about 55% of the population is said to have been dependent on agriculture; recently this proportion was estimated to be 74%. . . . This then is the real, the fundamental, cause of the appalling poverty of the Indian people, and it is of comparatively recent origin.”

Fear of any Indian industrial development was carried out to such an extreme by the British rulers of India, Nehru notes, that even when the Western Allies badly needed India

to produce goods for the war effort during World War II, Indian industrialization was prevented. "But as imperative as the needs of the war situation were, the future needs of British industry were always kept in view, and it was considered undesirable to develop any industries in the postwar years. This was no secret policy; public expression was given to it in British journals, and there was continuous reference to it and protests against it in India."

As a result, shipbuilding and locomotive manufacture, both crucial for war mobilization, were prevented from developing in India. An effort mounted by an American automobile manufacturer to launch auto manufacture in India was scotched in infancy. Even medicines, including drugs and vaccines, which could not be gotten from Europe during the war, were hindered by the British from being developed domestically, so as not to compete with Imperial Chemical Industries, the British pharmaceutical giant.

British fear of Indian industrialization even went to the extreme of preventing the manufacture of power alcohol, used to fuel crucial transport equipment and cars. "It was only in the third year of the present war [World War II], after Burma fell and the supplies of oil and petrol were cut off, that the realization came that power alcohol was necessary and must be produced in India."

The following footnote in Nehru's account of the war effort in India is starkly to the point:

"The Calcutta journal *Capital*, of March 9th, 1944, gives the following figures for the index of industrial activity in India.

<b>(1935-36=100)</b>	
1938-39:	111.1
1939-40:	114.0
1940-41:	117.3
1941-42:	122.7
1942-43:	108.8
1943-44:	108.9 (approx.)

"These do not include armament production. Thus, after more than four years of war, industrial activity as a whole in India was actually somewhat lower than in the pre-war period."

The famine which swept India in 1943-44, claiming 3 million lives, was British *policy*. "That was the culmination and fulfillment of British rule in India. It was no calamity of nature or play of the elements that brought this famine, nor was it caused by actual war operations and enemy blockade. Every competent observer is agreed that it was a man-made famine which could have been foreseen and avoided."

### British policy: Create a lower civilization

Nehru quotes from the historian Montgomery Martin, in testimony given before an Inquiry Committee of the British Parliament in 1840, on the real objectives of British rule: " 'India is as much a manufacturing country as an agricultur-

ist; and he who would seek to reduce her to the position of an agricultural country, seeks to lower her in the scale of civilization.' That is exactly what the British in India sought to do, continuously and persistently, and the measure of their success is the present condition of India, after they have held despotic sway there for a century and a half."

Comparing the fates of India and the United States under British rule, Nehru uses biting sarcasm as he rues India's fate. "The independence of the United States of America is more or less contemporaneous with the loss of freedom by India. Surveying the past century and a half, an Indian looks somewhat wistfully and longingly at the vast progress made by the United States during this period, and compares it with what has been done and what has not been done in his own country. . . . [P]erhaps it is not inconceivable that if Britain had not undertaken this great burden in India and, as she tells us, endeavored for so long to teach us the difficult art of self-government, of which we had been so ignorant, India might not only have been freer and more prosperous, but also far more advanced in science and art and all that makes life worth living."

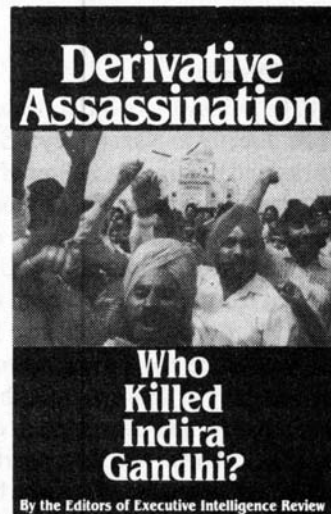
Before America is "lowered" in the scale of civilization by the looting policy of the British banks and their environmentalist shock troops, we should heed the warnings of a political leader who left his prison cell to lead his nation to victory over just those policies. It can be done again today.

## Derivative Assassination: Who Killed Indira Gandhi?

by the Editors of  
Executive  
Intelligence  
Review

Order from:  
**Ben Franklin  
Booksellers, Inc.**  
27 South King St.  
Leesburg, VA 22075

\$4.95 plus ship-  
ping (\$1.50 for  
first book, \$.50 for  
each additional  
book). Bulk rates  
available.





# Rembrandt celebrated man's dominion over water

by Nora Hamerman

---

## Rembrandt's Landscapes

by Cynthia P. Schneider

Yale University Press, New Haven and London, 1990

289 pages, hardbound, illustrated, with index, \$50.00

---

The young scholar Cynthia Schneider has made Rembrandt, one of the towering geniuses of Western art and one about whom many shelves of books have been written, her specialty. This, her first book, came out this past spring, just after the opening of an exhibition at Washington's National Gallery of Art of Rembrandt's landscapes in the print and drawing media, of which she was the curator (see *EIR*, April 6, 1990).

Schneider's boldest act has been to give back to Rembrandt the authorship of the disputed picture, "The Mill," a large canvas in the National Gallery of Art dating c. 1643-46. The windmill, which symbolizes the Dutch national spirit, spreads its sails in a way evocative of a crucifix high atop a bulwark, illuminated against a bright patch of sky in the midst of an approaching storm. This dramatic image was extremely famous when covered with yellowed varnish in the Romantic era, but was not included among Rembrandt's authentic paintings by most leading 20th-century scholars. The canvas was recently restored to an appearance much closer to its original colors.

Schneider made use of the wide range of recently developed scientific techniques for looking under the surface of pictures, including at many details which an irreversible darkening has made very hard to perceive. The result is that she accepts eight of the landscape paintings known today as by Rembrandt, and attributes 11 others to pupils, followers, or imitators. There are color illustrations of 14 of these beautiful landscapes in her book.

After that, timidity verging on indifferentism takes over. Much of this cautiously written book is devoted to discounting the various theories of what Rembrandt's landscape art is really about. Schneider takes pains to pick apart some specific religious interpretations which have been offered—such as those which relate Rembrandt's landscapes to the

notion that man's life on earth is merely a journey on the way to eternal life—by arguing that in many cases, this doctrine does not appear to match the details of the actual landscape or the mood of the figures. But this leaves us with a mystery: Why did Rembrandt, who has been described as "the deepest nature in the history of art," create so many landscapes—especially in the graphic media? And why do they move us as supreme works of art, when they seem to evade the kinds of literary analysis we more easily apply in the fields of portraiture and narrative painting?

The author falls into the typical problem of the over-trained graduate student. Having enumerated, perhaps disproved, every existing hypothesis about the works, she offers no hypothesis of her own. As if it weren't needed! Not only is Rembrandt's art usually quite far from "nature just as she is," but there is an inescapable feeling in these pictures of a philosophical statement as sweeping as a Beethoven "Pastoral" Symphony. What is it *about*?

## Polders

A certain insight came to this reviewer while touring the exhibition of Rembrandt's landscape drawings and etchings in Washington last spring with a friend. When I remarked, "and here you see the cows standing in the water next to the polder," my friend asked, "What's a polder?" I proceeded to explain that a polder is a piece of fertile farmland that has been reclaimed artificially from the sea by encircling it with dikes and draining water from it. Then a basic truth struck me, like that shaft of light that unexpectedly breaks through the typically overcast Dutch sky in almost every Rembrandt landscape painting, and evokes the feeling of a divine element in human affairs.

I remembered what it was that every schoolchild learns in geography class about the Netherlands: It's a nation of which more than 40% of the national territory has been created by man. A fact that is strangely not mentioned either in Schneider's book or in last spring's exhibition catalogue.

As a matter of fact, the Low Countries, including modern-day Netherlands and Belgium, were in the 14th and 15th centuries the center of some of the most technologically advanced farming in Europe, based upon water management programs. Only northern Italy, the Lombard region around the Po Valley, surpassed Flanders and Holland in this regard.

Digging canals and erecting dikes to create new farmland was the way that the Dutch people defined themselves as a nation. In the early 1600s another major advance had been made, making a science out of draining large lakes by building a number of dikes and windmills, which would pump the water in steps to higher and higher levels until it was transported all the way to the sea. The result was so dramatic that maps of the Netherlands had to be redrawn in 1612, when Rembrandt was six years old. Rembrandt, the son of a Leiden miller, celebrated all this in his art.

How ironic that the Dutch monarchy today is active in the pagan World Wide Fund for Nature, whose radical-environmentalist campaign to return Mother Earth to her “pristine” state would immediately condemn, if carried out, half of the territory of the Netherlands to be sunk into the North Sea!

The windmills were not some merely picturesque feature of the landscape, but an absolutely crucial energy machine that made this man-made system work. Since the low-lying polders filled with water whenever it rained, the Dutch had to devise a way to keep the water out of them. The wind, which is plentiful in Netherlands, turned the big sails; the turning sails turned a scoop inside the windmill. The scoop lifted the water from the polder and hurled it across the dike.

Rembrandt drew and painted these remarkable machines in all their historical specificity. For example, the hollow post mill (*wipmolen*) in the Washington painting is the prototype of the Dutch drainage mill. It was the ingenious Dutch solution to the serious technical challenge of adapting the post mill, earlier used for grinding throughout Northern Europe, to a scoop wheel, a daunting problem because the whole body of the mill turned on its post while the scoop wheel had to remain fixed in its basin.

### The living image of God

Rembrandt did not begin the unique Dutch habit—initiated during the 80-year struggle for independence that culminated in 1648 when the United Netherlands was recognized as sovereign by Spain—of elevating the portrayal of the national scenery to the status of serious painting. But he raised this to its highest level. And this is because the viewpoint that informs Rembrandt’s landscapes is profoundly biblical; whether man is present or not—and usually he is, at least in the form of tiny figures in the landscapes—the consequences of his actions is always there, “subduing the earth” and making it fruitful, as mandated in the first chapter of Genesis.

And so Rembrandt gives his loving attention, in drawings, to the many varieties of farm buildings that were built upon the polders, according to the kind of agriculture practiced there, in turn depending on the kind of topography, the soil, the degree of reclamation, and so forth. The French philosopher Descartes gave the Dutch achievement a typical-

ly misleading twist: “God made the world, but the Dutch made Holland.” In reality, man in the living image of God, *imago viva Dei*, created the landscape to a degree not true anywhere else in Europe, or anywhere else in the known world at that time. And then the artist, reflecting upon the creative powers of his fellow man, of his nation, draws and paints the results of this creative action, in harmony—or in struggle—with the forces of raw nature.

This profoundly religious meaning is inherent in the subject matter, but then enhanced by a kind of lofty visual punning—three trees that become like the three crosses of Golgotha, three thatched cottages like the triple portals of a Gothic cathedral, or the outstretched arms of the crucifix/windmill mentioned above—and always illuminated by that sudden shaft of celestial light.

In so doing, Rembrandt was merely lifting to the level of universal art, a kind of social expression that had already taken root in national custom. Over centuries, the millers adopted a kind of semaphore, and they would stop their mills to set the sails in patterns that served as newspapers, informing the entire countryside of an important event, such as a birth, a death, or a wedding. Catholic millers during the Reformation signaled by sail when and where a mass would be held; during the last war, millers alerted members of the Dutch underground to enemy movements.

### Rembrandt and Leonardo da Vinci

The concern of Rembrandt to paint and draw hymns of praise to man’s struggle over water, links him across a century and over a span of geography he never traversed, across the Alps into northern Italy, to the person of Leonardo da Vinci, who died nearly 100 years before Rembrandt began to study painting as a lad.

Leonardo da Vinci was a great engineer, a designer not only of locks, dams, dredging machines, “water ladders,” paddleboats, and countless other machines to bend the waterways of Italy and France to human needs; he was the designer of whole great systems of water transport with the potential of redrawing the political as well as the physical map. In the 1982 exhibition catalogue *Leonardo e le vie d’acqua*, issued as part of the Milan celebrations of the 500th anniversary of Leonardo da Vinci’s arrival in that city, we learn that Leonardo was involved in the project to build a great canal linking Milan to the Adriatic sea, which would have provided the city with its own independent port capability, and shaken forever the economic stranglehold of Venice. This project seems to have been conceived simultaneously, just before 1490, with the better known Arno canal system, Leonardo’s mind-boggling project for a canal through Florence, Prato, Pistoia, and passing near Lucca that could have permanently allayed the threat of floods, powered dozens of “automated” industries, provided cheap year-round transport for manufactured goods and raw materials, and revolutionized sanitation in the cities through which it passed.



*Rembrandt's painting, "The Mill" (Widener Collection, National Gallery of Art, Washington). The windmill was the engine of national progress and Dutch ingenuity in holding back the sea; and during the Reformation, in Rembrandt's day, persecuted Catholics used the sails of their windmills to signal the celebration of a mass.*

According to one of the essays in 1982 catalogue, Leonardo was the first to systematically attempt to measure the velocity of water in calculating provision of water by man-made conduits to various parts of Milan, as opposed to the merely geometric methods of measurement which predominated before him. He thus concerned himself with the problem of measuring a continuous quantity with discrete units—a conceptual riddle which flows throughout all of his creative work. Precisely this question preoccupied Leonardo in the domain of music. In painting, he showed how to capture the effect of continuous movement, by his use of *contrapposto* (spiral posture of the figure) and *chiaroscuro* (the replacement of sharp outlines with the juxtaposition of light and dark masses), in what is intrinsically a discrete medium. Not accidentally, the landscapes which appear in almost all of his extant authentic paintings are filled with portrayals of waterways, often half-wild, half-tamed by man, and so posing a challenge. Behind the enigmatic expression of the Mona Lisa lies a true engineering enigma—how did one join, in fact, those two sharply different water levels glimpsed on the

left and right of the landscape?

Leonardo wrote that water is the greatest single threat to human life, exceeding even the danger of fire. If water left alone could be so threatening, when brought under man's control it was one of the greatest civilizing forces. Rembrandt, without being an engineer, shared Leonardo's outlook on this question.

Many of Rembrandt's painted landscapes, unlike the majority of the drawings, are not portrayals of his native Netherlands. Even the drawings often depicted faraway scenes of Italy which he could only have known through other works of art, or he combined Dutch elements with these exotic settings. In the paintings, the flow of water, or if not water, then of weather, is ever present, played off against the drama of light and the fruits of man's building efforts. And as Cynthia Schneider underlines, within these titanic settings Rembrandt never failed to place realistic figures of ordinary citizens going about their daily business—an element which the irreversibly darkened condition of the pictures has obscured for the modern viewer.

## Will France and Germany play deputy sheriff in the Gulf?

by Michael Liebig

British Prime Minister Margaret Thatcher gave an interview to the Swiss newspaper *Neue Zürcher Zeitung* on Sept. 14, in which she shamelessly declared that a "new world order" was coming into being through the Middle East crisis, and that the "natural friends and allies," the United States and Great Britain, had "taken over leadership" of this new order.

Two days later, on Sept. 16, there appeared in the London *Sunday Telegraph* an article by Peregrine Worsthorne, the stepson of the grey eminence of British politics of the 1920s and 1930s, Montagu Norman. Worsthorne is today in the inner circle around Thatcher. His article praised the Thatcher policy of a "new world order" under Anglo-American leadership. Germany, Japan, France, and Italy are mere "wealth creators," who lack the "character" and "genius for leadership" which "imperial values" had bestowed. On the other hand, Great Britain, through its "anti-industrial education system" and its "gentlemanly high culture" had shown the ability to still listen to the "voices of the past." Thus, Great Britain can confidently take on the historical task of "building and maintaining a new world order," which would protect the northern industrial states in the face of the "threats from the Third World," such as those seen at present in the Gulf. Worsthorne went on, "In the foreseeable future there will only be one superpower . . . the United States—and only one European power able to give instant support—Britain."

The Anglo-American Establishment is determined to unleash a war against Iraq. Every attempt at a diplomatic solution of the Gulf conflict has been systematically sabotaged by London and Washington. Hectic efforts are under way to stage a "Gulf of Tonkin" incident in the Mideast which could then be blamed on Iraq.

### The pressure on continental Europe

In this situation, the governments of continental Europe must make a hard decision. Paris, Bonn, and Rome have a

simple choice: Either they make themselves into sheriff's deputies in the Anglo-Americans' war, or they say "no" to the Anglo-American war-mongering in the Gulf. Continental Europe can no longer dance at two different weddings. Faced with this fateful decision, French President François Mitterrand, Italian Prime Minister Giulio Andreotti, and German Chancellor Helmut Kohl seem to be twisting in the wind. With all due understanding for the immense difficulties which such a decision entails, it can simply no longer be put off.

