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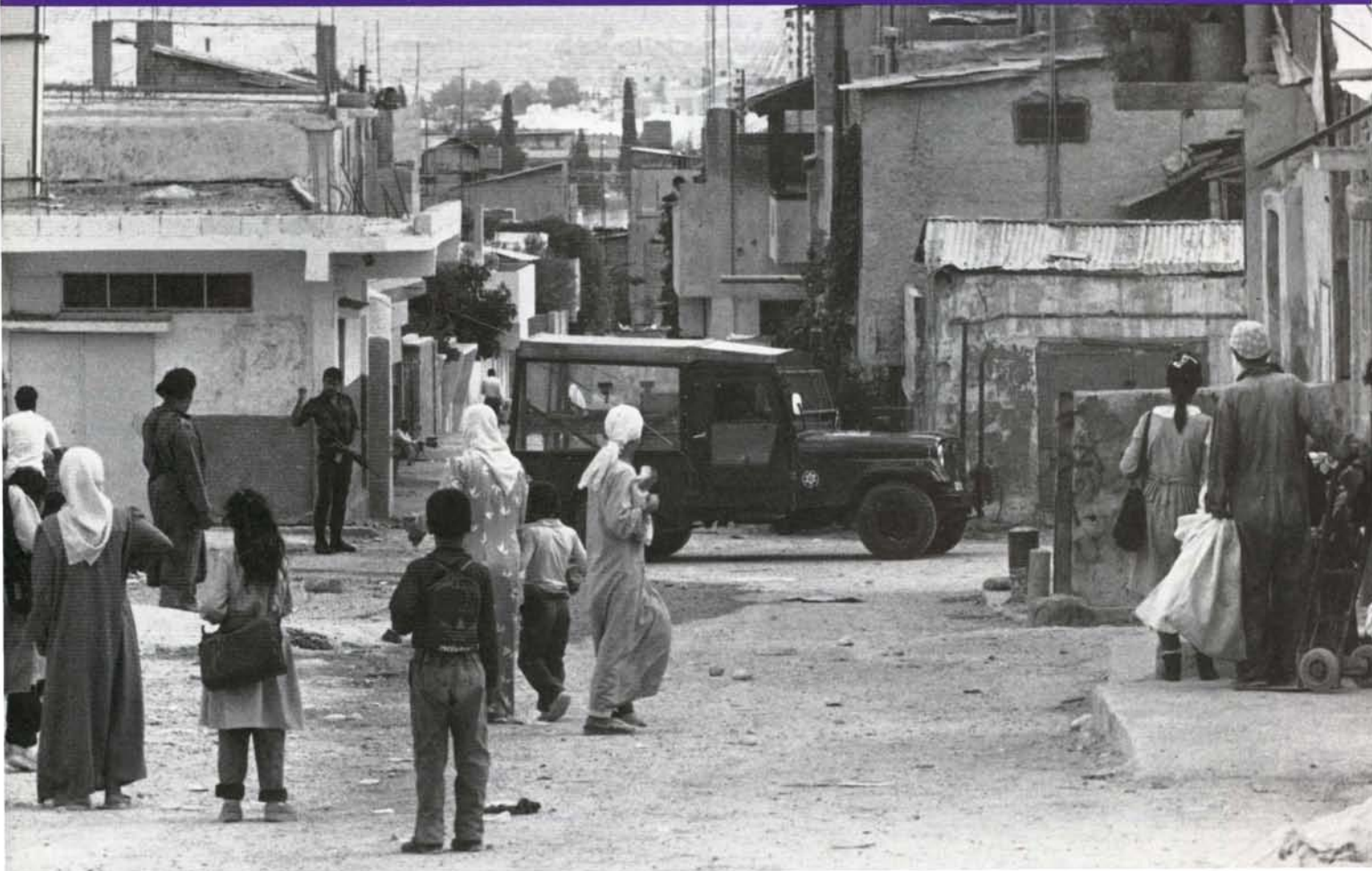
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European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany
Tel: (0611) 8840. Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: EIR, Post Box 2613, 2100 Copenhagen ØE, Tel. 35-43 60 40

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

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From the Editor

The first anniversary of German reunification on Oct. 3 is being celebrated under a dark shadow as we go to press, as the historic city of Dubrovnik, the “Jewel of the Adriatic,” is being bombed back to the Stone Age by Serbian troops, prosecuting their war of annihilation against Croatia. This is what the *Pax Universalis* proposed by George Bush and seconded by “Soviet” Foreign Minister Boris Pankin has in store for Europe. Imagine the rest of the world!

In our cover story, a series of dissenting voices from the South, against Bush’s new world order, say, “The Emperor Has No Clothes.” They represent no organized resistance; there are many shortcomings in the protests, above all in the widespread acceptance of the premises of the malthusian oligarchy, the notion of limits to growth and fixed “resources.” Yet these days, it takes courage even to hint that a few threads are missing from the dazzling garment of the great Emperor Bush, and we hope that by our printing these statements, others will get the idea that they too could say the truth.

If the world gets out of this mess alive, it will be because you act to help spread the ideas of Lyndon LaRouche, around which a potent resistance can form. Put together some of the major stories in this issue, to see how it can work:

- In Rome, Schiller Institute president Fiorella Operto presented LaRouche’s writing, *The Science of Christian Economy*, at the congress of the International Society of St. Thomas Aquinas, the world’s most important Catholic theological gathering, as the alternative to Marxism and free-market liberalism.

- In Caracas, the book commissioned by U.S. presidential candidate LaRouche to expose *by name* the profiteers of the dope trade, is center stage in a major scandal directed against David Rockefeller’s Venezuelan associates in the looting of the Third World.

- In Moscow, the human rights violations against U.S. political prisoner LaRouche and his associates were presented to a well-attended press conference, as part of the “Parallel Activities” of the Helsinki Conference.

- In Warsaw, Helga Zepp-LaRouche presented LaRouche’s “Paris-Berlin-Vienna Productive Triangle” program for world economic recovery, at the National Academy of Sciences.

Nora Hamerman

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Correction: In our issue of Sept. 27, page 7, we misquoted Ghana's President Jerry Rawlings, who actually referred to "the over 4 billion people who live in the developing sector," not "4 million."

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Will economic sanity avert disaster in eastern Europe?

by Susan Welsh

Anatoly Sobchak, the mayor of St. Petersburg (formerly Leningrad), addressed a conference of European bankers and industry representatives in Frankfurt am Main, Germany, on Sept. 27, presenting a blunt challenge and a warning. The transformation of the former Soviet Union into independent republics, he said, "will work only if certain politicians in the West, especially in the United States, stop thinking in categories of 'poor Russia' . . . 'economic chaos.' This approach is extremely short-sighted. Certain western politicians seem to think that continued chaos in our country somehow favors the West. I hope that you businessmen realize this is not the case and that you join with us to help create the new structures of society. Open frontiers from Sakhalin to the western borders of west Europe, in one vast economic zone, would be the most positive thing for all mankind."

Mayor Sobchak proposed that the European Community [EC] set up a fund to modernize the Russian food sector. "Russians are a very proud people and it would be a dangerous humiliation to accept western food charity, he said. "Rather, I have a proposal that the European Community sell, say, \$10 billion worth of its grain and other food surplus to us, but accept payment in rubles at the start. This would be a special fund of 150 billion rubles which would be kept inside Russia and used to funnel credit to agriculture. We have millions of acres of fallow land; we could, for instance, invite some 20,000 Germans now living in Kazakhstan to Russia and offer them land and credit if they help in modernizing Russian agriculture production. Within 1-2 years, we could become self-sufficient in food, and within, say, five years we could begin to repay in hard currency the initial \$10 billion to the EC or its banks."

