

# EIR

Executive Intelligence Review

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## From the Editor

**L**Lyndon LaRouche has recently stressed that nothing could be more idiotic than the policy perspective, often reflected in the slogan “America First.”

To quote a memorandum dictated by him on May 8, “There is no recovery for any part of the world barring a medium-term recovery which can develop in Western Europe on the basis of the development of Eastern Europe, [and] the half-billion population market there which is indicated around the Triangle”—the Productive Triangle traced between Paris, Vienna, and Berlin which LaRouche and his associates have proposed—and “without a general upswing of investment in energy-intensive, capital-intensive technological progress in what we call the developing nations or the Third World, i.e., Central and South America, Africa, and Asia generally.”

In this issue we target the swindle known as free trade. The Rockefeller family, engaged as usual in philanthropy for the international banking fraternity, and their stooges like Henry Kissinger are stumping for congressional approval of the “fast track” negotiating authority for the North American Free Trade Agreement for George Bush. It ought to be called by its real name, the fascist track, and while we’re at it, free trade should be called by its real name, the slave trade, which is what it literally was in the 1700s and 1800s when Adam Smith and Parson Malthus were promoting it.

“No recovery of the U.S. economy is possible,” LaRouche said in the cited memo, “without not only stopping NAFTA, but a reversal of everything in U.S. policy that that represents, from the Rio Grande to Antarctica, and throughout Africa and Asia.”

Besides the *Feature*, a good sample of the dossier *EIR*’s researchers have put together to block NAFTA, several articles in the *Economics* section and the New York and Washington, D.C. stories in *National* tell the shocking truth about the impact free trade has already had on the fate of ordinary people.

We are the only ones on the planet who have named the policy, and named the authorship of the policy, as being those who own Henry Kissinger. The kind of ammunition you find in *EIR* provides the real basis for cultural optimism. See the *Strategic Studies* and *Reviews* sections for further discussion of the positive alternatives in a frightfully ruined world.

*Nora Hamerman*

# EIR Contents

## Reviews

- 54 Do you believe in British royal family magic?**  
*Sovereign: Elizabeth II and the Windsor Dynasty*, by Roland Flamini.
- 56 The classical pianist as hero**  
A videotape: Claudio Arrau  
Signature Performance Series:  
Beethoven's Concerto No. 5 (The Emperor), Op. 73.
- 57 Two great men of the German Renaissance**  
*Nikolaus von Kues 1401-1464: Leben und Werk im Bild*, by Helmut Gestrich, and *Albrecht Dürer: A Biography*, by Jane Campbell Hutchinson.
- 60 Free trade paved way for human bondage**  
*The Road to Disunion: Vol. 1, Secessionists at Bay 1776-1854*, by William W. Freehling.

## Strategic Studies

- 46 Christians must know what Confucius said**  
Michael Billington traces the history of a Grand Design that failed: the project for an ecumenical alliance between China and Renaissance Europe, on the basis of shared fundamental beliefs.

## Departments

- 13 Report from Rio**  
Collor pays tribute to Bush.
- 15 Dateline Mexico**  
NAFTA: slash wages to pay the debt.
- 41 Report from Bonn**  
Blueprints, rather than blue helmets.
- 42 Panama Report**  
More dope under U.S. occupation.
- 43 Andean Report**  
'Soviet' emerges in Colombia.
- 72 Editorial**  
The real scandal in Washington.

## Economics

- 4 How, and how big, the U.S. lies on unemployment**  
A study conducted by *EIR*, the only such study we know of, shows that nearly twice as many Americans are jobless as the government claims, and half again as many are working part time or reduced hours because they cannot get full-time work.
- 6 'Informal economy' spreads cholera**  
A report from the Pan-American Health Organization.
- 7 FAO: Cut population to save environment**
- 8 Currency Rates**
- 8 Volcker named new Trilateral chairman**  
How does the infamous Trilateral Commission fit into Bush's "new world order"? At their recent meeting in Tokyo, they spelled it out.
- 9 Kaifu boosts Tokyo's presence in S.E. Asia**
- 11 'Free trade' wrecked China's farm potential**
- 12 CIA puts economic squeeze on Argentina**
- 14 Agriculture**  
World's wheat regions in crisis.
- 16 Business Briefs**

## Feature



Carlos de Hoyos

Although conditions of extreme misery and unhygienic squalor like these have existed in Mexico for years, under the free trade agreement they will spread all over Ibero-America and into the United States.

### 18 Tri-national drive to stop Bush's 'fast track' to genocide

A new *EIR* study has been simultaneously released in English and in Spanish, to fuel the mobilization against the disastrous North American Free Trade Agreement.

### 20 Poverty and free trade in the Rio Grande Valley

A report from the Texas-Mexico border region.

### 22 Why NAFTA will destroy the U.S., Canada, and Mexico

## International

### 30 Truths of new encyclical must be acted upon now

Helga Zepp-LaRouche has issued a call for European governments to make the principles set forth in *Centesimus Annus* into reality, by implementing Lyndon LaRouche's programs for a new, just world economic order.

### 32 'Greater Serbia' gang pushes Yugoslavia toward civil war

### 33 Bangladesh cyclone disaster not 'natural'

The tragedy was the storm; the catastrophe has been a ten-year triage policy by the international banks.

### 34 The caste factor in Indian elections: a poll analyst's myth

### 36 Is Iran an emerging colossus, or the next victim in the Gulf?

One would think that such able tacticians, who have ample experience with the current U.S. government, would play their cards more astutely.

### 38 War Crimes Act is law in Britain

### 40 In memoriam: Enrique Low's war with drug 'slavery'

### 44 International Intelligence

## National

### 62 Bush dynasty coming to an end

With Bush's illness, "a damaging and indelible question mark has been embossed on the exposed flesh of this presidency," commented Democratic presidential candidate Lyndon H. LaRouche.

### 64 Europeans tour U.S. for LaRouche Triangle

### 65 Bani-Sadr on Bush's role in hostage deal

The newly released U.S. edition of a book by the former President of Iran has a couple of bombshells.

### 66 Bankers pull plug on New York City

### 67 Eye on Washington

Mt. Pleasant riots jolt the capital.

### 68 Congressional Closeup

### 70 National News



## How, and how big, the U.S. lies on unemployment

by Laurence Hecht

Even as the shine is wearing off the apple for George Bush, as the eight-plus years of uninterrupted recovery we have supposedly experienced since 1982 comes to an end—the “official end” of a claim which may someday join Piltdown Man and the Cardiff Giant among the great hoaxes of this century—a hoax within this hoax persists. It is the cruel hoax of our government’s official unemployment rate statistics.

By official estimates, 8,274,000 Americans were unemployed as of the end of April 1991, yielding an unemployment rate of 6.6%, down 0.2% from the previous month.

But an independent study conducted by *EIR*, the only such study we know of, shows nearly twice that many Americans completely jobless, and half again that many more working part-time or reduced hours because they cannot get full-time work. Combining the two, we find an unemployment rate of 16.5%, and this by very conservative procedures of estimating, entirely from figures available to and published by the Bureau of Labor Statistics (BLS), that branch of the U.S. Department of Labor charged with keeping track of such things. Considering just the full-time jobless, *EIR*’s official estimate of the unemployment rate is 12.4%—exactly double the figure put out by the Washington branch of Disneyland.

By our estimates, the number of jobless as of the first of the year 1991 is 14,747,000. An additional 4,893,000 workers who want full-time jobs, are forced into part-time work or reduced hours. We emphasize that these figures are taken entirely from the Bureau of Labor Statistics and Bureau of the Census’s own data, by the most conservative possible estimating procedures. For example, we used annual data for 1990 in calculating numbers of unemployed and partially unemployed to be consistent with the available data for the total labor force. Had we used the very latest data from April, these numbers would be higher by about half a million each. Were we also to have had access to more comprehensive

survey data, we believe that the real levels of unemployment suffered in the United States would prove to be considerably higher. Our best estimate of how high is in the range of 20%.

There are two reasons for the wide discrepancy. The first is that the government is lying. The second is that they can get away with lying because they play with the definition of the term “unemployment rate.” The Bureau of Labor Statistics defines unemployment rate as the percentage of unemployed as a proportion of the total labor force. That brings into question two matters: What is the total labor force, and what is the definition of unemployed?

### How 5.5 million are ‘buried alive’

Among people seeking the truth, there should not be any great cause for dispute about what “unemployed” might mean. At the least, we would count all people who want to work. But the BLS only classifies as *unemployed persons*: “all civilians who had no employment during the survey week, were available for work, except for temporary illness, and had made specific efforts to find employment some time during the prior four weeks.”

Persons not working and not unemployed are classified in the broad category of *not in the labor force*. Concerning these, the BLS says:

These persons are further classified as engaged in own home housework, in school, unable to work because of long-term physical or mental illness, retired, and other. The “other” group includes individuals reported as too old or temporarily unable to work, the voluntarily idle, seasonal workers for whom the survey week fell in an off season and who were not reported as looking for work, and persons who did not look for work because they believed that no jobs were available

in the area or that no jobs were available for which they could qualify—discouraged workers. Persons doing only incidental, unpaid family work (less than 15 hours in the specified week) are also classified as *not in labor force*. [emphasis added]

Among those 63,262,000 people classified as *not in labor force* in 1990, some 25,346,000 showed up as being there for *other reasons*. On page 204 of the U.S. Department of Labor publication entitled *Employment and Earnings* for January 1991, we learn that 5,473,000 of these people fall in the category *want a job now*.

Who are they? Perhaps your neighbor, or his child. Maybe you today, and me tomorrow. Over 1 million of them are aged 16-19; another three-quarter million are aged 20-24. Three million are between the ages of 25-59, and over half a million more are 60 years and over. Two million are men and 3.5 million are women. All told, 5.5 million people are just dropped by the government.

### Who else eats cake?

A cruel hoax, but not the totality of the problem. We also know of 5 million people never counted by the 1990 Census, according to testimony before a congressional subcommittee in April by the director of the Census. Using rough estimating procedures based on what we know of the demographic composition of the uncounted, we come up with an additional 1 million unemployed from this category.

Thus, the *EIR* study counts the following groupings of people as unemployed:

- 5,473,000 people classified as *not in labor force* and subclassified as *want a job now*.
- 1,000,000 of the 5 million people officially considered as undercounted in the 1990 census.
- 8,274,000 people acknowledged by the government as unemployed.

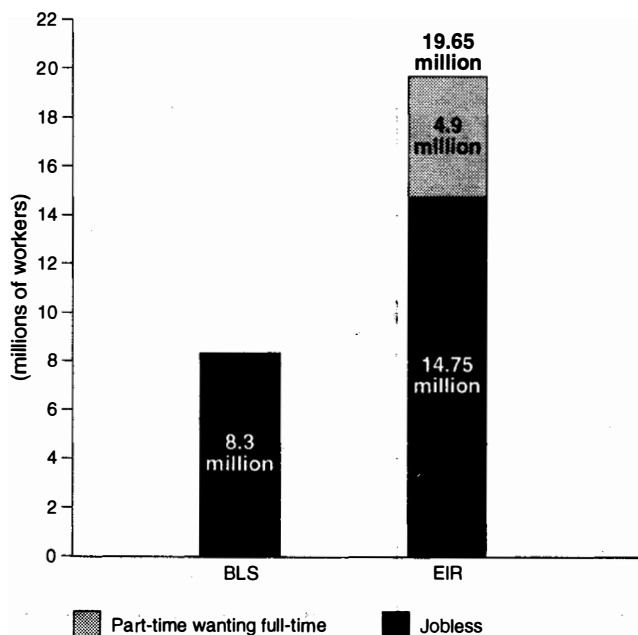
This yields the total of 14,747,000 unemployed Americans. In addition, BLS 1990 averages show at least 4,893,000 people working part time who need full-time work, the *partially unemployed*, for a grand total of 19,640,000 out of work or underemployed.

But even this whopping figure, is thought to be an undercount. Among other categories, it leaves out perhaps millions not answering government surveys as wanting a job, and hundreds of thousands “employed” in drug-trading, prostitution, and other “industries” of the “black economy.”

### What else is wrong?

The second fraud in the government’s unemployment statistics rests in how one counts the *total labor force*. This number is not an objective existent, as we might say population is, or most of us would say so. We have already shown how millions who want jobs are dropped from the *total labor force* by a trick in the definition of *unemployment*. But many more

## Government hides unemployment



who really are part of the labor force, or would be if the economy were functioning, are dumped into the *not in labor force* category, there to be forgotten by the modern-day Marie Antoinettes of the Bush (and prior) administrations. We include among these, the 5.5 million also added to the unemployment category who say they “want jobs now,” and then approximately 3 million of the 5 million never counted in the Census, whom we estimate to be of working age.

But, we also have subtracted a considerable number from the definition of *total labor force*. These fall in two major categories. First, approximately 9.1 million parents of young children forced to work to maintain their families’ living standard. Second, some 3.8 million young people who ought to be in school but are not.

To arrive at these estimates, we examined the demographic profile of the population in 1960, before the effects of the present long-term economic decline took hold, looking at such things as the percentage of households with young children with both parents employed. We made adjustments for the smaller size of family and related things, and applied the results to present figures. We did the same for the school-age population, discovering a shocking decline in the proportion of youth going to school today as compared to 30 years ago. In 1960, the total number of people reported in BLS figures as “in school” amounted to 34% of the total population aged 15-24. Today, it is only 20.6% of that population cohort.

Some folk in Washington may be counting on the fact that soon no one will be able to read their fraudulent statistics anyway, so why worry? Better get to them now while there’s still time.

# 'Informal economy' spreads cholera

by Ana M. Mendoza-Phau

At the opening session of an emergency meeting of the Cholera Task Force set up by the Pan-American Health Organization, held in Washington, D.C. April 29-May 3, PAHO director Dr. Carlyle Guerra de Macedo stated that the "most specific characteristic of the cholera epidemic is [that it is] a shocking expression of the accumulation of deficiencies in the standard of living of our populations . . . the accumulation of a social debt."

Dr. Guerra was speaking as cholera has continued to spread throughout Ibero-America. As of May 7, seven nations have been hit with the epidemic, the latest two being Argentina and the Dominican Republic. There are currently over 175,000 documented cases on the continent, and PAHO calculates that 6 million people are going to be infected and 42,000 will die due to this epidemic. In fact, Dr. Guerra stated outright that it is impossible to stop the epidemic.

## Investment of \$200 billion needed

At the meeting, called in order to design a regional emergency plan to deal with the epidemic, the PAHO director said, "We consider the problem of cholera a political and social development that shows clearly a standard of living of extreme poverty" on the continent. Yet, he argued that the return of this "cursed disease" also creates an "extraordinary opportunity that should go beyond just discussing the limits of treatment, but to also place before the conscience of leaders the profound problem of extreme poverty." Dr. Guerra insisted that "we should take advantage of the opportunity that cholera creates to settle our social debt and initiate the process of correcting the deficiencies of infrastructure that in reality are the cause of the epidemic." He called for massive investment in infrastructure as the only way to contain the cholera epidemic.

On May 2, Dr. Guerra made the same point at a conference of Ibero-American health officials and ministers in Madrid. "The economic policies of governments, which set priorities above those of the population's health," are responsible for the spread of the disease, he said, a clear reference to the austerity policies imposed by every Ibero-American government under the pressure of the International Monetary Fund (IMF) and creditor banks in order to pay the

foreign debt. Dr. Guerra estimated that \$200 billion needed to be invested over the next decade in order to rebuild necessary water and health services throughout the continent. Of this, \$80 billion is needed just to provide potable water.

## Poor face hunger or cholera

At the PAHO meeting, Dr. Dilma S. Gelli from Brazil presented the findings of a research team of doctors which recently visited Lima, Peru, where cholera first broke out. The aim was to get a reading on the level of contamination and potential for spreading the disease in the food sold in the street markets in Lima, where a large percentage of the poor population eats daily. The findings left everyone in the room astonished.

The main foods people eat, such as *ceviche* (raw fish marinated in lemon juice), potato salad *a la huancaína*, fruit juices, ice cream, seafood, rice with chicken, pasta, sauces, etc., were found to be contaminated. Some 100 micro-organisms of the bacterium *vibrio cholerae* for each gram of *ceviche* were found in most of the tests. The bacteria were also found to be present in most of the intestines, as well as on the skin, of fish in treated and untreated waters, on seafood shells, etc. Because of the contamination of water, many of the vegetables sold are also carrying the bacteria.

One of the main problems, Dr. Gelli explained, is the way the food is handled, since there is no clean water available in these markets in order for vendors to wash their hands, clean the dishes, food, or anything. When vendors handle the seafood and then serve the food, they are unknowingly spreading the disease to all their customers.

Dr. Gelli proceeded to show slides of some of Lima's street markets. These street markets are precisely the so-called "informal economy" so heavily promoted by Peruvian presidential adviser Hernando de Soto, whom George Bush has praised as his favorite Ibero-American economist. Such an "informal economy" is what Bush hopes to spread throughout Ibero-America with his Enterprise for the Americas Initiative. The slides showed the foodstands in these markets packed with people eating contaminated food. Many of them have told television crews that their choice is either to die of hunger, or of cholera. The slides also showed dogs running around taking food out of garbage cans and spreading it all around, and clearly, no source of clean or treated water or refrigeration exists at all in these markets.

Such street markets exist in virtually every country in Ibero-America. Often there are entire areas in the cities where one stand after another sells all kinds of prepared foods, raw food, vegetables, and so forth, at much cheaper prices than at supermarkets or stores. They are basically the way in which the poor feed the poor.

After seeing these slides, it was clear that either these street markets are shut down by the governments, and replaced with clean sources of nourishment for the population, or the cholera epidemic is not going to be stopped.



# FAO: Cut population to save environment

by Marion Schwaneberg Peretti

With the scientific knowledge at our disposal today, we could, if we wanted to, make the deserts bloom, feed twice the present world population, and fight the poverty, hunger, and disease which afflict a large part of the world, by the end of the 20th century.

However, a conference of the U.N. Food and Agriculture Organization which took place over April 15-19 in 's Hertogenbosch, the Netherlands, spurned precisely those opportunities that science and technology invite us to use. Despite the recent warnings by the Rome-based FAO that famines are to be expected in the 1990s, the conference called not for a high-technology food output mobilization, but for low-input, "sustainable" farming.

## 'Sustainable' for whom?

The discussions during the conference served as a basic reference for all the agro-environmental questions which will be on the table at the U.N. conference on "Environment and Development" scheduled for 1992 in Brazil, whose agriculture theme will be that farming, especially Third World agriculture, must become "sustainable" for the environment.

The global strategy of the conference proposed controlling the demographic "explosion," placing greater attention on the introduction of low-input farming systems, and reducing imputed potentially negative consequences of high-technology agriculture. The conference "permits" a choice between high-yield farming systems with widespread use of fertilizers, and traditional systems of farm production used by the majority of peasants in the world.

Although the problem was identified that debt and the disparity in the distribution of resources penalize farmers of the poorer countries, the conference's strategy was to call into question the benefits of modern technology: "Technology has made a considerable contribution to agricultural production, but it has also contributed to the degradation of resources, above all to the drying up of the soil. If we continue at the present rate, by the year 2000 the annual loss of fertile soils will be 10 million hectares (0.7% of presently cultivated areas)."

This makes a mockery of the reality that impoverishment

of farmers in Latin America and Africa over the last 20 years has resulted in reduced food availability per capita, to the point where now cholera and other epidemics are spreading out of control. While millions are dying because of the lack of development, the FAO has nothing better to do than worry about how people might "pollute" by cultivating the earth.

## The North Carolina malthusians

Among the various documents which were presented at the conference, one particularly odious piece was called "Population, the Environment, Sustainable Agriculture, and Rural Development." It was prepared by the Carolina Population Center of the University of North Carolina, by M.E. Billsborrow and M.E. Geores, followers of the 19th-century genocidalist Thomas Malthus and his modern-day disciples at the Club of Rome. The sole concern of the North Carolina group is the effect of growth in population on the use of land and on the environment in developing countries, where, it is asserted, most of the less usable land is found. This categorization refers to regions such as the Amazon Basin in South America, and areas in Central Africa and in Indonesia. The lands in these tropical forests are fragile and not very fertile, and they do not stand up well to traditional farming methods.

In other endangered zones, according to the North Carolina malthusians, "the growing population density" seems to contribute to desertification and soil erosion, which threatens the "sustainability of agriculture and human survival."

Elsewhere in the document, we read that it is crucial to impose a policy for redistribution of land that will prevent poor families from occupying land designated as unsuitable, such as those tropical zones mentioned. Without such prohibitions and other similar measures, there will be no way to guarantee the "sustainability" of agriculture with the environment. Even then, the authors contend that "sustainability" may not be possible without population reduction.

They reiterate that developing countries "must significantly reduce the future rate of growth in population." They also request that surveys and censuses be undertaken in rural areas to gather more data on the relationship between farming activity and the environment.

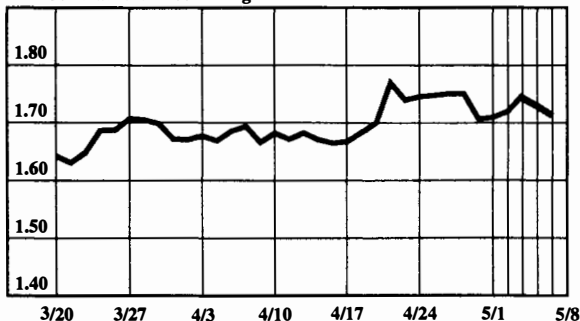
The document's authors refer to Malthus and his modern followers, such as Paul Ehrlich and Erik Eckholm, who succeed, in their contempt for human capacities, in going beyond Malthus by asserting that "population growth is one of the principal causes for the deterioration of the environment in the world, including deforestation, desertification, and the degradation of the soil."

The North Carolina group attacks a researcher, one Professor Boserup, who defied the premise of "constant technology" of David Ricardo and Malthus by stating that the Earth, in correspondence with the growth of population, could be cultivated in a more intensive way. That is exactly what the FAO appears determined to prevent.

# Currency Rates

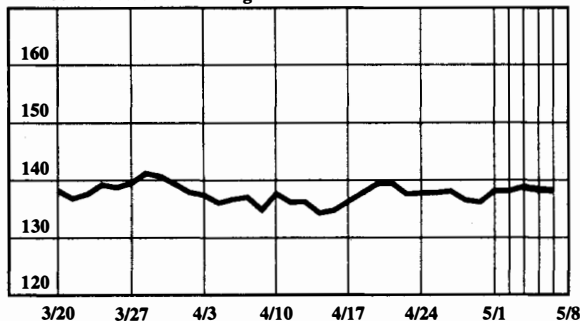
## The dollar in deutschemarks

New York late afternoon fixing



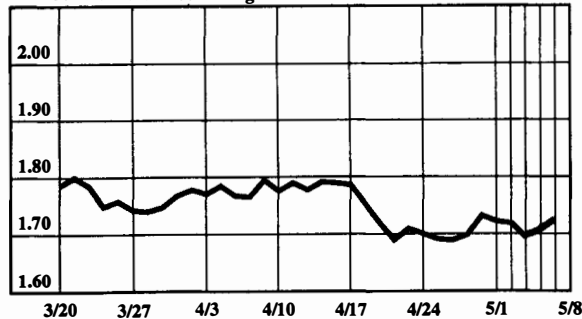
## The dollar in yen

New York late afternoon fixing



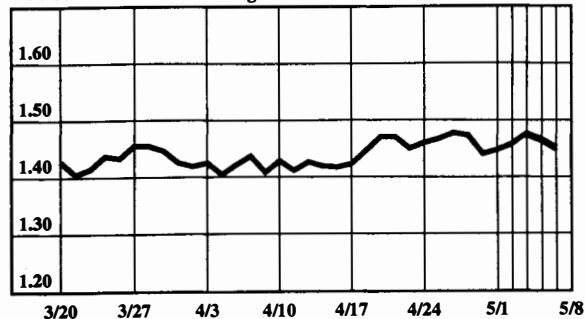
## The British pound in dollars

New York late afternoon fixing



## The dollar in Swiss francs

New York late afternoon fixing



# Volcker named new Trilateral chairman

by Jeffrey Steinberg

David Rockefeller chaired his last meeting as head of the Trilateral Commission April 20-22, announcing to an assembly of about 300 members and guests gathered in Tokyo that he was retiring as North American chairman and passing the mantle to former Federal Reserve Board chairman Paul A. Volcker—the man whose usurious interest rates during the 1980s did more than any other single policy to destroy the U.S. economy.

Rockefeller's address, and other speeches and documents presented at the conference, revealed the kind of "new world order" that the Trilateralists intend to impose: a "free trade" regime in which a supranational bankers' dictatorship sweeps away the sovereignty of nations, while a policy of deindustrialization is pursued under the rubric of "saving the environment."

In Volcker's day at the Fed, this program was given the name "controlled disintegration."

## The Trilateral Commission and the 'new order'

Founded in 1973 as a private think tank and lobby drawing members from the United States, Canada, Western Europe, and Japan, the group gained notoriety when one of its members, former Georgia Gov. Jimmy Carter, won the 1976 presidential elections and promptly appointed 17 members of the commission to key Executive positions.

Four years later, George Bush's membership in the commission was a key factor in his loss to Ronald Reagan in the New Hampshire Republican presidential primary election in February 1980.

Described as an "action committee" of the New York Council on Foreign Relations (CFR) and its London counterpart, the Royal Institute for International Affairs (RIIA), the commission has been devoted to peddling a variety of world government schemes. Now, with the emergence of George Bush's "new world order" in the aftermath of the Gulf war, the Trilaterals are jumping into the fray.

## Targets: Europe and Japan

Addressing the closing session, Rockefeller said that a free trade accord at the "Uruguay Round" of the General Agreements on Tariffs and Trade is the number one Trilateral priority, and blasted the European governments for their intransigence at the GATT negotiations.

"Much has been said at our meetings here about the inward-looking nature of Europe today," Rockefeller said. "With the tectonic scale of changes on that continent in 1989, and the attention demanded by the truly heroic efforts at European integration, a certain amount of self-absorption is certainly understandable. I would argue, however, that in the world today, sustainable growth and acceptable living standards for all the inhabitants of this Earth depend on a free flow of trade and investment among all nations. If that is so, then a successful outcome of the Uruguay Round must be the number one priority of us all, including Europe. . . . I firmly believe that there is no greater priority for the Trilateral region at this time than a success of the Round, and I hope that all of us will bend every effort to put this crucial agreement through."

Rockefeller next turned his attention to Japan, which he argued should bankroll for the new world order. Chase Manhattan Bank, which Rockefeller chaired for many years, is one of a dozen major U.S. commercial banks dependent on Japanese investment in America to avert bankruptcy. Rather than resorting to the Japan-bashing rhetoric that has characterized the public posture of many Bush administration officials, Rockefeller praised Japan for its "extraordinary economic success" and declared that "Japan is a major player upon the world stage, and all our international structures must recognize that or risk becoming obsolete."

Rockefeller proposed to have Japan brought into the inner sanctum of the U.N. Security Council, in return for writing the checks for the new order:

"I must say here that I am personally convinced that one can't ask an individual or a nation to shoulder greater responsibility, without conferring on them comparably greater authority. That is why I favor Japan's inclusion as a permanent member of the Security Council. I realize there are serious problems with achieving this objective, particularly as it would mean opening up the U.N. Charter to revision. It may be . . . that these problems are insurmountable, and we will have to fall back on a second best alternative, which would be to create an ancillary consultative group of the Trilateral nations who are members of the Security Council, in which Japan would have a real and equal voice. The best long-run solution, however, will be to find a way for Japan to be on a par with the other permanent members of the Security Council."

A further indication that the Trilateral Commission is very much focused upon the pivotal role of the U.N. in furthering the world federalist agenda, was the announcement at the close of the conference that the 1991-92 agenda of the group would focus upon migration and refugee issues.

The commission also announced the release of a new Trilateral report, "Beyond Interdependence: The Meshing of the World's Economy and the Earth's Ecology," which is a followup to the Brundtland Commission report advocating deindustrialization, population reduction, and other such measures to "save" the environment.

## Kaifu boosts Tokyo's presence in S.E. Asia

by Linda de Hoyos

Visits to Singapore, Thailand, Malaysia, and the Philippines by Japanese Prime Minister Toshiki Kaifu appear to have significantly boosted ties between Japan and the ASEAN countries, as both Japan and the ASEAN countries seek some maneuvering room against the imposition of the Bush regime's "new world order."

In a speech in Malaysia on May 2, Kaifu laid out the Japanese perspective: the growth of the ASEAN countries, in combination with Japan's, gives the region a potential to hold a significant place in the world. The trend of cooperation, he said, must be extended to "go beyond the economic realm and work in the political, social, and foreign policy spheres as well as to become a major force for stability grounded in freedom and democracy. . . . Now is the time for us to combine our strengths and wisdom to build a regional community that we can be proud of before the world."

Japanese initiative to accomplish this goal is welcomed among most Southeast Asian factions, as an editorial in the Malaysian *Business Times* indicated April 5: "Japan cannot escape from its responsibility of leading the region, particularly in seeking East Asia's rightful economic rights. Already, Japanese economic power has become so influential in the region and, as a member of the Group of Seven developed nations, is shouldering the responsibility of being the voice of the non-Western countries." This view was precisely echoed by Thailand's Foreign Minister Arsa Sarasin, who said, on the eve of Kaifu's visit, that Japan, as an Asian country, should have its primary focus on Asia and represent the "Asian thinking and perception" on issues concerning the region.

These statements are not mere platitudes. Kaifu traveled with a 60-man delegation, including top members of the Japanese trade-industrial organization Keidanren, ready to do work to tighten the Japan-ASEAN economic relationship, which has acted to make ASEAN's growth rate the highest in the world.

### Openness to Mahathir's plan

Kaifu further signaled that Japan takes ASEAN's call seriously by stating in Singapore that Japan was "interested" in the plan put forward by Malaysian Prime Minister Datuk Seri Dr. Mahathir Mohamad for the creation of an East Asian

Economic Group (EAEG). The proposal, which calls for a trade cooperation pact among various Asian countries including Japan and the People's Republic of China, notably excludes the United States and Australia. Said Singapore Prime Minister Goh Chok Tong, who has given the bloc idea enthusiastic support: "Japan will have more clout to negotiate with Europe and the United States if it joined with EAEG," reported the *New Straits Times* from Singapore.

Japan had earlier indicated its opposition to EAEG. However, Kaifu told the *New Strait Times* of Malaysia, "Dr. Mahathir has explained to me adequately the concern he has that has led to this idea. This includes fear that the North American Free Trade Arrangement may turn into a trading bloc or the European Community would restrict itself to becoming a bloc. . . . We shall remain very much interested in the discussions amongst the ASEAN countries concerning EAEG." In short, Japan will not take the lead in creating the EAEG, but will be ready to back up any decision the ASEAN countries might make. The EAEG will be a main topic on the agenda of the ASEAN foreign ministers' meeting in early July. Privately, members of the Kaifu delegation expressed keen interest in the plan.

Notably EAEG was not on the agenda in the talks between Kaifu and Philippines President Corazon Aquino. Manila is still "studying" the proposal, and its extreme economic dependence has forced it to back the Australian-created Asian-Pacific Economic Cooperation (APEC).

Kaifu also reassured ASEAN leaders that Japan would not decrease any of its Official Development Assistance to ASEAN, which currently accounts for 32% of the ODA's disbursement. The major recipients are Malaysia, Thailand, Indonesia, and the Philippines.

In late April, Japan also agreed to finance more infrastructure projects in the Philippines, through the Overseas Economic Cooperation Fund (OECF). Among the projects set for target monies are the expansion of the Light Railway Transit (LRT) system, the construction of an elevated expressway in Manila, the building of industrial plants in four cities, the modernization of domestic shipping, and the setting up of power transmission lines for the islands of Leyte and Samar.

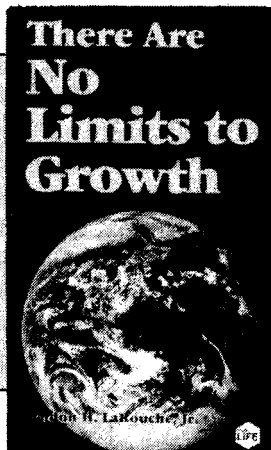
Thailand will also be the recipient of increased funds for infrastructure, where the growth of Japan investment in the country has strained Thailand's energy and transport grids to the maximum. The Japanese affirmation that such investment would continue was also seen as an acceptance of the new Thai government, after the February military coup that overthrew Prime Minister Chatichai Choonhavan.

In addition, Kaifu, in discussions with Thailand's new prime minister, Anand Panyarachun, said Japan is fully ready to pour money into the rebuilding of Cambodia, once a political settlement is reached. Demonstrating continuity with his predecessor's foreign policy, Anand welcomed any and all Japanese initiatives on Cambodia.

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

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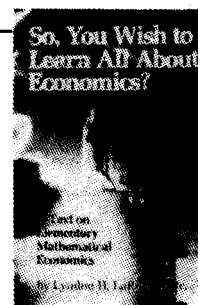
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# 'Free trade' wrecked China's farm potential

by Michael O. Billington

An analysis of the "Obstacles Which Impede Development of Grain Production in China," published in the Beijing journal *Jingji Guanli* in January, provides a devastating indictment of the 10 years of "free trade reforms" implemented by the darling of the Anglo-Americans, Deng Xiaoping, during the 1980s. Investment into the agriculture sector suffered throughout the decade as the "reformers" emphasized free trade zones along the coast and labor-intensive enterprises throughout the country. This study, written by analyst Sun Minghao, goes beyond the current output statistics to show that the technology, the infrastructure, and the agricultural labor force itself have been so undermined that the potential for solving the massive problems barely exists.

Despite the fact that there are over 100 million unemployed peasants (called "surplus workers" by the People's Republic of China government), and the number is *officially* expected to rise to 200 million over the next decade, Sun Minghao reports that "there is a trend of a decrease in the caliber and size of the personnel contingent engaged in agriculture and grain development." Sun explains that in the early 1980s, the current policy of a "family contract system" began to replace the failed commune structure, allowing peasants to work their own plots under contract to sell so much grain to the government and sell the balance on the free market. However, the younger generation of peasants left the farms in droves, heading for the rapidly expanding enterprises in the cities, or working in the new rural enterprises. This left the work force in the country "old in age, feminine in gender, and weak in capability."

The legacy of the Cultural Revolution has also taken its toll. Well over one-third of the rural work force is illiterate. The trained agricultural technicians in the 35-45-year-old age level, who should have been the central force of the agricultural, scientific, and technical contingents, don't exist, since the universities were shut down for 10 years, costing the country "four to five million high-grade personnel."

## Machinery and tools

Farm implements have faced a fate similar to the farmers themselves. When the move to private farming began, machinery and tools were either distributed to the peasants or contracted to households. Renovation and replacement rap-

idly collapsed, due to the "old and antiquated ideas" of the peasantry, the "difficulties of maintaining the machines, shortage and lack of energy, lack of crude oil, and shortage of electricity." Now, "the greatest portion of the tractors in the rural areas are being used for transportation. The farmers can only use animals and manual labor to do the farm work." The small size of the family farms also makes the use of machinery difficult. Sun estimates that the area of land subject to intensive cultivation by machines is now only one-third of the previous rate.

As to tractor production, 50% of the large- and medium-sized tractors now in use were built between 1975-1980, meaning they are now reaching the end of their lifespan. But investment in larger machines was cut back due to "market demand" because of the small size of the farms, meaning that the larger machines cannot be properly renovated nor replaced, and "the serious reality of an 'entire crop failure' has appeared."