Following the summit meeting between Presidents Bush and Gorbachov in Helsinki on Sept. 9—a meeting which went badly for Bush—the British and U.S. governments massively escalated their pressure on continental Europe. Already on Sept. 7, the European Community foreign ministers—with the exception of Great Britain, of course—categorically rejected any financial support for the Anglo-American military deployment into Saudi Arabia and declared themselves in favor of a joint EC-Soviet initiative for a political, non-military solution of the Gulf conflict.

Shortly thereafter came the cudgel-like answer from Washington, threatening a "dramatic worsening" in relations, especially with Germany. The British joined the United States in suggesting that they would not sign the "two plus four" agreement on German reunification on Sept. 12, and almost carried out that threat. U.S. Secretary of State James Baker and Treasury Secretary Nicholas Brady were dispatched to Europe. Britain's diplomacy and press launched a barrage of anti-French propaganda.

On Sept. 14, there occurred in Kuwait what remains a mysterious incident, in which the Iraqi military supposedly entered the residence of the French military attaché, although this has been vigorously denied by the Iraqi government. French President Mitterrand reacted to this by sending additional ground-based, airborne, and seaborne armed forces

totaling over 13,000 troops to Saudi Arabia, and spoke of a "logic which is leading to war." The next day, Chancellor Kohl promised U.S. Secretary of State Baker to immediately make available armaments and support services worth 1.6 billion deutschmarks, and a comparable sum in financial assistance to Egypt, Jordan, and Turkey. The meeting of EC foreign ministers on Sept. 17 resolved to expel all Iraqi military attachés from European Community member states, and called for an air traffic embargo against Iraq.

Should we conclude from this obviously changed attitude in Paris, Bonn, and Rome, that these governments, having given in to the pressure from the Anglo-Americans, are now become active and zealous assistants in the Anglo-Americans' drive to war? The last word has yet to be spoken on this question, even though, as stated above, things cannot remain up in the air much longer.

Bonn, Paris, and Rome are apparently trying to play along with the Anglo-American game in the Gulf, up to a certain point. Bonn is giving the Americans war materiel, while France, Italy, Spain, and the Benelux nations are sending their own military forces into the Gulf region. But this is all billed simply as the carrying out of the embargo against Iraq, and not as part of an offensive military operation against Iraq.

It seems that Western European diplomacy intends in this way to be present "on the spot," in order thereby to gain influence and to create a "controlled environment" which could have a moderating influence on Anglo-American war plans. The hope is that, by means of this diplomatic tactic, the possibility of a political solution of the Gulf conflict can be held open. As a framework for a political solution, the EC foreign ministers are proposing a "Conference on Security and Cooperation in the Mediterranean." That geographic area is to extend from Morocco to Iran, according to Italian Foreign Minister Gianni De Michelis in a statement on Sept. 18.

A certain amount of queasiness is being clearly registered in Washington and London regarding this diplomatic tactic. The *Washington Post* has expressed concern about the "limitation of the freedom to act" placed on the United States by the presence of Western European troops in the Gulf. Even more explicit was the British military expert Max Hastings, who is close to London government circles. He demanded, in the form of an ultimatum, that France subordinate itself to Anglo-American command, since any other course would bring "chaos and disaster." President Bush, for his part, stated that the United States would "not wait for others" when decisions had to be made.

### **An 'independent' defense policy?**

A second aspect of the Western European reaction to the Anglo-American war drive in the Gulf, is apparently to utilize the crisis in order to create a Western European military capability outside of the NATO member states. This plan was advanced by EC President Jacques Delors and the Italian

government, which currently holds the chairmanship of the EC Council. On Sept. 18, Italian Foreign Minister De Michelis proposed that the EC and the Western European Union (WEU) be merged. Western Europe, he said, must without delay take on a "defense policy dimension." The EC special summit on such a "political union," to be held in November, must lead to binding decisions for the EC's capacity for military action. This idea was also put forward by Kohl and Mitterrand.

However, there is one fundamental problem in accomplishing a merger of the EC and the WEU, namely, that Great Britain is a member of both organizations, thereby rendering it *a priori* impossible to have an independent European defense policy. The aforementioned Thatcher intimate Peregrine Worsthorne has already declared that a militarily united Europe would be "utterly useless," since "in a new world order the readiness to apply force instantly is indispensable," and the mercantile EC would never be able to manage that.

In summary, it can be said that the current diplomatic tactic in Paris, Bonn, and Rome with regard to the Anglo-American war policy in the Gulf will not achieve its intended goal of preventing war. Under conditions whereby the dynamic of events is being dictated by the Anglo-American side, diplomatic tactics are simply no longer enough. It must be made clear to the governments in London and Washington, in the spirit of de Gaulle, that Western Europe will *not* stand shoulder-to-shoulder with the United States and Great Britain in a neo-imperialist war against the Third World to the end of diverting attention from domestic economic collapse. De Gaulle never hesitated to say the same thing clearly in the case of the U.S. war in Vietnam, and acted accordingly.

### **A courageous voice**

Some, at least, are prepared to say what the governments of continental Europe have so far not said. The Catholic daily *Avvenire*, representative of one faction in the Vatican, published an incisive article on Sept. 19 by Middle East analyst Alberto Mariani, which refutes the Anglo-American public relations propaganda surrounding the Gulf policy.

"An old French proverb says that . . . when you want to kill your cat, you say it is rabid," he writes. "So, people want to gain control over energy sources belonging to others? Then all means are permissible to humiliate the Arab world; all means are permissible to accuse Saddam and to attribute to him any heinous act and any ignominy. . . ."

"What would we have done in the place of Saddam Hussein and of his regime? Would we have allowed the conspiracy by the United States and England in the past 12 months against this country to come to fruition? That the noose around the neck of the Iraqi economy would tighten inexorably until asphyxiation?" In fact, the author concludes, "perhaps we would have done exactly what Saddam Hussein and his regime have done."



## Anglo-American Mideast occupation was 'preplanned'

*The following interview with Iraqi Ambassador to the United States al-Mashat was conducted by EIR correspondents Fernando Quijano and Joseph Brewda at the Iraqi embassy in Washington on Sept. 12.*

**EIR:** Mr. Ambassador, I was struck by a developing campaign by the U.S. and British media against Iraq, six months ago or so before the U.S. move into the Gulf, particularly after the Iraqi execution of the British spy Farzad Bazoft in March. There was the accusation made by the British that Iraq was secretly trying to make a nuclear bomb. This reminded me of the propaganda campaign against Iraq in 1980 and 1981, that was launched prior to the Israeli bombing raid against your Osirak nuclear research facility. I'm wondering if you could describe what your government feared the U.S. or British were preparing.

**al-Mashat:** Well, I would go further back than Bazoft. As a matter of fact, I would go to the point of the ceasefire between Iran and Iraq on the Aug. 20, 1988; the fact that Iraq came out the victor, and came out healthy and not destroyed, as the Israelis had planned. One has to bring in the Israeli question, because the Israelis wanted to destroy Iraq. That was made clear by how they helped Iran during the war. They were hoping that either Iraq's existence would be finished, or the war would continue forever, until the Iraqis were destroyed. And so when Iraq came out neither destroyed, nor the loser, but came out the victor—plus, Iraq in the meantime developed a new deterrent, our missile—that was the beginning of the big conspiracy against Iraq. And that was the beginning of this plan, of preparing the atmosphere, softening the public, as a prelude to war. That was the Israeli regional plan, because they were preparing the atmosphere as a prelude to an attack on Iraq.

On the American side, they went along with it, at least in some quarters. I wouldn't brand the entire administration, but some departments in the CIA, in the secret services. They worked on this plan in a clandestine way, by, number one, sending emissaries to the Gulf to frighten the Kuwaitis, the Saudis, and the Gulf people—this we know—and to set in motion a plan to destabilize Iraq. And if you survey their

propaganda campaign, their mass media campaign, it is always created out of the "blue sky," there is no incident. They created their incident out of the pretext of the human rights business, to smear Iraq as an outlaw, and to speak against our President, in a very organized, meticulous, preplanned fashion.

It started slowly, but the real takeoff started in November 1989. Out of the blue sky they started with Peter Jennings and Mr. [Charles] Glass. They made an ABC special program about supposed human rights violations in Iraq, the human rights report, and all of this. They began to open up an archaic book, this fantastic claim that we used chemical weapons against our own citizens. They deliberately confused the Iranian use of chemical weapons against Iraqi citizens during the war, with mop-up operations that we conducted against guerrillas and terrorists in Iraq who had helped Iran, mop-up operations which we conducted following the war. They used Halapja as evidence, falsely claiming that we used chemical weapons against terrorists in Halapja, Iraq, after the war. The American media tried to extrapolate this thing. They showed the picture of the Iranian massacre at Halapja, conducted during the war, and claimed that Iraq was responsible, and was using chemical weapons against its own people. It was established by the Pentagon that it was the Iranians who used cyanide at Halapja. We had no cyanide.

The campaign went into higher acceleration with the execution of the spy, and the hysteria around the so-called capacitor. The U.S. government could have said to the company not to export the capacitor to us. Why plant someone in the company from the FBI or the CIA to appear as a foreign sales manager? The capacitor has many uses. It can be used as a nuclear bomb trigger, but also for laser research and for rocket separation. We wanted it for laser research. The charge that Iraq is building a nuclear bomb is a big deception. We are signatories to the Non-Proliferation Treaty. Our facilities are subjected to continuous and regular inspection by the International Energy Agency. So there is no way that we could develop nuclear weapons, even if we wanted to. And then the question of the super-gun—all of this nonsense.



And then the overblown and fabricated propaganda against Iraq when we made the warning against Israel because Mr. [Rafael] Eytan—the principal Israeli Air Force figure responsible for the attack on Iraq in 1981—said on April 1, “We know how to take care of Iraqi missile and industrial complexes as we did in 1981.” Our President came out the next day with his warning, because we do not want have an exchange, we want peace, in order to develop our country.

But what happened in all the mass media here, except very few? They omit the first part of that warning—“that if Israel attacks us by nuclear weapons,” that “then we will burn up half of Israel with chemical weapons”—they always omit the first part. They say that Iraq is threatening to burn up Israel. This has all heightened the feeling of the Americans against Iraq.

And then, when we took military action against Kuwait, the master plan of subjugating the rising Arab went into action. This is what I call “neo-imperialism.” The U.S. deployment was done under the pretext of a false threat that we are not satisfied by taking action against Kuwait, but were threatening Saudi Arabia. This is the biggest deception in history. We had excellent relations with Saudi Arabia. We had a non-aggression pact with Saudi Arabia. Saudi Arabia was never in history part of Iraq. Had we harbored military designs against Saudi Arabia, we could have gone right through on Aug. 2, when we went into Kuwait, because there was no American soldier there until Aug. 8. Not only could we have gone into Saudi Arabia through Kuwait, but we could have made a multi-pronged attack—we have a 1,000 kilometers of border with Saudi Arabia. But for what? We have no reason to be in Saudi Arabia whatsoever.

So the Americans made this plan to occupy the region for two purposes. One, is to implement the Israeli objective of destroying Iraqi infrastructure. Israeli policy is to destroy any Arab country that has any potential, and to have intra- and inter-Arab wars, and to have schisms and destabilizations of every country in the region. This is part and parcel of their plan to have hegemony in the area and to build a “Greater Israel.” Unfortunately, the Americans are willing to sacrifice themselves for an Israeli expansionist policy.

The American part of it is to control the oil; as I said, a new form of neo-imperialism is coming into the picture. Now they have occupied Saudi Arabia—the Holy Land—they have occupied Qatar, and so you can see that this was a preplanned, premediated, well-orchestrated plan against the Arabs. Who are the people that are supporting them? The puppet governments of the Gulf, Mubarak, Morocco, and Syria. Syria, which during the Iran-Iraq War supported Iran, and which is still on the U.S. government’s terrorist list, the U.S. is now embracing.

But the Arab masses are on the Iraqi side. And the Arabs would like to have justice. The Arabs of today are not the Arabs of yesterday, and no longer will accept injustices in-

flicted on them for decades now. Iraq represents a new hope. That explains why we very much wanted to avoid war, but we want to have just peace.

In order to respect a Security Council resolution, it has to be implemented with the same standard as all other resolutions, not a double standard. So our President’s initiative on the Aug. 12 was that the Israelis must withdraw from the West bank and Gaza as called for in U.N. Resolution 242. The U.S. must respect this Security Council resolution, from the very council that issued this position against Iraq imposing these sanctions. Why not put sanctions on the aggressor that continues his aggression in the region: Who continues to occupy the West Bank and Gaza, the Golan Heights, and Lebanon? who continues to liquidate the Arabs and the Palestinians? who continues to divide the world community, and continues to be an outlaw? And we said also that the Syrians should leave Lebanon. That’s how we can establish peace once and for all. Then we will talk about the question of Kuwait.

The only way to solve this crisis is to implement all Security Council resolutions fairly. America should take the lead in this, because then it will be recorded in history: that the Bush administration solved the Arab-Palestinian, Palestinian-Israeli question on a just basis. The Arabs want peace, and Iraq wants a just peace. For this reason, Iraq took part in the Arab summit conference in Fez, Morocco in 1982, at which all Arab heads of state accepted the security of all states in the region, providing that Israel withdraws within its 1967 borders.

There is another thing that the Americans should know. The American government actually destroyed the Arab solution to the Kuwait problem. Before we took military action, the U.S. supported Kuwait in its refusal to respond to Iraq’s legitimate demands. After we took military action, the U.S. destroyed the Arab plan to have a mini-summit at Jeddah, Saudi Arabia on Aug. 6. The summit was to have been comprised of Iraqi President Saddam Hussein, King Hussein of Jordan, King Fahd of Saudi Arabia, President Mubarak of Egypt, and the head of state of Yemen. Suddenly, after the plans for the summit had been agreed to, U.S. Secretary of Defense Richard Cheney arrived in Saudi Arabia, and prevented the summit from occurring. This is further evidence of a preconceived plan to occupy and control the area.

I would also say that part of the motivation for this is the problem of a possible recession in your country, and the budget deficit. So in order to get support of the Americans for the budget, and thinking that this would overcome the possibility of recession, the American government took this action.

The irony is that three years ago, you re-flagged Kuwaiti ships in order to have the flow of oil, and you sent some war ships into the Gulf in order to guarantee the flow of oil from Iraq and Kuwait. Today, the U.S. and their troops are blocking the flow of oil by your blockade. Who is suffering from



## Iraq's proposed comprehensive Mideast settlement

*On Aug. 14, Iraqi President Saddam Hussein proposed that all outstanding territorial disputes in the region, including the Iraqi occupation of Kuwait, be solved comprehensively. What follows are excerpts from that statement.*

1) Any withdrawal arrangement should be based on one principle. This includes Israel's immediate and unconditional withdrawal from the occupied Arab territories of Palestine, Syria, and Lebanon, as well as Syria's withdrawal from Lebanon, the withdrawal between Iraq and Iran, and the special arrangements for the situation in Kuwait. Any military arrangement on the time and the

related political preparations should also be dealt with in accordance with the recognized basis, and principles, taking into consideration Iraq's historical rights over its territory and the choice of the people of Kuwait. The implementation of this proposal should take place in a priority order, beginning with the first occupation or so-called occupation—hence, beginning with the implementation of all the United Nations Security Council resolutions and all cases up to the most recent one. The same measures that were adopted by the Security Council against Iraq should be used against whoever refuses to comply with these arrangements.

2) In order to reveal the truth of matters to international public opinion so that it may judge objectively, away from American wishes and pressure, we call for an immediate withdrawal from Saudi Arabia of the American forces and their accomplices. The U.S. forces should be replaced by Arab forces whose size, nationality, mission, and deployment would be determined by the Security Council, assisted by the United Nations Secretary General.

this? The American consumer is suffering. Because, I would like to remind you that the price of petroleum was \$18 a barrel. We asked OPEC to increase it, and it was increased a few weeks before the crisis of Aug. 2, to \$21 a barrel, and we settled for this. Our policy regarding oil is to have stable prices—fair to the consumer and fair to the producer. Our policy is known in OPEC. In fact, we had a big fight with the Shah in the 1970s because he wanted to jack up the price. We are against jacking up the prices. We want to sell our oil to the West. We don't want the West to look to alternative sources of energy. Now the price is \$32 a barrel because of the American action. This is the irony of the situation.

**EIR:** Could you describe what the Iraqi infrastructural projects are, and what the Iraqi idea is for the Arab world in terms of development, industry, and so on?