The failure of the free market model

These statements come in the context of the deepening economic crisis in the new Union of Sovereign States

(U.S.S.), a crisis that resulted from the abrupt shift away from the failed communist economic and political system, to a crazed experiment in radical free market economics, according to the recipes of Britain's Margaret Thatcher and Harvard University's yuppie financial guru, economist Jeffrey Sachs. As the harvest is brought in and winter comes on, there are fears in many quarters that this will be a winter of hunger, or even starvation.

On Sept. 27, Grigory Yavlinsky, Harvard's favorite Soviet economist, announced at a meeting in Alma Ata that Soviet gold reserves are almost gone, as a result of desperation and political maneuvering among the republics. "The failure of the economic mechanisms that occurred at the end of 1990 beginning of 1991 caused the former leadership" to double the sales of gold and precious metals, he said. "This has effectively resulted in our reserves today being a little more than 240 metric tons"—not the 2,000 tons that some had claimed.

Further, Yavlinsky claimed that the \$15 billion in hard currency deposits or credit lines with western banks has also been depleted. "We started to hold back payments, and somewhere in October, November of last year, we began to be refused short-term credits. We were immediately forced to settle [trade accounts] using the deposits we had. The upshot was, we lost everything. Today we have nothing. . . . We've reduced our gold reserves. . . . We've lost all our foreign currency reserve deposits in the course of a year."

In a word: Moscow has nothing in its pocket with which to buy desperately needed products abroad.

The failure of the Sachs model is most obvious in the case of Poland, where it has been in effect the longest and has turned workers whose productivity may have been low into an army of unemployed, and shut down basic industry—including the largest tractor assembly plant in eastern Eu-

rope, the Ursus works. Some Russian policymakers, looking at the disaster in Poland, are vowing that they will not make the same mistakes.

There is now, therefore, a great eagerness to find out about economic policies that are neither those of Karl Marx nor of Adam Smith: the "American System" economics of G. W. Leibniz, Friedrich List, Alexander Hamilton, and Lyndon LaRouche. That successful, but generally suppressed, tradition in economic science rejects the free market idiocy of the British. The idea is to generate government-backed credit for scientific and industrial development, as the motor for raising the living standards and creative potential of the population. Contrary to the mythologies peddled at Harvard University and the London School of Economics, it was this "mercantilist" or "cameralist" approach that boosted both Germany and the United States into becoming industrial power houses in the 19th century.

Since the onset of the anti-Bolshevik revolutions in eastern Europe in 1989, these ideas have been extensively circulated by *EIR* and the Schiller Institute, through numerous conferences, seminars, briefings, and volumes of printed material. The LaRouche proposals are also circulating on unofficial circuits, in "bootleg" translations, and even from some west European think-tanks which have no ties to the Schiller Institute or *EIR*.

Revive Witte and Stolypin!

In Russia, the nearest approximation to these policies is identified historically with the names of the statesmen Sergei Count Witte (1849-1910) and Prime Minister Pyotr Stolypin (1905-1911).

In a Sept. 5 interview with *EIR*, a senior European analyst stressed that "anybody who wants to figure out the debate going on in Russia, must look carefully at the 1888-1910 period. The problems today are roughly the same as then: how to centralize authority with lots of potential rebellions threatening. The people who matter in Russia now are thinking of these traditional types of models."

"There is a lot of consideration of both Count Witte and Stolypin, especially Stolypin's agricultural reforms," he said. "Many Russians are now reviving Witte and Stolypin, and these Russians are not idiots; they have in mind a traditional and institutionalized system, which is *not* the market economy that we in the West talk about. Witte understood the market as a form of compromise, not confrontation, a way to get things organized. Stolypin understood two things: one, that Russia needed capitalization, and the other, that things must not run out of control.

"These traditional models can work now. I think they will work. Those people in the U.S. and Britain who are playing around with the strategic card of a civil war in the Soviet Union are not only dangerous and irresponsible, but will soon have their noses rubbed in the dirt."

One example of the "Witte tendency" in Russia is Arkady

Volsky, a member of the economic reform commission of former Russian Prime Minister Ivan Silayev. According to a profile published in the German weekly *Die Zeit* on Sept. 5, Volsky wants to launch an industry-centered economic policy, modeled on the Imperial Russian Association of Industry and Commerce, which was founded in 1895, during the Witte period, and existed until 1918. Volsky is the chairman of the Association of Industry and Science, a lobbying group of 1,500 individual firms and several dozen industrial groups of the ex-U.S.S.R. state sector.

Poland: Thatcher vs. LaRouche

In the case of Poland, where parliamentary elections are coming up on Oct. 27, a debate is raging throughout all political parties and institutions on an alternative to the failed free market economics.

On Sept. 25, the Schiller Institute gave a seminar on "Freedom Through Development," in the famed Hall of Mirrors of the Academy of Sciences in Warsaw. The meeting was opened by Helga Zepp-LaRouche, the president of the Schiller Institute in Germany and the wife of U.S. political prisoner and presidential candidate Lyndon LaRouche.

"Exactly one year ago," she said, "we had a similar meeting in Gdansk. At that time, I warned that a continuation of the Jeffrey Sachs 'shock' program would lead Poland into a catastrophe. Had we been listened to at that time, Poland would have been spared the bad experience of the last year. Now is the time to finally take up the alternative to Sachs and [Polish Finance Minister Leszek] Balcerowicz: our program for a European Productive Triangle."

She and Dr. Jonathan Tennenbaum developed, for the audience of 30 political and economic policymakers, LaRouche's concept of an integrated European infrastructure program, as well as the theoretical foundations of a science of Christian economy, going back to the ideas of Leibniz and List.

Hard on the heels of the Schiller Institute delegation, former British Prime Minister Thatcher arrived in Poland on Oct. 1, in a mission aimed, according to sources in Warsaw, at strengthening the electoral chances of the "Thatcherite" clique. Polish Prime Minister Jan Bielecki met Thatcher at the airport, praising her ideas as "fantastic"—which, indeed, they are.

Among the policies that the Polish Thatcherites are pushing, are faster privatization and even deeper cuts in public spending. What this means in practice was described by the *London Times* of Oct. 2: Thatcherite Poland is one where "pensioners eat cat food, while the rich shop at Dior." Schools are open no more than four days a week, and teachers' salaries are collapsing, while "white sports cars are double parked" outside the new private schools, for the children of the new free-market entrepreneurs that are making a killing by buying up undervalued state companies, while workers are laid off.

Ethics and economics: The science of Christian economy

by Fiorella Operto

The events of 1989, the collapse of the system which had “suffocated the creative subjectivity of the citizen” (John Paul II, *Sollicitudo Rei Socialis*, n. 15), have made clear the failure of Marxist economic thinking.

Yet the data of international economic observers show that the free-market economic doctrine inspired by the thinking of Adam Smith is unable to make the dream of a greater economic and social stability come true: The imbalance between rich and poor countries is growing. The law of free exchange, although it has indisputably shown itself superior to collectivism in the management of economic relations, is no longer capable of governing international relations by itself. Even within the rich countries, economic stagnation is increasing the number of unemployed, disenfranchised, and homeless. The poor become poorer while the rich keep getting richer (Paul VI, *Populorum Progressio*).

In this brief introduction we would like to raise the problem, whether, in the face of the failure of modern economic policy, it may not be possible for the social doctrine of the Church to enter into problems which seem specific to economic theory. Is it possible to lay the basis for a Christian science of economics? And what path should be taken?

A contribution to this quest has been offered by the U.S. economist Lyndon LaRouche with his recent writing entitled *The Science of Christian Economy*, where he tries to prove that a society's economic development is not tied to demographic growth only by moral considerations, but by the very laws of nature.