In general, the rate of application of technological innovations has collapsed. Sun reports: "In recent years, the growth rate of our input into science and technology has been obviously lower than the growth rate of GNP and national finance. The ratio of the input in science and technology in the GNP was 1.9% in 1984, 1.3% in 1985, and 0.8% in 1988," with even lower rates in agriculture. Of 25,000 recorded developments in agricultural scientific research, "only one-third have been put into actual practice and the degree of their adoption has not been very great."

## Land under cultivation decreased

The land under cultivation has been "diminishing daily. In the early period of liberation, the per capita area of cultivated land was .18 hectares. It is now less than .1 hectare, less than one-third of the world's per capita level." Over 33.3 million hectares of cultivated land has been *lost* over the last 40 years, nearly half of this during the Great Leap Forward. From 1978 to 1988, another 3.66 million hectares were lost—the equivalent of Shanxi Province. The coastal areas are the worst hit. According to Sun, there are at most 13.33 million hectares of undeveloped land, primarily in the north-west province of Xinjiang, that are still available to be opened up.

Sun reports on the severe water shortages, although he blames "waste" rather than the refusal of the Deng regime to undertake the massive water projects that were necessary to avert the current crisis. He also reports on the well-known crises of storage and transportation infrastructure, which cause a loss of 15% of the nation's grain, three times higher than the U.N. "standard" on grain loss. Interestingly, he adds that "as a result of grain prices tending to be low and the irrational taxation policy, production of wine is out of control. Each year the country 'drinks' away over 12 billion kg [kilograms] of grain, equivalent to a month's food grain for the people of the whole country."

# CIA puts economic squeeze on Argentina

by Cynthia Rush

In one of his last acts prior to resigning as director of the CIA, William Webster flew to Argentina on April 30 to help U.S. Ambassador Terence Todman and the Drug Enforcement Administration (DEA) arm-twist the government of President Carlos Menem. Webster was supposedly there to discuss "drug trafficking, terrorism, and continental security" with the Argentine President. In fact, his presence in Buenos Aires intensified pressure which the Bush administration has been exerting on the government to force it to accede to the Anglo-American establishment's strategic goals. As the daily *Clarín* remarked on April 30, "The CIA-DEA pincers won't let the Menemista administration breathe, and threaten to keep squeezing."

Ambassador Todman is the primary agent of the "squeezing," together with Finance Minister Domingo Cavallo, who is referred to in some circles as the "almost prime minister." Todman, in fact, might as well be President. Saúl Ubaldini, head of a faction of the CGT labor federation, said on April 26 that the U.S. ambassador's interference in internal affairs is such that the only thing he hasn't done "is to attend national cabinet meetings." While Webster was still in the country, Cavallo and Foreign Minister Guido DiTella successfully maneuvered the Defense Ministry into giving up control over the Air Force's Condor II missile project, whose "liquidation" Todman has made his personal goal.

President Menem has agreed to virtually everything Bush has asked for. This includes dismantling the institution of the Armed Forces and eliminating its role as a promoter of scientific and technological development; and, at Todman's urging, agreeing to the DEA's demand that the Air Force work with it in detecting clandestine air fields and coca plantations on the Bolivian border. This is a step toward Bush's goal of using the war on drugs to impose limited sovereignty, eventually bringing in U.S. troops to replace dismantled and weakened armed forces.

## Target: military R&D

Historically, Argentina's Air Force has been involved in research and development of advanced rocketry and related technologies, whose existence is deemed a threat to the Anglo-Americans. The Condor II project, carried out in collaboration with Egypt and Iraq, was intended to produce a medium-range rocket capable of launching satellites. In April 1990 it

was reportedly halted—at U.S. request—but continued to limp along with limited financial resources, at its secret site in Falda del Carmen. German and French firms were also involved in the project.

According to the May 6 daily *Ambito Financiero*, eliminating the Condor was a matter of "life or death" for Ambassador Todman, who wasn't about to let Air Force resistance to U.S. policy get in his way. In recent weeks, international and domestic media, as well as Western intelligence agencies, have targeted the Air Force, implicating it in corruption and drug-related scandals, while charging that the Condor II project was being financed by laundered drug monies. This latter accusation came particularly from the DEA and from the Israeli intelligence agency, the Mossad.

The intelligence weekly *El Informador Público* of May 3 quoted U.S. sources who insisted that the continuation of the Condor II is an obstacle to U.S.-Argentine relations. The article also threw in the fact that several Western intelligence services, including the Mossad, Brazil's G-2, and Chilean military intelligence, were "in a state of alert" over the fact that Iraq was allegedly rearming; the implication was that since the Condor II project involved Iraq, its continued existence also represented a threat to the West.

Intelligence services cited the secrecy surrounding the Falda del Carmen installation, to which only Air Force personnel have access, as proof that the project hadn't been halted. *El Informador* reported that the Argentine Army feared a military attack on the Córdoba site, because Western nations didn't really believe the Menem government would dismantle it.

## A victory for the Anglo-Americans

Todman took care of the problem. On May 3, his friend Cavallo, together with Foreign Minister DiTella, cornered Defense Minister Antonio Erman González and convinced him to relinquish control over the National Aeronautics Research Institute, the Air Force's scientific research center, which had oversight over the Condor II. As the May 7 daily *Clarín* noted, once the presidency has jurisdiction over the center, this means that "there won't be room for secret military projects like the Condor II, a goal long sought by the Bush administration." *Ambito Financiero* commented on May 6 that the Condor will suffer the same "deterioration" as the National Atomic Energy Commission (CNEA), which in 1983 was taken out of the hands of the Navy, which had run it for 30 years. Today, the CNEA is languishing due to lack of funding and tremendous brain drain.

Undoubtedly to prove that he is giving the orders in Argentina, Ambassador Todman visited the Falda del Carmen installation, just a few days before the Defense Ministry relinquished control over the Aeronautics Institute. That visit, according to *Ambito*, symbolically lifted the secrecy surrounding the project, which will now be officially lifted with the change in jurisdiction over the Aeronautics Institute.



## Collor pays tribute to Bush

*Lacking support at home, Brazil's President hopes his U.S. visit will give him access to the new world order.*

To the same extent that President Fernando Collor de Mello's government is crumbling domestically, so too has his stubborn clinging to neoliberal economic policies forced him to increase the tribute he is paying to the Bush administration, in the illusion that an alignment with George Bush's new world order will make up for the support he lacks at home.

It started back in December 1990, when Bush toured South America to announce his one-worldist "New Dawn." Then, the governments of Brazil and Argentina presented Bush with a Christmas gift, by agreeing to foreign inspection of their nuclear industries, which both nations had previously rejected as an assault on their sovereignty. Under the bilateral accord signed at that time, they will inspect each other's nuclear programs to see if they meet international safety standards.

Since then, American technological and economic demands have not ceased, and especially since the U.S. militarily crushed Iraq, Brazil's concessions have kept pace. Foreign Minister Francisco Rezek announced on March 3 in an interview with *O Estado de São Paulo*, that "if the North American government, whose good will toward Brazilian projects is important if we are to develop high technology, is bothered, let us say, by the nuclear submarine project, then we should negotiate, and perhaps even discard it."

On April 23, Rezek bent over further, declaring that the Collor government believed negotiating a new military pact with the United States to be

"inevitable." According to Rezek, the United States has "shown interest" in including this matter on the agenda of President Collor's June visit to Washington. The previous accord, in force since 1954, was unilaterally broken in 1976 by then President Ernesto Geisel, in defiance of the political pressures and boycott imposed by the Carter administration against the Brazil-German nuclear agreement, which would have allowed this South American giant to continue on the path toward becoming a world power in its own right.

As the June visit draws near, U.S. bullying of the Brazilian aerospace program is also intensifying. The daily *Gazeta Mercantil* of May 2 commented that "the United States is applying political pressure" to try to force Brazil into deciding who will be its partner in the launching of the first Brazilian-made remote-sensing satellite. The U.S. wants it to be the U.S.-French consortium Orbital Science Corp.-Arianespace, which would provide the launcher, its Pegasus missile, but *without* transferring any of the technology that Brazil seeks.

The outrage of the Brazilian Armed Forces and scientific community over Collor's obeisance to the new world order has not been sufficient to stem the flow of concessions. Collor has just sent the Brazilian Congress a bill which would recognize, as of this year, the patents of the pharmaceutical multinationals. That bill, if approved, would give the multinational pharmaceutical companies ex-

clusive rights on drugs for at least 20 years, forcing Brazilians to pay huge royalties to produce even the most common medicines, which amounts to wrecking the domestic pharmaceuticals industry. Even the pro-government newspaper *O Globo* had to admit that the bill "fully meets the interests of the foreign laboratories" and would give Collor "a victory to present to his colleague George Bush come next June."

The capitulations to Anglo-American blackmail have sparked resistance not only among the military institutions, traditionally jealous of Brazil's sovereignty, but even among influential political circles. The late April visit to Brazil of Britain's Prince Charles to promote the "internationalization of the Amazon" prompted a number of protests, including an official communiqué from Jader Barbosa, governor of the Amazon state of Para. President Collor came under so much heat that he canceled his plans to spend the night on the royal yacht *Britannia*.

Another straw in the wind of growing popular disgust over Collor's surrender of Brazilian sovereignty was a May 2 article by respected journalist Heraclio Salles, which blasted Henry Kissinger and George Bush for their role in promoting racist depopulation and sterilization policies in Brazil, starting in the mid-1970s. Writing in *Jornal do Brasil*—the *New York Times* of this country—Salles cited an *EIR* memorandum as his source of information on declassified National Security Council documents which confirm that the U.S. demanded the imposition of population-control programs on Third World nations as a matter of national security—"U.S. national security, of course," Salles adds. Salles denounced the "continued submission to foreign interests" in Brazil today.

## World's wheat regions in crisis

*Anglo-American interests, playing food control power politics, have created a disaster for farmers.*

As June approaches, when the winter wheat harvest begins in the northern latitudes and the winter wheat planting season starts in Australia, Argentina, and other points south, a look at the state of the world's wheat production and consumption shows disaster unfolding.

Farmers on every continent are hard hit by the artificially imposed low price for wheat. And the few companies that control the world wheat trade are collaborating with Anglo-American policy demands to starve Africa and prevent others in need from getting relief or producing food.

The companies (Cargill, Continental, Louis Dreyfus, Bunge, ADM/Töpler, André/Garnac, and others), have imposed a price below the farmers' cost of production. Farmers are getting \$2.40 or less a bushel. A parity price for U.S. growers would be \$7 a bushel.

But the U.S. Department of Agriculture, run for the last 20 years as a division of Cargill and the world grain cartel, has declared that there is a world wheat "glut," and farmers must be underpaid to lower production.

The latest U.N. Food and Agriculture report warns that over 17 million Africans need wheat and other grain relief. But "donor nations," those countries whose food policies are run or influenced by the grain cartel, have not pledged assistance.

To enforce this food control policy, cartel-approved propaganda says that low farm prices and high consumer food prices result from cutthroat "foreign" competition. This lie, in turn, is used to demand that a global "free trade" treaty be signed by the 101 mem-

ber nations of the U.N. General Agreement on Tariffs and Trade (GATT), and that a North American Free Trade Agreement be rammed through in Canada, the United States, and Mexico.

A brief world survey of farms and food stocks shows that free trade by cartels is causing ruination of farmers and hunger and starvation on the scale of genocide.

- In Canada, the Canadian Wheat Board is in the worst crisis of its history. Set up to offer farmers some protection from falling prices on the "free market," the Wheat Board is itself in a financing crunch.

The board has begun short-term borrowing from Wall Street, offering 30, 60, and 90-day bills on the New York bond market, and has appointed Goldman Sachs Money Markets, Inc., Lehman Commercial Paper, Inc., and RBC Dominion Securities, Inc. as its sales agents, with Morgan Guaranty to handle the note issues and payments.

Meantime, Cargill and other cartel companies have repositioned their grain elevator system in Canada and the United States since the free trade agreement went into effect two years ago, and record amounts of cheap Canadian wheat are flowing into the U.S. The same companies responsible for this are getting U.S. government handouts of free wheat under the Export Enhancement Program, and are shipping discount-price wheat to politically preferred importing nations such as Egypt, whose President backed Bush's Gulf war.

- In the United States, in Oklahoma, one of the top three wheat states,

at least one farmer is forced out of operation every week. In North Dakota, the U.S. durum center, one in seven farmers is expected to be forced to shut down within months. In response, the USDA advocates innovations, such as using wheat for cattle feed or for ethanol, whose manufacture is 99% controlled by Cargill and ADM, which get government subsidies!

- In Australia, thousands of wheat growers do not have the money to plant their crop because of the low wheat prices. Estimates are that this year's planting will be 9-25% lower than last year. That means that the wheat acreage sown will be barely 22 million acres, down from about 24.5 million last year. Output may drop to under 13 million tons, down from 15.7 million last year.

In April, wheat farmers staged a protest at a U.S. NASA tracking station near Perth. The farmers chained machinery to gateposts, painted slogans, and dumped wheat to dramatize that they are being ruined.

- In Europe, European Community Agriculture Commissioner Ray MacSharry has decried the 20 million tons of EC grain stocks, projected as of June 30, as proof there must be an end to "overproduction." Meantime, farm protests of record size have occurred for a year throughout Europe against low farm prices. In April, Polish farmers blocked roads in 16 provinces to protest low prices imposed by the cartels.

- In Argentina, the wheat cartel companies have imposed a "go slow" policy in marketing Argentine wheat. The cartels have forced Argentina out of exporting to many countries, where instead the cartel companies are handling U.S. and EC wheat, and gaining government subsidies. The Argentine government has asked for a wheat planting of 16.2 million acres, up from 15.2 million a year ago, but growers are in crisis and do not have the means.

## **NAFTA: slash wages to pay the debt**

*As the fast-track countdown begins, the issue of wage-gouging to pay the foreign debt is on the table.*

**W**ith the beginning of the U.S. congressional debate over whether to grant "fast-track" authorization to the Bush administration to negotiate a North American Free Trade Agreement (NAFTA), the countdown begins toward the awaited late May vote.

A variety of efforts have been undertaken by the governments of both George Bush and Carlos Salinas de Gortari to assuage opposition to the NAFTA and clear the way for a "yes" vote, but none of those efforts has been able to calm fears that the labor forces on both sides of the border are about to be brutally looted.

Take the analysis just issued by the Washington-based Economic Policy Institute (EPI), on the consequences of NAFTA for Mexican and U.S. wages. Quoted by the May 5 edition of *La Jornada*, EPI analysts Jeff Faux and Richard Rothstein claim that the "dramatic increases" in Mexican wages promised by NAFTA advocates as a result of so-called heightened productivity are outright lies, belied by the statistics of the two countries' own commerce departments.

In fact, U.S. Commerce Secretary Robert Mosbacher distributed materials at one pro-NAFTA forum on the advantages of investing in Mexico, which promised that *maquiladora* wages by 1994 would be approximately \$1.75 an hour, and which admitted that the "breach between the U.S. and Mexican minimum wage would continue to grow during this period, as long as U.S. labor shortages increase."

Faux and Rothstein note that Mex-

ico's low wages are more a result of vast quantities of unemployed labor, than of low productivity, and that this problem will be aggravated by "the probable displacement of huge numbers of [Mexican] farmers unable to compete" with U.S. agroindustry under a free market regimen.

The EPI authors further point to a likely downward "competitive spiral" in wages, under NAFTA. If U.S. workers have had to face the "threat and reality" of lower wages as companies move south, now "the threat and the reality of moves to the Caribbean Basin, Guatemala, or Venezuela could restrict any growth in Mexican wages." They also insist that NAFTA's purpose is not to eliminate the few trade barriers that remain in place between Mexico and the U.S., but to allow U.S. corporations to produce in Mexico while maintaining unrestricted access to the U.S. market.

Faux and Rothstein then get to the crux of the matter: "Behind the NAFTA proposal lies the question of who will pay the Mexican debt, besides their own workers whose living standards have been demolished during the crisis. In fact, the Bush government is proposing that U.S. workers also contribute to paying the Mexican debt, by reducing their wages and giving up their jobs."

The EPI study also blames the International Monetary Fund and other financial institutions for the austerity policies hurting Mexican workers today.

The Bush and Salinas administrations have been busily issuing common "protocols," supposedly de-

signed to offer protection for the work forces of both countries, but whose real purpose is to assuage fears in the U.S. as to what will happen under NAFTA, in preparation for the congressional vote. On May 3, the two countries exchanged a memorandum which would "encourage exchange of information on health and safety, working conditions, labor standards enforcement, social security, product quality and worker productivity," according to a UPI wire. The memorandum hastens to add that protection of the labor force would be promoted "strictly" within guidelines that "respect the sovereignty and legal system of each country."

*Maquiladora* workers laboring in the many "Auschwitz" camps south of the U.S. border may wonder just how this "protection" applies to them. For certain, they will find no advocate in the aged general secretary of the Mexican Workers Confederation Fidel Velázquez. Velázquez wrote a column in the May 3 *Wall Street Journal* offering a glowing endorsement of NAFTA as the necessary advancement toward "global interdependence," and warned against workers who try to "resist the natural processes of human development, by distancing themselves from the vital interests of the nations they are a part of."

Perhaps Velázquez's statement, which could just as easily have been written by any one of Carlos Salinas's technocrats, was intended to dissuade the AFL-CIO from its anti-NAFTA mobilization, but it will hardly carry any weight inside Mexico. During the federal elections of 1988, the once-powerful CTM was virtually wiped off the electoral map. If Velázquez reflects the kind of support for NAFTA Salinas has come to depend upon in Mexico, he is in serious trouble, indeed.

# Business Briefs

## Agriculture

### China and India join on 'Green Revolution'

India and the People's Republic of China have begun exchanging scientific know-how for evolving high-yielding varieties of hybrid rice and cotton. While China is deemed to be the world leader in the hybrid rice technology, India enjoys a similar status in cotton.

Some Indian plant breeders have already visited China for collaboration, and a top Chinese expert in hybrid rice technology has visited India. It is believed that use of the Chinese hybrid rice technology could boost rice production in India by 10-15%.

## Infrastructure

### Austria proposes Vienna-Moscow highway

Austria is proposing a huge highway project linking Vienna and Moscow. The highway would pass through Hungary and Czechoslovakia, and enter the Soviet Union through Ukrainian territory.

The multibillion-dollar, several thousand kilometer project would be linked to two other big projects: the Vienna-Genoa Alps north-south highway and the Vienna-Ljubljana Balkan north-southwest highway.

## Health

### Black Americans suffer most, says survey

Selected highlights of the most recent annual health survey of the United States, published in April by the Department of Health and Human Services, indicates that the U.S. population—and particularly black Americans—are indeed experiencing a health holocaust. Buried behind the headlines about growing life expectancy (among white males only), are the following facts:

- Black males are dying at over six times the rate of the general population and eight times the rate for white males, from homicides and "legal intervention"—i.e., police action.

- The length of hospital stays has plummeted in the past two decades, by as much as one-third for the 45-to-64-year-old age bracket.

- Some 63.5% of black mothers in America in 1988 were unmarried, up from 37.4% in 1970. The national average is 25.7%. For white women, the figure is 17.7%. For Puerto Rican women, the figure is 53.3%.

- In the mid-1980s, the age-adjusted percent of persons under 65 years of age with no health insurance was 35% for Mexican-Americans and 21-23% for Puerto Ricans, non-Hispanic blacks, and Cubans, compared with 12-16% for non-Hispanic white and Asian persons.

## Transportation

### Maglev trains planned for U.S. Midwest

Proposals for high-speed trains that would link Minneapolis with Chicago, through Rochester, Minnesota and LaCrosse, Madison, and Milwaukee, Wisconsin, are now under study in the Midwest. Also on the drawing boards is a fast train from Rockford, Illinois to downtown Chicago with stops at O'Hare Airport and the Rockford Airport. A third proposal would link downtown Chicago and O'Hare Airport with Milwaukee and its airport.

The studies being carried out by Transportation Management Systems, Inc. of Great Falls, Virginia and Alfred Benesch and Co. of Chicago, compare three different kinds of technology: upgrading the current Amtrak diesel locomotives to 125 miles per hour (mph), the French-style TGV train capable of speeds of 185 mph, and magnetically levitated trains (maglev) which travel at 300 mph.

The first federal grant for research and development of a high-speed, magnetically levitated train system was presented to Port Authority Transit of Allegheny County, Pennsylvania at a press conference in Pittsburgh on April 26. The proposed system would be based on advanced German technol-

ogy. U.S. Transportation Secretary Samuel Skinner presented a check for \$660,000 from the Urban Mass Transit Administration at the press conference. The federal grant will help finance a final study of a demonstration maglev line linking downtown Pittsburgh to the airport and is seen as the first branch of a regional maglev system, including Ohio, West Virginia, and Maryland, as well as a Pittsburgh-Philadelphia line and other connections in Pennsylvania.

John Kapala, chief operating officer of Maglev, Inc., the "private-public" consortium doing the study, promised: "When the study is done, we're going to have plans, alignments, cost estimates, and revenue studies. We're going to put a business plan together on how it can be financed. We feel the project is going to be economically driven. It will probably need an initial boost from public sources, and then, hopefully, we can get the private sector to kick in and get the steamroller moving."

## Monetary Affairs

### IMF goes after French franc zone

The finance ministers of the 13 member states of the French Franc Zone in Africa are currently meeting in Ouagadougou, Burkina Faso under strong pressures from the International Monetary Fund (IMF) that member countries should be able to devalue their currencies to meet their financial obligations. More than 30 African countries are currently undergoing IMF "adjustment" plans.

The IMF demand is tantamount to dismantling the French Franc Zone and destroying the last rampart against further looting of this area by the international financial institutions. The French Franc Zone is the last remnant of the Gaullist era in this region. The zone provides a fixed parity for African currencies vis-à-vis the French franc. It also provides convertibility between other currencies and the French franc, and via the French franc, access to international currency markets, while other Third World countries can only get foreign currencies through exports.

## Technology

### Japan plans 26 new 'Science Cities'

Japan is planning to build another 26 new cities based on the "Tsukuba model," with \$60 billion in investments slated for this decade. Funds will be solicited from private investors through various state incentives such as tax rebates and cheap credits, as well as free consulting services and a 30% state share in the funding of pioneer high-tech projects. The 26 new city projects will be spread out across Japan.

Tsukuba Science City, established 60 kilometers from Tokyo in 1965, absorbed investments of \$60 billion during the first 15 years of construction, and now has a population of 200,000. A second project, Kansai Science City, has been launched off Osaka, and is expected to require \$23 billion through completion.

## Biological Holocaust

### Unparalleled mass death threatens Africa

Officials of the World Health Organization have appealed for international help to combat the spread of epidemics in Africa. According to the WHO, 6 million Africans are infected with, and 700,000 are sick from, AIDS. By the year 2000, this number could grow to over 20 million, and AIDS is now spreading from East and Central to West and North Africa. "Whole villages are eradicated already," said the delegate of Sudan to a meeting of African health ministers.

Meanwhile, 4 million African children are dying every year from preventable or treatable diseases and infections, and 750,000 are dying each year from malaria. There are 90 million people sick with malaria. A cholera epidemic is spreading in southern Africa, from Angola and Zambia to Mozambique. The worst situation is in Mozambique and Mali, where 30% of all children are dying before reaching five years of age. About 150,000 women are dying every year in childbirth.

Yet, the health systems of African nations continue to be targeted for cuts by the World Bank and International Monetary Fund.

Meanwhile, mass starvation is threatening the Horn of Africa. The situation is so dramatic, that Kenya has called for an international conference in order to combat this development threatening their three northern neighbors, Sudan, Ethiopia, and Somalia. According to Kenya's President Daniel Arap Moi, non-governmental organizations, donor countries, and other aid organizations should come together and search for a solution. Half of the 50 million people living in this area are children.

## Development

### Polish leader calls for 'Marshall Plan'

Bronislaw Geremek, one of Polish Solidarnosc founder Lech Walesa's earliest collaborators, has attacked the "free market" orientation of Western nations' toward his country, and called for a new "Marshall Plan" for the nations of the East, including credits to enable them to export to the economically ailing Soviet Union.

Writing on the 200th anniversary of the first Polish constitution in 1791, he stated, "The challenge posed by the changes in Central Europe has not fully been countered by the West with a complex strategy like the American Marshall Plan for Western Europe in the postwar years. . . . Such an option has been offered by the Dienstbier Plan which envisaged Western credits for exports of the former Comecon states into the Soviet Union. This was a help for the U.S.S.R. as well as for the countries of Eastern Europe for whom the insolvency of the Soviet partner poses a dramatic threat at this time."

Free market deregulation of Eastern European economies will create chaos and destabilization, warns Geremek.

The \$15-20 billion Dienstbier Plan, named after Czechoslovak Foreign Minister Jiri Dienstbier, was first presented to the European Community summit in Dublin last year, but has found little support in the West.

● **EASTERN AIRLINE** retirees, 14,000 in all, may lose all their medical benefits. Eastern Airlines has asked U.S. Bankruptcy Judge Burton Lifland to relieve it of its obligation to pay \$400 per retiree per month for medical benefits, since it ceased revenue-making operations in January.

● **NUCLEAR ENERGY** could have prevented war in the Gulf, wrote French expert Edouard Parker in the April 30 *Le Figaro*. He asked, "How many people have died as a result of the lack of nuclear energy?" When Italy, Sweden, and Austria were deciding to shut down their nuclear programs, "who dared to compare the nuclear risk (nearly zero in the West) with the real cost in terms of human lives of giving up this energy source, with the ensuing oil shocks, indebtedness, unemployment, misery in the Third World, and now war?"

● **INDIA** and the Philippines signed an agreement for the peaceful uses of atomic energy during the visit of Indian President R. Venkataraman to Manila, which began May 5.

● **PAKISTAN** will not give up its nuclear research program, even if it has to suffer hardships through loss of foreign aid. "They desire that we forego or bargain on our peaceful nuclear program, which we shall never do," declared Prime Minister Nawaz Sharif at a rally in the northwestern town of Bannu.

● **BRITAIN'S** efforts to "reform" its National Health Service "in the image of Adam Smith" are backfiring, and may cause the Tories election problems, writes Ian Aitken in the April 29 *Guardian*. The "illusion" of how wonderful the privatization of the hospitals would be was "comprehensively blown away last week when Guy's Hospital, one of London's most famous teaching hospitals, said it was so deeply in debt that it would be axing 600 jobs and ditching no fewer than 25 medical specialties."

## Tri-national drive to stop Bush's 'fast track' to genocide

by Alan R. Ogden and Dennis Small

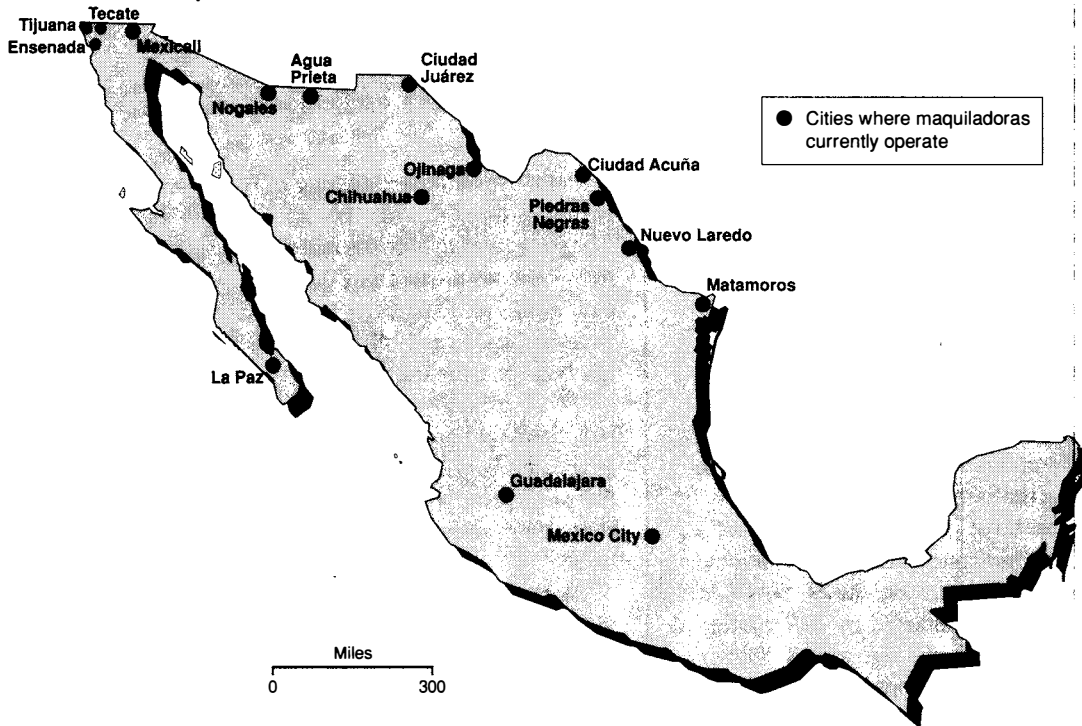
On May 7, *Executive Intelligence Review* held simultaneous press conferences in Mexico City and in Washington, D.C., to announce the release of a new *EIR* Special Report on the North American Free Trade Agreement (NAFTA) with Mexico and Canada, which the Bush administration is trying to ram through Congress. The distribution of the new *EIR* study, which is being simultaneously released in English and in Spanish, is expected to fuel the growing mobilization in the U.S., Mexico, and Canada against President Bush's demand that Congress extend his "fast track" authority in negotiating the agreement.

The Special Report, sections of which are abridged in the pages that follow, is entitled "Auschwitz Below the Border: Free Trade Pact Is George 'Hitler' Bush's Mexican Holocaust." The Washington press conference, held at the National Press Club, was given by *EIR* editors Dennis Small, Chris White, and Marcia Merry, who led the team of authors who produced the report. They called on Congress to reject the fast track authority, to oppose the NAFTA accord as a whole, and to repudiate the underlying free trade policies promoted by the Bush administration. They documented that NAFTA, if approved, will destroy the economies of all three nations, and that it is premised on using cheap Mexican slave labor to destroy the standard of living and employment of U.S. labor in particular. They argued that NAFTA would lead to the creation of concentration camp conditions below the border in Mexico.

In Mexico City, *EIR* bureau chief Carlos Cota Meza told a press conference packed with representatives from 17 Mexican press, radio, and television media, that NAFTA was designed to take advantage of Mexico's cheap labor force in order to "guarantee that the Mexicans generate a foreign exchange surplus in order to pay the foreign debt." Prominent articles appearing May 8 in the Mexico City dailies *La Jornada* and *El Universal*, reported Cota's revelation that Mexico's minimum wage has dropped by more than 50% over the past decade, and that "the *maquiladoras* have become a kind of Nazi-style concentration camp, where the workers are over-



## Mexico and its maquiladoras



exploited and live under conditions of extreme poverty.”

As the *EIR* press conferences were under way, David Rockefeller’s Council of the Americas was meeting across town in Washington to launch *their* lobbying effort—in support of NAFTA. According to an account which appeared in the Mexico City daily *El Financiero* on May 8, Rockefeller personally took the floor to give the bankers’ view of the importance of NAFTA’s passage: “Without the fast track, the course of history will be stopped; without it, there will be no Free Trade Agreement, there will be no Enterprise for the Americas [Bush’s free trade policy for all of Ibero-America], and without that, the hope for a brilliant future for the continent will come crashing down.” Bernard Aronson, the assistant secretary of state for inter-American affairs, was blatant about Bush’s goals: “If the Free Trade Agreement fails, we could see the resurgence of populist and anti-American forces which would reverse the gains achieved.” NAFTA, he confided, would make the looting and debt repayment policies implemented by Mexico’s Salinas de Gortari government irreversible, because “they will be embodied in a treaty protected by international law.” Even Dan Quayle was trotted out for the occasion to issue a dire warning over lunch: “I have just met with the President, and he instructed me to please request that you intensify your lobbying on Capitol Hill on behalf of the fast track. . . . If we are not able to negotiate free trade agreements, the democratic governments will be blamed, and there will be a resurgence of coups d’état and dictatorships.”

## Washington warfare

This is not the first time that political forces associated with *EIR* and U.S. economist Lyndon LaRouche have squared off on the issue of economic policy towards the Third World, directly against establishment spokesmen such as Rockefeller and Henry Kissinger. As far back as 1976, then presidential candidate LaRouche used a nationwide television address to warn the American public that Wall Street’s policies would lead to genocide in Mexico and other Third World countries. He countered with a proposal for U.S. participation in the industrialization of the Third World, through the export of high-technology capital goods to these nations. The repayment of the foreign debt, LaRouche has repeatedly argued, will just have to take back seat to the need for development.

Today, 15 years later, Washington is faced with the same choices, in the form of the congressional vote on the fast track. And the outcome is far from decided.

Informed Washington sources report that the Bush administration wants to call the congressional vote on fast track authorization as early as possible in the May 15-31 window that is scheduled for the decision to be made. This is because they sense a growing national mobilization to stop the fast track, coming from labor, farm, and other groups capable of influencing the congressional vote. By May 8, the office of Rep. Byron Dorgan (D-N.D.) had reported that the number of co-sponsors of HR 101, the resolution he introduced against congressional approval of extending President Bush’s authority to negotiate free trade treaties on the fast

track, had jumped from 24 to 78 in a week and a half. But there is still a large number of officially undecided congressmen, whose votes could swing one way or the other.

While Congress is on the hot seat, many lawmakers on the state and local levels are quicker to take a stand. The Iowa Senate has passed a continuing Resolution 17 urging the state's congressional delegation to vote against the fast track. Other farm state legislatures are reported to be doing the same. Reflecting local farm sentiment, the Minnesota-based agriculture weekly, *Agri-News*, editorialized April 25 against the fast-track option by pointing out, "Too much is at stake for Congress to act quickly on these agreements."

The U.S. AFL-CIO trade union federation has also fueled the debate by producing a six-minute video on the abysmal living and working conditions for tens of thousands of Mexican workers in the *maquiladora* zone. Reportedly, every congressional office was sent this video, so no congressman can plead ignorance of what the barbarous recycling of manufacturing jobs down to the level of death camps actually means. But the AFL-CIO has *not* gone on the kind of national organizing drive necessary to ensure defeat of NAFTA. Many local trade union officials contacted by *EIR* confess total ignorance of what is stake in the agreement. Others report that they are not mobilizing because they were not even aware of the free trade negotiations. Some farm and labor organizations are leaving the issue to their national lobbyists. Others are only going as far as having in-plant meetings with their memberships.

But the forces associated with LaRouche are deploying to fill this vacuum. On May 1, a delegation of 30 citizens associated with LaRouche's 1992 Democratic presidential campaign converged on congressional offices in Washington to lobby against NAFTA. And similar visits to local congressional offices have been going on across the country for weeks. An expanded lobbying and educational effort is planned for May 19-20 in Washington, D.C.—on the eve of the expected vote.

In Canada, where the two-year-old U.S.-Canada Free Trade Agreement has knocked out thousands of jobs, trade union leaders have come out strongly against the fast track to NAFTA. Canadian trade union leaders representing some 300,000 workers have released a press statement calling upon the U.S. Congress to defeat the fast track. "We see it to be in the interests of Canadians as well as American working people and of the nations of Canada and the U.S. as a whole, not to cut their throats by constructing slave-labor camps on the Mexican border in the name of 'free enterprise.' "

### **Just how bad will NAFTA be?**

The new *EIR* study forecasts that NAFTA will cause up to one-third unemployment in critical sectors of U.S. manufacturing within a few years of its adoption. This would occur by the rapid growth of the so-called *maquiladora* zone in Mexico—the in-bond assembly plants which use cheap Mexican labor to manufacture consumer goods like electron-

## **Poverty and free trade in the Rio Grande Valley**

A major aspect of the strategy of NAFTA proponents for sneaking through "fast track" authority from the U.S. Congress, was to hide the fact that, to a large extent, "free trade" already exists along the U.S.-Mexico border. Some *maquiladoras* have been in operation for more than 20 years in the area and, since 1985, the Mexican government has been phasing out protective barriers.