**al-Mashat:** We went through a development plan that no other Third World country did, prior to the Iran-Iraq War. We believe in sharing our wealth, and we translate that into action. As a matter of fact, we have given Third World countries, in terms of a percentage of GNP, more than any country in the world—all before the Iran-Iraq War. During the Havana Non-Aligned conference of Nov. 4, 1979, for example, we allowed developing nations which had oil contracts with us the right not to pay the higher prices which had been agreed upon by OPEC, from June 1 to the end of that year.

If you had visited Iraq before the war, you would have seen that Iraq was a beehive. For any country to have real potential, in my opinion, three conditions must exist simulta-

neously: You have to have wealth, commensurate to the size of the country and population; you have to have a trained human infrastructure; and you have to have modern, non-corrupt leaders. Fortunately, in Iraq we have these three conditions existing simultaneously.

If you take Iraq, and see the wealth of Iraq, we not only have the second-largest proven oil reserves in the world, after Saudi Arabia, but we have huge deposits of phosphate, which we have already started to develop. We have huge deposits of sulfur, as a mineral, not only as a byproduct of oil; and then, last but not least, for these 17 million people: Iraq is Mesopotamia. It is agricultural land, the land of the two rivers. We have water resources. All of this fabulous wealth for 17 million people. So we have that condition.

We have the human infrastructure. We don't import people to run our factories; we have Iraqi people. Sometimes, we work with foreign experts, yes, but the Iraqi people are doing the development by themselves. We have eradicated illiteracy in our country. Since 1978 we made schooling mandatory for every child of six years of age. We have 12 universities, aside from technical institutes. Education is free from primary school to the Ph.D. level. So we have the people undertake the development by themselves. This is the second condition.

The third condition is that you have to have leaders who believe in using modern science and technology for the development of their country, and who are not corrupt. They are not using their money by putting it in Monte Carlo, or buying yachts, or investing it for their own personal pleasure and concubinage. We have clean leaders.

So if you survey any other Third World country, you rarely find these three conditions existing simultaneously, as is the case in Iraq.

Now the fact is that we have suffered eight years of war, and were attacked by Israel in an unprovoked way in 1981. This has made us learn that we have to have deterrence. That is why we have developed our missile and have developed chemical weapons. We have no biological or nuclear weapons, nor do we have any intention to have them. Our policy is that all mass destructive weapons in the area should be banned. We do not accept that Israel has nuclear, biological, and chemical weapons in the area, and no one says anything about it, yet everyone is clobbering Iraq because we have the poor man's bomb, the chemical bomb.

After the ceasefire with Iran on Aug. 20, 1988, we wanted to reconstruct the country from the ravages of war and to restart this development plan. Naturally, we started with a huge debt. In order to reconstruct our country we needed the revenue from our oil. But then we faced the beginning of the conspiracy of the al-Sabah family, the former rulers of Kuwait. They were bent on destroying the economy of Iraq instead of helping Iraq—even though Iraq protected them during the Iran-Iraq War. They began to overproduce. The benchmark of oil prices agreed to over a year ago was \$18 a barrel, but the Kuwaitis and Emirates began to overproduce, in some cases doubling their production, in order to force a drop in the price of oil. There was no need for the Kuwaitis to overproduce—they have a minimum of \$400 billion investments abroad. They earn more income from those investments than from all their oil income per day. So when they were bent on overproduction, and cheated when they give their word to OPEC that they were going to uphold their quota, we suspected that there was something fishy in their insistence on overproducing and violating the quota. They were able to force a drop in oil prices from \$18 a barrel to \$11 a barrel. For every dollar dropping below \$18, Iraq loses \$1 billion a year, so when it reached \$11, we were losing \$7 billion a year—at the time when we had to service our debt and to reconstruct our country.

Furthermore, the Kuwaitis have occupied part of Iraq, and built an oil well to siphon oil from the southern Rumelia oilfield in southern Iraq, which they did with a slanted well extended into the heart of the oilfield in our land. After all the negotiations failed, we took military action. And we are not the first country or the last country to do that when a national interest was at stake.

So, our plan is to develop our country. We want to catch up with the modern world, we want to use our resources for the welfare of our people, and help other Arabs, and you can see that even at difficult times we have always helped the Arabs in various ways, and the Palestinians of course. And we would like to help the Third World, too. That is our policy.

**EIR:** Mr. Ambassador, Mr. LaRouche, who is the founder,

of our publication has proposed that the only basis for joint interest, for lasting peace in the Middle East, is through massive development projects to the advantage of Israel, Palestine, and the Arab world. All the U.N. resolutions must be implemented, the creation of a Palestinian state, and so on; but without some concrete interest which binds both sides together, there would not be long-lasting peace. We'd like your comments on that.

**al-Mashat:** Well, we had this plan in our mind before this crisis started, and we still have it. And I think it is in the best interests of the Iraqis, Arabs, the United States, and everybody in the region to have peace. War will get nowhere. War is against our interest. Instead of having all of these resources going into this defensive business, we would like to put it into construction, and massive projects—not only in Iraq, but in all Arab countries. You have to have the political will in the West and the United States to have some sense of justice, for your own interest. Because the Arabs are culturally oriented to the West.

It was our policy since I arrived here a year ago to have more trade with the United States, to have more American corporations working in Iraq. We used to buy 25% of all the rice exported from the United States. We would like to have American technology.

We hope that people in the United States realize that what they are doing is against their immediate and future interest—not only with Iraq but all Arab countries. Because we have the support of the Arabs. And we hope, we pray to God, that we do not come into armed conflict with the U.S. I want to stress here that such an armed conflict is in the hands of the United States. It is their decision to have war, not Iraq's. We are working to have peace. We made an initiative for peace. But if war comes, believe me, the U.S. will be the loser, and not only immediately, but in the long run as well. And this is a message I would like to send to Americans, through your gracious offer to talk to Americans through your magazine. We wanted peace, we wanted to negotiate. We wanted it to be recognized that we no longer accept being squashed. We want to have justice, the very justice that was enunciated by all Security Council resolutions on the Arab-Israeli conflict. All Security Council resolutions pertaining to the Arab-Israeli conflict have to be implemented in order to have peace, and through following one standard, not a double standard—not by insisting on blockading Iraq, and beating the drums of war against Iraq, and refusing to negotiate unless Iraq withdraws first. No such sanctions have been imposed against Israel, which is still defying all Security Council resolutions pertaining to it to this day.

And that way, we can have peace and stability in the area, and you will have a flourishing economy.

**EIR:** Mr. Ambassador, several weeks ago Secretary of State Baker testified before the Congress where he proposed a new security arrangement for the Persian Gulf. He said the U.S.

## Plan to occupy Saudi Arabia is an old one

A column by former U.S. Ambassador to Saudi Arabia James E. Akins in the Sept. 12 *Los Angeles Times* reveals that a U.S. plan to occupy the Saudi oil fields was planned as far back as 1975. Iraq has maintained that seizing control of the Persian Gulf oilfields was one of the primary motivations for Bush's decision to send U.S. troops into the region.

According to Akins, "In January 1975, the neo-conservative publication *Commentary* carried an article proposing invasion of Saudi Arabia as a solution to the eternal Arab problem and to our own economic problems. A flurry of similar articles followed that proposed occupying oilfields on the peninsula from Kuwait to Dubai, pumping them dry, and in 50 years or so returning the properties to their original owners.

"I was Ambassador to Jeddah at the time, and I was appalled by the cynicism and the immorality of the suggestion. . . .

"I suggested that anyone who would take this proposition seriously was a madman, a criminal, or a Soviet agent. Henry Kissinger, the secretary of state, had another view, and my career in the Foreign Service did not extend much beyond that point. . . .

"Nevertheless, there are those in the Bush administration who will point out that conditions are more propitious now than in 1975 for at least a de facto military occupation of the Saudi oilfields. . . .

"Those in and out of the U.S. government—including Kissinger—who were serious about taking over the oilfields in 1975 surely will argue that we should not let these extraordinary resources go, now that they are in our control."

might create something like NATO in the region, perhaps a permanent base in Kuwait once seized from Iraq, a permanent base in Saudi Arabia, apparently something like CENTO of the previous period. There is a certain concern in Europe and Japan that this arrangement would be linked to NATO out-of-area deployments into the region. What is Iraq's view of this proposal?

**al-Mashat:** We would not accept that at all, because this is a new form of a new imperialism. Security could be established in two ways. First—which is what we prefer—is between and among the Arabs, and supported by the Security

Council, by the U.N. This is the security that would be fair to everybody. The security arrangement spoken about by Baker is a camouflage for the occupation of the Holy Land and the Arab land, to control the oil. It is a false control, because as I said before, we could make arrangements to have fair oil prices that would benefit everybody. We are against jacking prices too high, because we want to sell the oil, and make it cheaper than other sources. This is our official policy. We don't want you to develop alternative sources of energy.

So all of this is false pretexts for this planned military action in the area. It will not work; believe me, it will not work. The previous arrangements, like CENTO, the Baghdad Pact, did not work and it collapsed. Nowadays, the possibility of collapse is much more than before, because the Arabs have awakened. And if you think you have security with some puppet government, this is an illusion, a mirage. It is unfortunate, it will not work; with all the power you bring to bear, it will not work. No longer will naked force be the arbiter. It never was before, even at the time when the Arab was not as awakened as today.

**EIR:** Iraq has played a crucial role in attempting to maintain the territorial integrity of Lebanon. And for this there have been many attacks and the blaming of Iraq for much of what has happened there.

**al-Mashat:** Those who claim this are making a false statement. We supported the legitimate government of Michel Aoun in Lebanon when it was appointed by Amin Gemayel, because it was appointed according to their Constitution. When one legitimate Arab government asked for help, we gave it to them. But then, when the tripartite Arab committee, which had been delegated by the Arab summit to solve the Lebanese question, asked us to stop helping them, we stopped; whereas the Syrians and Israelis have been destroying Lebanon for the last 15 years, and are still occupying their country.

**EIR:** It appears that Syria and Israel continue to do that.

**al-Mashat:** That's right.

But, to conclude, the problem is that we as Arabs do not feel that there is U.S. policy in the Middle East, but that there is an Israeli expansionist policy implemented by the U.S. with the American taxpayers' money. Through the Israeli lobby there is control of U.S. policy in the area to the detriment of the American taxpayer. It is high time for the Americans to wake up.

**EIR:** And the British role?

**al-Mashat:** This is the last breath of the British empire. They wanted to reestablish control by enhancing and supporting and pushing America to take this action. It is tripartite: Israeli, British, and American, together with the conspiracy of the al-Sabah family.

## U.S. cozies up to narco-terrorist

by Jeffrey Steinberg

When Secretary of State James Baker III traveled to Damascus, Syria in September to confer with America's newest Gulf "ally" Hafez al-Assad, the Bush administration was spitting on the graves of hundreds of Americans who have been tortured or died at the hands of Middle Eastern terrorists over the past decade.

The Alawite regime in Damascus is the biggest single sponsor of terrorism directed against American citizens. Now this regime has been designated in George Bush's "new world order" as a leading satrap in the new *Pax Americana*—in Deputy Secretary of State Larry Eagleburger's words, "a force for stability in the eastern Mediterranean." Since the major news media seem to have amnesia on this subject, let us recall the following "stabilizing" actions by the Assad clan:

- the April 18, 1983 car bombing of the U.S. embassy in Beirut, Lebanon, in which the entire American team handling the Middle East was murdered, along with scores of other embassy officials. According to sources familiar with the official probe of the bomb attack, a team of Iranian-sponsored terrorists, including an American fugitive David Belfield, carried out the bomb assault, under the immediate supervision and logistical direction of Syrian Army officers operating out of the occupied Bekaa Valley of Lebanon.

- the Oct. 23, 1983 car bombing of the U.S. Marine compound in Beirut, which resulted in the deaths of 241 soldiers. Within days of the bomb attack, the Reagan White House was in possession of solid evidence that this second mass atrocity in six months had been staged out of the same Bekaa Valley Syrian Army-controlled territory by terrorists backed by the Assad regime's logistical expertise.

- the October 1985 hijacking of the *Achille Lauro* cruise ship in the Mediterranean by four terrorists from the Syrian-sponsored Abul Abbas Palestinian Liberation Front. One Jewish-American, 69-year-old Leon Klinghoffer, was shot and thrown overboard in his wheelchair. In a supreme act of hypocrisy, the Anti-Defamation League, leaders of the "amen corner" for the Bush Gulf intervention and the rapprochement with Damascus, set up an anti-terrorism foundation in Klinghoffer's name. While the Reagan administration's attention was riveted on Libya's role in the *Achille Lauro* terror attack, both the CIA and the Drug Enforcement Administration obtained detailed evidence that Abul Abbas

had been sponsored by the Syrian regime, dating back to his efforts immediately after the 1975 outbreak of civil war in Lebanon to run a kidnaping ring there. Abul Abbas's partner in the ring, which presaged later hostage affairs, was Monzer al-Kassar, the son of Syria's ambassador to India, an international narcotics trafficker and a business partner of Syria's Vice President Rifaat al-Assad.

- the explosion on Dec. 21, 1988, while flying over Lockerbie, Scotland en route from Frankfurt and London to New York, of Pan American Flight 103. All 270 passengers and crew, including nearly 200 Americans, perished. Within weeks of the bomb attack, both the CIA and British MI-6 knew definitively, according to published accounts, that the atrocity had been carried out by a Damascus-based group, the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), headed by a captain in the Syrian Army, Ahmed Jibril. According to one account prepared by an investigator for PanAm and released to the public by Rep. James Traficant (D-Oh.), Syrian drug smuggler Monzer al-Kassar played a pivotal role in the planting of the bomb aboard the flight, providing Jibril's men access to a team of smugglers infiltrated into the ground crew at the PanAm hangar at Frankfurt Airport.

### As for Bush's 'war on drugs' . . .

Al-Kassar's alleged role posed an embarrassing problem for the incoming Bush regime. Since about May 1986, al-Kassar, whom the CIA listed as a KGB agent as well as an intimate of the Assad family, had been a secret agent for the White House, ostensibly helping negotiate the release of American hostages in Lebanon.

The al-Kassar role underscored another piece of nastiness in the Bush regime's embrace of Assad. DEA files listed al-Kassar as a major international heroin and hashish trafficker, with dope convictions in England and France. The Syrian regime was known to be pumping an estimated \$1 billion a year worth of heroin into the United States from its poppy fields and laboratories in the Bekaa Valley area of occupied Lebanon. Bekaa Valley opium production has reportedly skyrocketed under Syrian Army protection; meanwhile, for the past two years the Bush administration has ordered DEA documentation of Syrian dope smuggling suppressed.

In the Bush administration's embrace of Great Britain's "balance-of-power" games, the one price it appears that Washington is prepared to pay for the aid of Damascus in crushing Saddam Hussein is Syria's annexation of a once-sovereign nation, Lebanon.

According to one experienced diplomat, one of the major topics of Secretary Baker's talks with President Assad was the prospect of Syrian terror squads killing Saddam Hussein. If that proves to be the deal—and it may take years before the truth comes out—then the Bush administration will have hired the biggest murderer of American civilians, as a covert contract murderer.

# Pope in Africa seeks dialogue, development

by Maria Cristina Fiocchi

Peace, religious tolerance, and economic development: These were the recommendations made by the Pope during his seventh pilgrimage to the African continent, in September. Aboard the airplane which carried him from Rome to Dar es Salaam, capital of Tanzania, John Paul II told the press: "I will not launch anathema or excommunication against those who make war, but I do declare that war is an evil. War has always produced more evil than good.

"Many things in history," he continued, "have been resolved by war, but war always brings more violations of human rights and more evils than benefits and solutions." Referring to the Persian Gulf, he added, "We must do everything possible to avoid a war outcome in the Gulf."

The Pope extended this invitation to dialogue to the Muslims, who are in the majority in Tanzania. When he met the leaders of this faith in St. Peter's Church in Dar es Salaam, the Pontiff stated, "The dialogue between Christians and Muslims takes on ever-growing importance in today's world." The Christians and Muslims of Tanzania, said the Pope, "may surely build together a society which conforms to the values taught by God: tolerance, justice, peace, and concern for the poorest and weakest. I hope that the two religions can work side by side to guarantee that these values and the right to religious freedom are backed up by a civil law, a safeguard of true equality among all the citizens of Tanzania."

John Paul II has always favored encounter between the Catholic Church and Islam and has never neglected, during all of his trips abroad, to meet with local spokesmen of the Muslim faith. Today the Gulf crisis, and the danger that war might break out, and hence the specter of a religious outbreak of Islamic fundamentalism, form the framework of the papal journey into black Africa.

John Paul II is imploring peace and launching a last-minute appeal to the rich nations that they aid the peoples of less favored nations to become the true protagonists of their own development. Speaking to youth, the Pope recalled the miseries of Africa: poverty, unemployment, racism, the seduction of false messiahs. He called upon the ruling class to use the aid, scant though it be, that arrives from abroad fairly and unselfishly.