St. Thomas Aquinas in his *Summa Theologica* states that human law is law only by virtue of its accordance with right reason; and it is thus clear that it flows from eternal law. (S.Th. I-II, q.95, a.4)

Leo XIII, in his *Rerum Novarum*, inspired by this principle, reiterates that: “Civil laws, when they are just, derive their own authority and efficacy from natural law.”

LaRouche poses himself the task of seeking the origin of the laws of economics in the eternal laws of nature. He states that “Faith, aided by right reason, can read the great book of universal nature, a book written directly by God the Creator” and thus arrive at the discovery of those inviolable

laws which would furnish to economics studies the same kind of methodological rigor which investigation into natural law poses to the study of morality.

Economics, in fact, can aspire to becoming a science only if it abandons the idea that its object is some kind of utilitarian calculus or the single entrepreneur's quest for the maximum profit, and is instead seen as the study of processes through which societies reproduce themselves.

The notion of economic value and the wealth of a nation cannot be derived simply from some numerical quantity, from money or the amount of raw materials, but from the productive capacities of the work force, considering the process of overall reproduction as the primary element.

Above all, the economic process must be measured as a function of the total wealth necessary for the reproduction of human society: the goods consumed by the population for its maintenance (health, education, and all the other requirements which contribute to maintaining the technological level of society) and the capital goods which must be produced to allow the productive process to continue. From this standpoint it is possible to study the correlation between technological progress and the increase in the productivity of labor: Technological progress is such if, in order to produce the same market basket of goods a lesser effort is required, that is, if labor can be saved to the society as a whole. The value of productive activities can therefore be measured with the increase in the economy of labor which is achievable via technological progress.

It would be possible to go more deeply into this point, but for now suffice it to observe that we have encountered a first law: For an economy which places man at the center of its study, the efficacy of man's intervention into the natural world through labor is the measurement of value. This is how we capture the meaning of the principle expressed in the Book of Genesis, “You shall earn your bread by the sweat of your brow.”

Physical Economy

We must further consider that a science of economics must be able to respond to a simple yet fundamental question:

Operto refutes monetarism at world Aquinas Congress

The speech we print here in English translation was presented on Friday evening, Sept. 27, at a seminar at the "Angelicum," the Pontifical Academy of St. Thomas Aquinas, as part of the Third International Congress of the International Society of St. Thomas Aquinas, the world's most important Catholic theological gathering. Among the participants at this Third Congress were Cardinal Alfonso López Trujillo from Colombia, who presides over the Papal Commission on the Family, theologians, and politicians, including Italian Prime Minister Giulio Andreotti and Socialist Party leader Bettino Craxi.

Fiorella Operto, chairman of the Schiller Institute of Italy, was both moderator and principal speaker of the panel entitled in Latin, "*De Ethica et Huius Temporis Humana Conditione*" (Ethics and the Human Condition Today). In her remarks, lasting about one-half hour, Operto presented "The Science of Christian Economy"—which is now officially part of the conference proceedings.

She was followed to the podium by a "devil's advocate," a French monetarist who defended the opposing viewpoint. Operto won the polemical debate that ensued, when she said that humanity has invented many instruments (such as monetary systems) to serve the economy, but that the instrument must not be confused with the subject who uses it. Citing the example of a South American country which her adversary had presented as an "International Monetary Fund success," she asked: What was the condition of that population after the success: Was it better or worse? From a Christian standpoint, this is the only criterion for judging success. The French monetarist,



Philip Ulanowsky

Fiorella Operto, president of the Schiller Institute in Italy.

in a dramatic twist, had to admit that he "saw the point."

The panel was concluded by Prime Minister Giulio Andreotti. He attacked Adam Smith directly, and pointed out that Europe and the West have only a few years in which to establish social justice, and to save the Third World and themselves. Later, Miss Operto presented Mr. Andreotti with a copy of the LaRouche book.

The participants in the congress, which took place on Sept. 23-27, were received by Pope John Paul II after the close of the week's sessions.

What are the necessary prerequisites to satisfy the economy of a certain society to ensure that it will have a survival which, measured by God's clock, will not only be transitory?

The existence of each society rests upon the exploitation of a certain quantity of resources which are necessary to the production of the material goods consumed by that society. The concept of "resource" is not defined in nature but by the technology that a society can utilize. To give just one example, let us recall here the case of coal, which was already known in antiquity and found limited applications in medicine, but which became a utilizable energy source only with the development of steel making and the invention of the steam engine.

Clearly, if a society sticks to a fixed level of technology, and so keeps on consuming the same natural resources, sooner or later it will begin to run out of available resources. The introduction of laser technologies in industry, the advent of new energy sources such as nuclear fusion, and the use of plasmas to process materials and wastes, are a few examples of the technologies on the horizon which could multiply our available resources.

And thus we encounter a second natural law which derives from the first: Progress is not a simple option but it is necessary if society wishes to survive as a human society. Every society which does not respect these considerations is putting its future existence in danger.

Physical Economy is that science which studies both the continual technological changes necessary and also those cultural and social processes through which fundamental scientific progress must be transmitted. The economy unifies into a single activity, which produces a physical change in the universe, the natural sciences and those of the spirit. Through the generation, the transmission, and the assimilation of scientific and technological progress, humanity is capable of intentionally increasing the quantity of persons who can be sustained by that society's labor.

The process cannot be measured simply by the quantity of goods produced per unit of labor. We must recur to a more complex metric, which however reflects the interrelation between man and nature. Such a metric is represented by the rate of increase in the potential population density (from the quantity of persons whom the labor of that society could keep alive per square kilometer). Such a rate thus becomes an empirical measure of the correctness of the method with which a society causes its scientific knowledge to progress. In the course of human history, thanks to the continuous application of human creativity, we have gone from the 15 square kilometers per capita which were needed when man based himself on hunting and gathering, to the roughly 0.002 square kilometers per capita needed with present-day technologies.

No animal species can do likewise. The spectrum of behaviors and adaptive capacities of animal species is relatively fixed, as if it were determined genetically. Man is not subject to these same limitations, neither with respect to his population as a whole, nor with respect to the development of single individuals.

Scientific progress is not merely dictated by material necessities. Every betterment of basic scientific knowledge has a direct influence on the moral development of every person in society. The rate of human progress tends, moreover, to increase if the number of persons who live on the planet increases and if they have the necessary education to generate, transmit, and assimilate scientific progress.

The writing *The Science of Christian Economy* is a scientific refutation of the malthusian view which has been revived by certain fringes of the ecologist movement, as an error which not only affects morality but man's very capacity to survive. While the rhetoric about returning to the good old days may also evoke the image of a world when men seemed less obsessed with piling up material goods, we must consider that the refusal to continue applying the discoveries of science to productive activities, could lead to lowering labor's productive capacities and hence to reducing potential population density.

In practice, to abandon modern farming and industrial techniques would reduce the number of people who can find sustenance on the Earth: Four billion people would be condemned to death by famine and epidemics. This would be a genocide of catastrophic dimensions.

Which economic system to reconstruct Europe

These principles could find an empirical confirmation if they were applied to the process of reconstruction of the disaster-stricken economies of the countries of eastern Europe. In contrast, if the planned economy is replaced by free-market monetarism, that will be the source of enormous sufferings for all those peoples.

Just as entire civilizations arose along the courses of natural waterways, the Europe of tomorrow will develop along the infrastructures which we plan today and which will be the backbone of the future common economy. Starting from the zone of central Europe which represents the highest population density and productive potential existing in the world, corresponding roughly to the geographic triangle between Paris, Berlin, and Vienna, arms of development will be traced which will embrace the entire European territory and finally reach northern Africa and the Soviet territory.

In a global and coherent project, the system will include roads and railways, magnetically levitated trains, navigable riverways and canals, oil and gas pipelines, interlocking container transport systems, potable water supplies, and the distribution of low-cost electricity.