If an expanded free trade agreement were to be as beneficial for both the U.S. and Mexican economies as its advocates claim, one might expect, therefore, that part of the promotion would be to point to the border areas to show how successful the first phase of this program has been.

A recent tour of the Rio Grande Valley in Texas provided dramatic evidence of why this has not been done: Much of the valley has already fallen into Third World status, and NAFTA threatens to collapse the rest to that level.

The valley stretches for approximately 100 miles along the Rio Grande, from Brownsville, Texas and Matamoros in the Mexican state of Tamaulipas on the Gulf of Mexico, to Rio Grande City in the west. Some of the most productive farmland in the United States has been developed on the Texas side. More than 85,000 acres are cultivated, producing more than \$180 million annually from 40 varieties of citrus fruits and vegetables, employing almost 100,000 farm workers.

The agricultural infrastructure is quite impressive, creating a lush, green landscape throughout the area. Water is pumped from the Rio Grande through underground canals in 15 water districts. A highly integrated trans-

ics and auto parts for re-export back to the United States. Since average U.S. manufacturing wages are about \$11 per hour, and the average wage in the *maquiladoras* is only 98¢ per hour, U.S. manufacturing is expected to shut down as runaway sweatshops are set up just across the border in Mexico.

Over the past few years, the *maquiladoras* have been growing at a rate of about 12% per year, and today employ about a half-million Mexicans in conditions reminiscent of Nazi concentration camps like Auschwitz. Under NAFTA, they can conservatively be expected to grow by about 20% per year. What this means is that, over the course of the 1990s, about 2.5 million slave labor jobs would be created in the *maquiladoras*, that is, about 250,000 jobs per year.

portation grid with an extensive network of highways, rail and ports rushes the fresh produce to markets throughout the United States, placing the valley only behind Florida and California in food production.

Growers fear that NAFTA will destroy agriculture here, eliminating the one positive economic feature of the region, and will force them to move their operations to Mexico, which has no comparable infrastructure. A study released by Texas A&M University confirms these fears, by comparing the wages paid to farm labor on each side. U.S. workers average \$4.74 per hour, while farm workers in Mexico are paid \$3.80 per day. An official of the Texas Citrus and Vegetable Association recently pointed out the obvious, asking, "How in the world can we compete with that?"

### Poverty and free trade

Even with the wealth produced by valley agriculture, which has been protected so far from the encroachments of free trade, the valley as a whole is one of the poorest regions in the United States. For at least the last six years, it has had double-digit unemployment rates, with official rates reaching 20% at times in Brownsville and McAllen. At present, Brownsville has a 13% rate of unemployment, McAllen is at 17.6%.

As of 1990, there were 803 *maquilas* on the Texas-Mexico border, almost one-third of which are in the Rio Grande Valley. Yet, the economic boom promised by advocates of the *maquiladoras*—based on the hope that newly employed Mexican laborers would come to the U.S. side to shop—has proven to be a fraud, as few who work in these slave labor shops can afford to buy even cheap goods in Mexico, much less goods on the U.S. side.

As a result, many of the small towns on the U.S. side of the Rio Grande are empty, their shops and businesses boarded up. In downtown areas which still maintain some level of commercial activity, such as Brownsville, McAl-

len, and Harlingen, there are whole sections where families crowd into houses which are little more than rotted, wooden shacks, hoping that someone in the family will find a day-labor job to put some food on the table.

Even worse are the *colonias*, unincorporated areas with dirt roads, no sewage systems, and little hope. One of these, outside of Brownsville called Cameron Park, is the home of more than 4,000 people. Many of the houses in this "subdivision," as it is euphemistically known, have no indoor plumbing or electricity, though the "developers" who sold the houses promised that both would be available "soon." Some residents have been waiting for 20 years!

Though residents pay taxes to Cameron County, to the school district and the navigation district, they receive few services. A crew comes twice a year to grade the roads, which are dirt, and are the source of constant swirling dust storms except when it rains, when they are momentarily turned into pools of mud, with raw sewage flowing through the quickly flooded drainage ditches. Police protection is sporadic, fire protection almost nonexistent. Health officials report that water-borne diseases, tuberculosis and hepatitis are widespread, with only several poorly equipped, overburdened clinics to offer care. One official admitted it is an area ripe for the spread of cholera into the United States.

Though Valley Chamber of Commerce officials have been promoting NAFTA as the best way to improve the situation, some admit that they have been disappointed by developments over the last 10 years. One Chamber official in Brownsville candidly admitted that he does not believe the hype. "It's true," he said, "that we have not seen any improvement in retail sales" since barriers were relaxed in 1985. "I admit I'm somewhat apprehensive about the effects of NAFTA. We may experience another dip in retail sales, and we could face higher unemployment."

—Harley Schlanger

The irony of this situation is that these new "jobs"—leaving aside the fact of the subhuman conditions of employment that they entail—are large enough to wreck the U.S. economy and labor force employment, but *not* large enough to provide any real relief for Mexico's staggering unemployment problem.

Mexico needs to generate 1.25 million new jobs per year just to integrate new entrants into the labor force, i.e., in order to stand still at the current unemployment level of 50% of the labor force. Yet even a *maquiladora* boom would create only 250,000 jobs per year, or 20% of this amount. On the other hand, the loss of a quarter-million jobs per year to the *maquiladoras*, would directly increase unemployment in U.S. manufacturing by about 20% over the decade—and this doesn't even take into account the indirect impact that

such a collapse would have on the economy and labor force, which would easily bring the total loss of jobs to between one-third and one-half of those currently employed.

These *EIR* estimates coincide, in order of magnitude, with a suppressed Commerce Department study, which the Washington D.C. *National Journal* reported on in its March 23, 1991 edition. According to the *Journal*, the secret, unreleased study projects job losses of up to 40% in key U.S. industries if NAFTA is signed, including auto parts, steel, shoes, and textiles. So far, administration officials, include Trade Representative Carla Hills, have denied that the Commerce Department study exists. But none have dared dispute the *facts* of the expected unemployment, as documented in the new *EIR* study.

# Why NAFTA will destroy the U.S., Canada, and Mexico

*What follows is abridged from Chapters 1 and 3 of EIR's Special Report "Auschwitz below the Border."*

Despite what its proponents claim, the North American Free Trade Agreement is *not* fundamentally a free trade agreement. There is no need for such an accord with Mexico, because there is *already* virtually free trade between the two countries. Beginning in 1985, the Mexican government, under the pressure of its international creditor banks, the International Monetary Fund (IMF), and the Reagan State Department, drastically reduced its previous tariff and other protective barriers. Today, there are no licenses, tariffs, or quotas on over 10,000 products imported by Mexico, and the average tariff has plummeted from 47% to 9%.

In actuality, NAFTA—and its proposed extension to the entirety of Ibero-America, and from there to the rest of the Third World—is the economic centerpiece of Bush's much-trumpeted "new world order." In conjunction with the General Agreement on Tariffs and Trade (GATT), which will codify such free market policies on a global scale, NAFTA's objective is to give a new lease on life to the bankrupt Anglo-American financial system, which has dominated the world economy since World War II. It is intended to do this in three principal ways:

1) NAFTA and its sequels are designed to bolster the shaky, overextended international credit pyramid by vastly increasing and solidifying the flow of Third World debt payments to the international banks. It will do this by thoroughly absorbing the economies of the nations of Ibero-America into an extended dollar zone, annexing their raw materials (such as oil), and using their labor forces as captive cheap labor in runaway shops, principally for production for export back into the United States.

Along with this projected new looting of Third World economies, NAFTA will also reorganize the entire Ibero-American banking structure, and thereby create the conditions under which the vast financial flows originating in the Ibero-American drug trade can be more readily laundered into the cash-strapped Anglo-American banking system.

As one perceptive United Auto Workers official put it: "NAFTA isn't free trade. It's protectionism for the bankers."

2) NAFTA will be the wedge used to dramatically lower

wage levels and working conditions in the U.S., especially among the shrinking percentage of the U.S. labor force still employed in manufacturing. In fact, an overall restructuring of the U.S. economy is intended, as explained in a recent interview by jailed U.S. political leader Lyndon H. LaRouche: "The process of lowering incomes, of degrading jobs, is a prime product of going from a science-based, energy-intensive economy, into a slave-labor economy."

3) The newly formed Western Hemisphere free trade zone, this bankers' common market, will then be used as a battering ram against the industrial development of Japan and Germany, in particular, to make sure that no alternative to Anglo-American economic predominance emerges anywhere on the international scene. With the Soviet Union enmired in its own difficulties—or so the theory goes—and with European and Japanese competition eliminated, and with America's vast military might being wielded to bomb any recalcitrant opponents back into the Stone Age, as occurred in the war against Iraq, the Anglo-American establishment hopes to reign unchallenged for the indefinite future.

## **An Auschwitz on the border**

What will happen if Bush has his way, and NAFTA and GATT are implemented?

*First*, propping up the bankrupt Bretton Woods financial system through further looting of Ibero-America and the Third World, will create conditions of poverty so drastic that wave upon wave of epidemic disease, and outright starvation, will sweep the developing sector, and will quickly spread to the United States itself. The current cholera epidemic striking South America is a first result of these same looting policies, and there is a strong probability that it will soon reach Mexico and from there spread into the United States. NAFTA will be largely responsible, because it will promote the growth of the notorious *maquiladora* belt in northern Mexico, the so-called "in bond" assembly plants which produce for re-export to the United States and make use of cheap Mexican labor (including child labor), as workers are forced to live and work in subhuman conditions. Average wages in the *maquiladoras* are 98¢ an hour, compared to the average in U.S. manufacturing wage of nearly \$11 today. The minimum wage in Mexico is even lower: 59¢

an hour, and dropping. The fact is that NAFTA will help turn the entire border area into an Auschwitz slave-labor camp.

*Second*, underselling Germany and Japan by using runaway sweatshop labor in Mexico, will create both a sharp rise in unemployment in the United States, *and* a dramatic drop in U.S. real wages, perhaps by as much as one-third in the manufacturing sector. This will *not* make America more “competitive”: It will destroy the very high-technology/high-productivity emphasis which once made the U.S. competitive.

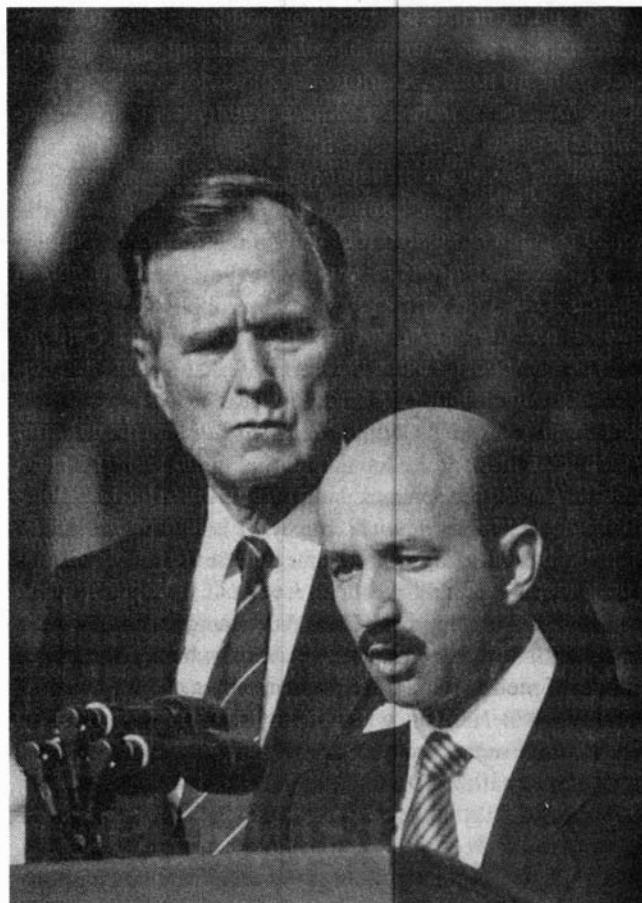
*Third*, if the Anglo-Americans succeed in destroying the economic potential of Germany and Japan, the irony is that this very result will condemn the U.S. to destruction as well. The U.S. economy has been so damaged by 25 years of Anglo-American policies, that it is today incapable of generating a sustained recovery without the help of the productive capabilities of Germany and Japan. Only a dramatic mobilization of Europe’s economic potential, in particular of the sort envisioned in the “Productive Triangle” proposal of U.S. presidential candidate Lyndon LaRouche, can transform the world economic environment in a way that will permit the United States to be rescued from the disaster that three decades of rotten policies have produced.

The purpose of this *EIR* Special Report, which is being simultaneously issued in English and in Spanish, is to wake up the people of the United States and Ibero-America, their elected representatives, and their other leaders, to the horror about to befall us all, and to do this in time to stop Bush’s fast track to genocide. The fast track must be stopped. The NAFTA and GATT treaties as a whole must be defeated. And the malthusian policies underlying them must be reversed permanently, in favor of pro-growth measures which will lead to the rapid industrialization of all the Americas, North and South.

As far back as 1976, in a nationally televised broadcast on Election Eve, Lyndon LaRouche warned that Anglo-American policies already in place would lead to the creation of an Auschwitz on the Mexican border. He reported that the establishment’s malthusian policy was exemplified by the 1975 remarks of the State Department-linked agronomist William Paddock, when he pronounced that “the Mexican population must be reduced by half. Seal the border and watch them scream.” He added that this would happen “by the usual means: famine, war, and pestilence.” At the time, LaRouche’s analysis was dismissed by many as “too extreme” or “apocalyptic.” Today, the facts are bearing it out.

### **NAFTA, myth and reality**

The Bush and Salinas de Gortari administrations have launched a full-scale public relations drive to convince their respective populations of the marvels of NAFTA. As we document in detail below, each of their principal claims of the benefits that will supposedly be achieved, is patently false. Chief among these are:



*Partnership for genocide: Harvard’s President of Mexico Carlos Salinas is backed by Yale’s President of the United States, George Bush.*

**Myth #1:** NAFTA means more jobs for Americans. U.S. exports to Mexico will increase sharply under NAFTA—by as much as \$14 billion, according to Commerce Secretary Robert Mosbacher. Since each \$1 billion in exports translates into 25,000 jobs for U.S. workers, he claims, NAFTA means millions of new jobs for Americans.

**Fact:** NAFTA means less jobs for Americans. Vastly cheaper wage rates mean that U.S. runaway shops will flee to the *maquiladora* zone, which will soon be extended to encompass the entire nation of Mexico. As for an export boom to Mexico, it won’t happen. The market for exported U.S. consumer goods is limited by the terrible poverty of the majority of the Mexican population. And the IMF and Mexico’s creditor banks will not permit it anyway: They are demanding that Mexico export more and import *less*, in order to pay off their gigantic debt to the banks.

**Myth #2:** NAFTA means that U.S. investment will pour into Mexico, and help Mexico develop. The Bush administration is projecting rates of \$5 billion per year and higher.

**Fact:** Under NAFTA, most of the “investment” that will go into Mexico will be to take over existing plant and equip-

ment. It is a transfer of ownership into the hands of foreigners, not the creation of new wealth.

**Myth #3:** NAFTA will create millions of new jobs in Mexico and thus help stem the tide of illegal migration across the border into the United States.

**Fact:** NAFTA will mean a net destruction of jobs in Mexico. Domestic manufacturing will be wiped out by the dumping of cheaper U.S. imports on the market. The only jobs that will be created will be those in the expanding *maquiladora* zone, under conditions so horrendous that "Auschwitz" is the only word that properly describes them. This will foster the very conditions driving desperate Mexicans across the border looking for jobs in the United States.

**Myth #4:** NAFTA will make the U.S. competitive once again with Germany and Japan, by reducing the labor component of manufacturing costs.

**Fact:** There is no doubt that the wage bill in *maquiladoras* on the Mexican side of the border will be far lower than in the U.S. today. But this will destroy the U.S. economy, and in particular the educational and technological training that comes with a higher standard of living, which are the true sources of productivity and competitiveness.

**Myth #5:** NAFTA will open up the Mexican banking and financial sector and modernize it. This will attract vast flows of international finance capital.

**Fact:** NAFTA's banking takeover will open up the banking system of the Americas to all sorts of speculative hot money flows—including those of the drug trade. Such activity does not aid production; it destroys it.

Should we really embark on a "fast track" to achieve these results?

## What is NAFTA?

In March of 1991, the U.S. Commerce Department's International Trade Administration issued a 70-page booklet entitled: "North American Free Trade Agreement: Generating Jobs for Americans." It is the Bush administration's public relations statement of its case, claiming:

"A North American Free Trade Agreement is essential to assure a strong U.S. economic future. By creating the largest free market in the world it will: ensure U.S. made products are more competitive both at home and in the global marketplace; produce more and better jobs for U.S. workers; increase North American productivity; reduce migration pressures; benefit consumers in the United States, Mexico and Canada; increase the standard of living for all Americans" (page v).

Each of these claims can, and will be refuted specifically in the pages that follow. But perhaps the quickest way to get an idea of just how false they are, is to briefly review two precedents, where the same free trade policies have already been implemented. These are: 1) the 1988 U.S.-Canada Free Trade Agreement; 2) U.S.-Mexican economic relations in the 1987-1990 period, when free trade was already in force.

As we do this, the reader should keep in mind that NAFTA, in its final version, is intended to include four principal components:

- 1) free trade;
- 2) free flow of capital, i.e., of foreign investment;
- 3) opening up of Mexico's banking sector, in particular, to foreign involvement and ownership; and
- 4) all of the above are to occur within the strict parameters established by the International Monetary Fund for Mexico's repayment of its foreign debt.

## Free trade's effects on Mexico, 1987-90

The last three years of relatively free trade between the U.S. and Mexico have also been a disaster—for both countries.

Mexico today is in a deep depression, with soaring unemployment and real wage levels less than 50% of their 1982 levels, with more than 1 million new workers each year entering the labor market, most of whom will not find jobs. The effect of lowered tariff barriers has been to undercut Mexican farmers, increase agricultural unemployment, and to bankrupt tens of thousands of smaller manufacturing producers, while a small number of larger, often multinational-owned firms, have exported to the United States the output that used to be consumed by Mexicans.

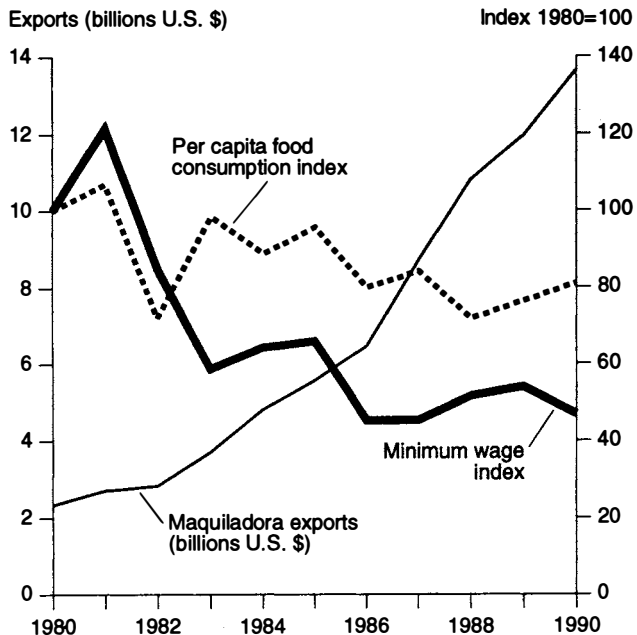
The results are shocking: Per capita consumption of corn, beans, rice, and wheat, the staples in the Mexican diet, is today about 20% lower than the already miserable levels of 1980 (**Figure 1**). The minimum wage has dropped from the equivalent of U.S.\$1.26 per hour in 1980, to \$0.59 per hour in 1990—a 53% decline. In the last three years alone—the model years for NAFTA—wages are estimated to have plummeted by 29%. As the figure indicates, this collapse has occurred during the big "boom" years for the *maquiladoras*, the very model NAFTA intends to spread throughout Mexico, as we shall see below.

There is no basis in any projections for Mexican growth to assert that the poorer 85% of the Mexican population will become consumers of U.S. exports, or that Mexican "prosperity" will permit wages to rise significantly.

The productive sector of the U.S. economy is likewise sinking rapidly into its own depression, with a substantial job loss having already been incurred by runaway shops in Mexico. This will worsen under NAFTA, as will greatly increased downward pressure on wage levels for those jobs that remain, especially in the manufacturing sector, where wages are traditionally higher than in services. Investment in the U.S. will dry up, productivity will not increase, U.S. unemployment will soar, and consumption and living standards will go down. In short, none of the premises of the Commerce Department will be realized, except that U.S. exports to Europe and Japan will, indeed, be cheaper, based on de facto Mexican slave labor and lower U.S. wages as well, but to no benefit to the U.S. economy or work force.



**FIGURE 1**  
**Maquiladoras grow, Mexicans starve**



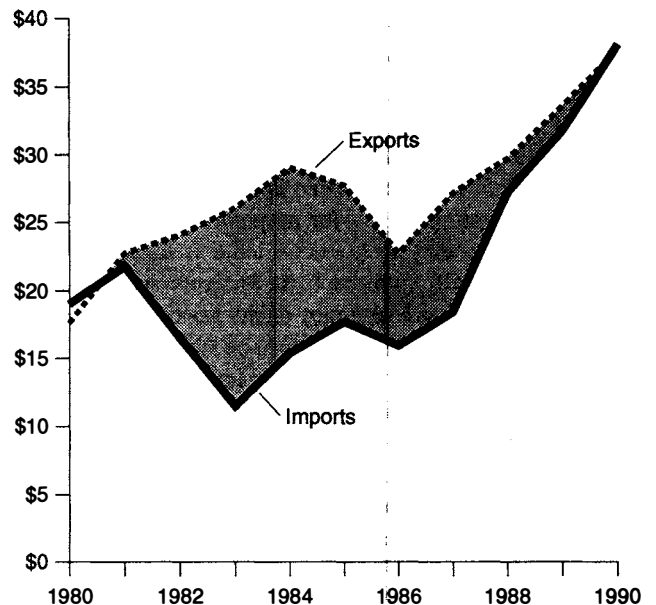
Sources: Secretaría de Agricultura y Recursos Hidráulicos (SARH), Mexico; AFL-CIO, Exploiting Both Sides: U.S.-Mexico Free Trade, Feb. 1991; U.S. Department of Commerce (USDC); U.S. International Trade Commission (USITC); own elaborations.

### The foreign debt framework

In 70 pages defending NAFTA, the Commerce Department's glossy pamphlet fails to mention the issue of Mexico's foreign debt even once. And yet it is the single most significant economic fact shaping the entire framework NAFTA is scheduled to operate in. Mexico has a foreign debt of nearly \$100 billion, the second largest in the developing sector after Brazil. The servicing of this debt continues to impose a huge burden on the nation's balance of payments, to the tune of over \$9 billion in 1990 for debt service alone—even with the supposed reductions achieved through the Brady Plan renegotiations. During the mid-1980s, the debt service was paid out of a balance of trade surplus which came from severely restricting imports while expanding exports, as shown in **Figure 2**. However, since 1986, with the rapid lowering of tariff and non-tariff barriers by Mexico, imports have soared, largely for consumer goods, outstripping even the rapid rise of exports, to the point that in 1990 for the first time in a decade, Mexico ran a merchandise trade deficit.

In the short term, Mexico has managed to keep paying this \$9 billion annually in interest payments. In 1988, this was partially done by a \$7 billion outflow from Mexico's reserves. But in the last two years, the interest has been paid out of sizable capital inflows from: the repatriation of capital which fled Mexico over the course of the 1980s (about \$3

**FIGURE 2**  
**Mexico's total trade, 1980-90**  
(billions U.S. \$)



Sources: USDC; USITC; Banco de Mexico (BdM); Instituto Nacional de Estadística, Geografía y Informática (INEGI), Mexico; own elaborations.

billion reportedly returned in 1990); new loans (about \$7 billion in 1990); foreign investment (\$2 billion); and the foreign tourist trade in Mexico (almost \$5 billion in 1990).

One of the unstated, but crucial, functions of NAFTA is to ensure the means to continue paying this debt service. One source will be the expected inflow of foreign investment capital, buying up Mexican state sector companies that are now being "privatized," or buying out private sector companies. The incoming foreign exchange will just turn around and go back out again to the banks.

The other primary means to pay the debt will be the surplus generated by the *maquiladoras*, as we explain more fully below, and other exports. It would be illusory for U.S. exporters to believe that Mexico will be able to continue running a trade deficit, even if slight, for very long. Mexico's creditors, and the International Monetary Fund (IMF), are insistent that Mexico continue to fully service its debt, which means a balance of trade surplus.

This crisis will also be exacerbated by another phenomenon not being talked about by the proponents of the NAFTA. With increasing foreign investment in Mexico, the annual outflow of profit remittances will also put increasing pressure on Mexico's balance of payments, thus also forcing Mexico to resume running significant balance of trade surpluses. This has already begun to happen, making a mockery of "debt-for-equity" swaps as a supposed debt reduction measure.

Since 1982, outflow of profit remittances has risen steadily, and now approaches \$1 billion annually, and this can be expected to soar as "investment" money begins to flood in, buying up Mexican companies in the coming years.

### How 'maquiladora' trade works

The centerpiece of NAFTA's entire free trade strategy is the expansion of the *maquiladora* sector of the Mexican economy, the "in-bond" assembly plants located mostly just across the border in Mexico, which use cheap Mexican labor to assemble U.S. components into finished goods—electronics and auto parts, mainly—for re-export back to the U.S. Only the value added by Mexican labor is taxed on entry of the products back into the U.S. Properly speaking, the *maquiladoras* are not really part of the Mexican economy, aside from the fact that they happen to be located on Mexican territory. They are a *foreign enclave*, a free trade zone, which operate much like the Colón Free Trade Zone in Panama.

The only way to get a competent picture of what Mexican trade looks like, is to *separate out* the *maquiladora* trade as the distinct entity that it is. In other words, we must consider the *maquiladora* sector in terms of its own imports and exports, and then examine its relationship to the remainder of U.S.-Mexican trade.

To the best of *EIR*'s knowledge, this has never been done in print, prior to the present study.

The findings are shocking, and reveal the truth behind NAFTA.

To present these findings, we have chosen to divide all of Mexico's foreign trade into three categories, instead of the usual two: 1) trade with the U.S., exclusive of the *maquiladora* sector; 2) *maquiladora* trade; and 3) trade with the rest of the world. In **Table 1** we see Mexican exports and imports broken down into these three categories. The combined trade between the United States and Mexico, including the *maquiladora* sector, accounts for fully 78% of Mexico's exports, and 72% of its imports.

**Figure 3** examines the *maquiladora* component only, and shows the extraordinary rise in *maquiladora* exports to the U.S. From just over \$2 billion in 1980, *maquiladora* exports reached nearly \$14 billion in 1990, a sixfold increase in just ten years, representing a growth rate of over 19% a year. Approximately half of this export value was accounted for by *maquiladora* imports of intermediate goods from the U.S. Employing about 500,000 workers in 1990, the *maquiladoras* accounted for the equivalent of 2.5% of the total U.S. manufacturing work force, working in jobs that 15 years ago were performed in the U.S.

The crucial role recently assumed by the *maquiladoras* is even more starkly shown in **Figure 4**, which shows Mexico's trade surplus (exports minus imports). After 1987, the *maquilas* (as they are also called) provided the *entire surplus* in Mexico's merchandise trade balance. In 1990, Mexico (excluding the *maquiladoras*) ran a nearly \$5 billion deficit

TABLE 1  
**Mexico's true trade figures, including two-way maquiladora trade in 1982, 1986, and 1990**

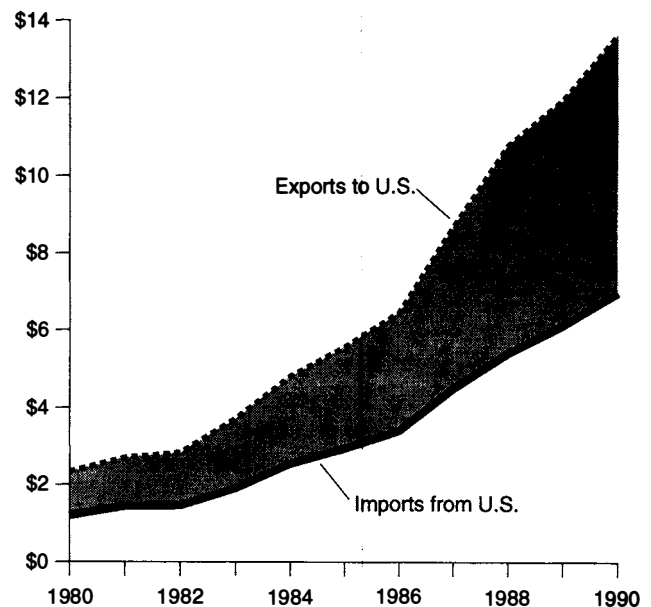
(billions U.S. \$)

	1982	1986	1990
<b>Imports</b>			
From United States (non-maquiladora)	\$ 9.65	\$ 8.52	\$20.49
From United States (to maquiladoras)	1.45	3.40	6.98
Subtotal: Total U.S. import	11.10	11.93	27.47
From the rest of the world*	5.39	4.00	10.52
<b>Total</b>	<b>\$16.50</b>	<b>\$15.93</b>	<b>\$37.99</b>
<b>Exports</b>			
To United States (non-maquiladora)	\$12.73	\$10.74	\$15.87
To United States (from maquiladoras)	2.84	6.46	13.64
Subtotal: Total U.S. export	15.57	17.20	29.51
To the rest of the world*	8.50	5.50	8.10
<b>Total</b>	<b>\$24.07</b>	<b>\$22.69</b>	<b>\$37.61</b>

\* Estimated for 1982 and 1986.

Sources: BdM; INEGI; USDC; USITC; own elaborations.

FIGURE 3  
**Growth of the maquiladora trade**  
(billions U.S. \$)

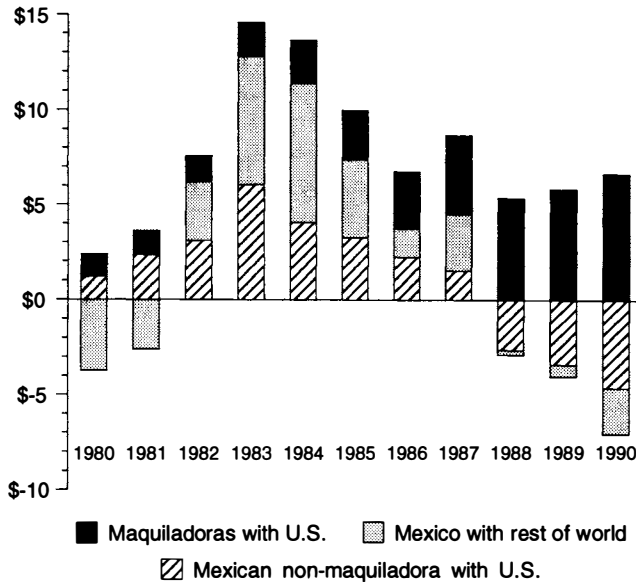


Sources: USDC; USITC; own elaborations.

FIGURE 4

**Sources of Mexico's trade surplus, 1980-90**

(billions U.S. \$)



Sources: USDC; USITC; BdM; INEGI; own elaborations.

with the U.S. and one of more than \$2 billion with the rest of the world. Mexico's true dependence on the *maquiladora* portion of its total trade is now enormous. Without the *maquila* trade, Mexico would today be suffering a greater than \$7 billion merchandise trade deficit, and an equally great hole in its current account balance—and in its ability to service its foreign debt.

All of this may explain why Mexican President Salinas de Gortari has repeatedly emphasized that his real plan for the "growth" of Mexico is to simply develop *maquila* industries, not just along the border, but throughout the country, and turn the entire manufacturing sector into little more than a workshop for re-export of *maquila* products to the U.S. As the Mexican President put it in a March 29, 1991 speech in his home town of Agualeguas, Nuevo León: "It is necessary to establish new schemes for future sources of jobs . . . the *maquiladoras* are an excellent alternative for the country to root Mexicans in their places of origin, and to strengthen the national economy."

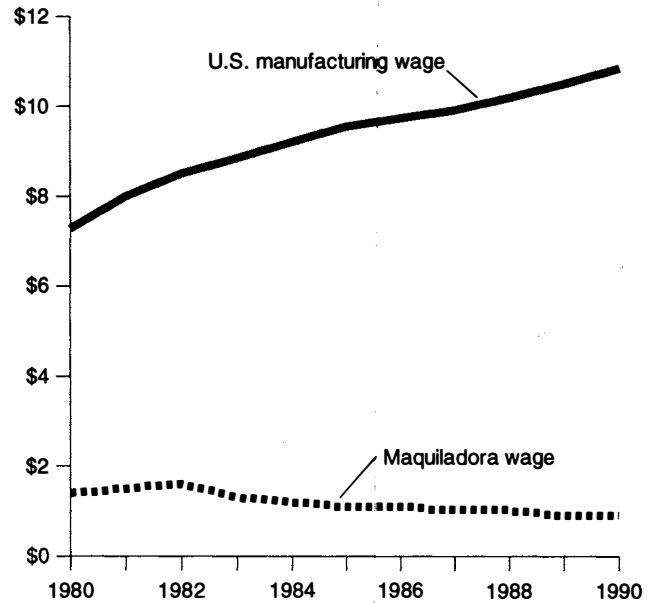
**Slave labor wages, living conditions**

Many groups, such as the AFL-CIO, other labor, church, social welfare, and environmental organizations, have documented that the *maquiladora* phenomenon represents nothing but U.S. runaway shops, possibly the most massive "runaway shop" slave-labor operation in history. These groups have also compiled massive and irrefutable evidence as to

FIGURE 5

**U.S. manufacturing wages versus maquiladora wage**

(U.S. \$ per hour)



Sources: Economic Report of the President, 1990; AFL-CIO; own estimates.

the subhuman conditions of work in the *maquiladoras*, and the *colonias* (shantytowns) surrounding them. We do not need, here, to repeat this information in detail, since it is in the public record in numerous congressional hearings and in widely circulated published form. But the outlines bear reiteration.

- Wage levels are abominably low. Contrary to some claims, the average wages paid by the *maquiladoras* are far below even the already abysmally low wages paid in the non-*maquiladora* manufacturing sector of Mexico. According to AFL-CIO figures, average *maquiladora* wages are \$.98/hour, compared to \$1.56/hour for manufacturing in the rest of the country. But many *maquiladora* workers receive substantially less even than \$.98. Figure 5 contrasts this low, and declining, *maquiladora* wage to the average manufacturing wage in the United States, which has risen slowly over the years. While in 1980, the wage differential was about 5:1, it is now worse than 11:1. And even these figures understate the comparison, as some U.S. workers still receive fringe benefits up to 50% the value of their wages; the *maquiladora* workers receive none.

- The profile of the *maquiladora* labor force reads like something out of Charles Dickens or New York City's tenement factories before the first child labor laws at the turn of the century. Two-thirds of the 500,000 workers in them are females, and most of these are young girls, either trying

to supplement the income of desperately poor families, or earning their first living away from home any way they can. Turnover rates in the *maquiladoras* reach 120% per year.

- Working conditions are also 19th-century, with widespread violation of worker safety laws, blatantly unsafe working conditions, failure to inform the workers of hazards, failure to use proper protective devices on machinery, and other abuses amply documented by others.