In Rwanda, he met with peasants in Kabgayi on a plateau a mile high. There the Pope took on the problem of Africa's agriculture: "The soil you cultivate," John Paul II said, "is

being used up as the years pass because of erosion and the lack of fertilizers. Sometimes there is too much rain and at other times, the rain is cruelly absent. Diseases can attack your crops and your livestock. The compensation you get for the products of your fields is not always proportional to your work and to your needs. The international environment is unfavorable to you. Famine has struck your country." The Pope appealed to the international community to give humanitarian aid in times of crisis and to pay a "fair price" for poor countries' products.

John Paul II takes much to heart the fate of Africa, which seems more and more crushed by today's brutal neo-colonialism. Since 1980, per capita income has fallen dramatically, at the rate of some 2.6% per year. Infant mortality is the highest in the world, while the average lifespan is the lowest. The list of evils does not stop there. Of a population of 600 million inhabitants, 35 million are political or economic refugees.

The horror of AIDS is spreading like wildfire. According to World Health Organization figures, in 1988 some 3 million persons were infected with the AIDS virus. In the capitals of the three countries visited by the Pope, Dar es Salaam, Bujumbura, and Kigali, 30% of the sexually active population is infected. In some areas around Lake Victoria the figure reaches 40%. In Rwanda, 38% of deaths are ascribed to AIDS. The drama is accentuated by the inadequacy of medical and sanitation facilities. The Pope spoke of a true pandemic, which can be stemmed only by a response that takes into account the medical, human, cultural, ethical, and religious dimensions of life. "The AIDS epidemic," he said, "requires an unprecedented effort of international cooperation by governments, the world medical and scientific community, and by all those who may exert influence on developing a sense of moral responsibility within society."

The last leg of the Pope's tour was to Yamoussoukro in Ivory Coast, where he dedicated the "St. Peter's of the Savannah," the grandiose basilica built by the aged President Félix Houphouët-Boigny. Many criticisms have been leveled from all sides against the imposing project commissioned by the 85-year-old President. Some have called it a thoughtless act of megalomania, a "slap in the face of the poverty" of Africa, as if the Africans don't have the right to build and enjoy the beauty of a great work of art.

Nigerian Cardinal Francis Arinze answered the criticisms by saying, "Africa is happy to have such a place to worship God. We Africans have our poor, our sick, our homeless, and our refugees. But these same Africans who suffer, recognize the value of giving to God the best of what they have. They are conscious of the fact that nothing is too costly or too beautiful to offer to God." And he concluded: "An African may not have a beautiful house, but he rejoices to see that God possesses a splendid dwelling like this marvelous church, which is a sign that the Gospel of Jesus Christ has put down definitive roots in African soil."

# Is a 'third force' pushing a bloodbath in South Africa?

by Jeffrey Steinberg

On the eve of the first White House visit by a President of the Republic of South Africa on Sept. 24, the Johannesburg area has been hit with a rash of incidents of blind terrorism. The incidents have prompted South African political leaders from all sides of the political spectrum to denounce the attacks as the work of an unidentified "third force" seeking to engulf the entire southern African region in a bloodbath.

In the most savage incident, on Sept. 13, a gang of unidentified blacks boarded a commuter train running between the Jeppe station in Johannesburg and the black townships, and began indiscriminately murdering passengers with spears, machetes, and knives. When the train arrived at the next station, a second armed group was waiting on the platform to continue the massacre of fleeing passengers. Both teams of attackers then vanished into the crowd.

The incident bore the imprint of a professional killer squad. Supporters of the two major rival black political movements, the African National Congress (ANC) and Inkatha, were killed in the massacre, which was followed by a string of blind terror incidents. For a week prior to the Jeppe attack, leaders of the ANC Walter Sisulu and Nelson Mandela, and its supporters like Archbishop Desmond Tutu, had been charging that a "third force in the country was fomenting chaos, possibly with a view to creating a climate for a coup against Mr. De Klerk's government." Despite an intense power struggle with Inkatha, the ANC leaders acknowledged that the source of these blind terror attacks was not Inkatha.

The big question is whether the terrorist attacks are aimed at triggering an uncontrolled outbreak of political, tribal, and racial conflict along the lines of the Thirty Years War that engulfed Europe during the 17th century.

As the events in the Persian Gulf have demonstrated, a powerful faction, centered out of London, is advocating North-versus-South warfare and the decimation of the darker-skinned populations of the Southern Hemisphere. British royal household spokesmen such as Peregrine Worsthorpe have been filling the pages of the British press with warnings of a demographic invasion of Europe from the South, unless radical population reduction measures are taken. The same British-centered circles advocate a revival of classic 19th-century imperialism, including the grabbing up of raw materials from the devastated future zones of conflict.

If, as many in South Africa now fear, a full-scale push for such manipulated civil war is under way, one prime suspect in the effort is Lonrho chairman Tiny Rowland. As *EIR* documented in its last issue, Rowland and Lonrho played a pivotal role in instigating the Persian Gulf crisis by running critical features of the economic destabilization of Iraq's Saddam Hussein.

Within southern Africa, Rowland is notorious as the chief architect of British colonial policy. A Lonrho subsidiary, Defense Systems Ltd., made up of "ex"-British SAS commandos, has been implicated in the assassination of a top leader of the Mozambique resistance organization Renamo and the attempted takeover of the group, while simultaneously training "counterterror" teams for the Frelimo regime in Maputo, the capital of Mozambique. When a recent coup attempt in Nigeria failed, the plotters were reportedly airlifted out of the country on a Lonrho corporate jet.

According to a recently published exposé by former Mossad agent Victor Ostrovsky, the Israeli intelligence service was hired beginning in 1984 to train certain South African security units. Segments of the Mossad have been implicated recently in the training of assassination squads deployed by the Medellín cocaine cartel in Colombia, which have been implicated in blind terrorism aimed at plunging the country into chaos.

## Power struggles and economic devastation

The apparent effort to uncork uncontrolled violence in the Republic of South Africa is superimposed on a political situation already complicated by intense political and paramilitary struggles between rival black movements, and a worsening economic situation.

According to officials of the South Africa Foundation in Washington, D.C., when President Willem De Klerk meets with President Bush on Sept. 24, he will probably ask Bush to help lift the five-year ban on international credits to South Africa. That ban has virtually shut down all non-essential imports, and has caused absolute zero growth in the crucial manufacturing sector for half a decade. The constriction of industrial growth has hit hardest at the black population which predominates in the industrial work force. Rising unemployment has triggered a cycle of poverty within the black

townships which fuels the potential for outside manipulation of violence.

In mid-July, Inkatha leader Mangosuthu Buthelezi, the chief of the Kwazulu tribe, announced that his political movement, traditionally based in the Natal province, was launching a nationwide organizing drive in all the concentrated areas of black population, regardless of tribal concentrations. The announcement was widely read as an effort by Buthelezi to challenge the ANC and its recently freed leader Nelson Mandela's claim of hegemony over the black majority in South Africa.

The organizing drive by Inkatha into the Transvaal region almost immediately triggered black-versus-black fighting, especially in the townships surrounding Johannesburg. Over the past few months, an estimated 800 people have been killed in that struggle. During the previous year, several thousand people were killed in the Natal province, largely as the result of ANC assaults against Inkatha residential and work areas.

It is almost universally acknowledged that some elements within the South African security forces have thrown their support behind the Inkatha organizing drive in the Transvaal, at times providing support to Inkatha members when they got into battles with ANC cadre. It is likewise acknowledged that the ANC has increased the flow of weapons into the country from caches located outside the country. Reports from the region also indicate that some of the funds raised during Mandela's recent trip to the United States have gone to replenishing the arms caches.

However, these ANC-Inkatha struggles appear to be a different matter than the recent isolated incidents of professional-style killings. President De Klerk has announced Operation Iron Shield, a police crackdown on all the violence inside the townships. Although Mandela denounced the De Klerk move as a "license to kill," just days after he met with the President and criticized him for inaction in the face of the bloodshed, there are signs that the black population is relieved that some measure of order and security is being restored.

Some political analysts in the South African capital Pretoria have recently expressed optimism that if left to its own devices, the Republic of South Africa could indeed steer a course of political reform leading to a multi-racial political structure by the time the next national elections occur. They cite the emergence of a range of black political movements and leaders and the emerging support among moderate blacks for the Nationalist Party, as evidence that some form of cooperative political effort could be forged—provided the economic crisis can be addressed through new investments and a revival of industry.

Unfortunately, if the recent blind terror incidents are any indication of the rumblings of a "third force," it will take more than a spirit of cooperation to defeat the plans for genocide throughout the region.

## Gaviria joins Bush's 'Three Stooges'

by Valerie Rush

Colombian President César Gaviria Trujillo has aligned his nation with the Bush administration's policies vis-à-vis the Middle East, while mouthing the same diatribes against national sovereignty one is accustomed to hearing from Henry Kissinger. At the same time, the Colombian head of state has obscenely embraced the British-inspired "free trade" ideology issuing from Washington, an ideology from which he has never distanced himself despite his pre-inauguration talk about the need for an Ibero-American "third way" free of U.S. control.

Gaviria's entrance into the Bush league was unveiled during a four-day trip to Mexico Sept. 16-19, his first post-inauguration trip abroad as President. Gaviria now joins Carlos Andrés Pérez of Venezuela and Carlos Salinas de Gortari of Mexico, as one of George Bush's "Three Stooges" in Ibero-America.

In a Sept. 17 interview with the Mexican daily *Excelsior*, Gaviria declared that the concept of national sovereignty was outmoded and had to adjust to a "new reality": "Countries must accept that they must advance through integration, and move toward the politics of large blocs, which is where the world is moving. And this implies renouncing part of sovereignty." He said this while endorsing Bush's "Enterprise for the Americas" plan, which seeks to turn Ibero-America into a free trade looting ground for Anglo-American financial interests.

Gaviria also discussed the Group of Three's commitment to create an Ibero-American "Energy Basin," which would feed Bush's war drive. Mexico, Venezuela, and Colombia are the three largest energy exporters of the region, noted Gaviria, and the U.S. requires more oil in light of the Mideast crisis. Mexico, however, is limited as to how much more oil it can export by how much replacement energy it can generate for domestic use. Therefore, "Mexico's plan to expand electric energy generation includes a series of thermoelectric projects which . . . will surely utilize thermal coal as fuel. At the same time, Colombia possesses immense reserves of easily exploited and exported thermal coal, which would prove ideal to feed those new energy-generating plants at low-cost." Mexico could then sell her oil to the United States.

In parallel with these new-found "priorities," Gaviria dropped his earlier proposal for a "Latin American Forum"—excluding the United States and Canada—to replace the U.S.-dominated Organization of American States as a politi-



cal interlocutor for Ibero-American interests. Ibero-America's problems, Gaviria has now concluded, stem from *caudillismo*, that is, rule by populist leaders which, he said, has "prevented the development of Latin America . . . made many wrong decisions, and did much political and economic damage." According to Gaviria, that damage includes the foreign debt strangling the continent, which the Colombian President blames on "protectionism as a symptom of regional disarticulation." "Now," said Gaviria, "it is necessary to confront reality, modernize the institutions, reorient the economies, severely adjust many of them, and make difficult decisions."

### A Colombian 'adjustment'

Although Gaviria pledged throughout his campaign that he would not impose "shock" economic policies, as have his Argentine and Brazilian counterparts, his speeches to Mexican business circles dripped with praise for those countries' "adjustment programs." Gaviria announced that his government was similarly preparing to implement such programs. Measures have already been readied, he revealed, that would "significantly alleviate restrictions on domestic and foreign private investment, on the flow of capital, on the exchange program, on the labor market, and on the entirety of foreign trade. Further, we will continue and intensify our program of freeing imports for the purpose of permitting greater access, at less cost, to goods and services produced abroad."

On cue, Gaviria's economic team, headed by monetarist Finance Minister Rudolf Hommes, announced Sept. 18 that 73 import categories would be added to the free import list. Only agricultural products would remain under a "prior license" restriction, that is, importers would be required to get special permission to bring in such goods. Hommes also announced that tariffs would be reduced to a minimum, cheapening imports to the point that national producers will likely go bankrupt that much more quickly.

Hommes also announced that to compensate for the loss of income to the state from the reduced import tariffs, the government would be presenting a bill to raise the Value Added Tax (IVA) from 10% to 12% on the majority of consumer goods. The government expects this increase to yield an additional 112 billion pesos (\$200 million). Thus, the population will be paying more for its consumption needs to finance the destruction of employment and national production.

While still in Mexico, Gaviria announced his intention to open all state companies involved in "transport in all its forms, communications, energy generation, the financial sector, and ports" to both foreign and domestic private investors. Gaviria was reaffirming earlier pledges to privatize such state companies as Telecom (in charge of telecommunications), Ecopetrol (the state oil company), various regional electric companies, Colpuertos (in charge of ports), and other

strategic sectors. Gaviria explained that the state cannot be obligated to invest in infrastructure crucial to the modernization of the economy, such as highways, waterways, ports, railroads, and electric power generation.

Neither will the state take responsibility for financing the country's development, it appears. The Finance Ministry has removed virtually all controls on the national banking system, effectively eliminating development credits by raising their cost and letting interest rates "find their own level," and deregulating all banking operations. Specialized banking has been made extinct, and every banking institution is now free to dabble in any and all financial operations without government oversight.

### Colombian labor mobilizes

The nation's labor organizations have publicly rejected Gaviria's privatization schemes, along with his efforts to impose a labor "reform" whose purpose is to pave the way for collective layoffs—the result of bankrupting companies which prove "uncompetitive"—and to cut labor costs to make the labor force "more competitive" for investors. One bill currently before Congress refers to the establishment of an hourly wage system that would enable companies to avoid negotiating long-term labor contracts. The government also hopes to eliminate—at least partially—Colombia's system of retroactive layoff compensation which demands employers set aside funds in the name of an employee for each year worked in the company. These funds are often the only capital workers have access to for making a downpayment on a home.

The country's four labor federations—the CUT, CGT, CTDC, and CTC—announced Sept. 13 that if the government does not halt its plans, they would hold a national strike against privatization, the *apertura* (opening up the economy to foreign "competition"), the International Monetary Fund and the World Bank, the recently decreed tax and service hikes, and the labor reform. "The government's economic policy is similar to that of the Nazi concentration camps, where there was work but no food," declared Jorge Carrillo Rojas, president of the Central Labor Federation (CUT).

The national strike initiative was triggered by recent increases in electricity, gasoline, and fuel prices by between 30-90%, on top of the "usual" monthly hikes. For the moment, rates for commercial and industrial users in Colombia's four major cities will not be raised, to avoid provoking the business associations at the same time. But public service rates for energy, sanitation, water, and telephones will now be pegged to the inflation rate and not to the minimum wage, as previously. This change in policy goes along with the decision to keep all wage hikes *below* the inflation rate this year.

Gaviria's campaign slogan was, "With Gaviria, there will be a future." The latest "joke" now throughout Colombia is, "With Gaviria, will there be a future?"

## Mexico, the 'perfect dictatorship'

*Peruvian novelist Mario Vargas Llosa accidentally told the truth about Mexico, much to the embarrassment of his hosts.*

**P**resident Carlos Salinas de Gortari is suffering one propaganda failure after another. Since his regime's very existence is based on propaganda, the failures could end up in a deafening crash.

*Vuelta* magazine, published by existentialist poet Octavio Paz, organized a seminar entitled "Twentieth Century: experience of freedom." A select group of "intellectuals," mostly Eastern European dissidents from socialism now reborn as economic liberals, attended along with a grab-bag of Western Europeans. Vargas Llosa, a rabid exponent of President Bush's free market cult, got top billing.

Televisa TV took care of the commercial promotion for the conference, but some noticed the generous hand of the Economic Culture Fund, the state publishing house given ex-President Miguel de la Madrid by his successor, Salinas.

It is not necessary to go into the thinking of these luminaries, since as Vargas Llosa's abortive race for the Peruvian presidency shows, most of their political predictions have turned out to be ridiculous fiascos. At the conference they were trying to exalt their ineptitude, wrapping themselves in the ample cloak of "if the Berlin Wall fell, therefore, liberalism has triumphed."

The main goal of this event, clandestinely financed by the government, was to contradict what Pope John Paul II told businessmen in Durango during his May visit. The Pope said the revolutions in Eastern Europe "have been at times superficially interpreted as the

victory or defeat of one system over another—as the definitive triumph of liberal capitalism." He denounced "certain interests" for doing that to avoid the necessary critical view of the effects liberalism has had in the Third World countries.