The real profit which will be generated out of these infrastructural improvements will consist in the increase in the productivity of labor. This will be translated into an increase in the production of material wealth and above all in the increase in the productive potential of the entire economy. The costs of these infrastructure projects cannot be sustained via the imposition of austerity measures on a population which has already been made poor, but will be repaid through the expansion of the tax base as a result of the expansion of economic activities.

At the same time we must consider that available resources will have to be partially invested also in the development of farm production. The living standards of the population must be able to increase while the needed investments in infrastructure are also made: The consensus of the population in a correct policy of economic development can only be obtained if immediate tangible progress comes alongside the promise of a better future.

Liberation from misery, increased living standards, the security of a stable job, protection from situations that offend the dignity of man, these are indeed a just aspiration (Paul VI, *Populorum Progressio*, 6):

We can conclude by recalling that St. Thomas already, foreseeing the development of a capitalistic system, in a letter to the Duchess of Brabant (1270), the daughter of St. Louis IX, the king of France, recommends that political authorities promote remunerative and productive labor (Don Dario Composta, "Poverty and Neo-Capitalism," speech in Viterbo, March 10, 1990, [in *EIR* Sept. 21, 1990, p. 16 and Sept. 28, 1990, p. 19]). And again, in the *Summa Contra Gentiles*, the great teacher deals at length with wealth as a good which man must earn through his own labor (II, 135).

Farmers send milk to Iraqi children

by Marcia Merry

On Oct. 1, a group of U.S. dairy farmers in eight states announced a protest action against Washington's farm and food policies, based on the principle of how "David slew Goliath." The 20 farmers (from Wisconsin, New York, Pennsylvania, Minnesota, Ohio, the Dakotas, and Michigan) announced that they had mobilized an initial shipment of dried milk powder to go to the starving children in Iraq, as an action intended both to relieve suffering there, and to dramatize the immorality of the Washington policies that allow farmers to be bankrupted while millions of people are going hungry. During October, the group intends to bring their case to the United Nations as well as to the attention of Congress.

The farmers' donated shipment will be about 4,400 pounds of nonfat milk powder, shipped via Jordan to Baghdad. The farmers are working through a Milk Relief Fund set up by the Chaldean Catholic Church of Iraq, which is affiliated with the Vatican. The relief effort is being facilitated by the Committee to Save the Children in Iraq. The initial shipment was booked with pledges by the participating farmers to donate portions of their raw milk sales receipts, or outright donations.

The shipment is relatively small—enough to make about 5,500 gallons of reconstituted milk, that will provide 120 children with a daily milk ration for a year. But the action throws into sharp relief the stupidity of the food policy now in force in the United States.

The 'supply and demand' fraud

The Bush administration backs the practice of the food cartel mega-companies of grossly underpaying farmers for their output. Last year over 30,000 farms went out of operation, most of them forced to shut down by the low prices, high debts, and the lack of supplementary off-farm jobs. Over 75% of family farms now rely on family members having off-farm incomes to continue running the farm at a loss.

Dairy farmers are getting little more than \$11 for 100 pounds of their milk (about 12 gallons), when a fair parity price would be around \$26. The federal floor price is \$10.10 per hundredweight (cwt). The Bush administration has beaten back the repeated feeble attempts by Congress to raise the floor price by a couple of dollars. The administration maintains that milk prices will rise by the rules of "supply and demand" when enough farms go under.

Instead of opposing this lunacy, the Democrats have pro-

posed bills that would implement "supply management" and coerce farmers to produce less. Over the 1980s there were several such measures, unprecedented in U.S. history—a paid "diversion" program, in which farmers were induced to sign up to receive \$10.00 per cwt of milk *not produced* for 15 months. Next, there was the Dairy Herd Termination program, which paid farmers to slaughter their milk herds, and not resume dairying for five years.

Another variant of supply-demand lunacy is the bill from Wisconsin Rep. Steven Gunderson (R) that would put a cap on what the federal government can acquire on the market for food distribution to the needy, and take the "savings" from that to pay farmers to produce less!

The action of the dairy farmers to feed the hungry in Iraq gives an example of how farm and food policy should be formulated. In reality, there is way too little high-quality food being produced in the United States and elsewhere. Annual milk powder production in the United States has declined from 630,000 metric tons in 1985, to 444,000 in 1988, and last year, only about 330,000 tons.

What is required is the mandating of parity prices to farmers, and anti-trust action against the price-rigging cartel companies.

Appeal to American farmers

The farmers conducting the milk mobilization for Iraq are focusing on these problems, and are advising their fellow farmers not to fall into demoralization and anarchy. In the statement that they circulated nationally, "Call to American Dairy Farmers," they state in part:

"Today, many dairy farmers are talking about a national 'milk strike,' to withhold, or 'dump,' milk, to try to force better prices. Farmers simply cannot survive with income at 1978 levels, and costs at 1991 levels. As independent farmers go out, more and more of food production falls under the control of giant multi-national food monopolies.

"The farmer is told the *big lie* about 'surplus,' to justify artificially low prices, while there is hunger here in America, and outright starvation and genocide going on all over the world. *The most extreme example today is Iraq*, where health officials estimate that at least 500 children under five years old die *every day*, for lack of food and medicine due to the U.N. sanctions.

"Yet independent dairy farmers are a tiny minority, and can never *by ourselves* defeat the combined power of the food monopolies and the anti-farmer lobby in government.

"Therefore, we need a way to dramatize the fact that *the world needs to keep the independent U.S. dairy farmer in business*. We need a way to mobilize the urban poor, and the poorer nations of the world, behind the cause of saving and strengthening the U.S. independent family farm system."

Instead of pouring milk on the ground, the farmers plan to "remove as much milk as we can from the U.S. market," and at the same time "save the lives of innocent children."

Economic crisis sparks Russian debate over relations with Germany

by Mark Burdman

What will happen if the economic crisis in the former Soviet Union is not resolved in a rational way, through sensible forms of cooperation between the West and the republics of the former U.S.S.R.? From the evidence presented by two representatives from the Moscow U.S.A. and Canada Institute during a Sept. 27-29 strategic conference at the Loccum Evangelical Academy in Germany, the answer is simple: Things could get very nasty. Certain segments of the Bolshevik *nomenklatura*, of which the U.S.A. and Canada Institute is typical, are toying with post-Soviet "Great Russian" imperial schemes and claims on former Soviet republics, and are trying to figure out ways in which a new "balance of power" can be erected in Europe along the lines of the British-orchestrated Congress of Vienna of 1815, with the main aim being to contain the recently reunited Germany.

From other evidence on display at Loccum, such disasters are not inevitable. Leaving aside the question of whether the U.S.A. and Canada Institute is representative of the prevailing or emerging trend in Moscow thinking, the fact is that even among this faction of the *nomenklatura*, a certain kind of hard-nosed rationality on matters of economic policy now prevails. This is typified by a rejection of the "economic shock therapy" advice coming from the West and support for the revival of the agro-industrial development policies of Pyotr Stolypin, the reformist minister in the pre-Bolshevik period from 1905 to 1911. If the West comes up with policies that reinforce those saner trends, a positive relationship with Russia could be constructed.

The conference in Loccum (located in the German state of Lower Saxony) was on the theme, "Security in the New Europe." The question of where the former Soviet Union fits into the emerging security situation in Europe was one of many subjects debated, together with the situation in Yugoslavia, the changes in U.S.-European relations, the impact of such "non-military" factors as economics on security, and more. But especially as this was the first strategic debate at Loccum since the failed putsch of Aug. 19-21 in Moscow, the problems posed by the former U.S.S.R. presented some of the more sober challenges for the strategists, military professionals, peace researchers, and others in attendance. In

total, 15 nations were represented, either by official government spokesmen or by private citizens: Germany, Austria, Hungary, Italy, France, Russia, the United States, Belgium, Holland, Great Britain, Sweden, Norway, Poland, Czechoslovakia, and Bulgaria.