- Living conditions are crushingly poor, with the vast majority of the 500,000 workers, plus dependents, living in the so-called *colonias*, urban slums reminiscent of Brazil's notorious *favelas*. Almost none of these residents have indoor running water, many do not even have access to running water at all, and drink from water collected in huge barrels formerly used by local companies to contain toxic substances. Sewage facilities are almost unknown in the *colonias*, and open sewage runs through the camps. Conditions, according to first-hand observers, are as squalid and hideous as anywhere on earth today. It is scarcely an exaggeration to call them concentration camps. Needless to say, health care and treatment are all but non-existent as well, making these camps ripe ground for cholera and other epidemics, which, once unleashed, will not respect national borders.

What does the Bush administration say about this horror? The cited Commerce Department booklet cheerfully reports that Mexico has excellent labor and anti-pollution laws "on the books," but that enforcement is a little less than what might be desired because, after all, Mexico is a poor country and can't budget quite enough for enforcement!

Apart from the question of the horrendous physical conditions characteristic of the *maquiladoras*, behind their astounding growth in recent years is a broader Anglo-American establishment policy agenda. At present rates of growth, there will be 608,000 *maquiladora* workers by 1992; 860,000 million by 1994; 1.1 million by 1997; and 1.5 million by the year 2000.

The aim of NAFTA over the coming years is to enlarge these enclaves to encompass virtually the entirety of Mexico—and from there, the rest of Ibero-America. Anything resembling today's distinct national economies will disappear. The entire continent will become one giant appendage of the U.S. economy, based on a huge cheap labor pool, employed to assemble export goods in order to pay their foreign debt to the banks.

This is not hyperbole. Many U.S. businesses have already announced that once NAFTA is law, they plan to begin taking advantage of it immediately to shift investment from the U.S. to Mexico, in what amounts to a two-front assault on American labor, and on U.S. living standards. By shifting hundreds of thousands, and eventually millions of jobs south of the border, they will create a huge army of unemployed in the U.S. which will drive down wage levels. And the reimport to the U.S. of the finished products of these runaway shops will force out of business every industry that doesn't do the same, further depressing wage levels.

## Mexico's import 'boom' a cruel joke

But perhaps all of this will be offset by skyrocketing U.S. exports to Mexico? That is what the Bush administration claims. But this, too, is a lie.

It is a fact that Mexico's imports (three-quarters of which come from the U.S.) have risen sharply over the last three to four years, as a result of former President Miguel de la Madrid's and Salinas's trade liberalization measures. But a closer look at the composition of those imports shows that consumer goods are the ones growing most rapidly. U.S. consumer goods have been replacing Mexican goods at supermarkets and department stores, but that process has largely run its course. It would be illusory to think that this is a market that can continue to rapidly expand.

The argument that "Mexico is a booming market" is nothing but a cruel joke. One might as well trumpet the tremendous market for U.S. exporters represented by Bangladesh today. Desperately poor people, as most Mexicans have become under De la Madrid and Salinas's policies, are not a market for anybody's exports. The entire Mexican economy, encompassing a population one-third the size of the United States, disposes of an economy barely 4% as large. And the share of GNP represented by popular incomes in Mexico is much lower in Mexico than in the United States. Real incomes have plummeted for the average Mexican by more than one-half since 1982. It is estimated that more than two-thirds of the population are poor, and at least half of them desperately poor.

As for capital goods imports, the amount of these actually invested into the Mexican economy has been dropping significantly since 1980 (see **Figure 6**): It is today at only 60% the level it was at in 1980. And of those imported capital goods that are invested, the fact is that the lion's share of these have gone into building up industries for exports—in particular the *maquiladoras*—rather than contributing to the growth of the Mexican national economy.

There is no future of growth in such trends.

## Foreign investment, grabbing resources

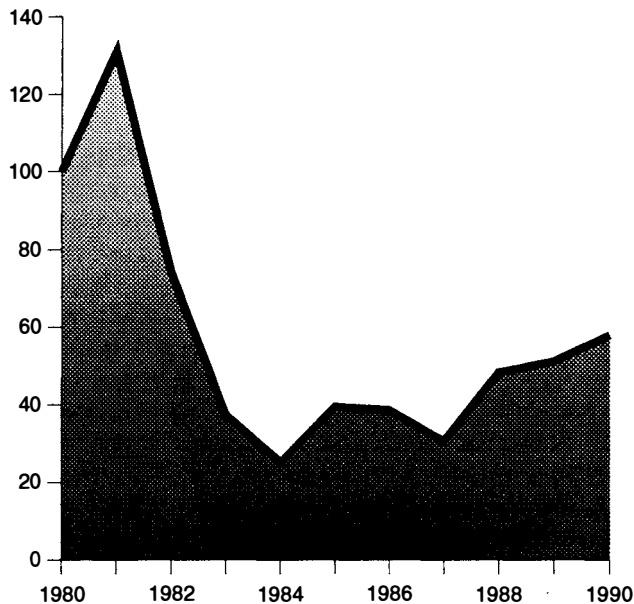
One of the central objectives of NAFTA is to create an environment propitious for significant flows of foreign investment into Mexico.

But what sort of investment will actually occur? *Maquiladora* investment will certainly take off under NAFTA, for the reasons indicated. But this will not constitute the prime form of investment. The major thrust of U.S. foreign investment will be in buying out core sectors of the existing Mexican economy—not in the construction of new plant and equipment. In other words, it will consist of a mere exchange of property titles, from Mexicans (including the state), to foreigners. This is proven by the fact that, despite balance of payments figures showing about \$2-3 billion of foreign investment in each of the last couple of years, there has been no corresponding flow of actual physical imports of capital goods, as we documented above.

FIGURE 6

### Invested imported capital goods in Mexico

(index 1980 = 100)



Sources: BdM; INEGI.

This process is already well under way, as Mexico has “privatized” the bulk of its formerly public sector companies—70% have reportedly already been sold off. The strategic aim of the NAFTA is to force Mexico to liberalize its foreign investment laws, and to make the changes permanent. The U.S. has targeted all remaining statutory and constitutional restrictions on full 100% foreign ownership of Mexican companies, even in formerly “strategic” industries, and will demand these reforms as the price of NAFTA.

And of course, there is the central issue of oil. Here, the policy is to gradually whittle down Mexican opposition to resuming foreign control and eventually ownership over Mexico’s oil resources and oil industry.

The long-term goal here is to deny Mexico the full use of its oil revenues for national development and to ensure the U.S. a large and continuing supply of oil close to home. In fact, the intent of NAFTA, and of Bush’s broader new world order, is to achieve control of all strategic minerals, including oil, in Mexico, Ibero-America, and the entire Third World.

A final feature of the opening to foreign investment is the NAFTA agenda item known as “intellectual property rights.” This nominally refers to patent, copyright, and other regulations, but is in fact geared to ensure that Mexico, Ibero-America, and the Third World remain totally technologically dependent on the U.S. No technology will be transferred without prior U.S. approval and conditions applied, and no *independent* technological development will be tolerated ei-

ther. The model in this area is the ongoing assault against the independent capabilities of Argentina and Brazil in the area of nuclear and aerospace technologies. The idea is to enforce technological backwardness, through what is openly advocated as “technological apartheid.”

### Establishing a dollar zone

NAFTA has one last principal goal: to permit the full opening up of Mexico’s banking and financial system to takeover by the international banks. Once permitted full rights to operate in Mexico, the major Wall Street, London, European, and Japanese banks will quickly take over Mexico’s financial system.

The goal is, as with the *maquiladoras*, to turn Mexico City into another version of Panama’s now destroyed “banking center,” an onshore “offshore” banking haven, which transmogrifies Mexico’s national savings into the means for international speculative activities earning profits for the banks, emphatically including the laundering of hundreds of billions of dollars in drug revenues every year.

With the financial takeover completed, and trade and foreign investment fully liberalized, NAFTA’s ultimate objective is to turn the entirety of the Americas into a *dollar zone*. What this means is the supplanting of each of the local currencies by the dollar, *as legal tender*, for all external and internal economic transactions.

The model, again, is Panama, where the local currency, the balboa, is actually nothing other than the U.S. dollar bill. Nicaragua under President Violeta Chamorro has recently taken steps in the same direction, where three currencies now stand side-by-side as legal tender: the old cordoba, the new cordoba, and the dollar. And in Argentina, Harvard graduate Finance Minister Domingo Cavallo has just implemented a series of measures which have also made the dollar *de facto* legal tender in Argentina, and indexed all Argentine financial aggregates to the U.S. currency.

Such steps go far beyond the current state of affairs, where the IMF, the creditor banks, and the U.S. government directly dictate policy to the governments of Ibero-America as to what their economic and monetary policies should be. They will no longer have economic and monetary processes that they can even call their own: They will all be run by the dollar, i.e., by the United States government.

This kind of loss of economic sovereignty is tantamount to erasing all national borders, and goes hand in hand with the NAFTA plan of turning the whole continent into one giant *maquiladora* foreign enclave.

There are, of course, political obstacles to such a thorough surrender of sovereignty by the Ibero-Americans, but the Bush administration is fully intent on removing them from its path. Principal among these are the institutions of the armed forces and the Catholic Church in Ibero-America, both of which are today under full-scale assault by the Anglo-American establishment forces internationally.

# Truths of new encyclical must be acted upon now

by Nora Hamerman and Maria Cristina Fiocchi

The leader of the Schiller Institute, German political figure Helga Zepp-LaRouche, has issued an appeal to European governments to take concrete steps to bring into being a new, more just world economic order in fulfillment of the principles which have just been reiterated in Pope John Paul II's latest encyclical, *Centesimus Annus*, which was issued the day after the worldwide Labor Day celebrations on May 1.

The encyclical's name means "Hundredth Year" and celebrates the first great social encyclical of the Catholic Church, Pope Leo XIII's *Rerum Novarum* of 1891.

Mrs. Zepp-LaRouche wrote on May 10, in an appeal which is being circulated for endorsements all over Europe, "We are living at this moment through a catastrophe in the developing sector so dreadful that it staggers our power of comprehension. In Bangladesh, beyond the 500,000 victims of the cyclone, a further 5 million Bangladeshis are threatened by death from starvation and epidemic disease. In Iraq, death stalks at least 5 million people as a result of the destruction of infrastructure by 'precision bombing.' In Africa, 27 million people have been struck by a catastrophic famine. And if in Ibero-America \$200 billion are not invested in infrastructure and disease control measures, the cholera epidemic will not be brought under control, and 120 million people will get the disease and more than 1 million will die.

"The boundless suffering which now is afflicting hundreds of millions of individuals is not the result of unavoidable natural catastrophes, but the consequence of the policies of the International Monetary Fund (IMF), which has prevented urgent investments in sanitation, health care, water management, and protective structures against disasters, as well as in infrastructure, agriculture, and industry, through

its genocidal loan 'conditionalities.'

"The international aid organizations have nearly come to the end of their resources. The scale of aid requirements has reached dimensions which far surpass the level of available catastrophe relief up to now. Yet, it must be clear to every reasonable person that Europe or Japan cannot be islands of happiness and prosperity, while the rest of the world sinks into a frightful holocaust.

"There is only one way out, and that lies in immediately turning the new encyclical *Centesimus Annus* of Pope John Paul II into reality and building a just new world economic order.

"The encyclical says that 'it will be necessary above all to abandon a mentality in which the poor—as individuals and as peoples—are seen as a burden, as irksome intruders trying to consume what others have produced. The poor ask for the right to share in enjoying material goods and to make good use of their capacity to work, thus creating a world that is more just and prosperous for all. The advancement of the poor is a great opportunity for the moral, cultural, and even economic growth of all humanity.'

"Later on it says, 'The Western countries, in turn, run the risk of seeing this collapse [of socialism] as a one-sided victory of their own economic system and therefore failing to make necessary corrections in that system. Meanwhile countries of the Third World are experiencing more than ever the tragedy of underdevelopment, which is becoming more serious with each passing day.'

"The encyclical points out that today the situation of people in the developing sector is comparable to the situation of the working class of a hundred years ago, when the first



social encyclical *Rerum Novarum* appeared, and that they must be accorded the same rights which today are normal in developed nations.

“To be sure, the Pope adds that the Church ‘has no model to present’ of its own, and that ‘models that are real and truly effective can only arise within the framework of different historical situations through the efforts of all those who responsibly confront concrete problems.’ ”

### **LaRouche provides the model**

“Yet such concrete models are on the table. For the past two decades, the American economic thinker Lyndon LaRouche has elaborated comprehensive development programs which make it possible to begin putting a just new world economic order into practice. Among them are the Europeanwide infrastructure program of the Productive Triangle for Eastern Europe and the Soviet Union, the Oasis Plan for the Middle East, an infrastructure program for Africa, a 40-year, comprehensive development program for India, a 50-year, comprehensive development program for the Pacific Ocean Basin, and the Ibero-American continental development plan called *Operation Juárez*.

“We call on the European governments to begin at once the implementation of the program of the Productive Triangle as the locomotive for the world economy. Europe can and will be no island of prosperity; rather it has a great historical and moral responsibility, and must now contribute its potential to preventing the further ruin of humanity and to helping to develop a world in which all the people on this planet can live according to the inalienable human dignity bestowed upon them by natural law.”

### **Man at the center of the economy**

In Rome, the new encyclical was presented to the press on May 2 by Cardinal Roger Etchegaray, president of the Pontifical Council “*Justitia et Pax*.” He stressed that *Centesimus Annus* “is not anti-American,” but is against every type of consumerist society which denies spiritual values and reduces man solely “to the sphere of economics and the satisfaction of material needs.”

The 113-page encyclical is organized on three levels, one which “looks back” with a rereading of *Rerum Novarum*, a current one which “looks around” at the “new things” (the literal meaning of the Latin phrase *rerum novarum*) that surround us today, and finally, a third level which “looks to the future.”

The collapse of the communist regimes in 1989 is the historical backdrop to the encyclical. The error of Marxism, according to the Pontiff, is fundamentally “anthropological in nature.” “Socialism considers the individual person simply as an element, a molecule within the social organism, so that the good of the individual is completely subordinated to the functioning of the socioeconomic mechanism.” He continues: “From this mistaken conception of the person there arise

both a distortion of law, which defines the sphere of exercise of freedom, and an opposition to private property.”

Having taken note of communism’s failure and the limits of laissez-faire capitalism, the encyclical counterposes a healthy economic theory. In paragraph 42, which has touched off the harshest controversies, the Pope states: “If by *capitalism* an economic system is meant which recognizes the fundamental and positive role of business, of the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector,” then it is a model to attain economic and civil progress in the Third World, “but if by *capitalism* is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality and which sees it as a particular dimension of that freedom, whose core is ethical and religious,” then it is to be decisively rejected.

The capitalistic system, therefore, is not rejected in itself, but it must be corrected in its materialistic and consumeristic ideology, and it must receive Christian values.

### **Man’s resource is man himself**

An important section is dedicated to the role of human labor: “Besides the earth,” the document declares, “man’s principal resource is man himself. His intelligence enables him to discover the earth’s productive potentials and the many different ways in which human needs can be satisfied.” Today, “the possession of know-how, technology, and skill” is more important than ever. The wealth of industrialized nations is based much more upon “this kind of ownership than on natural resources.”

Therefore, to overcome the discrepancy between the North and the South, we must give Third World countries the chance to acquire the basic knowledge, the technological know-how to develop a modern economy. “Whereas at one time,” the encyclical says, “the decisive factor of production was the land and later capital,” today it is man himself, “that is, his capacity for knowledge, especially, his scientific knowledge.”

How to respond to these numerous challenges which are presented to humanity at the threshold of the third millennium? Individual acts of good will are not enough. The state must also intervene. John Paul II thus dedicates an entire chapter, the fifth, to laying out a “sound theory of the state.” He reiterates the Vatican’s condemnation of the “recent tragic war in the Persian Gulf,” and writes, “For this reason, the new name for peace is development. Just as there is a collective responsibility for avoiding war, so too there is a collective responsibility for promoting development. . . . This is the culture which is hoped for, one which fosters trust in the human potential of the poor and consequently in their ability to improve their condition through work or to make a positive contribution to economic prosperity. . . . Creating such conditions calls for a worldwide effort to promote development.”

# 'Greater Serbia' gang pushes Yugoslavia toward civil war

by Konstantin George

A cabal of Serbian extremists, whose members include top figures in the Serbian-dominated Yugoslav Army and secret police, is directly responsible for the violence in the first week of May in the Serbian-inhabited regions of Croatia, which has brought Yugoslavia to the brink of civil war. This cabal wants to push the Yugoslav crisis over the brink, with the goal of immediately creating a "Greater Serbia," embracing the republic of Serbia and all districts where Serbs predominate in neighboring Croatia and Bosnia.

Croatian President Franjo Tudjman declared on television on May 4 that Croatia was "on the verge of war," and charged Serbia has not only "supported and encouraged terrorist actions and insurrection," but has even "directly organized the clashes."

What has been occurring in Croatia is not—at least not yet—mass inter-ethnic violence. The death toll ratio of four Croatian policemen killed for every Serbian "militiaman," in shootings that have produced 30-40 killed, is proof that the killings have been staged provocations by professional Army teams, and not "home guard"-style local Serbian militias. The political balance in the Army high command has been destroyed through the grave illness of the moderate defense minister, General Kadijevic, with the Army now under the operational command of the rabid Serbian nationalist, General Adzic, Chief of the General Staff.

## The Army ultimatum

On May 6, Croatia made the tactical blunder of staging a mass demonstration in the Adriatic port of Split against the Yugoslav naval base there. The demonstration itself was peaceful, but it unfortunately created the opportunity for the next provocation by the Serbian extremists: Sharpshooters fired and hit two soldiers; one died instantly, and the other, though hit by all three bullets fired at him, survived.

The outrage in Split further tipped the balance in the Army command. General Adzic now had the "bloody shirt" needed to proceed with the next phase of the Serbian cabal's power play. The ailing General Kadijevic was brought from the hospital to chair a meeting of the Army command, where, under the pressure of the Adzic group, he capitulated, agree-

ing to do what he had resisted for weeks: issue an Army ultimatum to the Yugoslav collective State Presidency to proclaim a state of emergency, and to proclaim a partial mobilization of the Army.

Within hours, reservists (almost exclusively Serbs) were being called up, columns of tanks and armored vehicles began moving from bases in Serbia and Bosnia through Bosnia into Croatia, while in Croatia itself key bridges and other installations were seized by the Army. The first phase of what could soon become a Serbian military coup was under way.

In the next 24 hours, two mass killings of Serbs in the Serbian-inhabited region of Croatia were narrowly averted. In the first case, a bomb intended to demolish a café filled with Serbs misfired, and in the second, two rifle grenades, again fired at Serbian civilians, narrowly missed the mark. Again, these near-miss atrocities were the work of individual provocateurs, and not the result of mass inter-ethnic violence.

## Croatian and Serbian churches intervene

On May 7, with the Army ultimatum in effect and a crisis session of the State Presidency desperately trying to fashion a reply to it, the first major break occurred in the situation, when the entire leaderships of the Catholic Church of Croatia and the Serbian Orthodox Church, headed by Croatian Cardinal Kuharic and Serbian Patriarch Pavle, appeared on Yugoslav television to issue a joint appeal for peace and harmony among Serbs and Croats.

This unique event gave public evidence of an analysis first published in *EIR* in March, when we wrote that the Serbian elite is split, and that a powerful Serbian Church-centered faction is opposed to civil war, for reasons concerning its own perception of Serbian national interests over the medium and longer term.

The joint intervention by both churches found a deep resonance in the populations of both Serbia and Croatia. Western media accounts of the Yugoslav crisis tend only to portray the phenomenon of mutually implacable hatred between the two ethnic troupes, citing the terrible and real memories of the mass slaughters committed during the Nazi occupation, the internal civil war horrors of 1941-45, by the

fascist Croatian Ustashi and by the Serbian Chetnik extremists. What these accounts fail to mention is that the very horror experienced by these peoples at the hands of cruel, merciless fanatics, has also produced another, very deep emotion in the population, both Serb and Croat, which can be expressed in this way: "As much as I can't stand them, we must never, never, again go through what we experienced from 1942 to 1945. May our children and grandchildren never, never see what we saw."

The actions of the churches may have turned the corner in time to brake the momentum toward civil war. On the morning of May 9, after three days of deliberations, the Yugoslav collective State Presidency announced that an agreement had been reached to defuse the crisis, speaking of "important concessions by Croats and Serbs." Under the announcement, Croatia agreed to disarm all paramilitary groups and demobilize Croatian police reservists who had been called up to meet the Army threat. Similarly, all armed bands of Serbs on Croatian territory are to be disarmed. Finally, the agreement provides for holding direct talks between the republics of Serbia and Croatia to settle the crisis. The disarming of paramilitary groups on both sides will be carried out by the Army.

### Weeks of decision

May 19 is the date of a scheduled referendum in Croatia on the future of Yugoslavia, a referendum that will produce a resounding vote in favor of ending the current federation and replacing it with a loosely affiliated league of sovereign states, a referendum which the Serbian cabal is trying to torpedo at all costs. After May 15, the Serbian cabal's "legal" capability to continue to order Army units into Croatia will be gone. The State Presidency, and with that the political command of the Armed Forces, will pass from Borisav Jovic, a Serb, to the Croat, Stipe Mesic.

Simultaneously, Serbia's current assured five "yes" votes on the collective State Presidium, the minimum required for deploying the Army into a republic, will be reduced to four. Serbia had acquired the vital "fifth vote" through a byzantine arrangement made with the centrally located Yugoslav republic of Bosnia, a republic with a Muslim majority and a large Serbian minority. In exchange for Serbia refraining from activating its armed minority in Bosnia, Bosnia had sent an ethnic Serb as its representative to the State Presidency. But after the explosion in Croatia, Bosnian President Alija Izetbegovic had canceled this arrangement.

This political battle suggests that Bosnia is moving toward becoming the next theater of armed combat, a danger which Izetbegovic specifically alluded to over the May 4-5 weekend. Since then, tensions in Bosnia have been on the rise over the daily troop movements through its territory. Even should the Serb-Croat clash cool off, a major flareup in Bosnia would bring the Yugoslav situation once again to the brink of civil war.

## Bangladesh cyclone disaster not 'natural'

*This article was based on reporting by Ramtanu Maitra and Susan B. Maitra in New Delhi and Mary Burdman in Wiesbaden, Germany, and was written by Ron Kokinda.*

As many as 500,000 people are likely to have died in a cyclone that pounded and flattened the southern coastal areas of Bangladesh on April 29. Nearly a week after the storm, the official death toll stood at 125,000. According to official sources, another 1.3 million people living in coastal areas and offshore islands remain untraceable. Former Vice President Moudid Ahmed stated that 60% of the victims were women and children. A few relief helicopters that could brave the continuing inclement weather have reported hundreds of thousands of human bodies floating in the water—all presumably dead.

In addition, because of the delay in relief efforts to survivors of the storm, "an estimated 4 million people are now at serious risk from lack of fresh drinking water and food," according to the Red Cross/Red Crescent. Cholera had already broken out in the country before the storm, and is now spreading rapidly. The May 9 London *Guardian* reported that in Chittagong, the main city of the stricken area, hospitals are "filled to overflowing." On Hatia Island, there are 2,300 reported cases alone. Diarrhea is a killer disease, especially in so hot a climate, of undernourished children and women. With clean water lacking, the spread of water-borne disease is now the gravest threat.

Addressing the nation soon after the news of devastation began to filter into the capital of Dhaka, Prime Minister Begum Khaleda Zia told her countrymen with a broken voice: "It is a tragedy of great magnitude, surpassing all natural calamities." She appealed for international aid, including capital and technology to cope with the longer-term effects of the disaster.

Yet, in contrast to the estimated losses of \$1.5 billion, only about \$350 million in emergency aid has been pledged so far. Bangladesh has asked for 20 helicopters, 50 jeeps, and 15 ships or other sea transport for the relief operation. But pledges are "inadequate, inappropriate, and even non-existent," a Bangladeshi official told the BBC May 8.

### Targeted for triage

The death toll in Bangladesh is not the result of "natural" causes. Since its inception in 1971, Bangladesh has been relegated to the "Fourth World" of nations designated for triage, as stated by the World Bank and the International

Monetary Fund. This policy-designation has enforced a practice in which Bangladesh has been systematically denied investment and any aid for infrastructure development.

For example, in 1975, American statesman Lyndon LaRouche, along with friends in Europe, attempted to negotiate the sending of dredges to Bangladesh from the Netherlands, which would have permitted Bangladesh to deepen its river channels for flood control. The potential deal was directly sabotaged by Henry Kissinger, then U.S. secretary of state.

Today, Bangladesh is one of the world's ten poorest countries, with an average per capita national income of \$160, according to the World Bank, and an infant mortality rate of 117.8 per every thousand babies born. Life expectancy at birth is 50 years.

Bangladesh had severe economic problems before the cyclone, including having to repatriate about 100,000 workers from the Persian Gulf oil producing states at enormous cost during George Bush's war. The workers, whose remittances are a major source of foreign exchange for Bangladesh, are only now returning to the Gulf.

Such dire poverty, imposed by the international bankers, is responsible for the magnitude of the calamity that hit Bangladesh, not "Mother Nature." The vast majority of those who died were the poorest Bangladeshis, who, without land of their own, have occupied the low-lying islands, where occupancy is officially illegal. These islands have been built up from the silt brought by the huge Ganges-Brahmaputra rivers that course through Bangladesh, and are subject to precisely the type of inundation that swept through them in April.

Secondly, Bangladesh lacks the capability to relocate millions of people on the 24-48 hours notice provided by storm warnings. A coastal defense plan, devised against such storms, has not been carried out for lack of funds. Under this plan, embankments and concrete bulkheads would break the power of the tidal waves that hit the country's coast.

Thirdly, the financial crunch imposed on the country has prevented the Bangladesh government from building cyclone shelters, as was planned following the 1970 cyclone, a storm of comparable magnitude which claimed 100,000 lives. The London *Guardian* noted May 6 that the cyclone shelters that had been built since 1970 all stood through the storm intact, and everyone who made it into a shelter survived.

### **The long-term problems**

The longer-term effects of the cyclone could be as tragic as the immediate disaster. In addition to more than \$500 million in estimated damage to Bangladeshi agriculture, including the destruction of the winter rice crop, which was ready for harvest, and nearly all livestock in the 200,000 square mile stricken area, the Chittagong oil refinery, the most important in the country, was badly damaged and huge quantities of fuel contaminated by salt water. The "export-processing zone" in Chittagong, where about 70 processors earned vital foreign exchange, has also been wiped out. The

entire salt-producing industry has been destroyed, as well as shrimp cultivation. Hundreds of fishing boats have been destroyed, and the lucrative shrimp industry in the city of Cox's Bazaar has been wiped out. There will be more loss of livestock because there is no fodder, the government reports.

But this human catastrophe has been a cause for rejoicing among the international financiers who have written off the "Fourth World," who are committed to eliminating the darker-skinned populations of the world's South. Writing from Tokyo, where she attended the recent meeting of the conspiratorial bankers' society, the Trilateral Commission (see page 8), *New York Times* senior columnist Flora Lewis hailed the news of the death of thousands of Bangladeshis, noting that the region's fertility allows people to "proliferate to the very brink of survivability. Only recurrent, quite expectable natural disasters put some limit on population growth, and not much at that."

## **The caste factor in Indian elections: a poll analyst's myth**

by Ramtanu Maitra and Susan B. Maitra

When the results of the tenth Lok Sabha elections are out by the end of May, the myth of caste division within Hindu society playing a major role in deciding the polls' outcome will be shaken up. Equally certain is that the analysts, bereft of real contacts with the majority of Indian voters, will cling on to the myth, rationalizing the election outcome through a myriad of equally mythical assumptions and calculations.

With less than two weeks now left before the election (at the time of this writing), the Indian media are churning out article after article harping on the old theme: how the caste factor is going to influence the vote. So far, this election, held in the shadow of some political parties' relentless campaign on behalf of caste solidarity, has been a delight for Indian and foreign poll analysts. They are busy calculating and re-calculating caste and ethnic combinations based on demographic figures extrapolated from an ancient census carried out by the British Raj. It is interesting to note that the British were always careful to enumerate caste, sub-caste, ethnic and religious strengths in the censuses they carried out. Although the practice was abandoned following Independence, the intrepid election analysts carry on with figures provided by those same censuses, scaled up, of course, to account for population growth in the interim.

This demographic game played by analysts here, and

lapped up by foreign correspondents unabashedly, is self-serving in a number of ways. In the first place, to be an expert poll analyst one does not have to know anything about the aspirations of the people in general and the realities that concern them. The innumerable caste permutations and combinations can be calculated sitting in an air-conditioned room, with or without a calculator, but decidedly far away from the distant, unfathomable, and inscrutable people, otherwise known as rural Indians.

### A chimerical votebank

Former Prime Minister V.P. Singh has made his rallying cry undying support to the Mandal Commission Report of the late 1970s, which recommended that the government reserve 60% of the government jobs for the thousands of castes and sub-castes who are socially and economically backward. V.P. Singh, whose 11-month rule has little to show other than a chain of chaotic events and petty intra-party infighting, expects that by promoting this complex and controversial report he will grab the votebank that the 60% of the backward caste grouping represents. To substantiate the claim, a few so-called backward caste leaders were projected as V.P. Singh's loyal lieutenants, who accompany him from one stop of the roadshow to the next. The implication is that these so-called leaders are the flagbearers of the backward castes and they will deliver the backward caste votes *en bloc* to the V.P. Singh-led Janata Dal party.

This absurd concept, a sham in fact, has been swallowed by all Indian poll analysts, barring a few. According to these caste-based poll analysts, Uttar Pradesh and Bihar, the two most populous states in the union, are overridden with caste factors. In the tenth Lok Sabha parliamentary elections, according to this analysis, both these states will go solidly behind the Janata Dal since the backward castes, who are reportedly highly excited by the former prime minister's crusade for social justice, will vote *en masse* for the Janata Dal. In addition to the backward caste votes, a candidate who belongs to the forward caste, as is the case of V.P. Singh himself, will also split the forward caste votes.

Is it really so simple to analyze how Uttar Pradesh and Bihar will vote this time around? Hardly so, as history indicates. On Dec. 7, 1984, a little more than three weeks before the eighth Lok Sabha polls were held, a leading Indian political commentator and poll analyst, Chandan Mitra, who has been writing in leading Indian English-language news dailies for years, wrote a piece in the Calcutta-based *The Statesman*. In analyzing the "crucial nature" of the Uttar Pradesh vote, Mitra said: "The Lok Dal/DMKP [Lok Dal, now split and of little political strength, took the new name, DMKP, before the 1984 polls] vote is unlikely to collapse mainly because the party has an identifiable area of support and also represents distinct economic interests. Further, it overtly exploits caste equation and is particularly strong in regions where intermediate castes—Jats, Ahir/Yadavs, and Kurmis—dominate."

But after all the authoritative analysis of caste equations, the Lok Dal/DMKP came out a cropper in Uttar Pradesh and, in fact, all 85 seats were swept by the Congress (I) Party! Such a result is typical. Similarly, the Congress's poll record in the state gives the lie to the caste analyst. In 1967, the Congress won 47 seats; in 1971, 73 seats; in 1977, none; in 1980, 51 seats and in 1989, nine seats. All these variations happened while the caste equations remained the same. The Congress's alleged votebank of Brahmins, scheduled castes, and Muslims never changed, but the Congress vote certainly did.

That is not to say that caste does not play *any* role in electing a candidate or helping a party to get seats in certain regions. But those caste equations are played by almost every party, and, for that matter, that is the way the electoral system works everywhere in the world. For example, in a Yadav-dominated area, most major parties put up a Yadav candidate just as a black or a Hispanic candidate is put up in U.S. congressional districts where these ethnic groups dominate. In the last elections, in Hajipur, Bihar, for example, Ram Vilas Paswan won by a record margin. Against whom did he register such a huge margin? Another Paswan, belonging to the Congress (I)! Moreover, all major parties in Uttar Pradesh and Bihar are armed with leaders who belong to the dominant caste or castes.

Since the caste equations never in fact explain anything, the analysts hold on to the myth only by adding it with "other factors," such as the "wave phenomenon," religious factors, etc. In the process, however, the analysts completely overlook the organizational strength of the winning political party, the credibility of the winning candidate, and the bread-and-butter issues that affect the electorate, among other factors that truly determine the outcome of elections.

Behind these analysts are the sociologists who have made a career of recording the various distinctions that thousands of castes and sub-castes have. One such is André Beteille, a French sociologist married to an Indian sociologist at Delhi University. A great believer that caste is pretty much the main foundation on which Indian society stands, Professor Beteille maintains that it is not that the pre-Independence image of caste being on the retreat was wrong. But he says, what was overlooked was that while the influence of caste was waning in some spheres, it not only had a foothold but was gaining a stranglehold over another field—politics.

In an interview with the *Times of India* in November 1989, Professor Beteille heralded the Janata Dal's campaign on the Mandal Commission Report as proof of his wisdom and the benchmark of a new, lawful epoch in Indian politics. V.P. Singh's move converted what was a state-level issue into an all-Indian one, Beteille declared. The issue of reservations, he said, revolves around two axes—one of social justice and the second of power. The coming election will give the lie, again, to such pompous pronouncements. The Mandal Commission reverberation issue will prove a non-starter.

# Is Iran an emerging colossus, or the next victim in the Gulf?

by Muriel Mirak-Weissbach

When George Bush unleashed the arsenal intended for super-power conflict against Iraq, Muslims in North Africa and the Near East took to the streets, calling on their governments to join Saddam Hussein's forces. Among the most vociferous were the Iranian fundamentalists who, schooled for 12 years to view Washington as "the Great Satan," clamored to join what they viewed as a holy war against the West. Yet President Ali Akbar Rafsanjani, who had consolidated state power in his person upon the death of Ayatollah Khomeini in 1989, seemed deaf to their cries, and remained astonishingly cool and aloof throughout the six weeks of air raids which bombed his neighbor Iraq back to a pre-industrial stage. His official neutrality, in a war which had brought together a motley coalition of regional and foreign forces, seemed to conceal tacit support for Iraq, a perception reinforced by Iran's decision to allow Iraqi planes safe refuge on Iranian territory. Yet, as soon as the war came to an official end, Teheran bared its teeth against Saddam Hussein, supporting both Shiite and Kurdish rebellions against Baghdad.

Many explained Iran's curious behavior in terms of lasting resentments against Iraq, which had defeated it in a brutal war (1980-88). But far more is at play. Iran has seized the opportunity presented by the war to accelerate a bid for hegemony in the region, and is playing a pragmatic game of geopolitics, not only regionally, but also vis-à-vis the super-powers, which is fraught with dangers. Whether the Iranian leadership grasps the intricacies of current world strategic realities and adjusts its course in time, or not, will determine whether it will prosper or perish.

Once the bombing raids had ceased to terrorize and kill Iraqi civilians, Iran made several moves intended to clinch its political, military, and spiritual predominance in the Gulf.

First, Teheran stepped up its support for the Shiites and Kurds, as Foreign Minister Ali Akbar Velayati, echoing George Bush, called out for "the will of the Iraqi people for democracy" to be heard. The calculation was that, were the rebel forces to succeed in removing Saddam from power, a coalition including Iraq's Kurds and Shiites would rule, and strike a regional alliance with Shiite Iran. The military reality of the Iraqi Republican Guards, combined with Gen. Norman

Schwarzkopf's turning the other way as Iraqi helicopters engaged in suppressing the rebellion, however, proved Iran's hopes ill-founded. Politically, too, Iran's attempts to court relations with Kurdish leaders failed utterly, as Saddam Hussein succeeded in engineering an agreement, first with Jalal Talabani, then with Massoud Barzani. The unplanned outcome of the Kurdish uprising, fostered by the Anglo-Americans as well as Iran, was that the latter found itself inundated with refugees, almost 2 million. Furthermore, although it had opened its borders to the Kurds in hopes of politically influencing them, the Iranian government found it had embraced a time-bomb; the project for a Kurdish "enclave" or Baghdad's offer of autonomy could only inflame the aspirations of Kurds within Iran to some form of national homeland.