The *Vuelta* seminar was a conclave of the Knights Templar of liberalism, from which they would sally forth against the Pope who dared to perturb consciences. Octavio Paz and Televisa were also aiming to provide the new Institutional Revolutionary Party (PRI) with the "intellectual cover" Salinas requires to make it seem that someone in Mexico actually supports his neo-liberal economic policy.

The timing was no accident. The *Vuelta* seminar ended Sept. 1, the day when the PRI's 14th National Assembly began. Paz's get-together with his friends was the backdrop for the PRI assembly which was going "in search of democracy."

But the roof fell in on them. On July 30, Mario Vargas Llosa dropped a stink bomb among the high priests of liberalism: "Mexico is the perfect dictatorship. The perfect dictatorship is not communism; it is not the Soviet Union; it is not Fidel Castro; it is Mexico. Because it is a dictatorship camouflaged so as not to seem to be a dictatorship. . . . It also has created a leftist rhetoric . . . very efficiently recruited the intellectuals, the intelligentsia . . . bribing them in a very subtle way, through contracts, through nominations, through government jobs."

The reaction was immediate. Oc-

tavio Paz, the "bribed intellectual" *par excellence*, felt compelled to reply. Vargas Llosa was also attacked by the attorney general, by the vice president of Televisa and presidential ambassador for special affairs, Miguel Alemán Velasco, by five governors, by two national leaders of the PRI, and, of course, by Miguel de la Madrid. Vargas Llosa abruptly and prematurely left the country the day after he spoke; and it is still not known whether he was threatened with Article 33 of the Constitution, which mandates the expulsion of foreigners who meddle in internal political questions.

Why did the Mexican political class react so violently against someone who recently had been so sharply politically discredited in his own country?

Since the Eastern European events, the current Mexican government has been struggling to avoid the comparison with the overthrown regimes. Salinas has insisted Mexico already had its revolution and that he will not tolerate any "mechanistic" comparisons or extrapolations.

What is going on in Mexico is neither comparisons nor extrapolations. The current government is suicidally stuck to its neo-liberal economic program and trying to impose dictatorially its irrational dogma on all of society. The Salinas government is one of those "certain interests" the Pope spoke of which flee criticism of the social effects of their economic policies.

This neo-liberal dictatorship is what is crumbling. The Salinas regime has no support.

We do not want to credit Mario Vargas Llosa with being judicious, but, if we analyze the acts of the current Mexican administration, we could only conclude that, with his polemical declaration, the novelist hit the nail on the head, despite himself.

## A lesson in hypocrisy

*The massive manhunt for Noriega's top aide shows that Panama is still an occupied nation.*

On Sept. 16, Capt. Asunción Eliecer Gaytán, a top aide of Gen. Manuel Noriega, was reported missing from the Vatican's Embassy in Panama, where he had been granted diplomatic asylum since the U.S. invasion of last Dec. 20. Gaytán's presumed escape immediately set off a manhunt "by land, by air, and by sea," according to the Panamanian press.

Guess who is carrying out this manhunt? "Troops of the U.S. military Southern Command together with members of Panama's Public Force," according to the Sept. 18 daily *El Siglo*. So, it turns out that the U.S. troops who invaded Panama have not withdrawn after all, despite the Bush administration's claims to the contrary.

The Gaytán incident highlights the hypocrisy of the U.S. administration and its sycophants in the news media. Some weeks ago, news anchormen Ted Koppel and Barbara Walters raked Iraqi Ambassador to the U.S. Mohamed al-Mashat over the coals, because he dared compare his country's military moves in Kuwait to the U.S. invasion of Panama.

Their disclaimer, now repeated as a sort of magical incantation by supporters of the deployment against Iraq, goes something like this: "The U.S. did not occupy Panama, as Iraq did Kuwait. The U.S. did not violate Panama's independence; it simply helped Panamanians to exercise democracy, by helping into office the government that had been freely elected by the majority of the Panamanian people, but which dictator Noriega prevented from coming to power."

Last time we looked, Panamanians were constitutionally impeded from voting in U.S. elections; they most assuredly did not elect George Bush or his representatives as their government. Yet, there was Deane Hinton, U.S. ambassador in Panama, issuing instructions to the figurehead "President of Panama," Guillermo "Porky" Endara, and telling the press that "the U.S. government is very interested in capturing Gaytán," reported the Spanish news agency ACAN-EFE.

To be fair to Bush, he is not the only hypocrite among world leaders. While the manhunt for Gaytán was getting under way, French President François Mitterrand was announcing his dispatching of thousands of soldiers to Saudi Arabia, and threw out some Iraqi diplomats from France, calling on the United Nations to impose an air blockade against Iraq.

The ostensible reason for the French rage, was that Iraqi soldiers allegedly violated a French diplomatic residence in Kuwait, an incident which the Iraqis deny ever took place.

But, where was France when the United States violated the diplomatic rights of Cuba, Libya, Nicaragua, Peru, and the Vatican in Panama? On Dec. 29, and again on Dec. 31, U.S. troops raided the residences of Nicaraguan diplomats in Panama, including that of the ambassador himself.

Cuba's ambassador to Panama, Lazaro Mora, was detained by American GIs for 90 minutes "because he refused to allow his car to be searched," on Jan. 14, said an Ameri-

can military spokesman. His passport was confiscated, as were those of three of his aides who were detained with him. They were later returned.

On Jan. 9, Peru's Foreign Minister Guillermo Larco Cox complained that the U.S. had sent "a whole battalion" to surround the residence of the Peruvian ambassador to Panama. The troops bombarded the residence with rock and roll and barricaded the streets to block the free flow of traffic and pedestrians. The only time the barricades were removed was to allow a daily rent-a-mob to shout insults at the diplomats and those who had been given asylum inside. This went on until March 3, when the mob burned down the Peruvian Embassy.

The rent-a-mobs were also sent around to complement the U.S. soldiers who were surrounding the Vatican's Embassy and bombarding it with rock and roll, because General Noriega had sought sanctuary inside. In fact, Noriega agreed to surrender to the U.S. Army only after the puppet government ordered all public employees to a demonstration demanding that the Vatican turn Noriega out of the diplomatic residence. Of course, there was also the implied threat that the U.S. would break into the embassy. "I'm sure that made an impact on his deciding to walk out instead of us having to go get him," said the U.S. commander, Gen. Marc Cisneros, on Jan. 4.

A few days after the invasion started, France joined the U.S. and Britain in vetoing a U.N. resolution that merely "deplored" the U.S. military action. On Jan. 17, the U.S. vetoed another U.N. resolution censuring its raid on the home of the Nicaraguan ambassador in Panama. To allow the resolution to go through "would trivialize the work of this important body," said Thomas Pickering, the U.S. envoy to the U.N.

## Stopping the satanic youth culture

*Satanic and Nazi-like rock performers have provoked a storm of protest in Sweden, led by the Anti-Drug Coalition.*

**J**ust before the July summer holiday period in Sweden, a fight broke out over the counterculture and its connection to the proliferation of drugs and satanic cults among youth. The debate was catalyzed by the Anti-Drug Coalition (ADC), which demanded that Alice Cooper, a violent, satanic rock star from the 1970s, not be allowed to perform.

The anti-rock campaign by the ADC was initiated over rumors that the Rolling Stones, the rock group which started the satan-worshipping cult with its hit "Sympathy for the Devil," were going to tour Europe. The ADC demanded that the Rolling Stones be declared *personae non gratae* in Sweden, since, together with the Beatles at the end of the 1960s, they introduced the insanities of the rock-drug-sex counterculture.

ADC chairman Ulf Sandmark denounced this "rock group, which openly has praised Nazism by dressing up in their uniforms, do the Hitler salute on stage, travel around in an old Nazi car, and above all, dwell in the ideology of Nazism, i.e., satanism. The leaders are consciously organizing their rock 'festivals' modeled on how Goebbels conducted the mass meetings of the Nazis. This rock group is named the Rolling Stones.

"It is a scandal that the government allows such a rock concert to take place at the state-owned Eriksberg Shipyard. Taxpayers' money is given out to support the Rolling Stones. Apart from free advertisements in the state-owned, monopoly television, the state railway company SJ is engaged in a campaign to sell round-trip tickets to lure young people

to go by train to the rock orgy," stated Sandmark.

In 1982, some 100,000 youths swarmed into Gothenburg to see the Stones. Such an event obviously needed the go-ahead and collaboration of the city government. That weekend the city was transformed into a free zone for drugs and so-called "new lifestyles." No one could miss the the cloud of marijuana smoke hanging over the concert hall.

In 1983, the municipality of Gothenburg published an evaluation of the event, including a critique by police and social authorities. The authors showed that the threshold for crimes, from drug possession to vandalism of people and property, were lowered. The report, entitled "The Rolling Stones—A Report on the Rock Festival in June 1982. A Partial Contribution, Supplement 2, 1983:05," concluded: "It was nothing but treason against all the good forces at different posts in the municipality who work on giving examples and to give youth guidance and steer them towards a good goal. It was treason against parents who under difficult and often overwhelming difficulties are fighting against the plague of drugs. But above all it was treason against the youth, a treason in all its well-meaning, a perfidy of imprudence, but nevertheless a perfidy."

The debate, featured in the regional press, had an effect. Cooper's concerts in Gothenburg on Aug. 4-5 were fiascoes. Only 1,500 people turned up at the Christinehof Castle Park in the south of Sweden, while 12,000 were expected. Fewer than half of the expected 6,000 attended the concert in

the city of Karlskoga, in central Sweden.

One radio program featured Ann Ekeberg, parent, teacher, and author of an anti-satanic book, in a debate with the chairman of the Alice Cooper fan club in Sweden, Lars Reinholdsson, who admitted that Cooper's violent show could be dangerous for teenagers.

A letter to the editor of *Nya Wermlandstidningen* in the Karlskoga area, attacked the media. "The sexist behavior in the violent shows by Cooper have led to no protests in the press, on the contrary, many writers and debators are defending, excusing and praising the violent scenes in Alice Cooper's show."

A letter in *Ystads Allehanda*, a southern regional paper, started out: "In the same way as the words that you now read create new thoughts and feelings within you, music does it. Beautiful music tends to create beautiful thoughts, which later are transformed into the same type of acts. Cruel music tends to create cruel thoughts, which not infrequently are transformed into similar acts."

Even some rock lovers are getting queasy. Maans Ivarsson, a writer for the Stockholm-based national liberal paper *Expressen*, criticized Madonna, known for her blasphemy, and her show in Gothenburg. "What Madonna did on stage is far too close to my own nightmares as a subway rider in Stockholm in order for me feel any ticklings anywhere," he confessed.

Madonna, pushed as one of the most popular artists for young teenagers—if your daughter starts to wear only black underwear, be sure it comes from the Madonna cult—beat up fellow performers on stage, kicking them in the face as they were lying on the floor. Many kids, some in their pre-teens, required first aid, since they were so shocked they fainted, vomited, or became hysterical.

## Resurgent Rajiv

*The former prime minister steps out to score the V.P. Singh government's lack of policy and vision for India.*

In several candid and wide-ranging interviews over the past month, Rajiv Gandhi, head of India's largest party, the Congress (I), and now leader of the opposition, launched his campaign to regain the prime ministership.

Coming ten months after the Congress (I) was routed in general elections that brought the minority Janata Dal government to power, the interviews show the process of reflection and reassessment Gandhi himself and the Congress leadership has been undergoing.

The move is timely. With the end of the monsoon session of Parliament, the political scene has become, as even Prime Minister V.P. Singh admits, highly "fluid." The states of Kashmir, Punjab, and Assam are in flames, and the government faces a potentially mortal crisis in late October around the Ram Janambhoomi dispute, where militant Hindus vow to construct a temple at a site they claim is Lord Ram's birthplace, where a mosque is presently standing. Moreover, a recent poll confirmed that V.P. Singh's government's credibility had already been seriously eroded. If an election were held tomorrow, MARG pollsters found, and the National Front coalition splinters as it now shows signs of doing, the Congress (I) is assured of some 280 seats, a clear majority.

Rajiv Gandhi's interviews show he is ready. If he is refreshingly frank on past mistakes, he also hammers away with a new depth and confidence on his convictions of policy and principle—in a word, his vision for India's future—and it makes a striking

contrast to the drift and gimmickry of the past eight months.

Take economic policy, and the present government's multibillion-dollar farm loan waiver that passes as a pro-agriculture move. Says Gandhi: "The farm sector does not need larger and larger subsidies. It needs help to really become one of the best agricultural sectors in the world. We are sure of it—Punjab, Haryana, western Uttar Pradesh, coastal Andhra, parts of other southern states are as good as anywhere else in the world. Not because they get subsidies, but because they get extension, they get know-how, they were helped in many ways, but primarily in infrastructure.

"So you have to look at the agricultural sector in a new light. The most important is infrastructure: roads, water, energy, and, I will add, telecom. . . . We have to create more jobs in the rural areas. I want to create jobs, but not in fields. We must look at the industry-agriculture linkage in a new way. Traditionally that means tractors, implements, tools, pumps, the industrial input in agriculture. That of course will grow. But we must open the other link. Which is the downstream link—processing agriculture produce. Giving jobs in the rural areas. This will also reduce waste in agriculture."

Gandhi repeatedly spurned the simplistic labels that have forever muddled Indian policy discourse: "What is right and what is left?" he asked. "Is Gorbachov right? Or is he left? . . . You have to define things slightly differently."

Or on privatization and national-

ization: "So privatization is not the answer. The British got us into the mess of nationalization. Don't let them get us into the mess of privatization. . . . The problem is good and bad management."

But what really bothers Rajiv Gandhi is summed up in his charge that V.P. Singh has no vision for India in the world. "What is worrying is that this is a critical period for India," he says. "A critical period for all developing countries, but more so for India, because of our special position. What's worrying is that India is not playing a role that it must play. It's a responsibility that we have not only to our own people, but to all developing nations."

Gandhi questions whether the bipolar world is really becoming a multi-polar world. There are new "game players," he acknowledges, referring to Germany and Japan. "But are they game players that are going to play an independent game, or are they going to be part of one team?"

"What I see as a dangerous portent that must be guarded against—and that's why India must play a role—is that instead of going towards a more democratic international relationship, we are heading for a more dominating group in the international community. . . . That could mean much higher exploitation of the developing countries."

There is a specific danger Gandhi sees in the shifting world geometry. "The biggest danger is that the U.S. heads for some sort of economic problem. . . . Germany and Japan were the two countries that were really investing in the U.S.A. If Japan also cuts out . . . becoming a real player in the world economic scene, then the U.S. is going to head for problems, economic problems. And that is where tensions may start which can give the whole world problems."

# International Intelligence

## ***Solzhenitsyn: Rebuild the Russian heartland***

An essay entitled "How we must rebuild Russia," by Russian exile author Aleksander Solzhenitsyn, was published on Sept. 18 as a 16-page supplement to the Soviet mass-circulation Communist Party youth daily, *Komsomolskaya Pravda*. Solzhenitsyn paints a graphic picture of Russia's self-destruction, and calls for it to save itself by letting go all its non-Slavic republics and becoming a nation of the "Eastern Slavs"—the Russians, Ukrainians, and Belorussians.

"The time has run out for communism . . . but its concrete edifice has not yet collapsed," Solzhenitsyn writes. "And it could happen that instead of a liberation, we could all be flattened by its rubble. . . . The republics cannot be stopped from separation: Centrifugal forces are so great that they cannot be stopped without violence and bloodshed. And if that is the price, they should not be stopped."

"We have deprived ourselves of our former prosperity," he continues. "We have destroyed the peasants as a class with their villages. We have polluted our earth and water. We have destroyed our women with hard labor. We have separated them from their children. We forgot health care. There are no medicines. We have forgotten what is healthy food; millions are homeless, and we hold to just one thing: We are afraid we will be deprived of our limitless drinking."

## ***Moscow, Jerusalem move toward diplomatic ties***

A flurry of diplomatic activity at the height of the Gulf crisis is paving the way for the restoration of Soviet-Israeli diplomatic ties, which were broken off during the 1967 Mideast war.

Soviet President Mikhail Gorbachov held a surprise meeting with Israeli Minister of Science and Technology Yuval Neeman and Israeli Finance Minister Yitzhak Modai

in mid-September. This was the first meeting between a Soviet leader and members of the Israeli cabinet since 1967. Radio Moscow quoted unnamed "foreign observers" saying that the meetings were aimed at bringing about "closer ties between the two countries."

The Neeman-Modai trip followed close on the heels of a nine-day visit to Moscow by Israeli Housing Minister Ariel Sharon, and a senior Israeli Foreign Ministry team arrived in Moscow on Sept. 12 to prepare the way for an meeting at the end of September between Israeli Foreign Minister David Levy and Soviet Foreign Minister Eduard Shevardnadze. Levy announced the trip, but reiterated Israel's rejection of any move to convene an international conference on the Middle East.