On the first day of the proceedings, Pyotr Gladkov, from the U.S.A. and Canada Institute, addressed the gathering. The institute is headed by Georgy Arbatov, a fixture of the "former" Bolshevik *nomenklatura* who has built a vast array of "back channels" to the United States over the past decades. The institute's traditional assignment has been both to profile the United States, as well as to use its points of access within the American policy establishment, to attempt to build a U.S.-Soviet global power-sharing "condominium." At this moment, its views would be more representative of the "Moscow center" group around Soviet President Mikhail Gorbachov than the group around Russian Federation President Boris Yeltsin, although, with everything in flux in Moscow, they are obviously opening up channels into all factions.

Gladkov stressed that after the putsch, "neither the Soviet Union nor Europe nor the world would ever be the same," and what is now happening to the East will certainly "affect the situation on the continent." He stated bluntly that "there is no such thing as the Soviet Union any more."

After outlining his appraisal of the internal correlation of forces among the republics of the former U.S.S.R., Gladkov advised his audience, "History can teach us some lessons." He pointed to the 1919 Treaty of Versailles arrangements vis-à-vis Germany as what should *not* be done now vis-à-vis Russia, since at Versailles, "the winning powers marginalized, singularized, and humiliated the Germans. This fanned the flames of Nazism in Germany, and led to World War II."

Preventing a continental 'hegemon'

So far, so good. However, Gladkov's chosen positive alternative to Versailles was the 1815 Congress of Vienna, which codified and institutionalized the British balance-of-power system for continental Europe. His line of reasoning was that France, the big loser after Napoleon was defeated, was "not denied access to the club," but was given a "legiti-

mate place." He made the dubious assertion that this ensured a "very stable environment" for Europe that prevailed for the better part of a century.

In a paper submitted for circulation, entitled "Emerging European Architecture," Gladkov developed this theme in greater detail, and went beyond it, to argue the following:

"Geopolitically, the U.S. needs to be concerned with the threat of a single power dominating Europe. Both times of its invasion in Europe (1917 and 1940-41), the United States tried to forestall the emergence of a continental *hegemon*. Here, a stable Soviet Union is needed to advance U.S. objectives. With Germany unified, a 21st-century European power balance will require the presence of a counterweight on Germany's eastern flank.

"Balance of power equilibrium—with German economic power checked by Soviet military power—is also a prerequisite for east central European stability and for ensuring that the region does not come under the sway of a hegemonic power. Just as the collapse of Germany in 1945 opened the way for the Soviet ascendancy in east central Europe, the collapse of Soviet power today would lead to German preeminence in the region.

"At the same time the Soviet Union finds it in its interests if the United States remains engaged in Europe because Americans are a critical element of a stable security environment for the U.S.S.R.

"As long as domestic ills fully occupy Soviet leadership it would need American assistance to tether the inherent power of a reunified Germany, and the volatility of an east-central and southeastern Europe that no longer is constrained by Soviet hegemony. And, in a paradoxical way, the Soviet Union may trust the United States far more than the intentions of Helmut Kohl or any future German leaders.

"To be sure, reunited Germany can build on more than four decades of democracy, sound economic achievement, and give no signs of being anxious to develop into a rival military power. From the Soviet standpoint, however, Germany does not need to be a threat to be threatening. The mere reemergence of a state with 80 million people, and an economy that will be the world's largest exporter, with a GNP larger than that of Britain and France combined, cannot be seen as reassuring, especially at a time when the Soviet Union is dying and Russia, as a logical major counterbalance in all European power games, is too much preoccupied with its domestic problems to be able to be engaged in any serious process of redistribution of power. . . .

"Engagement of both the United States and the Soviet Union (in any form it will take in the future) in a Euro-Atlantic security condominium is thus a requisite element of any future European order."

Economics will influence security

Lost in all this is the fact that "containing" Germany would weaken the economic strength of the Germans, which

the Russians themselves need for their own economic advance. This strange omission is all the more striking, in view of the arguments put forward by Gladkov's colleague Vladimir Benevolenski, assistant director of research planning at the same institute. In his circulated written paper, entitled "A Common European Economic Space as a Security Factor for the Continent," Benevolenski wrote:

"Domestic stability and the support for the leadership of a nation, which are important national security factors, too, also depend on development levels and current development trends to a large extent. . . . Ensuring stability in east European countries and the region of the former Soviet Union means first and foremost ensuring socially acceptable rates of economic development, since the reform movements are to a large part driven and in fact even legitimized by popular aspirations of an improvement in standards of living. . . .

"It will not be an exaggeration to observe that most east European reformers (including the U.S.S.R.) view public disappointment in economic performance as a major threat to the development of positive social and political processes in their countries, which in turn might, if not endanger, slow down and raise future costs of further improvement of the international climate in Europe. The recent experience of the Soviet Union demonstrates how easily public dissatisfaction with economic performance may in a multinational environment trigger conflicts between nationalities (nations) that then become self-sustaining because of non-economic factors and mature into long-term hotbeds of instability. Southeast Europe provides additional examples of that class of potential dangers to European security."

As he stated, "Economic matters will influence the European security agenda in a prominent way."

Targeting Ukraine

Benevolenski was less diplomatic at one crucial point in his public presentation, where his analysis of the Ukrainians became downright nasty. Stressing that "nationality" conflicts often "have roots in economic problems," he proceeded to appeal to his predominantly European audience to put pressure on Ukraine, painting the Ukrainians as the instigators of an economic-political crisis. His basic line of argument was that Europe needs Siberian oil, which is transported, in significant part, via ports in Ukraine. The Ukrainians, however, are demanding that higher and higher percentages of that oil be diverted for internal Ukrainian use, and that Ukraine receive a hefty percentage of world trade in oil in dollars. If this continues, the oil flow from Siberia could be jeopardized. Worse, many in Moscow will respond that "the Union," not Ukraine, built the ports in the first place. Also, Russians will recall that the name for the area where the ports used to be, "Novaya Rossiya" ("New Russia"), was formerly part of Russian territory.

The paradox shown by the Russian representatives is that such ravings are counterposed to rationality on certain

matters of economic policy. If those better impulses were seized upon and encouraged by the Europeans, might the conflicts and crises be averted? In various discussions and offhand comments, the U.S.A. and Canada team indicated the following:

- They view the Harvard/Jeffrey Sachs "shock therapy" policy for Russia as a non-starter. If implemented in Russia, they correctly state, it would create destabilization and chaos.

- The Russians absolutely do not want westerners to come and propose joint ventures that really amount to speculative get-rich-quick schemes, especially as these play into the worst side of the mentality of a Russian entrepreneurial

It was indicated that Russians would react favorably to an offer from the West of a massive infrastructure development program for Europe, including the former U.S.S.R., either modeled on or congruent with Lyndon LaRouche's "Productive Triangle."

class that has had little experience in international business dealings. Rather, what the Russians want is concrete technical advice, with business managers from the West willing to work with Russian entrepreneurs on a serious basis. The Russians need help in developing what is known in Germany as a *Mittelstand*—medium-sized productive enterprises.

In his circulated draft, Benevolenski wrote: "First practical steps could include the creation of pan-European associations in some specific sectors of the economy, similar to industry branch associations. . . . Such moves could be practical in mining, energy, transportation and communications. Soviet R&D capabilities could also be engaged in some pan-European projects to improve European competitiveness in world markets."