While losing its political gamble with the Kurdish card, Iran tried to assert its spiritual hegemony. Armed with the knowledge that 90% of Iran's 55 million people are Shiites, and could mobilize Shiite masses in Saudi Arabia against the royal family, Velayati traveled to Riyadh in April to arrange a byzantine deal concerning the upcoming annual pilgrimage, the Hajj, to the Holy Places. This was the first meeting with King Fahd in years, since the two countries broke off diplomatic relations in 1987, after Saudi forces fired on a crowd of pilgrims during the Hajj, killing 400, mostly Iranians. In his discussions with the King, Velayati, who could vaunt the fact that his Muslim country had remained neutral in the war, whereas the Saudi Kingdom had allowed American forces to occupy it, succeeded in forcing Fahd and his interior minister to welcome upwards of 100,000 Iranian pilgrims this year. Furthermore, Riyadh is bound not to repeat its 1987 massacre, even if anti-American demonstrations erupt among the Shiite pilgrims. Thus, Iran believes it can play the Shiite card, as it unsuccessfully tried to play the Kurdish card, to influence Saudi developments.

The pragmatism associated with President Rafsanjani and his foreign minister applies in relations with international powers as well, including the "Great Satan" U.S.A. and the Soviet Union, with its large Muslim population. In an interview with the German weekly *Der Spiegel* in March,

Rafsanjani struck a conciliatory note on Washington, brushing aside the insinuation that continued U.S. military presence in the Gulf could constitute grounds for alarm in Teheran. According to the *Echo of Iran*, secret talks took place between National Security Adviser Gen. Brent Scowcroft and an Iranian security official, during the former's quiet visit to the region, to negotiate release of Western hostages held in Lebanon. More recently, German press outlets have reported that Velayati would mediate the release, on condition that the U.S. release the \$11 billion in frozen Iranian assets. There are indications in recent statements by Israeli Prime Minister Yitzhak Shamir, that Israel would free Hezbollah prisoners in Israeli jails, in return for the release of Westerners held hostage by Hezbollah in Lebanon. Iran has already showed its willingness to purchase political good will through hostage deals, in releasing prisoners to Great Britain. As if to broadcast its change of heart toward Washington, the Iranian diplomat who had negotiated the release of U.S. hostages in 1981, Behzad Nabavi, publicly denied that his government had negotiated to postpone their release, until after the Reagan-Bush ticket had clinched the elections.

What is of substance is Iran's desire to emerge from the international isolation it has been in since the 1979 revolution, and become a leading player in the poker game of geopolitics. This means, concretely, that if the Gulf and Middle East are to be the subject of a superpower-arranged security zone, Iran wants to be a part of the arrangement. It can promise Bush to keep quiet on the Irangate affair, as well as to keep the delicate equilibrium in Saudi Arabia. It can deliver similar promises to the Soviets, that it will not resort to time-tried tactics, of rabble-rousing among Shiites in Soviet Azerbaïdzhan. It can agree, with Turkey, to help Moscow ensure that no Muslim threat will further complicate an already precarious situation.

### **Unemployment at 20%**

Reviewing its post-Gulf war diplomacy, even a Kissinger would have reason to admire Iran's ostensible sophistication. Yet, there is more than one fatal flaw in Rafsanjani's pragmatism. First, and most importantly, such fancy maneuvering in itself will do nothing to alleviate the real problems of the country, which are economic and social. Recent reports in the German press paint a picture not of a regional colossus, but of a basket-case. Unemployment is at 20%. The average income is about 60-80,000 rials (\$60), but a decent apartment costs three or four times that much. Meat costs about 2,000-2,500 rials a pound and rice costs 1,000. Most people depend on food stamps to feed their families, and there is a severe housing shortage. Many desperate Iranians have flooded the cities, in search of better conditions, so that Teheran, which had 4 million residents in 1979, now has 11 million. It is estimated that, if present birth rates continue, the country will have 122 million people by the year 2025. On the other hand, economic development is a term most people still asso-

ciate with the long-gone days of the Shah. Projects initiated under his rule were stopped and never restarted. The skilled labor required to reindustrialize the country has gone into political exile, so regardless of handsome oil revenues, the country is stuck.

This is not to say that Iran's government is oblivious to its economic woes, nor blind to the social discontent it is already unleashing. Indeed, the most positive developments manifested in the last two months involve a series of intensive contacts with European, especially German, delegations interested in investing. Reports say that the government is welcoming foreign investors, and even sending emissaries abroad to try to convince expatriates to return, and help rebuild the country, devastated in the war against Iraq.

The problems of opening to the West are many. Most obviously, a return to the kind of great projects associated with the Shah's regime will ignite political explosions among the Shiite fundamentalists, who represent a parliamentary majority. The problem of political and cultural evolution cannot be left unsolved, if the country is to have a future. There is also the question of economic culture. In his outreach for foreign capital, Rafsanjani reportedly is tending toward a liberal market philosophy, which includes decentralizing the economic structures, privatizing, and lifting state subsidies—precisely what would turn a once-developed Third World country into a looting ground for Western finance.

If the forces in Iran's elite, who recognize the hazards of free market economy, are not afraid to pick up the industrialization process where the Shah left off, particularly by forging strong trade relationships with its erstwhile partners, Italy and Germany, there is every reason to believe that Iran could become a major contributor to ambitious regional development. This, as German Foreign Minister Hans-Dietrich Genscher and Economics Minister Jürgen Möllemann seem to have grasped, in turn provides the only basis for a durable peace. Whether Iranian politicians have grasped this is an open question, given the recent rash of manipulatory games.

In the best of hypotheses, proceeding confidently on the road to industrialization is itself not without its dangers, and this is another factor which Iran's leaders have evidently not grasped. Simply by virtue of its immense and growing population, Iran, if developed, would be construed as a major threat to the United States, in accordance with policies hammered out by the U.S. National Security Council in 1974. There is no room for doubt that an American administration continuing such policies would hesitate to deal out to Iran tomorrow the same treatment it gave Iraq only yesterday. Either Teheran faces up to the real nature of the "Great Satan"—which is not that simplistically depicted by Khomeini—or it will be targeted. One would think that such able tacticians, who certainly have ample, direct experience of methods utilized by the current U.S. government, would play their cards more astutely.



# War Crimes Act is law in Britain

*Katharine Kanter writes of a road to hell paved with specious good intentions.*

On May 2, for the first time in more than 40 years, the British government invoked a technical procedure known as the Parliament Acts, to override an otherwise constitutionally binding veto by the House of Lords, which had twice within 12 months rejected the War Crimes Act. The bill thereby became law.

Under normal circumstances, *EIR* would be the first to cheer that the unelected Lords, who are both the highest legislative body and the last Court of Appeal in the United Kingdom, be put in their place by the elected Commons. By a quirk of fate, it is the Lords this time who stand for natural justice, while those who voted for the act are not merely wrong, but, whether they know it or not, up to something very evil.

A brief history of the War Crimes Act goes as follows: In 1986, the Anti-Defamation League-connected Simon Wiesenthal "Nazi-hunting" Center in Los Angeles claimed it had found 17 war criminals who had fled to Great Britain after the war. Then Scottish television broadcast a sensationalist program, alleging their reporters carried out investigations on crimes committed by Nazi collaborators in Russia, and had come up with a further 34 names. A Labour MP, Mr. Greville Janner, set up in that same year a Parliamentary War Crimes Group, supposedly to investigate these allegations, in fact, to agitate for a War Crimes Act.

Douglas Hurd, the Home Secretary at the time, asked former Director of Public Prosecutions Sir Thomas Hetherington and former Crown Agent for Scotland Mr. William Chalmers to look at the Wiesenthal center's accusations. In all, the pair went through over 300 cases, but found that enough evidence existed to set up a case against four men only, one of whom—they were all very aged—has since died; they thought that 75 cases might merit further investigation. Most of the implicated, curiously enough, came from the Baltic states, Ukraine, and Belorussia—captive nations of the Soviet Union.

Hetherington and Chalmers produced a report, one section of which remains unpublished: that dealing with the detail of the alleged crimes. Enter Mrs. Thatcher. She read the full report, and was, in the words of the *Daily Telegraph*, "keen to proceed with legislation." But the changes the act would introduce into the law of England, and especially, the law of Scotland, are so sweeping that the government had to

allow a free vote in Parliament on the principle of changing the law. In autumn 1989, the clash with the Lords first took place. The Lords stampeded against the bill. But, dixit the *Daily Telegraph*, "Mrs. Thatcher was determined to press ahead with the measure." Indeed, the Queen referred to the War Crimes Act in her Opening Speech to Parliament last year, threatening to invoke the Parliament Acts did the Lords not knuckle under.

## Wrong in law, wrong politically

There are two things wrong with this act. The first is what makes it wrong in law, the second is a political objection. In terms of history, the first will be truly important. Above all, the War Crimes Act is retroactive: Under a special jurisdiction, it will deal with acts which were not war crimes at the time they are said to have been committed. Assuming that the named individuals are in fact guilty as hell of the named concrete acts, the men are guilty of murder. Once you allow a man to be accused of a crime, no matter how awful, which was not the named crime you accuse him of *at the time* he committed the act, you have brought into your legal system a principle which will destroy it. Even the Roman barbarians said: *Nulla poena sine lege*, where there is no law, there can be no punishment.

Second, the War Crimes Act is extraterritorial: The alleged acts were carried out in countries which did not and do not come under the jurisdiction of any of the legal systems of the United Kingdom. By its very nature, the War Crimes Act flies in the face of national sovereignty; it is an especially dangerous extension into private law of the Thornburgh Doctrine (of sending troops and agents into foreign states to kidnap alleged perpetrators of crimes against the United States). One Peer, supporting the act, Lord Campbell of Alloway, actually wanted the act broadened to cover war crimes committed against subjects of both the United Kingdom and the Commonwealth in Japanese-held territory during World War II, and in Iraqi-held territory during the Gulf war! Lastly, the act calls for changes to the law of evidence which might just squeak through the English legal system, but which, being totally foreign to Scots law, will require new legislation; this will seep its way through the latter nation's criminal justice system and undermine it once and for all.

During the debates in late April in the House of Lords, Lord Shawcross, Chief Prosecutor for the United Kingdom at the Nuremberg Trials, opposed the bill. What he said is worth reporting at some length. He noted, first, that the Hetherington-Chalmers report was written from the standpoint of a prosecuting authority. Hetherington had never had to defend an innocent wrongly accused. As one who had, Lord Shawcross gave the example of a man arrested somewhere in Great Britain, thrown into jail, and charged with a murder committed 47 years ago in Belorussia. He was innocent and would want to test the evidence of the prosecution. He would not be allowed to do so at a preliminary hearing before magistrates, because that procedure was *abolished* by the bill! Evidence would be given by video, depriving the jury of seeing witnesses and the accused face to face. "Will he be given the money and the time to go to Belorussia to cross-examine the witness who has given evidence on the video?" Would he be enabled to search for witnesses to prove an alibi? He was not likely to get any help from the Simon Wiesenthal Center or from the Soviet authorities. "The fact is that this man will find it impossible to get affirmative evidence from Belorussia to sustain his defense. He will stand alone." He would face a jury who would know he was the man who was the subject of a weighty inquiry, costing millions of pounds, and that inquiry had said he ought to be put on trial, a man whom the British government, with the authority of the attorney general, had said ought to be charged, and whom the British Parliament had solemnly decided ought to be brought to justice. "How can he hope for a fair trial?" (This summary of Lord Shawcross's remarks comes from the *Daily Telegraph's* parliamentary report.)

No sooner had the government rammed through the bill, did it make known that it would now let loose a nine-man team of Scotland Yard detectives, set up as a War Crimes Unit. The unit has already been assigned a massive budget of £15 million, supported by "an army of translators and experts" in the words of the English newspapers. Who are they going to attack? Well, in one word, Germany. You don't pass an act to indict three little old men. There is an inescapable strategic background to the whole debate over the act. The British monarchy and its government, in reality nothing but Thatcher's government in another guise, are committed to destroying Germany. To have German war crimes screaming from the front page every day of every European newspaper for the next few years would help build a healthful climate for trade war, a healthful climate of blackmail against the German government. Remember, there will soon be new British wars for Germany to pay for!

There unfortunately also exists a certain faction in the U.S.S.R. which would play along with that: Were Germany weakened, this group believes, the East bloc nations might be brought back into the fold. For the same reasons, this Soviet faction would also look fondly upon a Western media campaign over "war criminals from the Baltic states."

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# Enrique Low's war with drug 'slavery'

by José Restrepo

Enrique Low Murtra, who served as Colombia's justice minister for nine months in the administration of Virgilio Barco, was assassinated on April 30 at 8:15 p.m., as he left the LaSalle University where he worked as a professor and head of the Economics Department. He was shot as he was about to take a taxi to his home, since the government of President César Gaviria had refused to provide him with the protection and transportation he requested.

Low Murtra's assassination occurred exactly seven years after the murder of another justice minister, Rodrigo Lara Bonilla, the first political leader to launch a real resistance against the drug cartels.

Eduardo Laverde, Low's partner in a consulting firm, angrily charged the next day that "the blame for this abominable crime should be placed on the President of the Republic, who removed [Low Murtra] from his ambassadorial post in Switzerland where he was a little more protected." For security reasons, the Barco government had named Low Murtra as ambassador to Switzerland, but Gaviria removed him. "My son didn't voluntarily resign from the ambassadorship in Switzerland," said Rodrigo Low, the former minister's father. Expressing rage at the Gaviria government, the elder Low said that his son had "requested that the government name him to another embassy, because he had received death threats. He was told that this was unnecessary, since things had calmed down. Nor did the government provide him the protection he had requested in Colombia. I want the Colombian people to know the truth."

Enrique Low Murtra had survived the terrorist M-19's bloody takeover of the Justice Palace on Nov. 6-7, 1985, in which half the members of the Supreme Court and another 100 people lost their lives. At that time, Low served on the Council of State, the country's highest administrative court, and was in charge of lawsuits involving economic matters. Following the takeover, Low charged that the M-19 had carried out mafia orders to assassinate the justices and characterized the action as "narco-terrorist."

## A delayed battle

Low accepted the Justice Ministry post in the Barco administration on Sept. 30, 1987 at the point when the terrified Supreme Court, in the aftermath of the slaughter at the Justice

Palace, had already ruled that the extradition treaty with the United States, a crucial weapon in the war against drugs, was unconstitutional.

A devout Catholic, Low said that the country had to fight against reigning impunity, especially as it related to drug-trafficking, because "the slavery which drugs produce, in the mind and spirit of people who make up our society, not only violates their human rights, it destroys them. . . . We can't fool ourselves," he stated, "with the sophism that the problem should be taken on exclusively by the consuming nations. It's true that they should act more decisively to reduce demand. But we can't ignore the pernicious consequences which this vice—today exploited economically by a few cold-blooded individuals—has on the producer nations' values; we need only mention the wave of corruption spreading through our institutions. When anyone resists, [the mafia] opts for assassination of those who courageously oppose its designs."

Low's efforts to combat corruption were unsuccessful due to lack of support from the Barco government. In December 1987, a corrupt judge ordered the release of Fabio Ochoa Vásquez, one of the Medellín Cartel's kingpins, while another judge in Cali ordered the release of drug trafficker Gilberto Rodríguez Orejuela.

In November 1987, Low charged that the assassination of Jaime Pardo Leal, former presidential candidate of the Patriotic Union, the party created on the initiative of the narco-terrorist Revolutionary Armed Forces of Colombia (FARC), was ordered by kingpin Gonzalo Rodríguez Gacha. He said that it was the result of "disputes over the economic benefits [of trafficking] poorly distributed between the guerrillas and the drug-traffickers."

In January 1988, Low issued orders to capture, for subsequent extradition, Pablo Escobar, Gonzalo Rodríguez Gacha, and the Ochoa brothers, Fabio, David, and Jorge Luis. Since the Supreme Court had already ruled that extradition was unconstitutional, Low decided to make use of the Montevideo Convention, which permitted extradition among several countries of the hemisphere.

Through their armies and their lawyers, the drug traffickers appealed the arrest warrants before the Council of State, arguing that, since an extradition treaty with the United States existed, the Montevideo Convention couldn't be used. The Council of State's magistrates, which included some of Low Murtra's former colleagues, ruled in favor of the drug traffickers. In April 1988, Low appealed to the Council of State to reconsider its position, but the appeal was denied.

When Barco refused to wage a serious war on drugs, Low Murtra resigned his post on June 9, 1988. From then, until Aug. 7, 1990, he served as Colombia's ambassador to Switzerland. There, authorities captured several terrorists from Spain's ETA who were ordered to murder him. It was only after the drug mafias murdered presidential candidate Luis Carlos Galán in August 1988, that President Barco launched the type of anti-drug war that Enrique Low Murtra had been demanding.

## Blueprints, rather than blue helmets

*A former minister has a good idea: a German Peace Corps for Third World relief and development missions.*

At the peak of the Gulf crisis, hundreds of thousands of German youth took to the streets to protest the war, and many German air force and air defense soldiers stationed in eastern Turkey declared into TV cameras they would not fight in this insane war. The protesters and "refuseniks" are not making many headlines now, but they are still there. A big commitment is shown by German soldiers currently deployed to eastern Turkey and western Iran for Kurdish relief missions. Faced with much tougher conditions than their comrades in eastern Turkey during the Gulf war, they are declaring into TV cameras that this mission makes sense.

This should make politicians think, especially those that are campaigning for a German "place in the sun" on the side of the big powers that control the U.N. Security Council. The vast majority of Germans oppose out-of-area military missions under NATO or U.N. flags, but would back "blue helmet" peacekeeping missions.

Politicians should be aware that the youth that took to the streets against the war have remained "doves" in their minds. The figures of draft resisters in Germany keep increasing—a trend mirrored in other NATO countries, such as Spain.

What conclusion shall be drawn from this? One good proposal is for a German Peace Corps, a non-military task force for relief and development missions in the Third World. The proposal was made by Jürgen Warnke, a former minister of Third World affairs, last October. He said united Germany should become a "big power for peace," playing a leading role in

Third World development. Warnke proposed the creation of a Peace Corps that would draw on the commitment of the youth to help.

This is a good proposal. The way the Peace Corps can operate is the way ongoing relief missions for the Kurds, Red Cross missions into destroyed Iraq, or the initial relief mission into flooded Bangladesh are now carried out.

The Peace Corps would operate like a rapid intervention force, drawing on idle transport capacities and equipment of the German armed forces, operating like the military but without firearms. The "arms" employed would be portable energy generators and water treatment kits, field hospitals with medical equipment, field kitchens, and the like.

The Peace Corps would use army engineering methods. Shortly before Christmas 1990, a team of German army pioneers completed the construction of a hospital from prefabricated army material in the city of Rudbar, in the middle of the Iranian Elbrus mountains, a region devastated by an earthquake several months before.

No more than eight German army pioneers and 30 Iranian workers, who received instructions on the site, built the modern hospital with 2,100 square meters of medical facilities in just 14 weeks. If there hadn't been certain administrative obstacles and delays, the project could even have been completed earlier.

It is obvious that in regions destroyed by earthquakes and floods, this is the only method to restore a minimal medical care structure. Obvi-

ously, too, this is the method to build up something rapidly in any place in the Third World that lacks basic health infrastructure.

Not just the Kurds or the people of Bangladesh need help. Most of Africa's 400 million people—some 6 million of whom are already infected with AIDS—need help, large parts of the Mideast and Asia do, of the 440 million Ibero-Americans, the World Health Organization estimates that up to 120-150 million at risk from the cholera epidemic need urgent help.

The first phase of the creation of a German Peace Corps would be oriented toward relief missions, carried out according to a world map of disasters and epidemics. The second phase, which should begin during the first phase, would be oriented toward long-term development projects, of building up a sound infrastructure for health care, food production, water treatment, and energy production.

The first phase could work on the basis of the cited Rudbar example. Mobile bridges like those the army engineers have, and air transport capacities are available: Germany inherited a lot of equipment from the abandoned East German armed forces, when the two German states joined last October, which could be put to use, while more is produced.

The second phase would feature sending engineering teams to Third World areas, organizing the building of stationary bridges, power stations, and the like, in which local industries and crafts of the region would be used. An office of German industry in Berlin is already recruiting engineering teams from skilled personnel of shutdown eastern German industries.

The third phase of the Peace Corps would be characterized by the deployment of "blueprints" for rapid development—definitely a better solution than U.N. "blue helmets."

## More dope under U.S. occupation

*If Noriega was the kingpin that Bush claims, why has drug trafficking increased, now that he's in prison?*

**A**gainst the lies retailed by the establishment's liberal media and the Bush administration, *EIR* has been insisting that the Dec. 20 invasion of Panama was not really to fight drugs, but to make Panama safe for drug traffickers."

That's what this columnist wrote in March of last year. It was true then. It's even more true now.

U.S. administration officials admitted to Congress on April 17 that drug-related activities in Panama have "picked up to the level that existed" just before the invasion. That admission by Deputy Assistant Secretary of State for Inter-American Affairs Michael Kozak is, if anything, an understatement.

According to the *Los Angeles Times* April 28, the levels of drug trafficking "in some cases exceed" what existed during the government of Gen. Manuel Noriega, and officials "say the trend is sharply upward and includes serious movements by the Colombian cartels into areas largely ignored under Noriega."

Those new areas, say U.S. embassy, military and Drug Enforcement Administration (DEA) officials, include:

- The establishment of cocaine production facilities. "One U.S. military source said there are at least eight cocaine production plants in the jungle of Darién province that borders Colombia."

That is a new development. As the *Times* notes, "At the height of Noriega's rule, the Colombian drug bosses were unable to maintain production laboratories in Panama," because Noriega would not allow it. Now, "it has gotten so bad that there is even a small

cocaine lab in Paitilla," the *Times* reports, referring to Panama City's most exclusive neighborhood.

In fact, as this columnist has reported, the only cocaine laboratory set up in Panama previously, was *dismantled* by Noriega soon after he assumed command of Panama's Defense Forces (PDF) in 1984. That lab was installed in Darién by the Medellín Cartel with the approval of Noriega's predecessor at the PDF, Gen. Rubén Darío Paredes, a protégé of former Secretary of State Henry Kissinger. Even after Paredes's role in drug trafficking was discovered, Kissinger and his business partners, Lawrence Eagleburger, who is Bush's undersecretary of state, and Brent Scowcroft, national security adviser, continued to defend him and to blame Noriega, despite the fact that U.S. drug enforcement officials had repeatedly said that Noriega was the best ally of the U.S. in the war against drugs in Ibero-America. Eagleburger, Scowcroft, and Kissinger all played key roles in shaping the Bush administration decision to invade Panama and to install partners of the drug cartels as the government.

- There has been a marked increase in drug consumption in Panama, particularly among high school and even elementary school children, which was unknown before the invasion.

According to the *Los Angeles Times*, "the retail sale and use of narcotics in Panama" is "more extensive now than under Noriega" and there is now "virtually open sale of cocaine in some of Panama City's busiest down-

town streets and the barely concealed use of drugs in bars and nightclubs, including several frequented by American military personnel."

- Traffickers "move their drugs freely into and out of the country," the article says. "The use of Panama as a way station for the shipment of drugs to North America and Europe has sharply increased in recent months . . . and is measured in tons and valued in millions of dollars."

- Foreign banks are laundering drug money, says the *Times*, quoting a U.S. drug enforcement agent: "If this isn't stopped . . . we are faced with hundreds of millions of dollars, even billions, clearing through through Panama banks and it will be almost impossible to trace them."

Although U.S.-installed President Guillermo Endara, most of his cabinet, his Attorney General, and members of Panama's Supreme Court are linked to drug-money laundering banks, U.S. officials told the *Times* "There is no evidence Endara is personally involved, but he has been naive in his private business and some of his associates are certainly questionable."

So who gets blamed for this increased drug trafficking? Certainly not the "naive" Endara, the corpulent U.S. puppet President, who is also known as "Sweetbread" and "Honey Bun"; nor Second Vice President Guillermo "Billy" Ford, a drug banker whom Eagleburger calls "my close personal friend." And most certainly not U.S. Ambassador Deane Hinton, who makes most major decisions of the Panamanian government.

There's only one person left to blame, and that's Noriega: "Noriega himself is still directing the drug operations in Panama" by telephone from his Miami jail cell, claims former police chief Ibrahim Asvat, who is loyal to First Vice President Ricardo Arias Calderón.

## 'Soviet' emerges in Colombia

*Narco-terrorist "people's assembly" readies the guillotine for the country's republican institutions.*

The National Constituent Assembly, meeting in Bogotá for the purported task of rewriting Colombia's Constitution, has turned into a dangerous "subversive institution," with the complicity of the Gaviria government, warned former minister Carlos Lemos Simmonds, in an explosive May 2 interview with the opposition daily *El Espectador*. Lemos was forced to resign his government post in March 1990 after charging that sections of the government of then-President Virgilio Barco were becoming increasingly tolerant of "the drug traffickers and those who speak for them." Lemos is currently a delegate to the Assembly.

According to Lemos, the M-19, which has been responsible for untold assassinations, kidnappings, and such terrorist acts as the mafia-financed holocaust at the Colombian Justice Palace in 1985, has captured full control over the Assembly, and most other delegates are following its lead. Lemos protests that the Liberal government of President César Gaviria has criminally "absented itself" from the proceedings, abandoning Liberal delegates like himself, and leaving the field to a combination of narco-terrorists, drug cartel frontmen, and otherwise spineless and/or corrupt politicians. He concludes: "The M-19 seeks to dismantle the institutions, because that is what it sought by force of arms, and now will achieve by law."

Lemos's interview was released following the May 1 decision of the Assembly to authorize itself to write, approve, and immediately enact con-

stitutional legislation—in defiance of the Colombian Supreme Court and Council of State, the latter serving as a magisterial oversight body on constitutional matters. It also follows the formation of an unholy alliance between two of the Assembly's three co-presidents (M-19 chief and presidential hopeful Antonio Navarro Wolf and libertarian "neo-conservative" politician Alvaro Gómez Hurtado), in favor of dissolving the National Congress and erecting the unicameral Constituent Assembly in its place.

The Navarro Wolf-Gómez Hurtado alliance is, in itself, enough to make one shudder. It is dubbed the "alliance of the kidnaper and the kidnaped" by the press, a reference to the M-19's bloody 1988 abduction of Gómez Hurtado (during which his bodyguard was murdered), to force negotiations that would ultimately lead to the M-19's amnesty and admission into the Gaviria government. Although presented as "strange bedfellows," they are in fact far from it. Over the years, Gómez has repeatedly lent the pages of his "right-wing" daily *El Siglo* to the "leftist" propaganda of the M-19. Not accidentally, these perverse allies in subversion are also long-standing advocates of drug legalization.

Today, like Vladimir Lenin and Leon Trotsky, the two are using their "people's assembly," or *soviet*, to undermine and ultimately overthrow Gaviria's "Kerensky" regime, with every intention of installing a narco-dictatorship in its place. And President Gaviria, oblivious if not outright complicit, is assisting the process.

When three narco-terrorists from the so-called National Guerrilla Coordinator (CNG) briefly occupied the Venezuelan Embassy in Bogotá May 5 to demand amnesty negotiations with the government, Gaviria not only gave them safe passage to Caracas, but also presented them with an offer to hold those negotiations in any of 16 sites inside Colombia. The narco-terrorists have since accepted. This all occurred *one day* after a narco-terrorist ambush of a military patrol claimed the lives of 10 soldiers.

The CNG's demands include 20 seats on the 73-member Assembly, which already has 23 occupied by the M-19 and a handful of smaller amnestied guerrilla forces. Venezuelan President Carlos Andrés Pérez, who was in Bogotá early in May for a two-day state visit and to offer his personal endorsement of the "daring" National Assembly, was reportedly working out the details for his personal mediation of those negotiations. Should an amnesty be approved for the CNG's ELN and FARC guerrillas, the latter better known as Colombia's cocaine-trafficking "Third Cartel," the current dual-power situation in the country will unalterably tilt toward chaos.

*El Espectador* editorially warned May 4 that the consequences of the Assembly's self-declared autonomy would be "political, social, and economic instability that already has and will continue to have negative impact on public peace. . . . That the mandate of Congress is eliminated in one stroke . . . could have serious consequences, causing unwelcome divisions in public opinion and leading to confrontations that could be anything but peaceful. The same would occur if [the Assembly] ignores the judicial rulings of the Supreme Court and Council of State, for which respect by the authorities and citizens alike is the foundation of a state of law."

# International Intelligence

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## **Turkish opposition hits Özal's policy**

Turkey has not emerged as a big power after the Gulf war, but is losing control over developments, charged opposition leaders Erdal Inonu, chairman of the Turkish Social Democratic party, and Bulent Ecevit, former prime minister of Turkey. They spoke on May 2 concerning the tense situation created by the Kurdish refugee problem and the frictions that have developed between Turkey and other coalition troops.

"Our fears at the beginning of this crisis that Turkey would emerge as a loser, rather than a winner, have been proven right, unfortunately," declared Inonu, attacking President Turgut Özal for having driven Turkey into this situation by supporting the U.S.-led war against Iraq, in hopes of expanding Turkish power and influence.

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## **Taiwan renounces use of force against P.R.C.**

The government of the Republic of China on Taiwan announced that "the period of Communist rebellion" on mainland China is now officially at an end. "We formally confirm unequivocally that we will not use force to achieve national unification," President Lee Teng-hui said at a press conference on May 1, after an extraordinary session of the Taiwan National Assembly.

"We must work together to usher in a new era for the entire Chinese nation," he said. This does not mean that Taipei has recognized the legitimacy of the Communist government in Beijing, but its existence has been acknowledged. "The mainland area is now being controlled by Chinese Communists. This is a fact we must face," President Lee said. From now on, mainland China will be recognized as a "political entity" and the Beijing government will now be referred to as "the mainland authorities."

Lee not only announced that the "rebellion" was a thing of the past, but also that the

emergency measures in Taiwan to keep order during the rebellion are also rescinded. The Assembly, still dominated by the "mainland deputies" elected on the mainland 40 years ago, voted to reduce the Assembly in size and have it elected locally. All the mainland deputies will retire by the end of this year. In addition, mainland Chinese will now be able to travel freely to Taiwan.

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## **Red Cross expert blames U.N. for deaths in Iraq**

Air attacks by the U.S.-led coalition and the U.N. embargo are to blame if 5-6 million civilians in southern Iraq don't survive the postwar destruction of infrastructure and fall victim to epidemics, exhaustion, and famine. This was the evaluation given on May 1 by German relief expert Peter Fuchs, who was in Iraq with the "Task Force Gulf" of the International Red Cross recently.

Fuchs charged the U.N. Security Council with having delayed relief missions during the most critical phase, by not responding to alarming reports from the Red Cross. The several hundred tons of aid the Red Cross was able to bring to southern Iraq came too late.

"Between 5 and 6 million people in southern Iraq are virtually struggling for mere survival," said Fuchs, who also attacked the Western media for disinterest in any coverage of the dramatic situation there.

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## **Europe debates an FBI-style police force**

The creation of a European police force modeled on the U.S. Federal Bureau of Investigation would violate the principle of national sovereignty, according to Swedish government officials cited by the Stockholm daily *Dagens Nyheter* on April 30.

Plans to establish such a police force are being discussed by the 12 European Community countries which belong to the TREV (Terrorism, Radicalism, Violence

International), a forum for police collaboration among the EC countries. Sweden is not yet a member of the EC, but can participate in the discussion as a "like-minded" nation.

The Nordic National Police Associations (including Finland, Sweden, Denmark, Norway, and Iceland) have unambiguously rejected the concepts of "hot pursuit" (police crossing borders to hunt criminals in another country) and the abolition of border controls.

After five years of negotiations, Germany, France, Italy, and the Benelux countries have signed the so-called Schengen Agreement, which allows "hot pursuit," a unified drugs and weapons policy, as well as a common policy for refugees. Its computer register, when fully developed, will contain 1 million names of "undesireable" persons like accused criminals, refugees, and terrorists.

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## **Will Algeria be next target for 'new order'?**

"Are we going to be next after Iraq?" That question was asked by the Algerian weekly *L'Observateur* of April 17-24, and sums up the reaction in Algerian political circles to a recent article in the *Washington Times* alleging that Algeria is trying to build a nuclear bomb.

The *Washington Times*, "a daily very close to the CIA," says *L'Observateur*, "whose special field is that of disinformation and destabilization," is now revealing that "Algeria is about to launch a nuclear military program with the support of China." The Algerian paper points out that such disinformation was used to shape the political climate around Iraq before the Gulf war.

Statements coming out of France tend to confirm Algeria's fears in this regard. The daily *Quotidien de Paris* on May 2 went so far as to hint at a "solution" to the problem along the lines of Israel's bombing of an Iraqi nuclear power plant: "Nobody has yet answered the question of what would have happened to Kuwait if the Israelis had not in 1981 bombed the Iraqi Tammouz nuclear power station. . . . The Iraqi example



would be enough to make one suspicious about the real intentions of Algeria, a country so rich in natural gas that one wonders what interest it would have in exploiting other raw materials than those nature has provided it with. But even if one were to admit to the good faith of the Algerians . . . one cannot ignore that the country is unstable, and therefore dangerous. . . . There is a priority here that the international community must take into account as fast as possible, before it is too late."

Algeria tried to prevent the war against Iraq, and its foreign minister declared that Algeria would never tolerate the starvation and destruction of Iraq. Furthermore, Algeria is opposed to the population control policy of George Bush's "new world order."

## **Peruvian churchmen blast crimes against children**

Catholic Church officials in Peru have pledged to investigate reports that Ibero-American children were being sold, murdered, and disemboweled, so that their body organs could be sold for transplants.

The archbishop of Chimbote, Peru, Msgr. Luis Bambarén, charged on May 2: "There is a network that buys children in order to later kill them and sell their organs. This is verified." He said the Latin American Bishops Conference, representing the Church in 22 Latin American countries, was committed to investigating at least 20 cases of child murder and organ theft. The Peruvian Senate Judiciary Committee expressed shock at the report and said it would pursue its own investigation.

Bambarén also said the Church would put a spotlight on cases of lawyers and "pseudo-lawyers" buying and selling Peruvian children for adoption abroad, "as if they were small, rare animals. We cannot permit this trade," he said.

Bambarén said that impoverished "street children" throughout the region were also being targeted for murder by vigilante groups. In the name of curbing petty crime, thousands

of street children have been murdered in Brazil. In the coastal city of Salvador, capital of Bahia state in Brazil, a child is killed every three days, said Bambarén, and in São Paulo, the largest city in South America, more than 1,400 children were killed between January and April. He denounced this killing of children as showing a descent to "incredible levels of degeneracy and inhumanity."

The archbishop did not mention the regular practice of the cocaine cartels throughout the region of recruiting poor and homeless children, addicting them to drugs, and training them as *mulas* (drug carriers) or *sicarios* (assassins).

## **Moscow turns the screws against Armenia**

The Soviet leadership's campaign to force Armenia to rescind its intent to formally declare independence this autumn, shows that a crackdown against the smaller republics was embedded in the April 23 agreement between U.S.S.R. President Mikhail Gorbachov and Russian President Boris Yeltsin.