On Sept. 15, Gorbachov met with Italian Foreign Minister Gianni De Michelis. Gorbachov reportedly told him that Moscow is prepared to resume diplomatic relations with Israel if Israel indicates its willingness to accept an international peace conference.

## ***French analyst sees America in decline***

Racism on the rise, economic decline, miserable education—that is the reality of the United States today, and the Gulf war won't change it, wrote the president of France's International Institute of Foreign Affairs, Thierry de Montbrial, in an article entitled "The American decline," appearing in the Paris daily *Le Figaro* on Sept. 13. According to many commentators, says Montbrial, the U.S. is emerging as "the only superpower of this planet," but "such a reading of events would be superficial."

Montbrial outlines the bankruptcy of the U.S. economy: trade and budget deficits, commercial debt, a GNP which no longer represents more than 23% of the entire world's GNP. In this situation, "the Japanese challenge is hitting them head-on," to such an extent "that they see a new enemy replacing the Soviet Union." The American educational system "is becoming more and

more miserable," with visible effects on the economy. "For instance, America produces ten lawyers per one engineer, while the proportion in Japan is the exact reverse.

"The most alarming" thing, says Montbrial, is that even the "melting pot" concept of the American society is falling apart. "Racism is back in force. Justice is being hurt by this phenomenon, as we were able to see recently in the court case of the mayor of Washington, Marion Barry. . . . The fact is, unfortunately, that the situation of blacks is massively worsening."

Montbrial concludes: "One thing is sure: In spite of the military deployment in the Gulf, America is no longer what it was."

## ***Papandreou sees North-South 'hot war'***

Former Greek Prime Minister Andreas Papandreou, a leading light of the Socialist International, contributed a commentary published in the *Hindustan Times* on Sept. 7, drawing attention to the likelihood of war between North and South.

"In a few short months, the post-Cold War peace between East and West has given way to the new danger of war between North and South," he writes. The Gulf crisis is rapidly becoming such a conflict, as a general fight between the West on the one side, and Arab nationalism and Islam on the other, could turn into a "hot confrontation between North and South." There is no ready way of containing a shooting war in the Gulf, since "the Arab nation" would back Iraq in the event of war with the United States, whatever Arab leaders may say now.

Papandreou says that the common view in Europe, is that Washington is moving so intensely into the Gulf, because control over that region and its oil would give the U.S. a "strategic lever over world affairs." Looking at matters from this standpoint, Europe is equally opposed to Iraq or the United States controlling the Gulf energy resources, since this would give "one power center" too much control. "Total control of the Gulf by the U.S. would provide the

Americans with a decisive competitive advantage not only over Europe, but over Japan as well," asserts Papandreou.

He concludes that the United Nations must solve the Gulf crisis, not the U.S. unilaterally.

---

### **Havel calls for 'security system' in the Mideast**

Czechoslovak President Vaclav Havel, in an interview in the French daily *Libération* published on Sept. 13, denounced both the "expansionism" of Iraqi President Saddam Hussein and the danger of Islamic "fundamentalism" spreading to the whole region, and called for the emergence of a regional security system to deal with the problem.

"We condemned very forcefully the Iraqi aggression against Kuwait," he said, pointing out that Czechoslovakia was one of the first nations to join the embargo and to call for application of all relevant U.N. sanctions.

Havel denounced the "spreading of fundamentalism in the Arab world" as a "worse danger than the expansionism" of Iraq, and called for a regional security system which could deal with the "excesses which could appear out of the emergence of such intransigent fundamentalism." "The United States and the Western powers will not be able to eternally save peace in this area and play the gendarmes," he said.

---

### **Blockade of Aoun's forces plays into Syria's hands**

While President Bush and Prime Minister Thatcher were organizing the blockade to starve Iraq and Kuwait, Gen. Michel Aoun's forces in Lebanon were being given the same treatment. Tens of thousands of Lebanese gathered in mid-September in Baabda, headquarters of the Prime Minister and nationalist leader General Aoun, to support him as the legitimate head of the country, against the efforts of the puppet regime

of President Elias Hrawi to starve him out. They carried slogans which read: "United we will defeat the blockade," and, "Starving, we find strength in our dignity, but we will not sacrifice our freedom."

The Hrawi regime, backed by the Syrians and the so-called Taif Accords, has imposed a complete blockade on East Beirut—inhabited by 1 million people—because that is the center of General Aoun's support. Lebanese organizations are warning that the next step of the corrupt President Hrawi, will be to officially request Syrian assistance in invading the enclave.

According to the Council of Lebanese American Organizations, "To pave the way for the Syrian invasion, the militias have started heavy shelling of the free enclave, thereby giving Syria the 'restore the peace' excuse to invade."

---

### **Denmark rejects NATO out-of-area deployments**

Both of Denmark's major parties have decisively rejected the Anglo-American push for NATO to deploy troops outside its treaty-mandated area. Demands by U.S. Secretary of State James Baker that Europe supply ground troops to the Gulf triggered an abrupt shift in the political support for the U.S. policy within Denmark in mid-September.

On Sept. 12, Conservative Party Defense Spokesman P.S. Moeller stated, "NATO is a *defensive* alliance. We can't go around the world deploying troops. If we did, it would be a return to the period before World War I, when Europe thought that it could exert its power anywhere it wanted to. This would lead to totally unacceptable conflict between North and South, were we to do this today."

His views were echoed by Socialist defense spokesman Hans Haggerup, who stated, "In this present crisis, it is important we not forget the very good original reasons that NATO was composed with limitations. Were that not the case, although I do not like to say this, Denmark would have likely been pulled into the Vietnam War."

## Briefly

● **IGOR ANDROPOV**, the son of the late Soviet President Yuri Andropov, has been appointed liaison to the Vatican to discuss "the Soviet proposal for an international conference on the Middle East and the crisis in the Gulf," according to the daily *Le Monde*. The head of the Soviet representation to the Holy See says that on the matter of the Gulf crisis, "the views of the Soviet Union and the Vatican are very close."

● **HENRY KISSINGER** had a 90-minute meeting with Chinese Premier Li Peng on the Gulf crisis the week of Sept. 10. He also met with Chinese Communist Party General Secretary Jiang Zemin, whom he told that "U.S.-China relations are particularly important in the present international situation."

● **THE BATTLE** for a scientific musical tuning has arrived in the Dominican Republic. On Sept. 3, the daily *Hoy* reported that a new group, called Kalmus, has been founded to promote a campaign to lower the pitch to the classical tuning of C=256 (A=432). Kalmus is circulating a petition to this effect.

● **NORTH KOREAN** President Kim Il Sung made a secret visit to Beijing, the Deutsche Presse Agentur reported on Sept. 13 from North Korea. South Korean media reported that Kim was on a secret trip by train through north China, on his way to meet Chinese Communist Party chief Jiang Zemin and other officials. The issues to be discussed would be the North-South Korean negotiations and relations between South Korea and the U.S.S.R.

● **A SHARP INCREASE** in executions has occurred in Communist China, with at least 1,000 people put to death in the last 12 months, Amnesty International charges. There were 350 executions carried out in June and July alone, which the Chinese press said were intended to secure "a safe and happy environment" for the Asian Games this month.



## U.S. uses Gulf crisis to wage war on Germany, Japan

by Kathleen Klenetsky

The crisis in the Persian Gulf has provided the Bush administration with a perfect opportunity to pursue one of the principal goals of the Anglo-American policy combination: the destruction of the few pockets of high-technology, production-oriented, economic activity in the world, namely, Japan and several Western European countries, and above all the soon-to-be reunified Germany.

Anyone who has looked at recent issues of the *Congressional Record*, or has read between the lines of the Bush administration's pronouncements on the crisis, would quickly come to the conclusion that the real target of "Operation Desert Shield," is not so much Iraq, as it is those industrialized countries that Washington and London see as a threat and a challenge to their own, failed polices of "free trade" and deindustrialization.

As Secretary of State James Baker and Treasury Secretary Nicholas Brady, wended their way through Europe and Asia—begging bowls in one hand and threats in the other—to demand financial, military, and other forms of aid for the Gulf intervention, Congress backed them up by letting loose a torrent of abuse against America's allies.

Congress's main complaint was that neither Europe nor Japan have shouldered their share of the burden for the American military deployment. In other words, Congress is upset that the Europeans and Japanese have been reluctant to become enmeshed in Bush's imperialist adventure in the Middle East, and less than enthusiastic about the oil embargo, and consequent skyrocketing in world oil prices, that Bush—not Iraq, mind you—has imposed.

The rhetoric employed on the floor of Congress against America's allies has been astoundingly antagonistic. Sen. John McCain (R-Ariz.) accused Germany of "contemptible tokenism" for not pledging more money to the U.S. interven-

tion, and warned that Germany's attitude could "dramatically erode the very strong relationship" between Washington and Bonn. Rep. Carroll Hubbard (D-Ky.) asserted that the "Japanese have been acting the way they usually do: If there's no profit in it for Japan, forget it." But Rep. Les Aspin (D-Wisc.), chairman of the House Armed Services Committee, contended that "if you're picking on one country, it should be Germany, which is doing even less than Japan."

Congress's ally-bashing orgy has gone way beyond rhetoric. Of many measures put forth to punish Germany and Japan for their recalcitrance, some have already been adopted. On Sept. 10, the Senate passed an amendment, submitted by Sen. Dennis DeConcini (D-N.M.), calling on the President to take "the diplomatic initiative to encourage other nations to share the international financial burden of the defense of Saudi Arabia," and to ensure that those allies who are not involved militarily in the Gulf action assume "an appropriate financial share of the collective defense."

Although the measure did not specify sanctions to back up the "diplomatic initiative" it mandates, there has been no lack of these. For example, the House voted Sept. 11 to slap a 20% increase in import duties on any ally that does not pay its "fair share" in the crisis.

In the most headline-getting move, the House also approved, by a lopsided 370-53 vote, an amendment to the defense authorization bill that would force Japan to foot the full cost of stationing U.S. troops in that country. Sponsored by Rep. David Bonior (D-Mich.), the measure was directly linked to Japan's participation in the Gulf intervention. If enacted, it will require Japan to pay \$7.4 billion per year—the total cost of supporting U.S. forces in Japan—or face the phased withdrawal of all American troops over the next ten years. Invoking President Bush's phrases from his national

television broadcast Sept. 11, Bonior called the measure a “wake-up call for a new world order” in which Japan and other allies “must bear their fair share of the burden.”

Bonior and his colleagues may have gotten a macho kick out of their accomplishment, but the real interests which are being hurt are those of the U.S. As one Japanese official put it: “To withdraw 5,000 troops a year from Japan is sheer nonsense. It would destroy not only the national interests of Japan, but of the United States as well.” American troops are in Japan “not for the narrow purpose of defending Japan alone,” but to protect “American interests in the Pacific and Indian Oceans.”

The entire purpose of “Operation Desert Shield” is to undermine allied interests. Already, the U.S. deployment has sent oil prices skyward, with predictions of even greater increases to come. Now, hints are appearing that the U.S.’s true purpose is to permanently occupy the Saudi oilfields, taking de facto control of the production and sale of the bulk of the Mideast oil supply—on which Europe and Japan so crucially depend. James Akin, the former ambassador to Saudi Arabia, points to this possibility in a commentary published in the *Los Angeles Times* and the *Virginia-Pilot*. He recalls that back in 1975, then-Secretary of State Henry Kissinger supported a proposal for seizing the Saudi oilfields—even to the point of exterminating the Arabs living there. This same scenario is in the works again with the U.S. Gulf deployment, he writes.

This is hardly far-fetched. Administration spokesmen are already talking about keeping U.S. troops in place far longer than initially disclosed. *National Review*’s William Buckley suggested that Japan be forced to pay for oil at a rate that would eliminate its trade deficit with the U.S.

### **Target: German reunification**

German reunification—which threatens to pull the props out from under the anti-development policies promoted by the Anglo-American elite—is clearly one of the main targets of the Anglo-American powers orchestrating the whole Gulf scenario.

George Bush and Maggie Thatcher have already announced that they will not be able to attend the Oct. 3 ceremonies signifying the formal reunification of the divided nation—an action correctly read in Bonn as a show of antagonism to one of the most important developments of the postwar era. In addition, the Bush administration has decided to send to the Senate for ratification, the recently signed treaty restoring German sovereignty, and formally opening the way for reunification—which will give the Senate yet another forum for venting its spleen against a country that is doing something right.

On Sept. 13, the U.S. Senate, taking advantage of the war hysteria, passed two amendments to the Export Administration Act that are intended as economic warfare against Germany. Sponsored by Sen. Jesse Helms (R-N.C.), they

call for 1) preventing “the shipment to Iraq, Iran, Syria, or Libya of materials or technology which would assist the ability of such countries to develop, produce, or stockpile, chemical, biological or nuclear weapons or ballistic missiles”; and 2) providing for the “imposition of sanctions on countries which use chemical or biological weapons and on corporations which assist Iraq, Iran, Syria, Libya or certain other countries to obtain, develop or stockpile chemical, biological or nuclear weapons, and for other purposes.”

While seemingly aimed at curbing the spread of lethal weapons, the real objective of the amendments—like most of the so-called “anti-proliferation” policies in place, or being proposed—is to prevent Germany, Japan and others from transferring to developing countries those advanced technologies that would enable them to industrialize, and free themselves from being exploited raw materials exporters.

Networks associated with Project Democracy, the “secret government” which orchestrated Iran-Contra, is smack in the middle of this operation. The Center for Security Policy, a Washington-based think tank whose board includes such key Project Democracy functionaries as Richard Perle to Elliott Abrams, played a pivotal role in developing the Helms amendments. As a result, an informed source reports, Helms “definitely had Germany in mind” when he proposed them.

Helms was purportedly motivated by the case of Imhausen, the German firm which helped build the Libyan chemicals plant at Rabta. The center has just put out a report, “Rabtagate: The Inside Story of German Collusion in the Libyan Chemical Warfare Program,” which concludes that Germany’s transfer of “dangerous technology” to Libya and Iraq is “the product of an as yet unchanging, fatal willingness at the highest levels of German industry and officialdom to subordinate common Western security interests to narrow parochialism and greed.”

Subsequently, White confided to a journalist that a reunified Germany is the center’s major “concern.” “Once Oct. 3 comes around, there will be an absolute hemorrhage of sensitive West German technology to the Soviet Union. . . . The Germans have indirectly said to us, through their multi-billion-dollar aid package to Moscow, that they’re far more interested in good relationships with the Soviets, than they are with us. I think that there is a high possibility that the Germans could say, ‘To hell with CoCom [export controls]; we need relations with the Soviets more than with Washington, so we will sell Moscow what we want to.’ ”

On Sept. 4, center director Frank Gaffney, in a commentary for the *Washington Times*, called on Bush to “impose import sanctions against German companies judged to have violated regulations controlling exports.” In addition, he said, Congress should immediately hold hearings into German export practices. “The model for those hearings could be the congressional inquiries of half a century ago when those who sold Japan scrap metal subsequently used to attack U.S. forces were held to account.”

# Congressman seeks full U.S. force withdrawal

by Kathleen Klenetsky

Although most members of Congress are enthusiastically backing President Bush's colonialist adventure in the Persian Gulf, support for the policy is by no means unanimous. Rep. Henry Gonzalez, a maverick Texas Democrat who chairs the House Banking Committee, has introduced a resolution calling for total withdrawal of U.S. forces from the Mideast by Oct. 1.

In a message to an anti-war forum held by former U.S. Attorney General Ramsey Clark Sept. 13, Gonzalez hit at the imperialist delusions behind the U.S. intervention. Comparing Bush to Ozymandias, the ancient king whose crumbling statue in the desert inspired Shelley's poem on the fleeting nature of imperial conquest, he asked: "Is George Bush a modern Ozymandias, and will he wreck himself and us upon the sands of Saudi Arabia?"

Gonzalez also assailed Congress for abdicating "its responsibility both under the U.S. Constitution and on a basis of loyalty to the people who elected them to office. If Congress will not protect the authority of its legislative enactments, who will?" he asked. "Do we or do we not have a Constitution? Will Congress maintain the integrity, or will it impeach the integrity, of its deliberations and legislative enactments such as the War Powers Resolution? Do we have a President? a Caesar? a monarch? a potentate?"