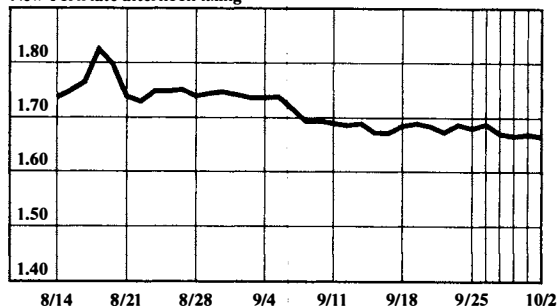
- The mood in Russia is most favorable to a revival of the ideas of Stolypin. Said one of the Moscow visitors: "The belief is now common, that if Stolypin had not been assassinated in 1911 and his reforms had prevailed, the Bolshevik Revolution and all the ensuing troubles would never have happened."

- In response to probings from *EIR*, it was indicated that Russians would react favorably to an offer from the West of a massive infrastructure development program for Europe, including the former U.S.S.R., either modeled on or congruent with Lyndon LaRouche's "Productive Triangle" infrastructure-centered program for a European-sparked world-wide economic recovery.

Currency Rates

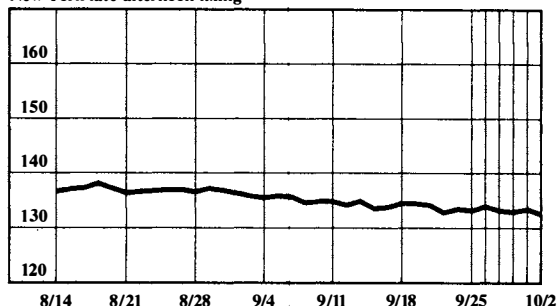
The dollar in deutschemarks

New York late afternoon fixing



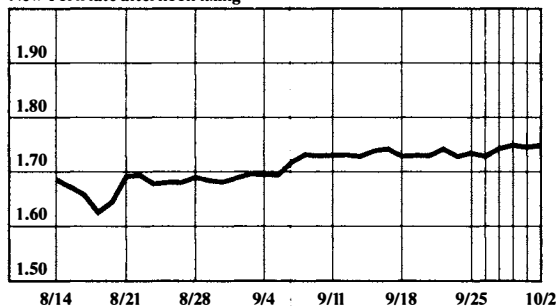
The dollar in yen

New York late afternoon fixing



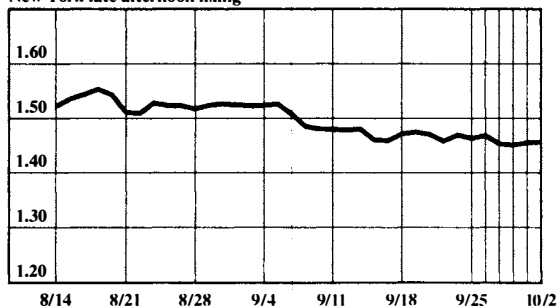
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Japan, Russia look to peace, development

Japanese Foreign Minister Taro Nakayama told the U.N. General Assembly Sept. 24 that Japan is eager to sign a formal peace treaty with the Union of Sovereign States (the former Soviet Union), and begin helping to modernize the new Union's economy. First, he said, Russia must "resolve the territorial issue at the earliest possible time" of Japan's four Northern Islands, seized by the Soviet Army in the final days of World War II. The dispute over the islands, called the Kuriles in Russian, has prevented the two nations from signing a postwar peace treaty. Nakayama will go to Moscow in mid-October, Reuters reported Sept. 24, for talks with Russian President Boris Yeltsin and U.S.S. President Mikhail Gorbachov.

Grigory Yavlinsky, vice chairman of the former Soviet interim administration, became the first Russian leader to declare that the islands rightfully belong to Japan Sept. 10. Russia is eager for Japanese technical and development aid, and the new Union should show "determination and good will about returning the Northern Territories," he said in a letter to Japan's Kyodo news agency. "I'm sure this problem can and will be solved in the near future. The first Russian-Japanese treaty concluded in 1855 through negotiations, could provide a moral and legal basis for such a solution. The border established by the treaty should also be confirmed. The islands of Iturup, Kunashir, Habomai and Shikotan should be returned to Japan, without infringing upon their residents' rights. This should take top priority. By observing this treaty we will get rid of yet another legacy of our totalitarian past."

Former Soviet Foreign Minister Eduard Shevardnadze, of the new Union's Political Consultative Council, also said Sept. 19 regarding Japan's Northern Territories, "A fresh approach is needed." He renewed his offer to sponsor an independent conference on the issue.

Japanese sources say that Gorbachov, during his trip to Japan last April, began negotiations on turning over the islands. The Japanese had been expecting their rapid return, until a sudden dispute arose with Yeltsin.

During the summer, Yeltsin began to press the Russian nationalist stand, demanding a 20-year negotiation before releasing the territory. The population of the islands is significantly Russian, because the Soviet communists, after the 1945 seizure, settled Russians there, forcing Japanese families to leave the area, prized for its strategic military location. Today the population is more Russian than Japanese, creating a cultural problem.

Now, however, "Russia is determined to end the four-decade-old territorial dispute," Yeltsin's emissary Ruslan Khasbulatov, acting chairman of the Russian Supreme Soviet, told Japanese Prime Minister Toshiki Kaifu during Tokyo talks in September.

Japanese say technology first

Nakayama's spokesman Sadaaki Numata told a U.N. news conference Sept. 24 that until the situation on the islands is worked out, there is no possibility of a major cash infusion for Russia, but that Japan "will go ahead with humanitarian aid, because the Soviet Union has a dire need. . . . There remains to be settled the question of large-scale economic assistance." *Izvestia* reported Sept. 11 that Japan is considering emergency food aid of \$100 million.

A source close to the Japanese Foreign Ministry's Economic Cooperation Bureau, which runs Japan's foreign aid programs, confirmed that for now, Japan will go along with George Bush's Group of Seven consensus on keeping aid to the former Soviet Union at a minimum. Japan does not agree with the Bush-Margaret Thatcher new world order approach which seeks to foster chaos and disintegration in the Soviet bloc, he said, but the Russians must put in place some basic structure of government, and then economic reform.

Prime Minister Toshiki Kaifu, in a July letter to Mikhail Gorbachov, specified that "Japan believes that a policy of new thinking must also be spread on to Asian countries, not confined to the Soviet Union's relations with Europe and the U.S. alone."

The Japanese are promoting for now not only humanitarian aid but, more importantly, technological assistance, in the hopes that a high-technology infusion would be the most dramatic way to improve both the economy and the condition of the individual. Talks began in Moscow in September on Japanese peaceful nuclear technology assistance focusing on control and manufacture of newer types of nuclear power plants, basic scientific research, disposal of radioactive waste, and technologies for construction of new nuclear plants in the Soviet Far East.

Japanese Minister of International Trade and Industry (MITI) Eiichi Nakao has pledged to accept 1,000 trainees in nuclear power plant technology, construction, and operation from the Soviet Union, eastern Europe, and Third World in the 1990s.

MITI is also drafting a general aid plan for the new Union, Nakao said. On Sept. 11, MITI issued an eight-point proposal for areas of joint study: conversion of defense industry to civilian; energy and environment; atomic and energy security; production and processing of oil; financial insurance of business deals; development of small and medium-sized firms and enterprises; development of productive forces in the Far East; and planning of economic reform. There will be eight exploratory missions from Japan to the Union this year to identify priorities for assistance, Kyodo news reported.

Free trade agreement will pare away Mexican territory

by Carlos Cota Meza

The following is an edited translation of a presentation on the North American Free Trade Agreement (NAFTA), given at a Sept. 25 seminar in Mexico City sponsored by EIR/Resúmen Ejecutivo. Mr. Cota is a co-author of EIR's Special Report entitled "Auschwitz Below the Border: Free Trade and George 'Hitler' Bush's Program for Mexican Genocide."