Dozens of Armenians in the region of Azerbaidzhan bordering on Armenia were killed during the first week in May, in a military operation led by U.S.S.R. Interior Troops. The German newspaper *Tageszeitung* on May 8 quoted an Armenian parliamentary deputy, attributing the following statement to Soviet Interior Ministry troops' head, Gen. Yuri Shatalin: "My officers are ready to raze Armenia to the ground. Keep in mind, we control the nuclear power plant. Are you aware of this?"

According to that newspaper's report, Gorbachov told Azerbaidzhani leader Mutalibov, that Moscow fully backed the Azeris against Armenia. This would be part of the "secret accords" of the Union Treaty worked out on April 23, which Azerbaidzhan signed. The secret part establishes that those republics which would be unwilling to sign the Union Treaty, would be treated as foreign countries, with the all the consequences that implies.

● **MARGARET THATCHER** will visit Moscow starting on May 27, at the personal invitation of President Mikhail Gorbachov and his wife Raisa, Soviet presidential spokesman Vitaly Ignatenko announced on May 7. Thatcher played an important role in promoting Gorbachov's rise to power and international influence.

● **THE TURKISH** magazine *Zaman*, which has an Islamic fundamentalist bent, charged on May 2 that the U.S. intervention forces were misusing the airlift into eastern Anatolia to provide weapons to the PKK, a Kurdish guerrilla group. The Kurdish separatists are fighting against the Turkish government.

● **GABONESE SOURCES** report that French First Lady Danièle Mitterrand's France Liberté association is supporting the hated dictator, President Bongo. The group organized a trip by South Africa's Nelson Mandela's to Gabon in an effort to promote President Bongo's new "democratic face," amidst stronger and stronger popular revolt against his brutal regime.

● **THE MEDELLIN CARTEL** plans to assassinate Colombian diplomats in Europe, the Bogotá daily *El Espectador* reported on May 4, citing sources at Scotland Yard. Police have been alerted and advised to take appropriate measures, particularly in London and Berne, where former President Virgilio Barco and former Justice Minister Enrique Parejo González, respectively, are the ambassadors.

● **ROMANIA'S** President Ion Iliescu met with French President François Mitterrand in Bucharest in late April. It was the first visit to Romania by a Western head of state since the collapse of the dictatorial regime of Nicolae Ceaușescu in 1989.

## Christians must know what Confucius said

by Michael Billington

As the 1989 revolutionary upsurge in China was broadcast around the globe, the Western world was awed and inspired by the images of universal truths presented by the courageous young demonstrators: Beethoven's heroic Choral Symphony playing each morning over the students' loudspeakers, set to Schiller's "Ode to Joy"; the Goddess of Democracy statue; the quotations from Abraham Lincoln. To any Chinese viewing these events, especially the bloody suppression by Deng Xiaoping's tanks, another image from antiquity presented itself for reflection. In the closing chapter of the *Analects* (or *The Discourses of Confucius*), the sage quotes a great emperor of an earlier age giving instructions to his appointed successor as his own death drew near:

If there shall be distress and want within the Empire, the mandate of Heaven shall be taken away from you forever.

Clearly, Margaret Thatcher and George Bush did not share that perspective concerning the Deng dictatorship. As the democracy movement was crushed, they proceeded to use every possible means to convince their angry populations that the Communist regime must be preserved at all costs, while deploying various representatives of the Kissinger group (starting with Kissinger Associates executives Brent Scowcroft and Lawrence Eagleburger) to secret meetings with Deng, only days after announcing an official moratorium on all such meetings.

This policy took an even uglier turn as Bush and his British Lords lined up their plans for a "new world order" with the Russian and Chinese dictatorships. The Chinese side of the deal included a green light to put the leaders of the democracy movement on trial, without any disruption of the

renewed lending and investment pouring into the British-style "concessions" (now called "Special Economic Zones") along the mainland coast. In return, the Chinese did not veto the U.N. Security Council resolutions supporting the U.S. war against Iraq. The travesty of show trials is now taking place.

This deal may be quite short-lived, as the world descends into a configuration of global war. It is the urgent purpose of this report to address the underlying basis in both Chinese and Western culture for this evil agreement. An equally urgent purpose is to identify the potential for a higher-order agreement of principle between Chinese and Western forces who wish to reverse the descent into a new Dark Age, and create instead the conditions necessary for a new Renaissance.

This task faces one formidable obstacle in regard to the ideology of the Western population (and a parallel problem among the Chinese). The problem is perhaps best characterized by the persisting effect of the words of the racist Rudyard Kipling, the apologist for the British Empire's rape and looting of "lesser races," who lied that "East is East and West is West, and never the twain shall meet." Such statements were not philosophical ruminations, but statements of policy: The fruits of Western science and technology would be denied to the East, while the moral and ethical cultural heritage of the East would be distorted and hidden in a cloak of "inscrutability" from Western minds. On top of this is the problem of the degraded "popular image" of Confucius created by Hollywood's "Charlie Chan" and various other perverted caricatures of the sage.

### **An ecumenical 'Grand Design'**

Only once in history was a serious effort put forth by the West to discover the truths that made possible the develop-



*A demonstration in Houston, Texas, in support of the martyrs of Tiananmen Square, June 1989. The mandate of Heaven has been taken away from China's corrupt leadership.*

ment of the largest and oldest civilization in the world. Following the Golden Renaissance, as part of the same process that led to the discovery and evangelization of the Americas, Christian missionaries from the Society of Jesus settled in China, studying and translating the Chinese classics of Confucius, Mencius, and others, while preaching the Christian message and teaching the new scientific discoveries of the Renaissance. They found in the Chinese sages from the 5th and 3rd centuries B.C. a deep understanding of natural law, and found nothing to conflict with the potential to adopt the Christian faith.

Back in Europe, the great scientist and statesman Gottfried Wilhelm Leibniz followed these developments with avid interest and hope. The existence in ancient China of a culture and a philosophy so in keeping with the truths of natural law discovered by Western civilization were proof to Leibniz that the human mind, reflecting man's creation in the living image of God, must naturally arrive at these truths through the exercise of reason—or, as he said, that these truths are “inscribed in our hearts” for all to read who seek them. In addition, he saw the potential alliance between the vast Chinese civilization and the European continent as a force for implementing his vision of a Grand Design, for an Age of Reason, through an ecumenical alliance of sovereign nations dedicated to the development and application of science to nation building.

### **Mao's ‘anti-Confucius campaign’**

I will discuss this ecumenical project, and its sabotage, with a view to the necessity of recreating that effort today. First, however, it is necessary to familiarize the reader with one aspect of the era of madness known as the Great Proletarian Cultural Revolution.

Toward the end of that fiasco, Mao Zedong launched an assault directly on Confucius and Confucianism, which came to be known as the “Criticize Lin Biao and Confucius Campaign.” The Cultural Revolution of the late 1960s, orchestrated by Mao and directed by his designated successor, Lin Biao (who later became its principal target), turned the People's Republic of China into a state of bloody anarchy perhaps unparalleled in history. As the chaos subsided in the early 1970s, Mao opened an ideological attack on the remnants of Chinese morality and culture in the form of the campaign against Confucius. Although Confucius had been repeatedly denounced by some Communists and their predecessors since the beginning of the century, even Mao had made concessions to certain Confucian policies, while some Communists attempted to maintain aspects of Confucian morality within Communist ideological strictures. Such signs of “bourgeois liberalism in Confucian garb” were no longer to be tolerated.

The anti-Confucius campaign coincided with the “opening up” of China, as Henry Kissinger's 1971 visit began the flow of diplomats and tourists to the mainland. What they



*Confucius (left), the sage of the sixth century B.C., and Gottfried Wilhelm Leibniz, the universal genius, scientist, and statesman of the late 17th and early 18th centuries. Leibniz was astonished to find that China's Confucian beliefs did not contradict the teachings of Christianity, and provided the basis for collaboration between the cultures.*

saw were mass meetings of students, soldiers, peasants, and workers, being harangued to denounce the very foundations of the morality which had united the Chinese people for longer than any other culture in history.

Ironically, Mao did contribute an important concept to the study of Chinese history, although he did so from an insane perspective. He described all of Chinese history as a battle between ideas and forces identified with Confucius on the one hand, and those of the Legalist School on the other. Mao identified himself with the Legalists and his hero Qin Shi-huang, best remembered for burning the Confucian books and burying alive Confucian scholars in 212 B.C. Mao once said, "He buried alive only 460 scholars; we have buried 46,000 scholars. But haven't we killed counterrevolutionary intellectuals?"

Qin Shi-huang founded the short-lived Qin Dynasty (221-207 B.C.), which collapsed after 14 years of unbearable tyranny. In the straitjacket of Marxist historiography, the Maoists portrayed the Legalist Qin as the representative of the "newly rising landlord class," while Confucius and Men-

cus were representative of the old slave-owning classes. Thus Qin played "a decisive role in carrying out the correct political line in accordance with the tendency of the historical development of China," as one historian put it in Maoist newspeak.

### **Athens vs. Sparta**

Legalism was a reaction to the concept of the rule of reason contained in the works of Confucius (551-479 B.C.) and Mencius (372-289 B.C.). It rejected the notion of a "mandate of Heaven," in favor of a "rule of law," where laws were defined as whatever the current rulers declared them to be. The approach to history as a "Confucian-Legalist" confrontation is usefully compared to Friedrich Schiller's view of universal history as a confrontation between the ideas associated with Solon of Athens and with Lycurgus of Sparta, the rulers of the ancient Greek city-states of approximately the same era as Mencius. Lycurgus, like Qin Shi-huang and the Legalists, established a tyrannical rule of law controlled by an elite ruling over an extensive slave and semi-slave

system. Solon of Athens established a constitutional order subject to natural law. Like the Confucian concept of a “mandate from Heaven,” where even the emperor is subject to natural law, Solon devised a rule of reason, such that law is not subject to the whims of irrational rulers, but is based on the rights and responsibilities imbedded in natural law. The citizen, through the exercise of reason, perfects his or her knowledge of those laws and can thus contribute to the development of society.

The Legalist philosophers rejected the Confucian moral imperatives, such as virtue and benevolence, on the grounds that the rule of law could not be enforced under such conditions. In reference to the quality of *ren* (“benevolence,” similar to the Christian *agapē*), which was the driving force of Confucian morality, Mao once said, “Because the reactionaries are not benevolent, we would never use the ‘rule of *ren*’ toward them.”

The Legalists considered the poor to be responsible for their own condition, and, as such, they were subject to be made slaves to the state. During the brief Qin Dynasty, positions in government were chosen at the discretion of the emperor, while the masses of the population were forced into corvée labor brigades to build the Great Wall, immense palaces, as well as some canals and irrigation projects. Tens of thousands died on these projects. This is what the Maoists praised as “historically progressive,” because it was supposedly anti-slavery!

The Confucians, far from representing “slave-owning society,” had a profound belief that “all men are created equal,” to borrow the phrase from the U.S. Declaration of Independence. In discussing his belief that the nature of man is fundamentally good, Mencius spoke as follows about those qualities that constitute virtue in man:

Benevolence, righteousness, propriety, and knowledge are not infused into us from without. We are certainly furnished with them. A different view is simply owing to want of reflection. Hence it is said: “Seek these qualities, and you shall find them. Neglect these qualities and you shall lose them.” Men differ widely—it is because they cannot fully utilize their natural powers.

That men act differently in the use of their potential is a necessary result of man’s free will, which makes possible the individual contribution of new creative discoveries for the development of society. Although “free will” means men are free to choose between good and evil, Mencius makes clear that “if men do what is not good, the blame cannot be imputed to their natural powers.”

Mencius is also concerned that the “free will” of the people not serve as an excuse for rulers to avoid responsibility for a breakdown of society. While every individual is born with the potential for good—and is certainly personally re-

sponsible for his actions and their consequences—the responsibility for the advancement of society as a whole, or its degeneration, passes beyond the mere collection of actions of each individual, and becomes instead a question of political economy. Mencius says:

In good years the children of the people are most of them good, while in bad years most of them abandon themselves to evil. It is not owing to any difference of their natural powers conferred by Heaven that they are thus different. The abandonment is owing to the circumstances through which they allow their minds to be ensnared and drowned in evil.

These profound discoveries about the relationship of man with nature and with society were dismissed and denounced by the Maoists as “metaphysics.” Mao and his collaborators, primarily the “Gang of Four” centered around Mao’s wife, Jiang Qing, rewrote all of Chinese history, simple-mindedly placing everybody into the category of either “Legalist” or “Confucian.” They portrayed every peasant rebellion throughout history as a glorious paradigm of Legalist correctness against “Confucian reactionaries.” Scholarship itself was attacked as reactionary, as universities were closed and students driven into the countryside—not to uplift the backward peasants with instruction on modern techniques and culture, but to “learn from the peasants” by carrying nightsoil and digging dirt with primitive hand tools. Those who promoted “decadent bourgeois music”—that of Beethoven and Schubert was particularly targeted—were enemies of the people.

Although the Gang of Four was overthrown and the Cultural Revolution publicly denounced for its excesses, the ideological content of the Anti-Confucius Campaign was maintained by the Deng regime. The Legalists, and especially Qin Shi-huang, remain as models to Communist society, while Confucius is smothered under an “official line” and considered a relic of the past. What was *totally* rejected, however, was the actually useful notion that history could be characterized by the conflict between Legalism and Confucianism, perhaps because such a characterization made it all too clear that the Communist dictatorship is a direct descendant of extremely evil forces.

The fact is that these two schools of thought do characterize the fundamental conflict between two opposing world views. The study of the Confucian classics was never merely an academic issue in China, since positions in government or civil service depended on passage of standardized national examinations which were based on knowledge and interpretation of these classics. Confucianism was not a religion in the sense of a church with a priesthood, but, to a certain degree, the government officials and administrators functioned like a priesthood. Advancement in government service required passing rigorous examinations at every stage, in-



tended to enhance the Confucian tenet that virtue, rather than practical skills alone, was the primary requirement for political leadership.

Because of this, the classics functioned as a sort of constitution for the empire as much as a guide for personal conduct. Partially through the Examination System, the natural law imbedded in the classics was sustained as a guide to moral government and as a check against the irrational whims of statesmen.

The Legalists hated the Examination System, arguing that appointments should be by "merit" and based on "talent and practical ability" rather than "academic" achievement. That, of course, created a situation where the rulers could determine their own criteria for what constituted "merit" and "talent," leading inevitably to tyranny. There certainly were problems with the Examination System over the years, including the difficulty of introducing scientific advances into the educational structure. But the rejection of the classics altogether not only eliminated the moral foundations of education, but also left the nation subject to the positive law composed by rulers to justify the rule of "Might Makes Right." When Sun Yat-sen eliminated the examinations after the 1911 Republican Revolution, he did so only on the basis of introducing a Constitution which embodied the principles of natural law, developed primarily from the American Constitution, in conjunction with aspects generated from China's own experience.

### **The Renaissance in China: Ricci and Leibniz**

I will now take up the dramatic developments of the 17th century, when a Grand Design for East-West relations based on Christian morality and Renaissance science nearly succeeded, only to be sabotaged by the European enemies of the Renaissance. Once before, during the 13th-century reign of the Kubla Khan over China, Franciscan missionaries from the West had followed Marco Polo to Cathay, establishing close contacts with the ruling Khan and extensive networks among the Chinese population. But the Franciscans appear to have made little attempt to learn the Chinese classics—in fact, they appear to have been primarily a "foreign mission," serving Europeans who came in following the Mongol conquests. With the end of the Mongol reign, the mission collapsed without a trace.

Three hundred years later, St. Francis Xavier, one of the founders of the Society of Jesus, traveled to Asia. After a period in Japan, he determined that the Japanese respect for and deferment to China on philosophical issues necessitated the conversion of China first. He died before reaching the Middle Kingdom, however, and the opening of China fell to another Jesuit, Matteo Ricci.

Ricci arrived in 1581, and developed the policies that guided the mission through the next two centuries. He had received extensive training at the Roman College under the direction of the German Christopher Clavius, who was an

associate and friend of the astronomer Johannes Kepler and later of Galileo. Ricci spent four years with Clavius studying geometry, geography, and astronomy, including the construction of astronomical and musical instruments.

What Ricci discovered in China was totally unlike the conditions that prevailed in the Americas, Africa, or India. The Jesuits' reports to Europe described a country with a civilization which preceded and surpassed in many ways that of the West. A century later, Europe's greatest philosopher, scientist, and statesman, Gottfried Wilhelm Leibniz, reflecting on the reports from Ricci and those who followed him, reported:

There is in China in certain regards an admirable public morality conjoined to a philosophical doctrine, or rather a doctrine of natural theology, venerable by its antiquity, established and authorized for about 3,000 years, long before the philosophy of the Greeks.

Recorded Chinese history preceded the generally accepted date for The Flood. The question was posed for Europeans: How could an advanced civilization, outside of the Biblical history of God's interaction with man, be explained? To Leibniz and to Ricci, China's history and culture stood as a monument to the truth of One God: that the mind reflects the perfect creation, and thus must lead through reason to the concept of the creator. To Leibniz's "Spartan" opponents, however, who argued that only the select few had been predestined by God to be saved, the idea that the ancient Chinese sages had known the true God was blasphemous, and no proof would convince them otherwise. But Leibniz recognized that China, by far the most populous nation on Earth and ordered in a civil structure more successful in many ways than any in European history, must have achieved that population and that order through some identifiable means. He even suggested that "Chinese missionaries should be sent to teach in the aim and practice of natural theology, as we send missionaries to instruct them in revealed theology."

Ricci quickly determined that Confucianism was not a religion, but more like an academy which existed for the good of society. Confucius was not worshiped, but the Chinese would "praise him for the good teachings he left in his books . . . without, however, reciting any prayers nor asking for any favor." According to Leibniz, the Masters, and one's own ancestors, were honored in rites whose goal was "to display the gratitude of the living as they cherish the rewards of Heaven, and to excite men to perform actions which render them worthy of the recognition of posterity."

Leibniz studied the Chinese issues throughout his life, writing the *Discourse on the Natural Theology of the Chinese* in the last years of his life. He characterized Confucianism as follows:

To offend Heaven is to act against reason; to ask

pardon of Heaven is to reform oneself and to make a sincere return in work and deed in the submission one owes to this very law of reason. For me, I find this all quite excellent and quite in accord with natural theology. . . . Only by strained interpretation and interpolation could one find anything to criticize on this point. It is pure Christianity, insofar as it renews the natural law inscribed on our hearts, except for what revelation and grace add to it to improve our nature.

Ricci took issue with the idea held by most Confucian literati of his day that "All is One," which had been put forward by the "Neo-Confucian" school of the 11th and 12th centuries. This, he argued, was a form of atheism, since the Creator could not have created Himself, and thus could not be of the same substance as that He created. Although the Neo-Confucians claimed these concepts were derived from the ancient classics, Ricci argued that they reflected more the extensive influence of Buddhism in China since the 3rd century A.D. The Masters, he showed, believed in a First Cause, God the Creator, Who created man according to His own nature. Leibniz extended this by comparing the Confucian concept of Reason (*Li*) with his own notion of the "monad," which orders the progress of the phenomenal world without being affected by it, and which also relates to a universal Monad. One particularly beautiful poem from the *Book of Poetry* (one of the classics) expresses this idea of the relationship among man, the Creator, and the creation:

Heaven, in creating mankind,  
Created all things according to law,  
Such that people can grasp these laws  
And will love virtue.

Mencius quotes this poem and adds that Confucius said, "The author of this ode knew indeed the principle of our nature."

Ricci translated all the classics into Latin, and wrote several tracts in Chinese that won him great respect and fame amongst the literati. These included a dialogue between a Western scholar and a Chinese scholar called *The True Idea of the Lord of Heaven*, and several translations, including Euclid's *Elements* and scientific studies.

Although he befriended and debated a number of the Buddhist and Taoist scholars, he consistently argued against the common acceptance of a "merging" of Confucianism with Buddhism and Taoism. He concluded that if the Chinese would reject Buddhism and Taoism, and also reject polygamy and a few other relatively minor rites, they "could certainly become Christians, since the essence of their doctrine contains nothing contrary to the essence of the Catholic faith, nor would the Catholic faith hinder them in any way, but would indeed aid in that attainment of the quiet and peace of the republic which their books claim as their goal."

Ricci's knowledge and teaching of Renaissance science were inseparable from his teaching of the "true religion." He believed that the leap in scientific progress in Renaissance Europe, while inseparable from the parallel developments in Christian religious thinking, was not a "secret" of the West, but the patrimony of all mankind. Just as he found the Chinese of a moral disposition to embrace Christianity, so were they willing and anxious to enhance their rich scientific heritage with the scientific ideas and technologies that Ricci and the later Jesuits brought with them.

Although Ricci never met the emperor, his successors established themselves as the official court astronomers and headed the engineering bureaus. These positions were generally unaffected by the fall of the Ming Dynasty and the founding of the Qing Dynasty under the Manchu in 1644. The first Manchu emperor, in fact, placed his son under the tutelage of the Jesuit fathers for training in both the physical and moral sciences.

### The rule of Kang Hsi

This son was to become the Kang Hsi Emperor, whom Leibniz referred to as a monarch "who almost exceeds human heights of greatness, being a god-like mortal, ruling by a nod of his head, who, however, is educated to virtue and wisdom . . . thereby earning the right to rule."

While Kang Hsi was receiving this training in Christian theology and Renaissance science, he also immersed himself in a study of the Confucian classics, with daily debates over conceptual issues reflected in his diaries. This commitment eventually convinced the Chinese literati that they could support the foreign Manchu as emperor. After a series of rebellions in the South were militarily put down, the empire lived in relative peace throughout his long reign (1661-1722), and China's first international treaty was signed establishing the borders with Russia, negotiated in Latin, with Jesuits as intermediaries.

In 1692, with Kang Hsi established as a Sage Ruler and the Jesuits holding all leading positions in the astronomy and engineering bureaus, the emperor issued an edict granting all Christians the right to teach, preach, and convert throughout the empire, subject only to the Ricci policy that scholars—i.e., civil servants—must maintain moral allegiance to the Confucian principles and continue to perform the rites and ceremonies connected to their offices. The eruption of the "rites controversy" thus disrupted an extraordinary potential to achieve what Ricci had identified as his greatest goal: the "universal conversion of the whole kingdom."

### 'Rites controversy' wrecked the Leibniz plan

The conflict that led to the complete severing of relations between China and the West was a debate that took place almost entirely in Europe, and played a crucial role in the Reformation/Counterreformation conflicts that shook Europe and undermined the ecumenical efforts identified with



Leibniz. The public issues arose from accusations that the Jesuits had condoned "pagan" practices and (perhaps intentionally) misinterpreted crucial Chinese terms relative to Confucian views of God. But the actual target of the attack was the Grand Design which Leibniz and his allies were creating to break the power of the "Spartan" oligarchs, who generally opposed the dissemination of Renaissance science.

The opposition to Ricci's policies emerged from a faction among the missionaries composed of Franciscans, Dominicans, and a few Jesuits. The Jesuit João Rodrigues from the Japan mission visited Ricci in 1616 with the intent of imposing a prohibition against missionaries teaching mathematics or science! Rodrigues denounced Ricci's collaboration with China's literati, insisting that the method used in Japan (insistence on total renunciation of all "pagan beliefs and rituals" for Christian converts) must be applied to China and Confucianism as well. His argument that this "hard line" was not only necessary theologically, but also successful, was undermined when the Japanese began severe persecution of the Christians the following year.

Franciscans and Dominicans arrived in the 1630s, from Japan, the Philippines, Europe, and from the missions in the Americas. The leading opponent of Ricci (who had died in 1610), and the major target of Leibniz's rebuttal, was the Franciscan Antonio de St. Marie. The Chinese have the "gigantic presumption" to regard their sciences and "their so-absurd philosophy" as the only one in the world, he charged. "So the Fathers of the Society (S.J.) have gone to great pains to hide their errors under the cloak and guise of words with a heavenly tinge, whereas in reality beneath is concealed the pallor of hell." On Chinese history, he wrote: "What does it matter to our mission whether the ancient Chinese knew God, or didn't know Him, whether they named Him in one way or another? The question is completely indifferent. We have come here to announce the Holy Gospel, and not to be apostles of Confucius."

St. Marie had arrived in China in 1633 from the Philippines, spending only three years before returning to Rome to argue against the Jesuits. It should be noted that the Franciscans and Dominicans pointed to their success in the Americas in the conversion of whole cultures as proof of the method of total renunciation of native pagan beliefs. That this could be true precisely because the native beliefs were pagan, but that Confucianism was not, was dismissed as heresy. One exception among the Dominicans, perhaps the only one, was the Dominican Bishop Gregory Lopez (Lo Wen-tso), the only native Chinese Christian prelate of the 17th and 18th centuries. He agreed totally with Ricci!

The controversy remained largely a matter of theological debate throughout the 17th century. Efforts of several opponents to draw the Pope into the controversy were side-stepped by the Pontiff. But soon after Kang Hsi issued the edict in 1692 granting full rights to Christian proselytizing, the European efforts to crush the mission went into high gear. In

France, the great statesman and nation-builder Jean-Baptiste Colbert had initiated policies that resulted in a group of French Jesuits joining the China mission in the 1680s. But by the end of the century, an inquisitional investigation of a book published by one of the returning missionaries was launched at the Sorbonne.

The inquest was run by members of the Jansenist sect, followers of Cornelius Otto Jansen, a nominal Catholic whose "predestination" dogma echoed that of Calvin. They preached that all men were evil, with redemption only available through the grace of Christ, and only to a small number, "chosen in advance and destined to enter the Kingdom of Heaven." The Renaissance was their primary target, since, they claimed, it had alienated Christians from Jesus.

The Jansenists had become extremely powerful at the Sorbonne, and to a lesser extent in Rome. They led a general assault against the Jesuits, with the China issue playing a central role. The inquest of the book about the China mission resulted in the condemnation of several central aspects of Ricci's view on the Chinese conception of God and morality. The Jesuit author Louis Le Comte, in response to the charge that the Chinese were pagans who had no knowledge of the true God, asked how it could be that "in an empire so vast, so enlightened, established so solidly, and so flourishing . . . in number of inhabitants and in invention of almost all the arts, the Divinity has never been acknowledged? What of the reasoning of the Fathers of the Church, who, to prove the existence of God, have drawn on the agreement of all peoples, arguing that Nature has impressed the idea on them so deeply that nothing can efface it?"

As the fight in Europe intensified, the mission in China recognized that serious countermeasures were necessary. They decided to propose to Emperor Kang Hsi that he issue an edict in his own name clarifying the meaning of the terms in question and the meaning of the rites honoring ancestors. His response was unambiguous, especially on the two crucial issues: There was, in Chinese philosophy, an omnipotent deity who created and rules over the universe; and the rites of ancestor worship were signs of respect, without any superstitious beliefs in spirits existing in the stone tablets. As we shall see, even the authority of the sage emperor did not deter the opponents of ecumenical peace and development.

The agitation in Europe finally succeeded in persuading the Pope, Clement XI, in 1704 to issue a Bull against Christian adherence to Confucian beliefs and rites, and a papal legate was sent to China to further investigate. The legate was at first somewhat reasonable, and in a meeting with Kang Hsi was nearly convinced of the emperor's position. However, in a second meeting, he was joined by Msgr. Charles Maigrot, the Vicar Apostolic in Fukien, of the French Foreign Missions, who fanatically despised China's culture, its literati, and the Jesuits. Maigrot had learned little about the Chinese or their language, yet in his meeting with Emperor Kang Hsi he challenged the emperor's knowledge



Ron Taylor

A march of Chinese students in San Francisco, June 1989.

of the meaning of Chinese terms. Kang Hsi was disgusted, and made clear that “the Doctrine of Confucius was the teaching of the empire, and it could not be touched if one wished that the missionaries remain in China.” Maigrot was banished for his insolence.

When Kang Hsi later read the Papal Bull, he wrote: “On reading this proclamation, I can only conclude that Westerners are small-minded. . . . Now I have seen the Legate’s proclamation, and it is just the same as Buddhist and Taoist heresies and superstitions. I have never seen such nonsense as this.”

The demand that the Chinese denounce Confucianism in order to become Christian meant that no scholar in any official position—including teachers—could become a Christian without renouncing his position, and no Christian could become an official of any sort. To the emperor, such a demand was tantamount to insisting that his officials no longer be accountable to the moral code that had guided the nation for thousands of years—the “constitutional” foundation of society. Adopting the new, higher moral standards of Christianity posed no difficulty—in fact, it was encouraged—but that could in no way be interpreted as being a rejection of the natural law precepts of the Masters.

Kang Hsi banned Christianity after his meeting with Maigrot, but softened his position and tried for years to negotiate a solution. However, reaction had seized control of the process. A year after Leibniz’s death in 1714, a new Papal Bull reiterated the ban. Kang Hsi, dumbfounded, asked the missionaries if they had failed to convey his views to the Pope: “You have corrupted your teachings and disrupted the efforts of the former Westerners. This is definitely not the

will of your God, for He leads men to good deeds. I have often heard from you Westerners that the devil leads men astray—this must be it.”

As late as 1720, he called a conference of all the missionaries and reiterated that for nearly 200 years the Christians had preached “without violating any laws of China.” He asked, how could Maigrot, “who did not even recognize the characters, presume to discuss the truth or falsehood of Chinese laws and principles?” But in 1721, after a second papal legation made no concessions, Kang Hsi changed his perspective. His writings began to identify irreconcilable distinctions between East and West. By 1742, with yet another Papal Bull, any hope for saving the alliance was finished. Christianity was banned, Westerners expelled, and China was cut off from Western science and technology. The Papal Bull was not to be lifted until the 1940s.

The emperors who followed, after Kang Hsi’s death in 1722, maintained a few Jesuits in the court, but they were reduced to the status of advisers, with little hope of reopening the teaching and conversion process of either the literati or the masses. Both China and Europe were significantly set back. One hundred years later, a weakened China was prey to an evil, drug-running British Empire, which had emerged from the defeat of the republican forces in Europe. The infamous Opium Wars unleashed a century of wars and foreign conquest from which the Middle Kingdom has yet to recover.

Today, if the kind of Grand Design envisioned by Leibniz and Ricci is to succeed, the model of ecumenical unity between East and West developed during the 17th century must be reborn, in the spirit of Christian *agapē* and Confucian *ren*.

## Do you believe in British royal family magic?

by Mark Burdman

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### **Sovereign: Elizabeth II and the Windsor Dynasty**

by Roland Flamini

Delacorte Press, New York, 1991  
440 pages, hardbound, \$21.95

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Roland Flamini's book is a fawning account of Queen Elizabeth II, written on the occasion of the Queen's 65th birthday. Its preciousness makes for difficult, at times unbearable, reading. But perversely, it is what makes the book an interesting curiosity piece, as an alternative, to, say, visiting the zoo. It is the kind of book that might approximate what "Lillibet" herself would want written about her.

As Flamini repeatedly makes the point, the essential image that is associated with the monarchy, and with popular attitudes toward it, is *magic*. He is obviously faithful to the goal of maintaining this aura. People project their own fantasies onto the British royal family. At various times in this century, the British population has suffered horrible deprivation, yet has titillated over this or that royal ritual or special occasion. Flamini recounts that when the Queen visited Nigeria, then still a British colony, in the mid-1950s, the crowds lined the streets of Lagos to cheer. Meanwhile, eight-foot walls of corrugated iron were erected, to hide from visibility the slums in which the vast majority of the population was living. Again, magic—in its brutal and crass form.

So, the real question posed by reviewing the content of this book, is one for "us normal folk": Do we need magic in our lives? That is a fundamental strategic question. Institu-

tions with such power, ruthlessness, and capacity for evil-doing as the House of Windsor (actually, House of Mountbatten Windsor) could not survive for long, if the "normal folk," not only British subjects but also American citizens who seem perversely hell-bent on becoming British subjects again, did not want to have a British royal family on which they can project their fantasies and hardly-rational desires.

This is a strategic point in a second sense. Belief in magic not only degrades the mind and destroys our ability to think, but leads to disastrous consequences in the real, physical world.

An exaggeration? As the backdrop to this book, consider the past months' brutal events in the Gulf and the May 14-27 trip of Queen Elizabeth II to the United States, including her May 16 address to a joint session of Congress.

It was the British who were behind the Gulf war, in all its aspects, a fact which was for all intents and purposes admitted by the British *Guardian* newspaper on May 2. Back on Feb. 26, the London *Times* reported that Her Majesty was intimately involved in the most intricate details of the course of the war, so intimately involved that British insiders were obliged to deny that she was Britain's "warrior queen." Soon after the *Times* article was published, influentials in the British establishment came up with the brilliant idea for her to address a joint session of Congress. This was accepted on the U.S. side. According to British press accounts, one theme of her speech will be to "thank the American population" for the Gulf war. Soon thereafter, she will reportedly give an honorary knighthood to Gen. Norman Schwarzkopf.

Is it only a coincidence, that this Schwarzkopf is a practicing magician? The fact is, aside from the massive killing, much of the Gulf conflict has consisted in hoodwinking the

American people into believing and seeing what the orchestrators of this mayhem wanted them to see. Unfortunately, too many Americans wanted to believe the lies they were told, including that the "special relationship" with the British is sacred above all else and that the British are "our best allies."

### Monarchical pillars of power

With such thoughts as backdrop, this reviewer feels obliged to say a few things about the real nature of the British monarchy, stripped of the magic. This is not the whole story, but it gets at some of the essentials. At times, it draws upon facts and details in Flamini's book.

Queen Elizabeth II is the latest in a line of ruthless cut-throats who have occupied the throne of Great Britain since 1714, the year the House of Hanover was founded. (Under Queen Victoria, the name was formally changed to "House of Saxe-Coburg-Gotha," while the name "House of Windsor" was created as recently as World War I, by King George V, in order to weaken the historical association of the monarchy with Germany during the war. Prince Philip, who adopted the surname Mountbatten under tutelage from his uncle Lord Louis Mountbatten, managed to obtain a formal agreement for the future change of the monarchy's name to "House of Mountbatten Windsor," which appellation has already been adopted by Princess Anne). Elizabeth II represents the continuity of the same monarchical abomination, earlier personified in the Hanoverian King George III, against which American patriots shed their blood to be free.

The Queen is the spokesman for, and representative of, a vast oligarchical power structure, which more or less overlaps the British Empire over which the House of Hanover/Saxe-Coburg-Gotha/Windsor presided for well over two centuries. This monarchy is upheld by the following pillars of power:

- The Queen is the *primus inter pares* of a European monarchical-aristocratic structure, composed of both ruling and deposed royal houses. The House of Windsor is related, in one form or another, to the royal houses of Denmark, Norway, Sweden, Greece, the Balkans, and others, as well as to the various princes, dukes, and other nobility who still wield considerable power in Germany. As Flamini notes, Elizabeth has "some 60 German uncles, aunts and cousins, or many more than she [has] British." In the crisis-torn Balkans, at this moment, in Bulgaria, in Yugoslavia (Serbia), in Romania, there is an active and growing movement to bring back monarchical rule—which is exactly what her father George VI advocated after World War II. According to the May 8 London *Times*, Crown Prince Peter of Yugoslavia, "cousin of Prince Philip and godson of the Queen," is hoping to be able to return to Yugoslavia within two years, and to create there a monarchy "on the British model."

In Flamini's view, "a natural role for the British monarchy in the next century would be as the leading royal house

in a united states of Europe." The Windsors are the "success story" in the global monarchical complex.

- The Queen is the wealthiest woman, and certainly among the wealthiest individuals, on this planet. Writes Flamini: "By 1987, *Fortune* magazine was granting Elizabeth II an accolade of her own as the richest woman in the world. Her personal wealth had grown to \$7.4 billion. London analysts placed her shareholdings at no less than \$3.3 billion. The Duchy of Lancaster, her main real estate holding in the United Kingdom, generated an untaxed rental income of \$2.4 million in 1986. The following year, the total estimated value of her art, jewelry, real estate, and horses was \$4.1 billion. And 1988 was a good racing year. With 32 horses in training, she recorded 13 wins, 12 seconds, 5 thirds, and 9 fourth places in 79 races run, to earn over \$120,000. Her Civil List allowance had also increased appreciably, to nearly \$6.8 billion, but to most Britons, the monarchy is still considered cost-effective."