---

## Documentation

---

### Text of Gonzalez bill for U.S. troop pullout

*The following is the text of a resolution calling for the withdrawal of all U.S. military forces from the Persian Gulf, which Rep. Henry Gonzalez (D-Tex.) introduced in Congress Sept. 5. The resolution, H.J. Res. 645, "Calling for the Removal of United States Armed Forces from the Middle East," has been referred to the Committee on Foreign Affairs.*

Whereas the United States Constitution grants Congress the

exclusive power to declare war;

Whereas United States Armed Forces were introduced in August 1990 by the President into a situation in a foreign land and waters where imminent involvement in hostilities is clearly indicated, without consultation with Congress or a declaration of war by Congress;

Whereas this deployment is a commitment of United States Armed Forces into a foreign nation for an unknown period of time;

Whereas weapons have been fired in connection with "Operation Desert Shield" in the Persian Gulf;

Whereas at least 15 Americans have lost their lives in connection with "Operation Desert Shield";

Whereas there has been no solidly defined and constant mission for United States troops in connection with "Operation Desert Shield" in that—

1) the original deployment was purportedly to ensure the safety of Saudi Arabia and to prevent an Iraqi invasion of that country;

2) the basis for the original deployment has been altered to one of protection of American interests in the Gulf States' oil supply and to Iraqi withdrawal from Kuwait;

3) the effect of the deployment and the sanctions on the nation's economy as well as on the international community was neither analyzed nor planned; and

4) the wisdom of protecting foreign oil supplies as opposed to developing a national energy policy that would end dependence on foreign oil and the whims of foreign government officials has not been analyzed;

Whereas the military forces introduced by the President without consideration of the collective judgment of the Congress has escalated tension and the potential for world war;

Whereas the initial unilateral action by the President was taken without regard for the effects that diplomacy might have had to avert this crisis; and

Whereas this deployment to the Middle East is subject to the limitations of the War Powers Resolution: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That—

1) the deployment of United States Armed Forces into certain hostilities in the Middle East is subject to the War Powers Resolution;

2) there has been no declaration of war, specific statutory authorization, or national emergency created by attack upon the United States, its territories or possessions or its Armed Forces justifying the President's action in ordering the deployment of United States troops; and

3) therefore this deployment shall terminate at the earliest practicable date, but in no event later than October 1, 1990, and all United States Armed Forces deployed to the Middle East in connection with "Operation Desert Shield" shall be withdrawn.

# Attack on ADL sparked by Gulf policy fight

Conservative columnist Patrick Buchanan launched an open attack on the Anti-Defamation League (ADL) and their ilk for their use of the charge of "anti-Semite" as a tool to smear and silence political opponents and suppress debate, in his nationally syndicated column which appeared in the Sept. 19 *Washington Times*. Political figure Lyndon LaRouche, incarcerated as a result of a corrupt government task force which collaborated with the organized crime operation known as the ADL, remarked that Buchanan's comments were a "breath of fresh political air."

Buchanan was responding to attacks from a coterie of Anglo-Israeli poison pens, including most prominently editor and columnist A.M. Rosenthal in the Sept. 14 *New York Times*, *National Review* contributing editor Mona Charen, and ADL officials, which started when he began attacking the Bush administration, beginning in a late August column, for adopting a version of Britain's rotten "balance of power" doctrine in its Persian Gulf adventure. Buchanan identified this doctrine as the major cause of two world wars this century.

Buchanan noted that the pretext for Rosenthal's smear of anti-Semitism against himself was over the statement he had made on "The McLaughlin Report" that "There are only two groups that are beating the drums for war in the Middle East, the Israeli Defense Ministry and its amen corner in the United States."

"The truth," Buchanan wrote, "is Israel has been beating the war drums for weeks. Every major newspaper, including Abe's own [*New York Times*], reported it. And, Mr. Rosenthal, whom the liberal *Nation* calls one of 'Israel's personal messengers to the *New York Times*,' has been leading the war cry. And what I implied was nothing more than what [*Washington Post* liberal columnist] Richard Cohen said flat-out: 'The problem . . . with those who argue for a quick military strike is that they seem to be arguing from an Israeli perspective.'

"No, what we have here, friends, is a contract hit, done, my guess, in collusion with the same folks who used to feed me all that good stuff on the Rev. Jesse Jackson when I was considered more reliable. For the one character who has been howling about the 'amen corner' is Abe Foxman of the Anti-Defamation League."

## Anti-Semitism charges used to stifle debate

Buchanan wrote that if he were really an anti-Semite, "I wouldn't have lasted 10 minutes in a profession where I have reveled, on and off, for 30 years. The newspapers that carry

the Buchanan column don't print hate literature.

"Which brings us to a second definition of anti-Semitism. And that is a word to describe the branding iron wielded by a tiny clique, to burn horribly heretics from their agreed upon political orthodoxy. It is used to frighten, intimidate, censor and silence; to cut off debate; to so smear men's reputations that no one will listen to them again; to scar men so indelibly, that no one will ever look at them again without saying, 'Say, isn't he an anti-Semite?'"

"To its credit, American journalism, Jewish and Gentile alike, is waking up to this contemptible attempt to stifle debate, especially on the issue of America's relations with Israel. Regrettably, we did not do so before decent and honorable men, left as well as right, had careers damaged and reputations seared."

Buchanan said a change in attitude on what American foreign policy should be toward Israel has taken place "for many reasons. Among them: The manipulation of the traitor Jonathan Pollard to systematically loot the secrets of the most generous friend Israel will ever have. The gratuitous brutality against Palestinian old men, women, teen-agers and children. The Good Friday land grab at the Church of the Holy Sepulchre in Jerusalem. The shipment of cluster bombs to the Stalinist Mengistu regime in Ethiopia. The caustic, cutting cracks about my church and popes from both Israel and its amen corner in the United States. Finally, the hate mail and hate columns, every damn time some new fight breaks out.

"Comes now a report that Mossad knew in advance terrorists were building that Mercedes truck bomb used to massacre our Marines in the Beirut barracks—and they deliberately didn't warn us. It is but one measure of the diminished regard in which Israel's regime is held in this city, that not one person I have spoke to has said he feels Mossad incapable of such an act. And, if that charge, made in a new book by a former Mossad agent, is true, and if they did sit back and watch those Marines die like that, Congress ought to turn all these rocks over before the Israeli government gets another dime."

LaRouche responded, "I am so sick and tired of people supporting the crimes of Israel against the Palestinians and others, and also the crimes of outright gangsters, such as the Anti-Defamation League's crowd, the Bronfmans, the Galinskis, and so-forth—these butchers and criminals; enemies of humanity. And then, to defend them by means of projecting the charge 'anti-Semite' against anyone who objects to mass murder, sodomy, drug-pushing, and similar crimes—we have had our bellies full of this." LaRouche warned, however, "The danger is, that unless we who go at the crimes, take the leadership in dealing with this issue, I'm afraid that real anti-Semites will come to the surface in seeking a scapegoat. The time to destroy this thing, is *now*. And, anyone who thinks they're Jewish, or sympathetic to the Jews, better join us, and make sure we do the job, not the anti-Semites."

## Medicaid cuts would endanger patients

A bill introduced by Sen. David Pryor (D-Ark.) to compel drug companies to cut the prices charged to Medicaid is seen by some medical professionals as an attempt to deprive patients of needed medicine.

The Pryor proposal is aimed to force drug manufacturers to bid competitively against each other in each state to determine who will give Medicaid the lowest price on drugs found to be medically equivalent for a given condition. The low bidder's drug would then become the only one normally permitted for that condition for the length of the contract. The Office of Management and Budget has made a similar proposal.

Although formulated to appear to be aimed at eliminating supposedly overly expensive drugs through Medicaid, the legislation could have disastrous effects on Medicaid patients.

Gerald Mossinghoff, president of the Pharmaceutical Manufacturers Association, in testimony before a Senate Finance subcommittee on Sept. 17, said that the Pryor proposal makes the false assumption that "different drugs having unique chemical structures are somehow therapeutically interchangeable among patients who have vastly different medical profiles."

A report by Health and Human Services Inspector General Richard Kusserow made a comparison of prices paid by Medicaid in the five states with the largest drug outlays, with prices paid in typical Canadian provincial drug programs. Mossinghoff also objected to this comparison. "Until recently," he said, "Canadian prices have been low because of government patent policy, but discovery of new drugs there has been negligible as a result: the government did not

protect drug firms against the huge costs of research and development of new drugs."

## House ups premiums over deposit insurance panic

Frantic over the possibility that the Federal Deposit Insurance Corp. (FDIC), in the face of a threatened bank collapse, would not be able to accommodate demands for cash in a general bank crisis, the House, on Sept. 17, approved one of the biggest changes in federal deposit insurance in half a century.

The bill, sponsored by House Banking Committee chairman Rep. Henry B. Gonzalez (D-Tex.) and ranking Republican committee member Rep. Chalmers Wylie (R-Ohio), gives the FDIC authority to set premiums for deposit insurance at whatever level regulators see fit. The legislation was backed by the Bush administration.

The General Accounting Office and the Congressional Budget Office had said earlier that the \$14 billion insurance fund could be depleted if the economy slides into recession or if even a few large banks fail.

Bankers aren't opposing the legislation but many believe that it could be counterproductive. Said Kenneth Guenther, executive vice president of the Independent Bankers Association of America, "It further creates the impression that something is rotten in the state of Denmark. I really don't think the FDIC fund is in any trouble at this time."

Although part of the increase in insurance premiums will be passed on to customers in the form of higher fees or lower interest rates, much of the money will have to come out of the pockets of bankers. Federal Reserve

Board chairman Alan Greenspan believes that setting FDIC premiums too high will undermine banks' finances.

The American Bankers Association expressed support for the measure, but said an overhaul of deposit insurance is still needed.

## SDI whittled to 'theater defense'

Immediately following the Iraqi invasion of Kuwait, the Senate approved a measure forcing the Pentagon to slow down work on strategic anti-missile defenses, the Strategic Defense Initiative, while putting more emphasis on "theater defense."

The particular program involved is the Extended Range Intercept Technology, or ERINT. This involves the development of a light-weight missile to ram incoming ballistic missiles at five times the speed of sound, causing them to vaporize. This, however, is primarily an upgrading of an already existing technology, rather than the technological revolution which the original SDI program envisioned.

The Bush administration venture in the Arabian Desert has ironically made foes of the SDI think twice with regard to some secondary aspects of the overall defense program—the third echelon envisioned in the original program, point defense, or "theater missile defense." Even extreme SDI opponents like Sen. Edward Kennedy (D-Mass.), who have worked to eliminate SDI entirely, are willing to admit that "maybe there's some justification for increasing that particular aspect of the program."

The House on Sept. 18, by a vote of 225-189, cut the space-based missile defense system to \$2.3 billion for fiscal year 1991, which begins Oct. 1, a figure \$600 million less than was

approved by the House Armed Services Committee and \$2.4 billion below the Bush administration request. Rep. Jon L. Kyl (R-Ariz.) warned that continued cuts would lead to the nation "being held hostage by some tinhorn dictator."

If the U.S. action in the Gulf draws blood, or if Gorbachov is challenged by a nervous Soviet military high command, opponents may wish they had not been so successful in their rush to gut the SDI.

## Democrats score Bush for Kuwait invasion

In the first criticism of the administration on Gulf policy, House Democrats angrily lectured John H. Kelly, Assistant Secretary of State for Mideast Affairs, as he testified before a House Foreign Affairs subcommittee on Sept. 18 for not getting tough with Iraq earlier. While supporting Bush's insane troop deployment in Saudi Arabia, the Democrats indicated that the administration was not unaware of the Iraqi preparations for an invasion.

Subcommittee chairman Rep. Lee Hamilton (D-Ind.) referred to Kelly's earlier testimony when questioned about a possible Iraqi attack, where he had said that the "U.S. had no defense treaty relationship with any Gulf country," i.e., that there was no U.S. commitment to come to Kuwait's defense if it was attacked. Hamilton's annoyance with what he saw as State Department excuses for a failure of policy marked the first instance of a lawmaker faulting the administration's actions in the Gulf.

Rep. Tom Lantos (D-Calif.) called the U.S. action "a policy premised on fiction and fantasy." He continued, "The obsequious treatment of Saddam by a large number of high-

ranking officials . . . encouraged him . . . and there's no escaping that responsibility."

In contrast to the House debate, Senate Intelligence Committee chairman David Boren (D-Okla.) gave the intelligence community "very high marks in the 30 days preceding the invasion."

## Souter nomination headed for approval

President Bush's nomination of David H. Souter for the U.S. Supreme Court appears to be headed for confirmation by the Senate Judiciary Committee and by the full Senate, in spite of a great deal of ignorance as to the positions he would take as a Supreme Court Justice.

Souter replied to questioning by referring to personal experiences rather than to legal decisions he had made or might make on issues of abortion, school-sponsored prayer, and civil rights.

According to observers, Souter cleared the first two days of hearings without offering any definitive picture of who he is, leaving liberals and conservatives alike uncertain of where he stood. At the conclusion of Souter's testimony, Judiciary Committee chairman Joseph R. Biden (D-Del.) indicated that the committee would approve Souter's nomination.

## Senate preparing harsh review of German treaty

Senate Majority Leader George J. Mitchell (D-Me.) put the Bush administration on notice on Sept. 18 that the

Senate intends to consider the recently signed treaty which restored the sovereignty that Germany lost in World War II, before Congress adjourns in September for the Nov. 6 elections.

In a back-handed slap at German unification, Mitchell took sharp issue with published reports quoting an unnamed State Department official as saying that the treaty did not need the advice and consent of the Senate because it involves a relinquishing rather than an assumption of responsibilities. "Such a view hardly merits serious consideration," said Mitchell, who added that the Constitution requires Senate approval of treaties.

The administration intends to send the treaty to the Senate for ratification, giving opportunity for a continuation of the German-baiting endemic on the Hill.

## Senate subcommittee trashes NASA budget

A Senate Appropriations subcommittee has slashed the budget request for the National Aeronautics and Space Administration for fiscal year 1991 by \$863.6 million.

This includes a body-blow 35% reduction in the funding request for Space Station Freedom, a program critical to the next step of returning man to the Moon on a permanent basis and laying the basis for a manned mission to Mars.

NASA Administrator Adm. Richard Truly told the panel that the real difficulties in NASA are not with the Space Station, the Space Telescope, or the Space Shuttle as such, but his lack of authority and flexibility in running agency programs. A "better match" is needed between NASA's programs and its resources, he said.

# National News

## LaRouche campaign enrages Establishment

Lyndon LaRouche's campaign for U.S. Congress from Virginia's 10th District is enraging the Establishment.

The first words out of incumbent Rep. Frank Wolf's mouth at a Loudoun County, Virginia GOP breakfast were complaints about "certain candidates" who receive out-of-state contributions from political action committees—as much as 90%. Without mentioning LaRouche, Wolf said he had introduced legislation to limit out-of-state contributions to 49%.

The Sept. 15 *Washington Post* bemoaned LaRouche's campaign in its "media notes" coverage in the Style section. Complete with a picture of LaRouche, the article attacks the LaRouche for Justice campaign committee ads on WTOP all-news radio which covers the greater Washington area.

"The phones at WTOP have been ringing off the hook since the all-news radio station began airing campaign ads" for LaRouche, the *Post* reported.

"The world is on the verge of World War III. . . . The President of the United States has ordered the mass starvation of the populations of Kuwait and Iraq," LaRouche says in one ad. "This brings to mind the images of Adolf Hitler . . . ordering the starvation of the Warsaw Ghetto. It is time to say stop this nonsense."

"If LaRouche wanted to catch people's attention, he succeeded," the *Post* article read.

## Mayor Daley reveals in death penalty use

"I'm pro-death, let's get on with it," Chicago Mayor Richard Daley said in welcoming the first execution in Illinois in 28 years. Daley admitted that capital punishment is not a deterrent to crime, but said he's "all for it" anyway.

Daley held a City Hall press conference

hours before the execution of convicted murderer Charles Walker, praising Gov. James Thompson for rejecting appeals from religious leaders, attorneys and opponents of the death penalty to block the execution by lethal injection.

"I'm pro-death, I believe in the death penalty. I'm glad Thompson made the decision. Let's get on with it," he said. "It doesn't deter murders. It punishes an individual for committing violence against another individual—innocent victims. Young people, old people walking down the street and in their homes. It doesn't deter crime. It's a punishment," he said.

According to a five-year study, 23 people have been wrongly executed in the United States since 1905, according to Hugo Adam Bedau, a philosophy professor at Tufts University.

## Earth First! expands to New England

Over Sept. 14-16, the terrorist environmentalist group Earth First! conducted an "encampment" in Piscataquis County, Maine. Even before the recruiting event began, some 400 "old growth trees" were reportedly spiked north of Baxter State Park. The sympathetic statewide newspaper, the *Maine Times*, gave advance publicity to the gathering under the classification "Ecotage."