The majority of the productive sectors of the national economy have carried out analyses and forecasts of what will occur to each of them with the signing of a North American Free Trade Agreement among Mexico, the United States, and Canada. A review of those analyses is useful to establish certain premises for discussion regarding the true significance of NAFTA. While all the comments quoted below convey a piece of the truth, they are nevertheless fatally wrong concerning the true significance of NAFTA, as we will see:

Metal-working. The Guadalajara Chamber of Metal-working Industries, in a document entitled "The Challenge to Businessmen in the Face of the Free Trade Agreement," indicates that "Mexican industrial plant, minuscule in comparison with that of the United States and Canada, and in addition seriously deteriorated over a long period of time by a spiral of financial speculation, will not be long in succumbing and disappearing." For the Chamber, "the only competitive characteristic upon which Mexican companies can rely is the cost of labor, and in everything else we are at a clear disadvantage." In a separate study, the Pan American Institute of Business Executives reaches the identical conclusion.

The Guadalajara Chamber demands that officials involved in the NAFTA negotiations maintain the principle that "we are asymmetric economies."

Transport. The Center of Economic Studies of the Colegio de México prepared an analysis entitled "The Current Situation and Perspectives for Transport in Mexico in the Face of the Trade Opening." Its conclusion is that "the national transport sector will be incapable of meeting international competition. The opening could lead to the disappearance of an important number of companies." The document proposes the "gradual and selective opening up of the sector."

Agriculture. The National Union of Poultry Breeders issued a statement through Maria Antonieta Yañez, manager of the union's economic studies' department, which indi-

cated that "national egg producers and the poultry sector in general require tariff protection of at least 15 years' duration through the Free Trade Agreement negotiations."

The economist further pointed out that "while poultry breeders in the United States are self-sufficient in raw materials, in Mexico they meet 40% of their requirements for sorghum and soy through national output, whose nutrition content is inferior, but at a higher price to the international; the other 60% is imported, but at a higher price than that paid by U.S. poultry growers."

Another of the arguments in favor of the sector's appeal for protection is that direct trade in Mexico is practically nonexistent, while the poultry sector in the United States directly trades up to 79% of its production. "In the United States, they don't resort to wholesalers."

Textiles. Economist Jorge Leypen Garay, director of the Business Group of the Mexican Labor Federation, declared that "the most brutal effect we have suffered through the trade opening was dealt by GATT. That is where we really suffered the impact. . . . The United States' textile market is \$104 billion, while ours is \$4 billion. Our entire national production, even supposing that we deprive Mexico and send it all to the United States, would not even cover 4% of its market." Nevertheless, Leypen Garay maintains that NAFTA will be positive, "if they let us export to them."

Plastics. Sector leader and economist Julio A. Millán declared that "the national plastics industry will need between 5 and 10 years to meet the indispensable technological changes for raising production to 2.5 million tons a year for the next five years. Today, production is 1.2 million tons a year."

Independent studies by other businessmen in the sector indicate that the figure of 1.2 million tons represents less than 1% of the United States' annual production, and that that country could inundate Mexico with plastic products any time it chooses.

Millán said that they have brought their proposal to the NAFTA negotiators "so that they would give us the time we need." Nonetheless, Millán said that "inefficient companies will have to disappear."

Finance. Economist Sergio Mota Marín, former director of economic studies of Banamex as well as of the Small and Medium Industries' contingency fund, said that "the banks,

Mexico and its 'maquiladoras'



as they currently stand, appear destined to perish in the face of the certain incorporation of the financial system into NAFTA, except those which are associated with credit institutions well placed on the international market.”

Economist Mota Marín’s recommendation is that national banks in the process of reprivatization associate themselves with Canadian and American consortia, under the presumption that these will be the competition to make Mexican institutions “more efficient.”

Antonio Ortiz Mena went before the Mexican Senate in his capacity as Banamex director, just days before it was reprivatized, to ask for a period of 10 years of protection for the financial services sector.

Foreign trade. Ernesto Warnholtz, president of Mexico’s National Association of Importers and Exporters, indicated that “in foreign trade, a phenomenon of concentration in a few companies has been maintained, since the bulk of

exports is carried out either by the multinationals or by the large industrial groups, but there is no important participation by small and medium-sized industry.”

The group’s conclusion is identical to that reached in a study by the National Foreign Trade Bank, which states that “the greater part of sales abroad of non-oil products is carried out by a great consortium which represents barely 2% of existing companies.”

Effectively, the so-called growth of exports is centered in Cementos Mexicanos, Vitro, Cervecería Modelo, Mabe, and the automotive industry. Around 36 companies considered the cream of the exporters (Altex companies) are the ones that receive all kinds of government assistance.

Ernesto Warnholtz says that one of the priorities that must be resolved before NAFTA is signed is the disproportionate growth of imports that could be met by national production. He cites agricultural products as an example.

North versus South

Despite the useful information contained in these reports, they miss the essential fact: NAFTA has never been a beneficial proposal for the national economy. It is designed to territorially reduce our country, creating production enclaves like concentration camps of cheap labor (*maquiladoras*), while splitting the country into tiny "republiquettes," especially in the oil and tourist regions. Given that NAFTA represents one more turn of the screw in forcing payment of the foreign debt, the country will end up paying its foreign debt with its national territory.

Bancomer's economic research department conducted a study on the economic characteristics of Mexico's 32 states, including the Federal District. The study's conclusion is that only Baja California, Sonora, Chihuahua, Coahuila, Nuevo León, and Tamaulipas are "in condition to join the first world." Another seven states, seen as "potential beneficiaries," are either in the oil zones, or already have a developed "tourist industry." The remaining 19 states have nothing to offer in the face of international competition, and it is in these that the majority of Mexico's 40 million who live in poverty are concentrated.

The first six states of the republic are all in the so-called "maquiladora strip." It is in this northern zone that the greatest weight of the badly named manufacturing industry is located: 90.6% of the *maquiladora* export industry and 33% of the so-called Altex companies.

Public federal investment in the northern zone has been diversified: four-lane highways, border bridges, modernization of rail lines and cargo transport, modernization of such ports as Topolobampo, Sinaloa. It is in this same northern zone that the Federal Electricity Commission has its only investment plan under consideration, the hydroelectric project at Aguamilpa, Nayarit.

Total public investment for the northern zone in 1990 was 13.3% of the federal investment budget. In the southern zone, it was 13.6%, but 74% of that went into oil.

The *maquiladoras*, according to official figures, represent the highest job-creating capacity in the northern zone, such that they absorb labor displaced by the region's crisis in agriculture and animal husbandry. The *maquiladoras*, however, do not form a part of the Mexican economy, outside of the fact that they are located on Mexican territory, near the border with the United States. They are a foreign enclave, a free trade zone that functions like the Free Trade Zone of Colón, in Panama.

The trade balance

We have been told many times that with NAFTA, Mexico will increase its exports. The same was told us when the country entered GATT, but the fact is that the opposite occurred.

Information from the Bank of Mexico on the trade balance for the first six months of the year shows that only two sectors (extractive and cattle-raising) of the 20 that make up

our foreign trade, showed a surplus.

We showed a deficit in textiles, food, skins and leather, wood, paper, petroleum derivatives, petrochemicals, chemicals, plastics, steel, mining and metallurgy, all transport vehicles, machinery, and even jewelry and watch-making. On the other hand, imports in automobile assembly registered a 264% growth in the first four months of the year.

The net trade deficit for the first semester was \$4.814 billion but the deficit of the manufacturing sector was \$8.650 billion. The manufacturing sector, nearly entirely in the hands of the private sector, is importing at the rate of \$2.529 billion a month, while it is exporting at a rate of \$1.23 billion a month—a difference of \$1.289 billion a month. Of the two sectors showing a trade surplus, exports of crude oil totaled \$3.859 billion, and the cattle sector exported \$22 million.