That last sentence betrays the cynicism with which British royalty looks at its own subjects. The Civil List is the Queen's "allowance," ostensibly for palace expenses. It is granted by the British government, and comes from the taxes of the wretched British population. The Queen, however, on the basis of an agreement her Hanoverian forebear George III made with Parliament, pays no taxes, for income or inheritance. A report in *Harpers* magazine earlier this year said that the Queen earns £2 million a day on her vast investments, forcing her to issue a denial Feb. 20, claiming she had no property overseas and that estimates of her wealth are "wild speculation."

As for the royal family's art and jewel collections, most of this has come over the generations in the form of "gifts" from the British population or even as tribute from the former British colonies. Imagine the gumption of a palace declaration about the Queen receiving precious jewels "from the population of Burma." The art is a centuries-old collection, which the current Queen has done little to procure or add to. As for the ubiquitous horses: Some of these are precious gifts from those Arabian princes, to save the tyrannical rule of whom hundreds of thousands, if not millions, of lives are being sacrificed in the Anglo-American-French imperialist crusade in the Gulf.

Her father George VI liked to refer to the House of Windsor as "The Firm," and that is exactly what it is. One little-known aspect of "The Firm's" history is that this vast wealth has been built up only during the last century. When Queen Victoria took the throne in the early 19th century, the monarchy was deeply in debt. But during her reign and afterwards, as the British Empire was built to its greatest extent, tribute from India, South Africa, Burma, and other colonies, often in the form of jewels, replenished the royal coffers.

Flamini's references to \$3.3 billion in "shareholdings," and to "real estate," are probably extremely conservative estimates, of a worldwide net of vast property holdings and

investments in real estate and other entities. The monarchy can also draw upon the wealth passing through the City of London, in the sense that the financial and bureaucratic institutions of the palace are intricately interconnected to the City of London banking and financial center.

This vast power subsumes the unregulated, "offshore" banking centers of the Commonwealth, through which vast sums of drug money are laundered. Of course, the monarchy doesn't like attention being drawn to all this. For years, the obsessive ID-format lie that "Lyndon LaRouche is the man who says the Queen of England pushes drugs" has been restated, like the *Hare Krishna* chant, in literally thousands of slander articles worldwide, because LaRouche drew attention to the illicit money transfers through offshore centers.

Those granted senior positions in Buckingham Palace are part of a closely knit conglomerate of families and vested interests, often with important ties to intelligence and other operations, what Flamini refers to as "interlocking relationships within the magic circle." For example, Sir Michael Charteris (now Lord Charteris and the just retired Chancellor of Eton public school) was a senior British intelligence official in the Middle East before becoming a senior aide to the Queen. Or Sir Michael Adeane, the Queen's Secretary starting in the 1950s, had been the British liaison to American intelligence during World War II.

- Queen Elizabeth II presides over the British Commonwealth, and has devoted much of her life to strengthening that institution. In her first political speech, while still a princess traveling with her father in South Africa after World War II, she lauded "the great Imperial Commonwealth." Obviously, one of her main obsessions is to bring the United States *into* that formation. She began this mission in 1957, during her first state visit, with her effort to patch up a British-American rift resulting from the 1956 Suez crisis. By the time she had left, British Ambassador to Washington Sir Harold Caccia was chirping, "She has buried George III for good!"

### **Pagan head of a Christian confession**

- Elizabeth is the head of the Church of England, and by this, the central figure in the world Anglican communion. It may not be widely known, but Her Majesty's official title is "Elizabeth the Second, by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Her Other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith." In a literal sense, Britain is a theocracy. In fact, with Henry VIII in the 16th century, it became the first Protestant theocracy in the world—once driving force in the building of the British Empire.

But that wouldn't be quite so bad, if the monarchy supported the Christianity to which the Church of England's creed holds its believers. Paradoxical as it may seem, the monarchy is also the controller of English Freemasonry, the head of which is the Duke of Kent. That, too, might explain

the obsessive "LaRouche and the Queen" ID-format, as if LaRouche were being subjected to the ostracism which Freemasonry carries out against its enemies.

Also, it is no exaggeration to say that the monarchy is at the helm of a global *pagan-gnostic* anti-Christian movement, operating under the overall category of "ecologism" or "environmentalism." Prince Philip has been the international president of the World Wide Fund for Nature (formerly World Wildlife Fund) for most of the WWF's existence since its creation in the early 1960s. In Washington, at a press conference in mid-May 1990, he openly stated his preference for "pagan" religions over the monotheistic "religions of the book," Judaism, Christianity, and Islam. His son Prince Charles has followed in his footsteps.

## The classical pianist as hero

by Philip Ulanowsky

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### **Claudio Arrau Signature Performance Series:**

Beethoven's Concerto No. 5 (The Emperor),  
Op. 73,  
Kultur International Films, W. Long Branch, N.J.,  
85 minutes, color, hi-fi, Dolby stereo, \$29.95

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It is recognized among those who are fond of classical music, but also among many who have not had much exposure to it, that in some way, classical music represents the best impulses and the best achievements of our society in general. Many parents and educators ardently wish for better role models and heroes for our youth than those effectively dictated (I use the term advisedly) by the media.

Must one really be happy about the Mr. Ts and the "gang green" creatures, just because they are supposedly against drugs? Isn't there something better? Of course there is. If you want to see it, find a copy of the 1987 Video Artists International videotape on the return of world-renowned pianist Claudio Arrau to his native Chile in 1984. I am not a video fan (our home is TV-less and happier without); but this videotape is wonderful.

Arrau, a man in his *eighties* at the time, returned to his homeland in 1984 after 17 years' absence, to give a series of concerts and master classes. One of only several of this older

generation of pianists still alive and performing regularly, Arrau had been a child prodigy, giving his first concert at age five. By the time he was a young man, he was looked to by his country, which had a magnificent concert hall built 15 years before New York's Carnegie Hall, as one of its great sons.

The videotape covers his early studies; his difficult years trying to support his mother and relatives in 1920s Germany, where he had gone to study; his recovery from a period of musical disorientation; and his later great accomplishments and prodigious recording history. Interviews with Arrau as well as with relatives and friends accompany videotaped segments of his Chilean tour.

### Hero's welcome

The most extraordinary feature of the tape, however, is the reception which the artist received. There is reason to be cautious in taking for granted what appears in the press and generally in shows of public support in a country with a government such as Chile's; and certainly Arrau's entry to his country must have been sanctioned—grudgingly or not—at the top.

Bearing that in mind, however, the response of the people of Chile seems to have been extraordinary, representative of the best of Ibero-American cultural traditions. In that underdeveloped, struggling nation of about 10 million people, hundreds of newspaper articles, all positive, heralded his arrival. The arrival of his piano got front-page photo coverage. Throngs of citizens literally lined the streets of his car route to welcome him, cheering and waving.

The welcome was so overwhelming that Arrau decided to hold an open rehearsal for one of his concerts, in Santiago's Metropolitan Cathedral. *Six thousand people*, many of them children and youth, crowded in to listen and to learn as the master coached the orchestra on the performance of a hall-mark work, Beethoven's Piano Concerto No. 5.

All this is crowned by Arrau's performance of the concerto with a university orchestra in his hometown of Chillán, which is presented in full. Five thousand people filled the cathedral, and another 6,000 stood outside *in the rain* to hear the performance! When you look at the glowingly joyful faces of the children during the applause, you see what it means to have a national hero who represents beauty. See the tape. You will see what kind of cultural renaissance we Americans need.

Two other tapes in this series are also taken from his tour of Chile. The series is hard to find in regular stores, but can be ordered from Kultur International's toll-free number, 800-458-5887. "Arrau and Brahms: The Two Romantics," features his Santiago performance of the Sonata No. 3 and Piano Concerto No. 1; the second is "The Maestro and the Masters," which features Beethoven's Piano Concerto No. 4 and Sonata No. 7, and includes works by Schubert, Chopin, Liszt and Debussy. These tapes are 111 minutes each, and also cost \$29.95.

## Two great men of the German Renaissance

by Nora Hamerman

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### Nikolaus von Kues 1401-1464: Leben und Werk im Bild

by Helmut Gestrich

Verlag Hermann Schmidt, Mainz, Germany, 1990  
104 pages, illustrated, hardbound, DM 40

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### Albrecht Dürer: A Biography

by Jane Campbell Hutchinson

Princeton University Press, Princeton, N.J., 1990  
247 pages, illustrated, hardbound, \$24.95

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Although no doubt each of these two books was many years in preparation, they both appeared, by happy coincidence, in the glorious year of German reunification—1990. While many may think of Germany's historic contributions to universal culture mostly in association with the Weimar Classic of the late 18th and very early 19th century and such names of that era as Schiller, Beethoven, and Lessing, these two books are a reminder that in the 15th and 16th centuries, too, Germany was making an indispensable mark on the world. Each book is written in a clear, readable style, filled with information, well organized, and presented in an attractive format. I recommend them without reservations, and shall therefore limit my review to describing some of the contents.

Helmut Gestrich's biography of the great natural scientist, theologian, philosopher, and legal scholar Nikolaus von Kues, whose name is rendered in English as Nicolaus of Cusa—or Nicolaus Cusanus, as he called himself—is a splendid picture book which intersperses photographs of the places he lived and worked and numerous documents of his life and pages of illuminated manuscript and incunabula versions of his writings, with short but extremely useful summaries of the events of his life and his major intellectual contributions. The quality of printing is nothing short of spectacular, as befits the city of Mainz, where in Cusanus's lifetime (and indeed, if my sources are correct, with his active encouragement) Gutenberg printed the first Bible with the newly invented technology of movable type.

Given the growing interest in Cusanus's work world-



wide, both because his ecumenical message is so pertinent in today's dark strategic picture of threatened religious warfare, and because of the efforts of U.S. statesman Lyndon LaRouche and his wife, the German political leader Helga Zepp-LaRouche, to spread Cusanus's fame as the founder of modern science, it is to be hoped that this book—whose title, translated, is *Nicolaus Cusanus, 1401-1464: His Life and Work in Pictures*—will soon be available in English and other languages.

Jane Hutchinson's biography of Albrecht Dürer (1471-1528) is a very different sort of book. The pictures are few, all black and white, and generally limited to Dürer's own portraits and graphic works, albeit with a very high quality of reproduction. Three maps help to situate Dürer's life and family background in the broad strategic situation of his day. This book has the unusual virtue of being punctiliously scholarly in its careful sifting of detail, yet never descending into an academic tone. I believe that no such book exists as yet in German, and I hope that some enterprising German publisher quickly picks up the opportunity to bring out a German edition.

### 'Patriots of the world'

Both Cusanus and Dürer were forerunners of the kind of person a great German of the later golden age, Friedrich Schiller, was to call "patriot and citizen of the world." Both spent seminal years of their early maturity in Italy. Several generations separate them, as Cusanus died in 1464, seven years before Dürer was born in Nuremberg in 1471. Cusanus was the champion of the struggle to prevent the German Church from splitting away from Rome, while Dürer's final decade was spent as a partisan of the German dissidents in the thick of the Lutheran controversy which ultimately resulted in Protestant Reformation, a development Cusanus had surely prevented from occurring earlier. (One of Hutchinson's valuable observations, however, is that the competition between Protestant and Catholic writers to each "claim" Dürer as their own, is an anachronistic absurdity, since before the Augsburg Confession was published in 1530, two years after Dürer's death, which established an official alternative to Catholicism, "Dürer cannot have been a Protestant in the modern sense." She writes, "Before that time there were a great many people, including Erasmus, Willibald Pirckheimer, Albrecht Dürer, and even their friend Philip Melancthon—the author of the Augsburg Confession—who assumed that, once the desired reforms had been accomplished, the reconciliation of all Christians would automatically follow.")

Those of you who are bilingual would do well to start with Gestrich's illustrated biographical sketch of Nicolaus Cusanus, which begins with the young scholar's birth into a well-to-do family in Cues where his father was a ferryman on the Mosel River. Cusanus was trained in law in Padua, where he enrolled in 1417 at the age of 16, and remained until 1422 when he received his degree in canon (church)



*Albrecht Dürer's portrait of his friend and patron, Willibald Pirckheimer, who bears "much of the responsibility for having exposed the artist to the literature and ideals of the Italian Renaissance." It was also through the Pirckheimer family that Dürer knew Cusa's ideas.*

law. This means that he spent very critical years—roughly corresponding to the age when a young American would be in college and graduate school—in a city which was a hotbed of scientific ferment, and where he met such future intellectual companions as the Florentine doctor Paolo Toscanelli, and the Roman clergyman and philosopher Julian Cesarini. To each of these Paduan classmates Cusanus was later to dedicate his mathematical and philosophical works.

By the early 1430s Cusanus had become involved in the great Councils of the Church. At the Council of Basel he wrote his first major work, *De concordantia catholica*, which, American visitors to the Cusanus Foundation in Cues are proudly reminded, contained some of the founding principles later embodied in the U.S. Constitution. Later, in 1436 he joined forces with Pope Eugene IV to organize for an ecumenical council which convened in Ferrara and later Florence, starting in 1438. Cusanus was a leading figure in the delegation which went to Constantinople and induced the Paleologue Emperor, the Patriarch, and the intellectual leaders of the Eastern Orthodox Church to attend the Council of Florence. But just as unity between East and West was being proclaimed in Florence, the German princes at the Council of Basel, which was still ongoing, excommunicated Pope Eugene IV and elected an antipope under the name Felix V.



Cusanus spent the years from 1439 to 1447 traveling from one princely parliament to another, and from one imperial diet to another, persuading the German electors to shift their allegiance to the Pope and support the cause of Christian unity. For his heroic efforts he was dubbed the “Hercules of the Eugeneans against the Germans” by Aeneas Silvius Piccolomini, later Pope Pius II—an Italian who, ironically, initially sided with the Germans against Rome.

The strategic context for this Herculean effort was the need to unify Christendom against the Turkish onslaught, which threatened the remaining tiny enclave of Byzantium around Constantinople, and was knocking at the gates of Europe itself. Constantinople tragically fell in 1453. In 1444, Cusanus’s dear friend Julian Cesarini, who had presided over the Council of Florence, was killed in the disastrous defeat at the hands of the Turks at Varna, in present-day Bulgaria.

### The Dürer family

The story of Dürer’s life picks up with this same strategic struggle, in which Hungary was on the front line against the Ottoman Turkish armies. It begins in 1427 with the birth of his father, Albrecht Dürer the Elder, in the Hungarian village of Ajtós, which was later totally destroyed by the Turks in 1566. Albrecht the Elder was “a figure of immense historical interest,” according to author Hutchinson, and from her report, one can only conclude that our debt to him is comparable to what we owe to Leopold Mozart for having shaped the early education of Wolfgang Amadeus Mozart. Albrecht the Elder’s father, Anthoni Dürer, was a prominent goldsmith. Albrecht the Elder left Hungary, an increasingly dangerous place, as a teenager, and first went to the Netherlands, the artistic capital of northern Europe, and finally arrived in Nuremberg in 1455—two years after the Fall of Constantinople. In the Netherlands, this Albrecht would have gotten “the best education in the world for a goldsmith” under the enlightened patronage of Philip the Good, Duke of Burgundy. Nuremberg when he arrived there was a free city-state approaching its peak of international importance and prosperity, at the crossroads of European north-south trade. At the age of 40, he married Barbara Holper, daughter of a local goldsmith, soon became a master goldsmith in the Nuremberg guild, and had 18 children, of whom he outlived 15. The fifth child was the future great artist, Albrecht Dürer the Younger.

The fact that Albrecht the Younger wrote down his family history, based on notes left by his father, is an indication of his unprecedented consciousness of his own importance as Germany’s most brilliant artist. Normally such family chronicles would only be kept by an oligarchical family, or to pass on a record to one’s children, of which Albrecht Dürer the younger had none.

Like Cusanus, Albrecht Dürer spent both formative and mature years in Italy. His first trip took place in 1494-95, and is only documented by works of art; he had just completed his apprenticeship and was newly married. Although such a

journey was normal for a young “journeyman” artist, the decision to go to Italy was unprecedented, and began a whole new trend for Northern artists. Dürer at the age of 34, in the summer of 1505, undertook his second journey to Italy, and remained there until 1507. Out of these journeys, and through the density of contacts between Nuremberg humanism and Italy, came Albrecht Dürer’s extraordinary efforts to bring the science of proportion and perspective into Germany through several books, especially his manual on measurement and *Four Books on Human Proportion*; just as earlier, Cusanus had struggled to share the ideas he gained by reading the Italian humanists’ translations of Greek thinkers, especially Plato and Archimedes, with the Latin West as a whole.

Hutchinson’s book is especially illuminating with respect to Dürer’s friend and patron Willibald Pirckheimer, the Nuremberg humanist and merchant who bore “much of the responsibility for having exposed the artist to the literature and ideals of the Italian Renaissance, as well as to those of the ancient world.” She has an entire chapter on Willibald, plus numerous other references throughout the book. Pirckheimer’s circle dreamed of a new German culture, and Dürer made their dream his own. Pirckheimer had “the finest private library in Germany which, in his lifetime, was always open to the community of scholars. He introduced the study of geography into the curriculum of German middle schools and is still revered as the translator of the writings of such essential Greek authors as Xenophon, Lucian, Isocrates, Plutarch, and Plato from Greek into Latin and German.” Moreover, it was evidently through the Pirckheimer family that Dürer became acquainted with the ideas of Nicolaus Cusanus, which have been shown to have influenced Dürer’s celebrated woodcut series on the Apocalypse and the Passion. An earlier member of this family, Hans Pirckheimer II, had personal connections to Cusanus.

Gestrich’s book on Cusanus presents him as man of the Church, reform thinker of the Empire (i.e., the Holy Roman Empire, the universal institution of Cusanus’s day in Germany), philosopher at the turning point from the Middle Ages into the modern era, and intellectual forerunner of the exact sciences. Each important episode of his life is illustrated with portraits, where available, of the protagonists, as well as of the places, in old woodcuts and modern photographs—from the lovely spot on the Mosel River where he spent his childhood and consecrated a foundation with a home for pensioners, chapel, and library in his last testament; to Padua, Cologne, Constantinople, and Brixen—where he spent a trying decade as bishop in his declining years—and finally Orvieto, where he died. Key aspects of his thought are brought out in the manuscript pages, including his scholarly proof that the so-called Donation of Constantine, which claimed to grant temporal power over the Emperor to the Pope, was a forgery; and his pre-Copernican assertions that the Earth is not the center of the universe, and that it moves (in *De docta ignorantia*, 1437).

# Free trade paved way for human bondage

by Fredric W. Henderson

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## **The Road to Disunion: Vol. I, Secessionists at Bay 1776-1854**

by William W. Freehling

Oxford University Press, New York, 1991

640 pages, hardbound, \$30

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In 1853, Henry C. Carey, the political economist of the American System and the architect of the economic policies of the Lincoln administration, very succinctly summarized the history of the growth of slavery and secession in America:

Hence it is that we see the slave trade prevail to so great an extent in all the countries subject to the British system. . . . The system to which the world is indebted for these results is called "free trade"; but there can be no freedom of trade where there is no freedom of man, for the first of all commodities to be exchanged is labour, and the freedom of man consists only in the exercise of the right to determine for himself in what manner his labour shall be employed, and how he will dispose of its products. . . . It [the British System] is the most gigantic system of slavery the world has yet seen, and therefore it is that freedom gradually disappears from every country over which England is enabled to obtain control. . . . In this country protection has always, to some extent, existed; but at some times it has been efficient, and at others not; and our tendency toward freedom or slavery has always been in the direct ratio of its efficiency or inefficiency. In the period from 1824 to 1833, the tendency was steadily in the former direction, but it was only in the latter part of it that it was made really efficient. Then mills and furnaces increased in number, and there was a steady increase in the tendency toward the establishment of local places of exchange; and then it was that Virginia held her convention at which was last discussed in that State the question of emancipation. In 1833, however, protection was abandoned, and a tariff was established by which it was provided that we should, in a few years, have a system of merely revenue duties; and from that

date the abandonment of the older State proceeded with a rapidity never before known, and with it grew the domestic slave trade and the pro-slavery feeling. Then it was that were passed the laws restricting emancipation and prohibiting education; and then it was that the exports of slaves from Virginia and the Carolinas was so great that the population of those States remained almost, if not quite stationary, and the growth of the black population fell from thirty percent, in the ten previous years, to twenty-four percent. . . .

Slavery now travels North, whereas only twenty years ago freedom was traveling South. That such is the case is the natural consequence of our submission, even in part, to the system that looks to compelling the export of raw products, the exhaustion of the land, the cheapening of labour, and the export of the labourer. Wherever it is resisted, slavery dies away and freedom grows.

Although Carey's "The Slave Trade Domestic and Foreign" was written before the major crises of the 1850s that directly produced the Civil War, and without the hindsight and research of modern historians, there has never been a more accurate and precise description of the root cause of the growth of slavery and disunion in America.

The road to disunion was paved by British free trade doctrines. Secession and an effort to forever fracture the United States into impotent, enslaved "confederacies," was the work of the Freemasonic agents of what Carey accurately described as the "most gigantic system of slavery the world has yet seen," the doctrines of economic and moral irrationalism called the British System. The desire to avoid this simple truth—that it was the battle between free trade, the British System of economic exploitation, and the system of political-economy of Leibniz, Franklin, Hamilton, and Mathew and Henry Carey, that led to the crisis of 1860-61—is the given in every "traditional" history of this period. If one would identify the major shortcoming of William Freehling's *The Road to Disunion*, this certainly is it. However, Freehling's book is still a useful one, for he, unlike many, identifies some of the most abhorrent aspects of the process by which the South by 1861 what it was.

## **From the Revolution to Kansas-Nebraska**

*Secessionists at Bay* is the first volume of what is an intended two-volume work on the period before the war, and covers the period from the Revolution through the Kansas-Nebraska crisis of 1854. While there has been a massive amount of literature created covering this period and the causes of disunion, there are several distinctively useful and refreshing aspects to the view which is developed by Professor Freehling. The road to disunion for Freehling is one of an extraordinarily adept effort of over 40 years by a small grouping of ideologues to plunge the nation into the abyss of

secession. While Freehling tends too often to see the process as accidental, and those who were the engineers of that process as never really fully conscious of the final consequences of their actions, at least the salient features of the period are described with an accuracy almost always lacking in others. He also identifies with more precision than one would expect what these apologists for the destruction of America fashioned in the South along the way.

In describing the major inflection points of national disruption—the Missouri controversy, the gag rule fights, the Nullification crisis, Texas annexation, and Kansas-Nebraska—he makes quite clear that such were “manufactured” by the creators and defenders of the South’s many peculiar institutions, and that in doing this, they in each case increased their stranglehold over both the South, accelerating the tendency toward anti-republican developments there, and over national policy, corrupting it and moving closer each time to the inevitable disruption of national union.

Freehling describes with fair accuracy, and much useful detail, how in 1843, for example, the “getting up” of a move for the annexation of Texas, was a deftly crafted project of English power-brokers and their Southern allies, around a totally discredited and lame duck President Tyler, to push America toward war with Mexico. The result was increased demands for American acquisitions in Central and South America for an expanding Southern slave empire. Increasingly, Southerners believed that such a Southern “manifest destiny,” could protect and maintain their peculiar system, to the detriment of those who sought its containment and eventual elimination. And in this crisis the seeds of future crises stemming from the threat to Southern institutions from free soil on its borders were sown: As Freehling points out it, was the threat of a Free Soil republic on the western border of the slave states, which was manipulated to solidify the position of the advocates of states rights, secession, and perpetual slavery in Southern minds. Such treatment of the nodal points of crisis throughout the 1830s, ’40s, and ’50s, is extremely useful, even within the limitations of this book.

Equally important is the graphic discussion of the process by which the South was systematically transformed into a bastion of anti-republican, Spartan, political, social, and economic practice. Freehling’s description of the political battles throughout the South from 1800 into the late 1820s over who would rule in the South and over the character of Southern institutions, is particularly valuable. Understanding how a growing Anglophile planter class, with its elitist, repressive outlook toward society, would consolidate itself in the face of challenges to its power by republican tendencies, is critical to understanding how slavery and the doctrines of disunion ultimately became hegemonic.

### Stamping out opposition

Freehling shows, for example, how the alleged threat of slave insurrection, was used to control the whole of society—

white opponents, as well as black. Not only were resisters silenced, but also the very character of public debate was defined by the institution of human bondage, such that by the 1840s any debate in the South on any question was gauged by this measure. The implications of this for opponents of free trade, for those with a commitment to republican institutions, was profound. Its effect on the development of national institutions like the Democratic and Whig parties was disastrous. As a result, the Whig Party in the South was transformed, and Freehling’s treatment of this issue offers significant insight into how the destruction of the Whig Party of Henry Clay was ensured.

One may wish that Freehling had done more in this vein, and may not agree with many of his conclusions, but the material he marshals is not generally available in a single work. Most discussions of the road to disunion deal more with “broader historical processes,” and less with the internal dynamic of how undemocratic and barbaric Southern society had become. It is possibly for this reason that his book has drawn criticism from other reviewers, who have labeled much of this type of material distracting or disconcerting, taking away from the “overview” that readers should have. That is somewhat unfortunate, because it is this material that this student of the period found most attractive about Freehling’s new work.

## Bridge Across Jordan by Amelia Platts Boynton Robinson

From the civil rights struggle in the South in the 1930s, to the Edmund Pettus Bridge at Selma, Alabama in 1965, to the liberation of East Germany in 1989-90: the new edition of the classic account by an American heroine who struggled at the side of Dr. Martin Luther King and today is fighting for the cause of Lyndon LaRouche.

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# The Bush dynasty is coming to an end

by Kathleen Klenetsky

Less than two months after George Bush's brutal victory over Iraq, the self-satisfaction and jingoistic euphoria surrounding Operation Desert Storm are fading, leaving in their wake a growing dissatisfaction about the condition of the country, and intensifying suspicions about the wisdom of its leaders. The President, having made himself so emphatically the fulcrum of the Gulf war policy, is becoming the main target of this disillusionment.

Although Operation Desert Storm succeeded temporarily in diverting attention from the country's woes, especially the economy, the effect is proving short-lived. Suddenly, people are beginning to wake up to the fact that slaughtering hundreds of thousands of Iraqis has not only failed to bring democracy to Kuwait or stability to the Middle East, as Bush promised, but has also, obviously, not translated into a better quality of life at home. This realization has resulted in nagging doubts about the viability of Bush's policies.

The President's heart ailment, which struck on May 3 when he suffered an irregular heartbeat during jogging at Camp David, has only served to crystallize those doubts, as reflected in the renewed debate over Vice President Dan Quayle's lack of qualifications to run the country. The debate intensified during Bush's two-day stay in Bethesda Naval Hospital, especially when it appeared that Bush might be briefly put under anesthesia for a medical procedure to restore regularity to his heartbeat.

With Bush's illness, "a damaging and indelible question mark has been embossed on the exposed flesh of this presidency," commented Democratic presidential candidate Lyndon H. LaRouche, in a May 5 campaign statement. "The world is so reminded, and will not soon forget, that aging Presidents are as mortal as some among them are also fallible. In such a fashion did the May 4 incident change the tempo and direction of current history over a period of no less than

the next 18 months or so to come. The Bush presidency continues. But as of the evening of May 4, the Bush dynasty has ended."

## Greasing the skids

It's not just at the grassroots level that Bush is experiencing a falling-out of favor; certain sections of the policymaking elite, angered by Bush's persistent "lone ranger" tendencies, have decided to fire some warning shots across the President's bow.

Over the past few weeks, Bush has been hit with a series of scandals ranging from new questions about his handling of the Iraq-Kuwait crisis, to attacks on the probity of his chief of staff, John Sununu, as well as a renewal of the charge that he was personally involved in persuading the Iranians back in 1980 not to release U.S. hostages in Teheran until after Ronald Reagan had defeated Jimmy Carter for the presidency—the so-called "October Surprise."

The scandals have rocked Bush and his administration and probably contributed to the first major defection from the dynasty. Days after Bush went into the hospital, Director of Central Intelligence William Webster abruptly announced that he would be resigning by the end of May. At a joint press conference May 8, Bush said that Webster's decision had taken him by surprise.

That is likely to be only the beginning of a string of nasty surprises in store for the President. Since one of the key reasons the Reagan-Bush administration had named Webster as top spook in the first place, was to continue the coverup of the Iran-Contra fiasco starting in 1986, the resignation has fueled speculation that damaging information about Bush's involvement in it may soon be made known. "Unlike Ronald Reagan's mistakes," observed *New York Times* pundit James Reston in one of his infrequent editorial page opinion col-

umns May 6, "Mr. Bush's catch up with him."

Indeed, in the days leading up to Webster's announcement, there were important new developments on the Iran-Contra front, with Bush the number-one target. In the wake of a renewed focus on the charges that Bush helped delay the release of the U.S. hostages back in 1980, triggered by a new book by Carter administration Mideast expert Gary Sick, the House congressional Democratic leadership moved in the direction of opening an investigation into Bush's role in the affair. Adding fuel to the fire, the former President of Iran, Abolhassan Bani-Sadr, embarked on a speaking tour of the United States to plug his book, which also asserts that Bush was deeply involved in the October Surprise (article, p. 65).

### Desert Storm fallout

Although possibly the "sexiest" scandal, Iran-Contra is hardly the only area in which Bush is vulnerable. The President is also coming under attack for the complete mess he has made of the Mideast. Ironically, instead of fulfilling Bush's dream of being elevated to the pantheon of great world conquerors, the war against Iraq may prove to be a crucial part of his undoing.

The latest assault on Operation Desert Storm comes from the pen of the *Washington Post's* Bob Woodward, who, in his new book, *The Commanders*, paints a frightening portrait of the commander-in-chief as an impulsive, hot-headed, vicious, back-stabbing bully, who consistently ignored the advice of his military advisers in the planning and execution of Operation Desert Storm. The book's main message is that if the war with Iraq failed to achieve its goals, and instead created a bigger mess in the Mideast than existed before, it is Bush personally who is to blame.

Woodward asserts that Joint Chiefs of Staff chairman Gen. Colin Powell opposed going to war against Iraq—although he never argued for that position with the President—as did a number of other members of the military brass, including his immediate predecessor, retired Adm. William Crowe.

Woodward also knocks down the image Bush carefully cultivated of himself as wanting to avoid war if at all possible; instead, Bush was committed to the military option from the outset.

Bush's obsession with military power predated Iraq, according to Woodward. He writes that Bush was so embarrassed over his failure to oust Panamanian leader Manuel Noriega, that he began searching in 1989 for any provocation to use military force to drive him from power.

*The Commanders* has been serialized in a number of newspapers and magazines, including the *Washington Post*, the *Boston Globe*, and *Newsweek*, and has provided fertile soil for the anti-Bush campaign—in the very same establishment media that virtually elevated Bush to Mount Rushmore during the Desert Shield-Desert Storm performance. The *New York Times*, for instance, made it the subject of its lead

editorial May 5, which, under the headline, "Lunging for War," writes that Woodward's book "gives weight to the view that the President only affected a posture of due deliberation" on the use of force in the Gulf.

### Bully boy bites back

In case Bush is having trouble getting the message about what these erupting scandals could mean to his political future, ABC News chief correspondent in Britain John K. Cooley spelled it out in an interview with BBC May 3. "All these things add up to trouble, very big trouble perhaps, for the Bush administration," he said. "The Bush presidency could be damaged" if a full-scale inquiry were to be opened into the October Surprise story, said Cooley, especially given the growing ferment in the United States about the revelations that Bush was determined to use force in the Gulf, no matter what.

Bush is clearly beginning to see the handwriting on the wall. Over the past few weeks, he has begun to show signs of extreme stress, not the least of which was his "atrial fibrillations." Much to his dismay, he can't seem to travel anywhere publicly without encountering hostility toward his policies, or probing questions about his involvement in Iran-Contra, or the chaos and mass death his splendid little war in the Gulf has brought.

Pressed on the October Surprise question at several recent public appearances, Bush has snapped at reporters and lost whatever coherence his speech had previously had. At his May 8 press conference with William Webster, Bush sputtered in reply to a question about whether an investigation was warranted into the allegations that the 1980 Reagan-Bush campaign struck a deal with Iran to hold off the U.S. hostages release: "I can only say categorically that the allegations about me are grossly untrue, factually incorrect, bald-faced lies. And I have my schedule out there. I think it was put in the days in question—was in detail in the paper. And those critics, those who continue to pass this little word-of-mouth ugly rumor ought to have the decency and the honor to say, this takes care of this question. I'm talking about myself."

Is this a balanced mind at work?

In response to the stress, Bush turns into the nasty little bully. In his commencement address to the University of Michigan May 4, where he was greeted with hostile demonstrations, Bush lashed out at what he called "political extremists" who, he claimed, "roam the land, abusing the privilege [sic] of free speech."

With the 1992 presidential election finally coming alive, free speech is the stuff of nightmares for Bush. Paul Tsongas, the former Massachusetts senator, joined Lyndon LaRouche as a formally declared Democratic candidate; Virginia Gov. Douglas Wilder geared up his national speaking tour; New York Gov. Mario Cuomo abruptly stopped saying he isn't interested in running; and Sen. Jay Rockefeller (D-W.Va.), who hitherto had steered clear of presidential politics, announced that he is considering a run for the White House.

# Europeans tour U.S. for LaRouche Triangle

by Patricia Salisbury

A powerful 20-city tour featuring European speakers outlining the way in which implementation of Lyndon LaRouche's "Productive Triangle" program for economic development in Europe can help jump start the U.S. economy, began on April 21 with the first meeting in Chicago, Illinois. The tour includes forums in Illinois, Missouri, Michigan, Nebraska, Minnesota, California, Washington, Pennsylvania, Maryland, Virginia, New Jersey, Massachusetts, Canada, and Washington, D.C., and is designed to inform American citizens of the program which is a cornerstone of the "Democrats for Economic Recovery, LaRouche in '92" presidential campaign.

At every stop, tour spokesmen have presented to farmers, small businessmen, industrial workers, students, unemployed, and numerous members of the international community in the United States the method proposed by the jailed American statesman and economist for achieving the levels of output required in agriculture, manufacturing, and infrastructure to save the economies of Eastern Europe, the Soviet Union, and the Third World. The so-called Productive Triangle of building a high-speed rail transport system linking Paris, Berlin, and Vienna, and developing the infrastructure within this area, will provide the "engine of recovery" for the depression-wracked economies of the former East bloc countries and even the United States, if adopted now by the governments of Europe.

The tour spokesmen were Hartmut Cramer, former candidate for federal parliament of the Patriots for Germany party, who drew on his experiences in organizing constituencies in Duisburg, the "steel city" of the Ruhr region, and Uwe Friesecke, a leader of the international Food for Peace movement. Both have organized extensively for the Productive Triangle program throughout Europe.

## No U.S. recovery without Productive Triangle

To each audience, the European spokesmen delivered the same blunt message: that there will be no economic recovery without the Productive Triangle program. A Chicago audience of 60, including representatives of the international community and an aide to a U.S. congressional office from the area, was told by Hartmut Cramer: "This may shock you, it's not like 1982 any more; the U.S. is so far gone that you cannot just design a credit policy to match idle labor with unused capacity and hope to get something. . . . The effect

of the last 25 years has been the destruction of the labor force in the Anglo-American sectors. . . . Yet, we cannot let the U.S. be a force for evil in the world as it has been in the Persian Gulf War."