"And yes, without apology, we're going to defend the restoration of the wilderness in Maine because it is sacred . . . and because it feels right," the *Maine Times* quoted unnamed "rendezvous" organizers.

Leaders of the encampment were identified as Jamie Sayen, Jeff Elliott, and Gary Lawless.

## Investment banker looks to fascism

Investment banker Peter Peterson says that political shifts will be necessary to enforce the deep cuts in entitlement programs for the elderly needed to stave off financial col-

lapse.

In his recent book, *On Borrowed Time*, Peterson attempts to package this form of murder in the name of creating a "high-investment economy" to benefit the next generation.

After relating how the rise in government spending for Social Security and Medicare for the non-poor is bleeding the economy, the Council on Foreign Relations chairman suggests that the main obstacle to reform is the fact that "politicians [are] terrified of constituent reaction. Now it is up to the rest of us, in the economist Herbert Stein's words, 'to make the world safe for the politicians to do the right thing.'"

## Pat Buchanan assaults Bush's Gulf policy

Syndicated columnist Pat Buchanan continues his assault against George Bush's Persian Gulf fiasco, in a commentary in the Sept. 14 *Washington Times*.

Commenting on Bush's address before a joint session of Congress, Buchanan reminded his readers: "As we swayed to the music of Mr. Bush's song about a 'New World Order' recall: Woodrow Wilson's 'war to end war' led to Versailles, Adolf Hitler and Josef Stalin; the Atlantic Charter of Winston Churchill and Franklin Roosevelt led to the squalid betrayals of Teheran and Yalta and 50 years of Cold War."

Buchanan attacked Syria, which is now being touted as America's strongest partner among the Arab states. "To say that Syria recognizes its 'shared responsibility for freedom and justice' is a bit of a stretch. After all, where Saddam Hussein gassed 5,000 Kurds, Hafez al-Assad used artillery to massacre 20,000 of his people in Hama. Moreover, he is said to have approved the murder-bombing of our Marines in Beirut and has given sanctuary to the Palestinian terrorists who blew up Pan Am 103. Mr. Bush should be wary of this fellow Mr. Assad, who fears and loathes Mr. Hussein, is capable of a terrorist action, butchering American and pointing the finger—and the U.S. bombers—at Iraq. This man wants a



war more than we and he is capable of contriving some horror to bring it off."

Buchanan sharply attacked the idea of *Pax Americana*, likening Bush's policy—as peddled in recent editorials in the *National Review*—to "Trilateralism, the foreign policy of David Rockefeller." "Where in the Constitution is the U.S. government authorized to send Marines to die for 'international order'? Why should they die for 'order' and 'stability' when the disorder and instability of '89 produced the greatest advances for freedom in a half-century?"

Speaking in Petersburg, Virginia, Buchanan reminded his audience that Bush had no military response to the invasion of Kuwait until British Prime Minister Margaret Thatcher worked him over in a meeting in Aspen, Colorado.

## Nader sleaze subject of Forbes exposé

The sleaziness and duplicity of Ralph Nader and his consumer and environmental followers was exposed in a cover story in the Sept. 17 *Forbes* magazine, which documents how Nader lives a plush life and "has control to varying degrees over 29 organizations with combined revenues of \$75 million and assets of at least \$23 million."

Nader's outfits claim to be non-profit, but they are political, benefit handsomely from their campaigns, and benefit their main financial contributors—liability attorneys.

No fewer than 62 lawyers involved in personal injury and environmental litigation make over \$2 million a year, according to *Forbes*. These lawyers are dependent on Nader, utilizing his organizations to create scare stories and win their court cases through adverse publicity. The lawyers then contribute to Nader and his causes.

*Forbes* quotes Frederic Levin of Pensacola, Florida (\$7.5 million income in 1988): "We are what supports Nader. We contribute to him, and he fundraises through us." And San Antonio's Pat Maloney (\$6 million) chimes in: "We support him overtly, covertly, in every way possible. I should think we give him a huge percentage of what

he raises." The explanation, says Austin's Bob Gibbins (\$3.7 million), is simple: "Nader supports all of our issues, and we support all of his."

*Forbes* comments, "The most visible aspect of this mutual support is the devastating bombardment of unfavorable publicity that Nader and his affiliates, through their unrivaled media contacts, are able to bring down on corporations that are simultaneously defending a product liability issue."

Nader groups Public Citizen, Citizen Action, Clean Water Action, and the Public Interest Research Group, coordinate their activities with the eco-terrorist Greenpeace organization, *Forbes* reported.

## Du Pont heir wins round as judge steps down

Lewis du Pont Smith, an heir of the du Pont family fortune and a candidate for Congress from Pennsylvania's 5th District, claimed victory after Judge Lawrence Wood recused himself from Smith's mental incompetency case. Wood had declared Smith mentally incompetent in 1985 because of his support for the policies espoused by Lyndon LaRouche.

"The politically corrupt interests of Edgar Bronfman, the same interests which have taken over my family's chemical firm, E.I. du Pont de Nemours, moved in on my family and Judge Wood back in 1985, to cut off my association with, and financial support of Lyndon LaRouche's political-philosophical association," Smith said. They failed to intimidate me, Smith said, "but they did manage to get my family and a compliant judge to cut me off financially.

"Edgar Bronfman has been instrumental in his support of the Department of Justice's 'Get LaRouche' strike force, a multi-agency, multi-jurisdictional, federal, state, and private task force, which includes prominently the Anti-Defamation League.

"I demand that Judge Wood now come clean, and disclose his contacts with anti-LaRouche propaganda and interests associated with the Department of Justice's 'Get LaRouche' task force," Smith said.

## Briefly

● **MARION BARRY**, the mayor of Washington, D.C. will not be retried, the Department of Justice announced Sept. 17. Barry was convicted on one misdemeanor count of cocaine possession, but a mistrial was declared on 12 other counts after the jury deadlocked. Seeking to justify the millions of dollars of taxpayers' money the DoJ poured into its eight-year operation to get Barry, U.S. Attorney Jay Stephens vowed that prosecutors will argue that Barry be sent to jail. Barry is seeking an at-large city council seat.

● **NEW YORK JUDGE** Stephen Crane, who presided over the rail-roading of LaRouche associates Molly Kronberg, Robert Primack, and Lynne Speed, is an official of the Anti-Defamation League. The ADL has actively participated in the "Get LaRouche" task force.

● **NEIL BUSH** failed to convince an administrative law judge in Denver, Colorado to dismiss regulators' charges that he violated conflict of interest laws while a director of Silverado savings and loan, the Sept. 13 *New York Times* reported.

● **CLIFF KELLY**, a radio talk-show host for WGCI-FM in Chicago which serves the black community, was pulled off the air Sept. 17. Pressure from the Anti-Defamation League is believed to be behind the move. Kelly educated his listeners to world strategic developments and had made extensive use of *EIR* material and analysis by Lyndon LaRouche.

● **A FOOD FOR PEACE** -sponsored tour of East German and Australian farm leaders brought the message of the East German revolution on how to fight oppression, support for freedom for political prisoner Lyndon LaRouche, and support for German unification, to farmers and others throughout the Midwest in September.

# Editorial

## *Lest we forget*

We have moved one step closer to world war as a result of the French response to what was at most a minor diplomatic incident, which, incidentally, the Iraqis deny having occurred: a violation of the diplomatic residence in Kuwait by Iraqi troops.

According to our best knowledge, the French, Belgian, and Canadian diplomats were escorted back to their embassy compounds from the home of a Kuwaiti associate of the Kuwaiti royal family, where they had assembled. Even if the accounts of Iraqi troops entering the home of diplomats and taking them into temporary custody were true, the fact remains that the response of an escalation toward total war was entirely disproportionate to the supposed offense. One can only assume that the French were waiting for such a pretext in order to justify giving full support to the Anglo-American military adventure in the Gulf.

Not too long ago, much more egregious violations of diplomatic immunity occurred in Panama, when American forces violated the diplomatic rights of other nations with impunity. This included the arrest of personnel, blasting the Peruvian and Vatican embassies with rock music, and the unleashing of mobs against the Cuban, Peruvian, and Vatican embassies. It is well to review some of this material in detail.

On Jan. 4 of this year, U.S. troops detained a Cuban diplomat, Victor Hernández González, as he left the Cuban ambassador's residence in Panama. The ambassador himself was briefly detained by U.S. troops.

Even more gross violations occurred against the Nicaraguan government, which asked for an emergency meeting of the United Nations Security Council on Jan. 3. In a letter to the president of the Security Council, Deputy U.N. Ambassador Daysi Moncada Bermúdez referred to two incidents by U.S. forces in Panama, which, she said, violated diplomatic immunity. The first was the raid on the residence of Nicaraguan Ambassador Antenor Ferrey. The second was entering the apartment of two diplomatic functionaries, Omar Pineda and María Teresa López. This occurred last Dec. 31.

The U.S. government, far from denying these inci-

dents, flaunted them. About 30 U.S. troops ransacked Ferrey's house and then displayed a weapons cache which they claimed had been found on the premises. The State Department claimed that they had not known that the building was a diplomatic residence, but such a disclaimer was preposterous, since diplomatic markings were clearly in evidence.

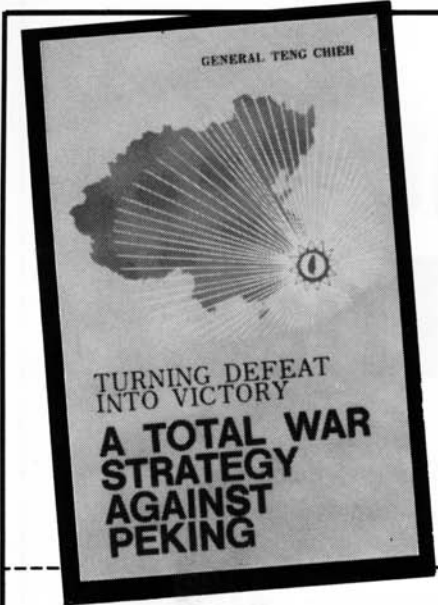
Ferrey protested the incident while it was proceeding, but the colonel in charge communicated this to his superiors and was instructed to carry on with the raid. The embassy was entered, and the ambassador was struck and knocked to the ground.

It is well to remember that the United Nations did pass a resolution deploring the U.S. invasion of Panama. The resolution passed the General Assembly by a vote of 75-20; however, it was vetoed by the United States, Britain, and France.

The report that Gen. Manuel Noriega had "voluntarily" surrendered himself to the United States, leaving the sanctuary of the home of Papal Nuncio in Panama, ignores the circumstance that the United States was threatening to storm the residence of the Nuncio and remove Noriega by force.

Reuters press service, on Jan. 4, reported that Gen. Marc Cisneros, commander of the U.S. Southern Command, said the nine days during which the Army surrounded the residence and blared satanic rock music at top volume, were intended to persuade Noriega to walk out voluntarily, "in order to avoid the issue of troops going into an embassy, and particularly one of the Vatican." Cisneros underscored the point: "Obviously to Noriega, seeing the forces out there put pressure on him. I'm sure that made an impact on his deciding to walk out instead of us having to go get him."

On Jan. 31, Panama's *La Estrella* reported that two Panamanian bishops were charging that between 5,000 and 7,000 Panamanians had been killed as a result of the U.S. invasion, and not the 500 claimed by the U.S. Southern Command. Former U.S. Attorney General Ramsey Clark corroborated the accusation in a statement from Panama on Jan. 6, when he charged that the U.S. media were engaged in a "conspiracy of silence."



# Turning Defeat into Victory

A Total War Strategy Against Peking  
by General T'eng Chieh

A book-length presentation on the nature of warfare, which begins with a discussion of the traditional Chinese philosophy of benevolence, and identifies the revolutionary democracy of the entire people as paramount.



Chinese Flag Monthly  
Taiwan, Republic of China  
\$5.99 plus \$1.50 postage and handling  
  
To order, make checks payable to:  
**Ben Franklin Booksellers**  
27 South King Street  
Leesburg, VA 22075  
Or call (703) 777-3661

Name \_\_\_\_\_ Total Book Price \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Plus Shipping \_\_\_\_\_  
 Home Phone ( ) \_\_\_\_\_ Business Phone ( ) \_\_\_\_\_ Add \$1.50 postage for first book  
 and \$1.50 postage for each additional book  
 Credit Card # \_\_\_\_\_ Expiration Date \_\_\_\_\_ Va. Residents add 4 1/2% Tax \_\_\_\_\_  
 Type of Credit Card (circle one) Amex Master Card Visa Total Enclosed \_\_\_\_\_

## Executive Intelligence Review

U.S., Canada and Mexico only  
 1 year ..... \$396  
 6 months ..... \$225  
 3 months ..... \$125

**Foreign Rates**  
 Central America, West Indies, Venezuela and Colombia: 1 yr. \$450, 6 mo. \$245, 3 mo. \$135  
 South America: 1 yr. \$470, 6 mo. \$255, 3 mo. \$140.  
 Europe, Middle East, Africa: 1 yr. DM 1400, 6 mo. DM 750, 3 mo. DM 420. Payable in deutschmarks or other European currencies.  
 All other countries: 1 yr. \$490, 6 mo. \$265, 3 mo. \$145

I would like to subscribe to *Executive Intelligence Review* for

1 year  6 months  3 months

I enclose \$ \_\_\_\_\_ check or money order

Please charge my  MasterCard  Visa  
 Card No. \_\_\_\_\_ Exp. date \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Company \_\_\_\_\_

Phone ( ) \_\_\_\_\_

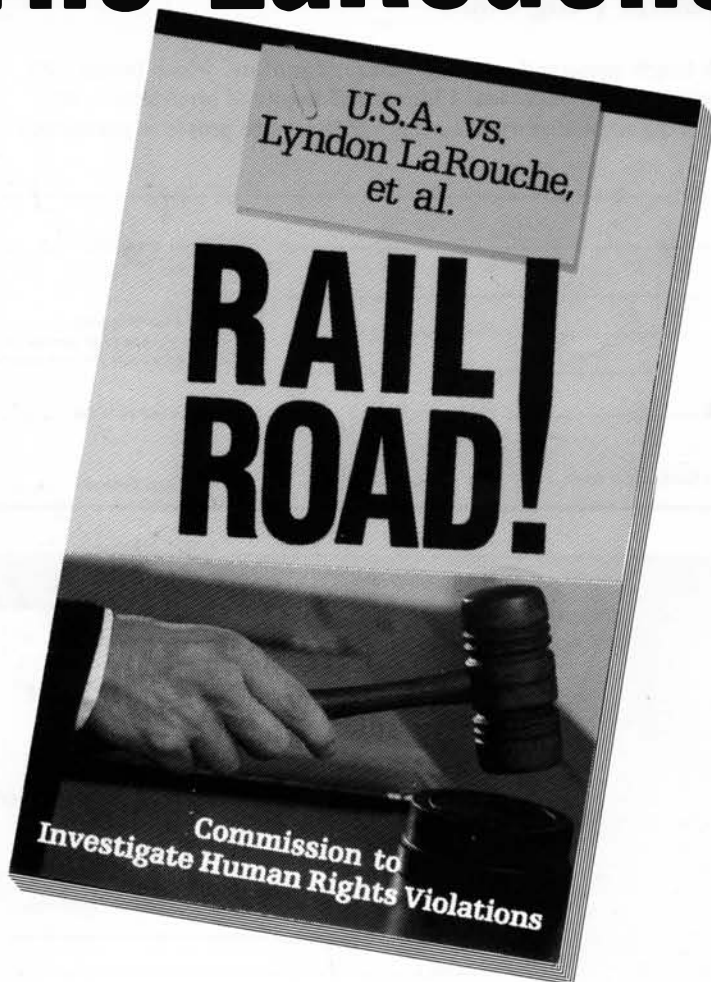
Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Make checks payable to EIR News Service Inc., P.O. Box 17390, Washington, D.C. 20041-0390. In Europe: EIR Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, 62 Wiesbaden, Federal Republic of Germany, telephone (06121) 8840.

# The Truth About The LaRouche Trial



- The rush to trial only 37 days after indictment.
- Four years of federal investigations and a "warm-up" trial where jurors reported they would have voted unanimously for acquittal.
- The role of Henry Kissinger and the "Get LaRouche Task Force."
- The judge's decision to grant a special *motion in limine* to block the defense case.
- Full text of appeal papers filed by LaRouche's attorney, former U.S. Attorney General Ramsey Clark, and distinguished international jurists.

**\$10** ppd., 664 pages  
Available from  
Executive Intelligence Review

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_

Make checks payable to:

**Executive Intelligence Review**

P.O. Box 17390, Washington, D.C. 20041-0390