Cramer documented the bankruptcy, as well, of the Soviet-led former communist empire. Were it not for the captive nations, he said, the Soviet economy would have collapsed a long time ago. Now, the real horror of the internal condition of the Soviet Union is being fully exposed. He told his audience of the Productive Triangle, saying, "This is the only hope for mankind, given the collapse of these two empires. It is the relative strength of Germany and Japan, especially Germany, which represents this hope."

The details of the Productive Triangle were illustrated for audiences with a slide show on the plans for the building of rail lines, highways, and canals which are being actively pursued today in the triangle area. Cramer drew the conclusion that "The 90 million people in the curvilinear triangle of Paris to Berlin to Vienna, including ten areas of 2 million-plus productive people, is the only locomotive that can generate the activity that can bring the world back from the edge of catastrophe."

The tour spokesmen provoked their audiences with this blunt dose of economic and cultural reality. Some citizens were excited and hopeful, others were frightened about the specter of catastrophe raised. A visiting Ukrainian physics professor who arrived in the U.S. four days before the meeting asked, "How can we get LaRouche's program implemented?" An ex-Teamster who is a lawyer, expressed his concern, asking pointedly: "How can American workers complement this? Where do American workers excel so that they can contribute?" The executive assistant to a Midwest congressman was so provoked by the presentation that he set up a meeting to view the videotape, "The Man in the Iron Mask," which documents the judicial railroad of the Productive Triangle program's architect, Lyndon LaRouche.

In St. Paul, Minnesota, a member of the state legislature asked what she could do, and was told that legislators should introduce memorial resolutions in support of the Triangle and send them to Congress. In Pittsburgh, the program was presented to the leader of a local "private-public" consortium which is planning to use German technology to build a demonstration magnetic levitation rail project from downtown to the airport. This group aims to start maglev construction in 1993, as a first step towards a regional transportation grid involving Ohio, West Virginia, Maryland, and Pennsylvania.

Other projects are on the drawing boards in several U.S. cities, but will remain well-intentioned dreams unless constituency leaders in the United States heed the warnings of European leaders such as Cramer and Friesecke that they must put an end to the underlying policies which have dictated the deindustrialization of the United States, and left the development of the European triangle as the remaining hope for humanity.

# Bani-Sadr on Bush's role in hostage deal

by Jeffrey Steinberg

The President of Iran at the time of the 1979 takeover of the American embassy in Teheran and the 444-day hostage siege is now touring the United States promoting his autobiographical account of the Iranian Revolution. Abolhassan Bani-Sadr, who is now living in exile in Paris, provides new evidence that the Reagan-Bush 1980 campaign intervened to block an early release of the American hostages, because it might have helped Jimmy Carter win re-election.

The account of the Reagan-Bush "October Surprise" in Bani-Sadr's book, *My Turn To Speak: Iran, The Revolution and Secret Deals with the U.S.*, bolsters reports published in *EIR* as early as Dec. 2, 1980. Those reports identified the late Ayatollah Beheshti, an Iranian fundamentalist cleric and Freemason, as one of the key negotiators with the Reagan camp for the delay in the hostage release. *EIR* provided details of a Nov. 12, 1980 Paris meeting between Beheshti and former Secretary of State Henry A. Kissinger, and warned that Kissinger and his group—including Michael Ledeen, William Hyland, and David Abshire—had been acting on behalf of the Reagan-Bush campaign since at least early October 1980 to cut a separate hostage deal behind the back of President Carter. *EIR* cited as evidence of that secret treasonous deal the fact that reactionary clerics in the Iranian parliament had staged a walkout in mid-October which had preempted the presentation of a Carter administration hostage release package that would have likely brought the Americans home on Election Eve.

According to Bani-Sadr, he, too, concluded in the early autumn of 1980 that Beheshti, along with Ali Akbar Hashemi Rafsanjani, presently the President of Iran, had obtained the go-ahead from Ayatollah Khomeini to cut a secret deal with the GOP.

On Sept. 3, 1980, Bani-Sadr, in his capacity as President of Iran, had received a formal communiqué from the Carter White House via the West German ambassador in Teheran, proposing concrete steps for freeing the hostages. Yet before that arrangement could be finalized, Ayatollah Khomeini suddenly announced that the responsibility for negotiating with the Americans over the hostages would be solely in the hands of the parliament, dominated by the mullahs led by Beheshti and its Speaker Rafsanjani.

## More details to be exposed

Bani-Sadr's book, which has been available in France since 1989, was released in a U.S. edition at the beginning of May, at precisely the point that the "October Surprise" was once again surfacing to plague President Bush.

The State Department fueled the scandal by briefly blocking Bani-Sadr's visa. It was finally signed on May 4, and he arrived from Paris the next day.

On May 7, 1991, at a press briefing at the National Press Club, the ex-Iranian official, in response to a question from *EIR*'s William Jones, said that he could cite 55 separate instances in which the mullahs had blocked hostage negotiations that could have led to the release of the Americans months before their eventual freeing—on the day of the Reagan-Bush inauguration in January 1981. He told the press that he had other detailed evidence that he could not release to the public.

The next morning, Bani-Sadr delivered a detailed briefing to a closed-door session of the House Foreign Affairs Committee, at the behest of Rep. Lee Hamilton (D-Ind.), chairman of the Middle East subcommittee and a former member of the House Irangate panel.

Congressional Democrats are in the process of conducting an informal probe of the scandal, preparatory to the decision to launch a full-scale probe.

For his part, President Bush is showing signs of wear and tear over the scandal that refuses to go away. At his own press conference on the morning of May 8, Bush blew up at reporters probing allegations that he had been in Paris in October 1980, participating in the final secret negotiating session with the mullahs. Denying that he was in Paris at the time, and citing Secret Service logs that accounted for his entire schedule on the dates in question, Bush nevertheless pointedly refused to account for the actions of other Reagan-Bush campaign officials.

## A curious note about Olof Palme

Another element in the *EIR* Irangate dossier that was confirmed by the Bani-Sadr book has to do with another head of state, Sweden's Olof Palme. Palme was assassinated on the streets of Stockholm on Feb. 28, 1986. *EIR* linked the Palme murder to his moves to shut down the Swedish elements of the Iran-Contra arms-for-hostages circuit. Now, according to Bani-Sadr, the Swedish prime minister, who was then out of office but heading up a prestigious United Nations disarmament group, visited him in Teheran in March 1981, and revealed that he too had information that the Reagan-Bush team had cut a secret deal with the mullahs. Palme warned Bani-Sadr that the latter's life was in danger, and proposed to mediate an attempted cease-fire in the ongoing war with Iraq. Palme's extensive diplomatic efforts in the Persian Gulf may have afforded him access to information tracing the arms-for-hostages arrangements back to the critical 1980 juncture.



# Bankers pull plug on New York City

by H. Graham Lowry

The deranged financiers who dictate fiscal policy for New York City have decided to pull the plug on its surviving population. Physically ruined, with many of its structures literally crashing to the ground, the city has suffered hideous poverty, rampant unemployment, and epidemic disease. The latest massive cutbacks in city functions and services, described even in the New York press as a "doomsday" program, threaten it with virtual extinction.

Mayor David N. Dinkins presented a \$2 billion budget-cutting plan May 4 which he said would produce a "meaner" and less livable city. "There is no adjective sufficient to describe the consequences New Yorkers will have to bear," Dinkins said. "If new resources are not forthcoming and New York City is forced to go it alone, each and every day, each and every New Yorker will be forced to suffer and sacrifice in 101, even 1,001 different ways." City Finance Commissioner Carol O'Cleireacain said of the proposal, "This is an heroic effort; there is a lot of pain in this plan."

## The economics of 'pain'

New York City is being squeezed between the threat of a takeover by the State Financial Control Board and the austerity demands of Felix Rohatyn of Lazard Frères, who still heads Big MAC, the so-called Municipal Assistance Corp. The city's deficit for fiscal 1992, projected in January at \$1.6 billion, now stands at \$3.5 billion—and is being pushed ever higher by the collapse of revenues across the board. Next month the city will have to sell \$600 million in bonds, just to creep through to the end of the current fiscal year June 30, but Rohatyn and the bond raters have made it clear that there will be no sale unless the city slashes enough spending to control the deficit. If the city fails to raise the money, it will not cover this year's deficit, and will then be placed under Financial Control Board dictatorship.

Rohatyn loves to talk about pain. During the takeover of the city's finances in the mid-1970s, his budget slogan was "pain and agony." At a Big MAC board meeting this February, his prescription was "extreme brutality." In a speech to the Municipal Forum of New York April 24, he described his life before Big MAC as "a state of total municipal virginity. That did not last long. Like most virgins, my education was rapid, exhilarating and sometimes painful. . . . One could make political virtue out of painful necessity."

Now he is demanding long-term "structural reforms" in city spending, especially in the form of permanent concessions on wages, benefits, and work rules from the municipal unions, to the tune of \$600 million for 1992 alone. Big MAC might then offer \$200-300 million in loans to the city, as "the caboose, not the engine" of a rescue plan, Rohatyn says.

## Eliminate 35,755 jobs

Caught in this vise, and strongarmed as well by Gov. Mario Cuomo's threat of state takeover, Mayor Dinkins presented his latest list of budget cuts. Beginning July 1, if the unions don't agree to take it on the chin, the city will eliminate 35,755 full-time jobs, more than 23,000 through outright layoffs and the remainder by attrition over 12 months. Another 4,000 part-time positions will be axed. The parks department budget will be cut by 39%, sanitation by 22%, health services by 19%, and subsidies to city hospitals by 20%. The city's schools will lose 6,000 more teachers and aides. "Productivity initiatives," less politely known as worker speedups, will squeeze out another \$550 million in "savings."

Infant mortality programs will be eliminated; five health clinics set up specifically for children will be closed. The school health programs which administer 500,000 vision and hearing tests each year will be canceled. All outpatient pharmacies in city hospitals will be shut down, and weekend and evening hours at outpatient clinics will be eliminated. Social workers' caseloads will be increased. The city's dental clinics will also be closed, as will 10 shelters for the homeless, and drug treatment programs will be terminated.

Housing inspections will end; responses will be made only to heat and life-threatening complaints. Lead paint inspections will be cut by half, and pest control programs by 25%. Major staff reductions will be made in city libraries and cultural institutions. The Central Park Zoo and all 32 of the city's outdoor swimming pools will be closed. To ensure the proper pall over the scene, one of every four street lights will be turned off citywide.

Meanwhile, the city continues to scramble for funds to replace the state aid it has lost since April 1, the beginning of the new fiscal year in Albany. The money cannot be delivered because the legislature has not passed a budget, and is wrangling with a \$6.5 billion deficit of its own. On April 30, the city was forced to sell \$1.2 billion in one-month revenue anticipation bonds, at interest rates more than 2% higher than anywhere else in the nation. The usurious rates were dictated by Standard & Poor's, which the day before downgraded the new issue to its lowest investment grade.

The main takers were investment bank dealers in search of a quick killing at the city's expense. The Cuomo administration, which forced the issue in the first place, apparently couldn't resist getting in on the deal. New York State picked up \$50 million of the bonds, expressly because of the high interest rate the city was paying!

## **Mt. Pleasant riots jolt the capital**

*Behind the violence is the kind of budget crisis which has primed every major U.S. city for explosion.*

**M**ayor Sharon Pratt Dixon reaped the benefit of her austerity policies, when the central area of the nation's capital erupted in the most serious riots the city has seen in over two decades. The chaos was precipitated by a shooting incident which occurred as a female police officer was arresting an Hispanic resident.

Crowds gathered, a rumor spread that the man had been shot while handcuffed, and rioting spread throughout the Adams-Morgan and Mt. Pleasant neighborhoods. On the night of May 6, stores were looted, buses overturned and burned, and police and firefighters were attacked. Youth of all races were involved in the disturbances.

Mayor Dixon imposed two nights of a dawn-to-dusk curfew, after which the neighborhood began to get back to normal.

The timing of the incident was a complicating factor, as the shooting occurred on the day of a traditional "Cinco de Mayo" festival which is held in the largely Hispanic Adams-Morgan and Mt. Pleasant districts. Tensions in the area have been high ever since the Dixon administration canceled, for budgetary reasons, the traditional city support to the street festival. The move was seen as a snub of the Hispanic community by the administration, and caused significant economic losses to merchants who depend on the crowds drawn by the festival.

In addition, there have been increasing complaints from Hispanic leaders that the D.C. police have been subjecting Hispanics to arbitrary harassment. Many of the victimized persons are refugees, especially from El

Salvador, and live as illegal aliens. With the destruction of the constituency-based political machine of the previous Marion Barry administration, these residents are the first victims of Mayor Dixon's austerity regime.

Dixon was elected on a platform of putting the District's house in order, and has announced tens of millions of dollars in cuts below city agency requests, and imposed broad new taxes. The cuts hit hard at basic services, including education.

The collapse of the regional construction industry has wiped out the low-wage laboring jobs by which these neighborhoods support themselves and in many cases, their families in Central America as well. An additional tragedy was imposed on the community early this year with the collapse of the Latin Investment Corp.—an illegal banking operation which attracted the savings of undocumented workers by providing bank accounts and facilitating the transfer of funds to the families of immigrants working illegally in the United States. The collapse of the institution wiped out years of hard work and savings, just as the job market disintegrated.

*Cui bono?* There has never been a riot in an American ghetto which has not ultimately been of direct benefit to the financial interests which use the events to camouflage austerity and cuts in basic city services. The recent riots are no exception, and there is still serious potential for trouble here, as in every city facing budget crises this summer.

One of the dirty secrets of the campaign to destroy former Mayor Marion

Barry is the fact that the fiscal crisis which engulfed his administration was in large part created by the Reagan and Bush administrations, which withheld real estate tax payments due from land occupied by federal buildings. While the Congress turned a blind eye to the scam, the tax arrears accumulated to eventually comprise more than two-thirds of the \$300 million deficit which ultimately swamped Barry. The mayor's substance abuse may have been his personal undoing, but his political doom was sealed once he was financially unable to deliver services to his constituency. Under these circumstances, the Justice Department sting operation against Barry, which spent tens of millions to entrap him, was the final straw.

Sharon Pratt Dixon, a former power company executive and black representative of the city's financial elite, was elected because she had no such encumbrances, and is being praised by congressmen who promise to restore part of the funds if she imposes the expected ruthless cuts in city services.

Dixon's first post-riot actions are only going to make matters worse, however. The mayor immediately called in officials of the Immigration and Naturalization Service to survey the Mt. Pleasant neighborhood, on the theory that the riots had been caused by Central American "outsiders." Deporting "illegal aliens," however, will only create an atmosphere of more tension in the community.

The threat of bringing Washington, D.C. under federal police control has been mooted for a couple of years now, due to the massive drug-related violence in the city. Mayor Barry consistently rejected this proposal, to the anger of federal authorities. Now that austerity has brought the city to new stages of unrest, advocates of such police state measures are a lot closer to their goal.

## **D**ems to continue probe of 'October Surprise'

House Democrats, reinvestigating allegations that the Reagan-Bush campaign delayed Iran's release of 52 American hostages in order to win the 1980 presidential election, have decided to probe the matter further.

The issue was raised anew by former Carter National Security Council staffer Gary Sick. Ten Democrats on the House Foreign Affairs Committee met on May 2 with Sick; no Republicans were invited. After the meeting, Rep. Lee Hamilton (D-Ind.), co-chairman of the committee that investigated the Iran-Contra affair, said the group would continue to explore the issue "on an informal basis."

Sick has stated that several of his sources confirm that then-vice presidential candidate George Bush had attended one of the meetings with Iranian and Israeli representatives in Paris where the delay of the hostage release was discussed.

Hamilton was vague as to how they would proceed. "We've reached no conclusions about what Mr. Sick said and certainly no conclusion about what follows."

Dante Fascell (D-Fla.), chairman of the House Foreign Affairs Committee, said that lawmakers must collect more information before deciding whether to open a formal congressional investigation.

Robert Torricelli (D-N.J.), chairman of the House Foreign Affairs Committee's subcommittee on the Western Hemisphere, considered Sick's charges strong enough to warrant a probe. "There is a real chance as events unfold that the American people could get a cold shower of political reality," he said. "This problem is not going to go away."

House Speaker Rep. Thomas Foley (D-Wash.) is waiting for Hamil-

ton's recommendation before deciding on how to proceed.

The General Accounting Office's Office of Special Investigations, at the behest of an undisclosed committee, has begun conducting interviews with former aides to the late CIA chief William Casey, a prime player in the Iran-Contra affair.

## **K**issinger role in BNL scandal targeted

Pursuing the role of the Atlanta branch of the Banca Nazionale del Lavoro (BNL) in providing credit to Iraq, with the knowledge of the Bush administration, immediately prior to the launching of Bush's "crusade" against Saddam Hussein, Banking Committee Chairman Henry Gonzalez (D-Tex.) said recently that he was investigating more thoroughly the role of Henry Kissinger.

Gonzalez notes that Kissinger did not resign from the advisory board of the BNL until over 18 months after the BNL scandal erupted. Committee investigators were told that Kissinger may still be a member of the BNL advisory board.

Gonzalez indicates there is a possible conflict-of-interest in the role played by National Security Adviser Brent Scowcroft and Deputy Secretary of State Lawrence Eagleburger because of their links to BNL and to Kissinger Associates. "These connections raise the question of Kissinger Associates' influence over the decisions of Mr. Scowcroft as well as the issue of whether or not Mr. Scowcroft can remain independent from the interests of his former boss and longtime colleague Henry Kissinger. . . . Mr. Scowcroft's past affiliation with Kissinger Associates also raises the ques-

tion as to whether or not Mr. Scowcroft can truly provide independent advice to the President in matters of national security or foreign policy when those policies can run against the interest of corporations that he owns stock in or that are affiliated with Kissinger Associates."

## **A**rmed Services committee cuts B-2, space defense

A subcommittee of the House Armed Services Committee dealt a blow to the administration's defense budget, eliminating all funds for the "Brilliant Pebbles" project (the remains of the more encompassing Reagan Strategic Defense Initiative proposal advanced in 1983), and halting production of the B-2 "Stealth" bomber.

"Brilliant Pebbles" is intended to destroy incoming ballistic missiles with high-speed projectiles in space. The subcommittee also transferred authority over \$858 million in ground-based theater missile defense programs from the SDI Organization to a new office run by the Army. The votes were along strict party lines.

Also, a Democratic effort to stop spending on a new air base in Crotone, Italy, was blocked in the subcommittee on military installations.

## **N**ASA chief defends agency's cost estimate

The House passed NASA Authorization bill on May 2 by a vote of 361-36, authorizing \$14.9 billion for 1992, including \$6.5 billion for research and development and \$5.6 billion for space flight operations including the Space Shuttle program. The amount was slightly less than the ad-

ministration's request.

Rep. Mary Rose Oaker (D-Ohio) stressed the need to "continue to invest in the programs which will keep our economy strong and which will improve the quality of our lives. The science and technology programs of NASA are one of the best examples I can imagine which accomplish these goals." Oaker warned that Congress "cannot drop our guard and allow funding for these critical programs to languish."

NASA Administrator Richard Truly, in committee testimony May 1, defended his agency against charges by the General Accounting Office that it has understated the cost through the year 2027 of the planned international space station by at least \$34 billion. Truly said that NASA's accounting practices conform to the agreement made with Congress over the accounting procedures and questioned the GAO's estimate of the space station's cost. The GAO has included in their estimates some of the fixed costs of NASA and the shuttle (which will service the space station), as costs of the space station itself.

Opponents of the space station have forced NASA to revise its design of the space station at least six times on the pretext of cost reduction, to the point where any further cuts could put the project off-track permanently.

Rep. Barbara Boxer (D-Calif.), chairman of the Government Operations Subcommittee on Government Activities and Transportation, has called for an independent audit by the National Academy of Public Administration.

Subcommittee member Rep. Dick Zimmer (R-N.J.) also wanted a study done by the National Academy of Sciences in order to determine whether the mission of the space station could be accomplished at less cost by other

means. Zimmer, however, said that "Congress is to blame for the failings of the space station," not NASA. He attributed this to Congress's demands for repeated design changes and reduced funding. "The result has been that the space station was designed by an Appropriations subcommittee, not by scientists and engineers," he said.

## **H**ouse leaders agree to pump money into FDIC

House Democratic leaders and the White House agreed on May 1 to pump additional funds into the Federal Deposit Insurance Corp. The agreement was reached after Treasury Secretary Nicholas Brady lobbied House Speaker Thomas Foley (D-Wash.) and met privately with Banking Committee Chairman Henry Gonzalez (D-Tex.) and ranking member Rep. Chalmers Wylie (R-Ohio).

The agreement was reached after President Bush announced his support for a banking reform bill which he outlined in a speech to the Society of American Business Editors and Writers in Washington on May 1. The bill includes a reform of deposit insurance, strengthens bank regulation, permits interstate banking, and allows banks to offer additional financial services.

House leaders agreed that they would move to complete action on banking reform before July 4, but there is significant opposition to the deregulation thrust of many of the White House proposals. Opponents blame deregulation as partly responsible for the savings and loan crisis.

There is concern that the administration's proposal to allow "financial institutions to compete across state lines," will lead to serious problems for smaller regional banks. Also, there is opposition to removing the restrictions on

banks selling stocks, bonds, and insurance, since present banking legislation is formulated precisely to prevent commercial banks from entering areas of high-risk investment.

Differences also exist between the White House and the Federal Reserve on the one hand, and the House and Senate Banking committees on the other, over the powers that would be ceded to bank regulators. Both Gonzalez and Senate Banking Committee Chairman Donald Riegle (D-Mich.) want to make it mandatory for regulators to tighten control over banks as soon as their finances begin to show signs of deterioration.

## **S**overeignty threatened by Horn of Africa bill

A bill was introduced into the House on March 14, referred to as the Horn of Africa Bill, which would redirect U.S. aid funds from the governments in the war-torn and devastated African horn—Somalia, Sudan, and Ethiopia—and instead give them directly to non-governmental organizations for relief work.

The bill was introduced in the House by Rep. Byron Dorgan (D-N.D.). A similar bill will be introduced by Sen. Paul Simon (D-Ill.) on the Senate side.

The bill appears designed to strengthen the political clout of non-governmental organizations in countries where relief aid is desperately needed. Coming in the aftermath of the Gulf war, it is coherent with the Bush administration's policy of punishing sovereign governments, especially Sudan's, which had supported Iraq against the U.S. attack. The bill would also make the practice of "cross-border" relief operations into a routine practice.

# National News

## AAAS lies that people impede development

Continued rapid growth of the human population "impedes sustainable economic development," the American Association for the Advancement of Science (AAAS) claimed in one of four major resolutions passed at its recent annual convention. According to the April issue of *Inside AAAS*, the prestigious organization passed the following eco-fascist, anti-population resolutions:

1) Resolution on population growth: "AAAS is concerned that continued rapid growth of the human population contributes directly to human suffering throughout the planet, impedes sustainable economic development, increases international tensions, and exacerbates environmental degradation that endangers the survival of the human and many other species." AAAS calls on the U.S. government to increase its funding of the population control efforts of the National Institutes of Health, U.S. Agency for International Development, and the World Health Organization.

2) Resolution on the abortifacient "pill" RU 486: AAAS encourages pharmaceutical companies and the FDA to make this pill available in the United States.

3) Resolution on biodiversity: AAAS supports the concept of a national center for biological diversity as a data coordination and information center.

4) Resolution on environmental research and training: "AAAS calls for development and funding of institutional mechanisms to support the full range of research, training, and education needed to understand and address our environmental problems."

## Kissinger to address Inter-Action meeting

Henry Kissinger has been invited for the first time to give a policy address to the annual meeting of the Inter-Action Council of Former World Leaders, which is gathering this year in Prague, from May 30-June 2.

Kissinger was invited to speak by Inter-Action co-chairman and former West German Chancellor Helmut Schmidt. The invitation is fitting since the Inter-Action Council is committed to radical malthusian policies for the developing nations, and its leading lights are violently hostile to the economic growth perspectives of both Pope John Paul II and Lyndon LaRouche.

Inter-Action grew out of a series of initiatives coming out of the United Nations Development Program (UNDP). The latter's director is William Draper III, who holds the same genocidal views which are reflected in the 1974 U.S. National Security Council memoranda on population control put forth by Kissinger and Bush National Security Adviser Brent Scowcroft published in *EIR*, May 3, 1991, pp. 26-30.

## Texas governor to keynote NJDC convention

Texas Gov. Ann Richards is scheduled to deliver the July 22 keynote speech at the founding convention of the National Jewish Democratic Council (NJDC) in Washington, D.C.

The group was set up last December as a political front for the Anti-Defamation League (ADL) and the American-Israeli Public Affairs Committee (AIPAC), and plans to set up state and local chapters in all 50 states before the 1992 Democratic nominating convention.

The NJDC goal, according to Stu Eizenstat, a former White House staffer under Jimmy Carter and a strategist for the Democratic Party, in remarks last December, is to ensure "Jewish" influence at every level of the Democratic Party. The NJDC's executive director, Steve Gutow, is a Dallas attorney who ran AIPAC's Southern operations for many years, and is a Texas Democratic Party crony of Robert Strauss.

## Bronfman crew defends convicted spy Pollard

Edgar Bronfman's World Jewish Congress has launched a campaign to have Jonathan

Jay Pollard freed from jail. Pollard was convicted for spying for Israel, but was believed by intelligence experts to have been a "false flag" agent who was really spying for the Soviet Union.

The announcement, calling for Pollard's life sentence to be commuted to time already served, was hailed by Pollard's defense attorney Alan Dershowitz as a sign that "organized American Jewry" has finally taken up the Pollard cause.

Seymour Reich, head of the Anti-Defamation League of B'nai B'rith's Civil Rights Commission, visited Pollard in jail in April and threw his support behind the early release: "There is a shift going on," he told the April 29 *Washington Post*. "The difference in recent months is that people are focusing on the sentence rather than on the crime."

Reich's outfit colluded with Henry Kissinger and the Department of Justice to frame up Lyndon LaRouche, who was given a draconian 15-year sentence for crimes he never committed.

## Kemp and Sharon meet under ADL auspices

U.S. Secretary of Housing and Urban Development (HUD) Jack Kemp met in late April with Israeli Housing Minister Ariel Sharon, despite warnings by Secretary of State James Baker against the meeting.

The flap over the meeting between Kemp and Sharon has brought to light the fact that Sharon's trip to the U.S. is being financed by the Anti-Defamation League (ADL) of B'nai B'rith. Sharon is often referred to as Israel's would-be Hitler, because of his genocidal policies toward the Palestinians.

State Department spokesman Margaret Tutwiler told the press on April 30 that Baker became aware of the planned meeting between the two housing ministers while he was in the Middle East, and "sent a heads-up message back to the White House suggesting that for a cabinet officer of this administration to receive Minister Sharon, who was publicly opposing the President's policies regarding a Middle East peace, would not be the appropriate thing to do." The meeting took place, therefore, at the

Israeli Embassy in Washington.

Abe Foxman of the ADL, who is identified by the *Washington Post* as the sponsor of the tour, claimed the whole flap was "a tempest in a teapot."

## U.S. Air Force tested new war concept in Gulf

The U.S. Air Force successfully tested a new aerial war concept in the Persian Gulf war, consisting of a major recomposition of weapons systems, Armed Forces Network radio reported April 30 from Germany. The new concept, "composite wing," replaces the traditional wing structure with a broader mix of types of aircraft.

The composite wing concept which was tested at the eastern Turkish airbase of Incirlik during the war against Iraq, includes F-15, F-16, and F-111 aircraft, as well as surveillance and electronic countermeasures aircraft, plus the A-10 anti-tank fighter for close air support.

The U.S. Air Force will establish four main operational bases for the time being for the new wings, one in the United States, two in Europe (Germany and Turkey, most likely), and a fourth in the Pacific. The new wings reportedly allow a cut in aerial task force mobilization for rapid missions from 72 hours before the Gulf war, down to 12 hours.

## Buchanan declares war on neo-conservatives

Syndicated columnist Patrick Buchanan urged traditional conservatives to take back control over their movement, especially its pursestrings, from the neo-conservatives, in a strongly worded column on May 1.

Citing a recently published article by Paul Gottfried in the March 1991 issue of the *Rothbard-Rockwell Report of the Center of Libertarian Studies*, Buchanan blasted the neo-conservatives for their successful "march through the institutions" takeover of the "four sisters" conservative trusts: the Olin Foundation, the Bradley Foundation,

the Smith-Richardson Foundation, and the Mellon-Scaife Foundation. (The Smith-Richardson and Mellon-Scaife foundations funded the drug lobby's Dennis King who authored a book slandering Lyndon LaRouche.)

Bitterly complaining that the National Endowment for Democracy, Irving Kristol, and the *American Spectator* have replaced traditional conservative groups as beneficiaries of the tax-exempt dollars, Buchanan warned, "Their tactics—including the smearing of opponents as racists, nativists, fascists and anti-Semites—left many conservatives wondering if we hadn't made a terrible mistake when we brought these ideological vagrants in off the street."

In a call to arms, Buchanan concludes: "With the unifying issue of anti-communism fading, the deep disagreements between neo-cons and traditional conservatives are surfacing. And the time to split the blanket has probably arrived. Before true conservatives can ever take back the country, they are first going to have to take back their movement."

## FBI admits to documents on Schiller Institute

The FBI has admitted to having 3,000 pages of documents on the Schiller Institute, in response to a Freedom of Information Act (FOIA) request. The Schiller Institute was founded in 1984 by Helga Zepp-LaRouche, wife of U.S. political prisoner Lyndon LaRouche. The FBI has so far released three pages in response to the request.

The FBI is meanwhile squirming over a judicial order by U.S. magistrate Sharon Grubin to produce documents in *LaRouche v. Webster*, and has failed to answer the questions within the order's 30-day time period, complaining of overwork.

Grubin had ordered the FBI to answer questions about its continuing actions against LaRouche and his associates, including actions taken under the guise of "national security," "active measures," and in collaboration with the ADL.

Assistant U.S. Attorney Nancy Savitt wrote Grubin saying that LaRouche should limit the request so as to not "overburden" the FBI.

● **SUBPOENAS** may be issued by the House Judiciary Committee because the Department of Justice has stonewalled the Inslaw probe, the April 29 *Washington Times* reported. The case involves DoJ theft of Inslaw computer software.

● **JONATHAN BUSH**, George Bush's brother, is on the advisory board of Kroll Associates, the April 28 German tabloid *Bild am Sonntag* reported. The firm has been key in coordinating the targeting of German and non-U.S. corporations doing business with Iraq.

● **HOWARD BUFFETT**, county commissioner in Douglas County, Nebraska, announced May 2 his appointment by Carla Hills to the International Policy Advisory Committee on International Trade. His father, Warren Buffett, was a key sponsor and associate of alleged satanist and homosexual pedophile Larry King, former chairman of the failed Franklin Credit Union, which is at the center of an ongoing ritual child abuse scandal.

● **L. DOUGLAS WILDER**, the governor of Virginia, is raising funds for the presidential campaign, the April 30 *Richmond Times-Dispatch* reported. "Millionaire telecommunications executive" Mark R. Warner is heading the effort to qualify for matching funds.

● **NO NATIONAL** security sensitive material was stolen from the U.S. Embassy in Moscow by Soviet firemen when the embassy caught fire in April, State Department spokesman Margaret Tutwiler said May 2.

● **SHARON PRATT DIXON**, the mayor of Washington, D.C., was attacked by former U.N. Ambassador Alan Keyes for her policies of corporal punishment and distribution of condoms at city high schools. "Slaveholders . . . followed a system based on just such a combination" of fear and sexual license, he said.

### *The real scandal in Washington*

Despite the ugliness of the abuse of Americans held hostage in Iran, not only by the Islamic fundamentalists but by both the Carter and Reagan-Bush teams—each of which sought to manipulate the situation to their own advantage—the October Surprise story is only the tip of the iceberg.

As we reported in our issue of May 3, Henry Kissinger and George Bush collaborated in 1974-77 in setting up the first stages of the zero population growth policy which now threatens the lives of millions, through famine and disease. It is no exaggeration to call Kissinger the acting President of the United States during the Nixon and Ford administrations; and while Bush in 1976 was director of the CIA, that agency was entrusted with enforcing population reduction policies on nations such as Bangladesh, Nigeria, and Brazil. Before that, Bush was a leading advocate of zero population growth in the U.S. Congress.

Fascism has been 20 years in the making in the United States, and essentially the same crew has been running things over this two-decade period. Lyndon LaRouche is in prison today, because he and his associates have led the fight against them.

In August 1974, Helga Zepp, who later married Lyndon LaRouche, attended the United Nations-sponsored World Population Council meeting in Bucharest. This conference was organized by John D. Rockefeller III, whom she identified ironically at the time, as the "Pope of Zero Population Growth." The conference was intended by Kissinger, Bush, and the Rockefellers to kick off a campaign to the effect that Europeans and Americans were "too affluent," at the same time that Third World populations were attacked for reproducing themselves. The conference was intended to force through mandatory population control policies on the developing sector and to attack living standards in the West. The agenda was changed by Helga Zepp, who not only attacked the vicious malthusian lies being circulated, but also offered an alternative policy for world development.

She introduced a resolution calling for collaboration between East and West on a long-term program

for the solution of the problems of hunger, malnutrition, and epidemics in the developing sector. The resolution specified that a world energy fund be created from oil revenues, to finance the crash development of fusion power for civilian use. No sooner had John D. Rockefeller III laid out his malthusian program in a keynote speech, than Helga Zepp stood up and said: "You are a proponent of the limits of growth, Mr. Rockefeller, and on that basis, 30 to 40 million people will die. You will be responsible for the death of 30 to 40 million people."

As a result of her intervention, Kissinger and the Rockefellers were unable to gain public endorsement of their policies. For them, the LaRouches became the main enemy, to be stopped at all costs. LaRouche's policies began to get international recognition. Yet today, we see the bitter result of the failure of sufficient forces to organize the defeat of the evil oligarchs: the Rockefellers, Kissingers, Bush, and their British counterparts, such as Prince Philip. Millions are dying because these men and their flunkies are in control of the United Nations.

John D. Rockefeller III had set up the Population Council as early as 1952. In 1972, Richard Nixon appointed Laurance Rockefeller to head a special commission on population, which issued a report calling for the government to commit itself to zero population growth. Nelson Rockefeller was vice president in the Ford administration, while Kissinger was both secretary of state and national security adviser. David Rockefeller served as Kissinger's piggy bank, using the resources of Chase Manhattan Bank.

From Chase, David went on to head the Trilateral Commission, a position which he has now relinquished to Paul A. Volcker. Volcker, who ran the U.S. Federal Reserve under both Carter and Reagan, bears a major responsibility for destroying the U.S. and developing sector economies, with his usurious high interest rate policy. If we remember that Bush, too, was an active member of the Trilateral Commission, along with Jimmy Carter, the circle is closed. That is the real scandal.



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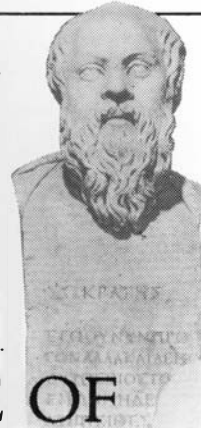
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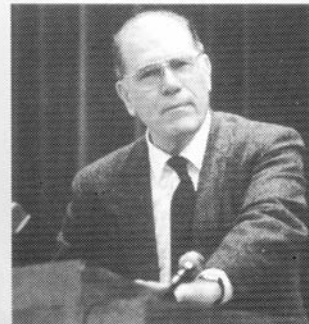
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—Lyndon H. LaRouche, Jr.



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