The question of imports

Private sector importers state that their trade balance deficit is due to "modernization of equipment," since import of machinery, equipment and raw materials represents more than \$4.5 billion. They pretend that at a given moment this tendency will end, and lead to new exports. The problem is that they have been telling this same story for four years now.

Where is the \$4.5 billion worth of machinery, equipment and raw materials being invested?

According to the Planning and Budget Department, *imports under the temporary regimen* increased by 64% for the first five months of the year, over the same period last year. The Program of Temporary Imports to Produce Exports (Pitex)—which does not include the *maquiladoras*—was launched in 1985 with the goal of "financing and facilitating imports to achieve exports," according to then-Trade Secretary Hector Hernández. The beneficiaries of this government fund would be the Altex companies.

Pitex has yielded the result that the value of imported inputs in comparison to exported Mexican products has increased substantially. In 1989, the value of temporary compared to total exports was 22.3%, while the ratio for the first five months of 1991 was already 32.0%.

This shows that the entire non-oil sector which is in private hands (2% of the companies) has also already been turned into a *maquiladora* sector for the U.S. market. The case is illustrated by the automotive industry (an Altex company under the Pitex regimen), which, according to the Bank of Mexico, contributes 60% of non-oil exports, but which for the month of March registered its first trade deficit of \$170 million.

Thus, it is already physically demonstrated that the government's claim that Mexico will become an export power under GATT and NAFTA is false. The established dynamic is thus that the greater the non-oil exports, the greater the imports. Companies which carry out this activity represent a mere 2% of national companies, and 33% of these are concentrated in the northern zone. At the same time, nearly



Maquiladora slums, showing outdoor privies on the edge of an open sewer in Tijuana, Mexico. "In Tijuana, 40% of the population has no potable water"—a breeding ground for cholera.

George Hellis

the entirety of the *maquiladoras* are concentrated in the north as well, to which Mexico contributes its territory and its cheap labor power.

How do the maquiladoras operate?

Let us return to the only sector yielding a trade surplus: the *maquiladoras* (although it is worth noting that their surpluses grow smaller to the extent the net trade deficit grows).

The number of jobs generated by the *maquiladoras* in 1990 was nearly 500,000. From 1989 to 1990, the *maquiladoras* grew 12%. At this growth rate, by 1992 there will be 608,000 *maquiladora* jobs, by 1994 there will be 860,000, by 1997 there will be 1.1 million, and by the year 2,000 there will be 1.5 million jobs.

The secret of the *maquiladora* sector's "high yield" is the rate at which it replaces its employees, which reaches 120% a year! This means that in 1990, for the nearly 500,000 jobs the *maquiladoras* offered, some 1.1 million Mexicans had to pass through the *maquiladora* assembly lines, where their labor power was extracted like any other "product," and they were then substituted with "fresh" labor.

Two-thirds of the *maquiladora* labor force consists of women whose ages range between 16 and 19 years. A study done on the working conditions of the *maquiladoras* established that the *useful life* of the *maquiladora* worker is 1,825 days (5 years).

This means that those who began work in 1985 and remained as *maquiladora* employees (assuming they were not fired after three months or that they didn't use the job as a transition to cross the border into the United States), by 1990

would already be considered "waste material," annihilated by any of the various typical infirmities that afflict the *maquiladoras*: organ atrophy or mutilation.

This should demonstrate that the government's claim that the *maquiladoras* are "an important source of employment" is another total lie.

Employment in the manufacturing sector (including the *maquiladoras*) fell from 3.7 million in 1980 to 2.6 million in 1990, an absolute reduction of more than 1 million jobs, or 28.5% of the 1980 total. In net terms, more jobs were lost or not generated in the industrial sector as a whole, than were generated by the *maquiladoras*.

So again we see that the only "competitive" edge Mexico has is its army of unemployed who will be recirculated through the *maquiladoras* at rates surpassing 100%. This army, at the same time, will guarantee that wages will never significantly rise.

Simultaneously, this situation in the *maquiladora* region reveals the physical limits of the federal government's economic program as a whole. For example, in May of this year, *EIR* received a medical-military evaluation which established that cholera would arrive in Mexico within the next two years. Well, cholera is already in Mexico. So what will happen when it reaches the *maquiladoras*?

In Tijuana, Baja California, 40% of the population has no potable water; in Nogales, Sonora, 40% of the population has neither potable water nor drainage. Ciudad Juárez, Chihuahua is a horror story, and the other *maquiladora* centers distributed along the southern banks of the Rio Bravo, use this river as an open-air sewer.

Cambodian reconstruction is now on the agenda

by Linda de Hoyos

On Oct. 23, the warring factions of Cambodia will arrive in Paris for a peace conference and signing of a treaty to end their 12-year conflict. The conference, which had been scheduled for November possibly, has been moved up in time, as the newly formed Supreme National Council of Cambodia, chaired by Prince Norodom Sihanouk, has completed negotiations for the 70% disarmament of the Phnom Penh army and the resistance coalition comprised of Prince Sihanouk's ANS, the Khmer Rouge, and Son Sann's Khmer People's National Liberation Front (KPNLF), and for the holding of national elections. On Sept. 28, Prince Sihanouk addressed the U.N. General Assembly as the Cambodian head of state.

A settlement in Cambodia brings to an end in fact 21 years of ceaseless internal warfare, since the U.S. government instigated a coup against Sihanouk in 1970. The reconstruction of the country is now on the agenda.

On the eve of the final negotiating conference at Pattaya, Thailand, early in September, the Japanese government announced that once the treaty is signed, Japan will hold a conference on the reconstruction of Cambodia.

Cambodia's infrastructure

Limited to servicing an agricultural economy even in the best of times, Cambodia's infrastructure has been decimated, first by the U.S. carpet-bombing of the country (1970-73); then by the Khmer Rouge's murderous rule (1975-79); and then by 12 more years of civil war. Despite its favorable climate and water resources, Cambodia is not currently food self-sufficient.

Further exposing urgent infrastructural requirements, the Mekong River in September spilled over its banks throughout its lower reaches in Cambodia. According to Phnom Penh Prime Minister Hun Sen, the floods have destroyed 243,000 hectares of rice, 100,000 homes, and affected 615,000 people. Cambodia, he said, requires 15,000 metric tons of rice seed for re-planting, or it will face starvation next year.

The centerpiece of a reconstruction plan for Cambodia is the Mekong River Development Project. The Mekong plan

has been under consideration since 1954, and envisions the construction of a Mekong Cascade of seven dams on the river, as it travels through Laos and Cambodia. Estimated to cost only \$21 billion, the Cascade would not only harness the river, but would also provide hydroelectric power to be shared by Laos, Thailand, Cambodia, and Vietnam.

The Mekong Committee, formed in 1957 under the auspices of the United Nations, will be meeting in early November. The catchment area of the Mekong, the world's 12th longest river, is 600,000 square kilometers, covering almost all of Laos and Cambodia, one-third of Thailand, and one-fifth of Vietnam.

"We have firmly advocated feasibility and pre-feasibility studies to ensure these [the Mekong Cascade] are 'clean' projects," Mekong Committee executive director Chuck Lankester told the Thai press, in expectation of an environmentalist onslaught against the dams.

Japanese diplomatic sources say Japan is prepared to help finance the Mekong project. In addition, Mekong River cooperation was a part of a 100-minute discussion between Chinese Premier Li Peng and Thai Prime Minister Anand Panyarachun in late September, and China has for the first time indicated that it is willing to cooperate with Thailand in developing the upper reaches of the river.

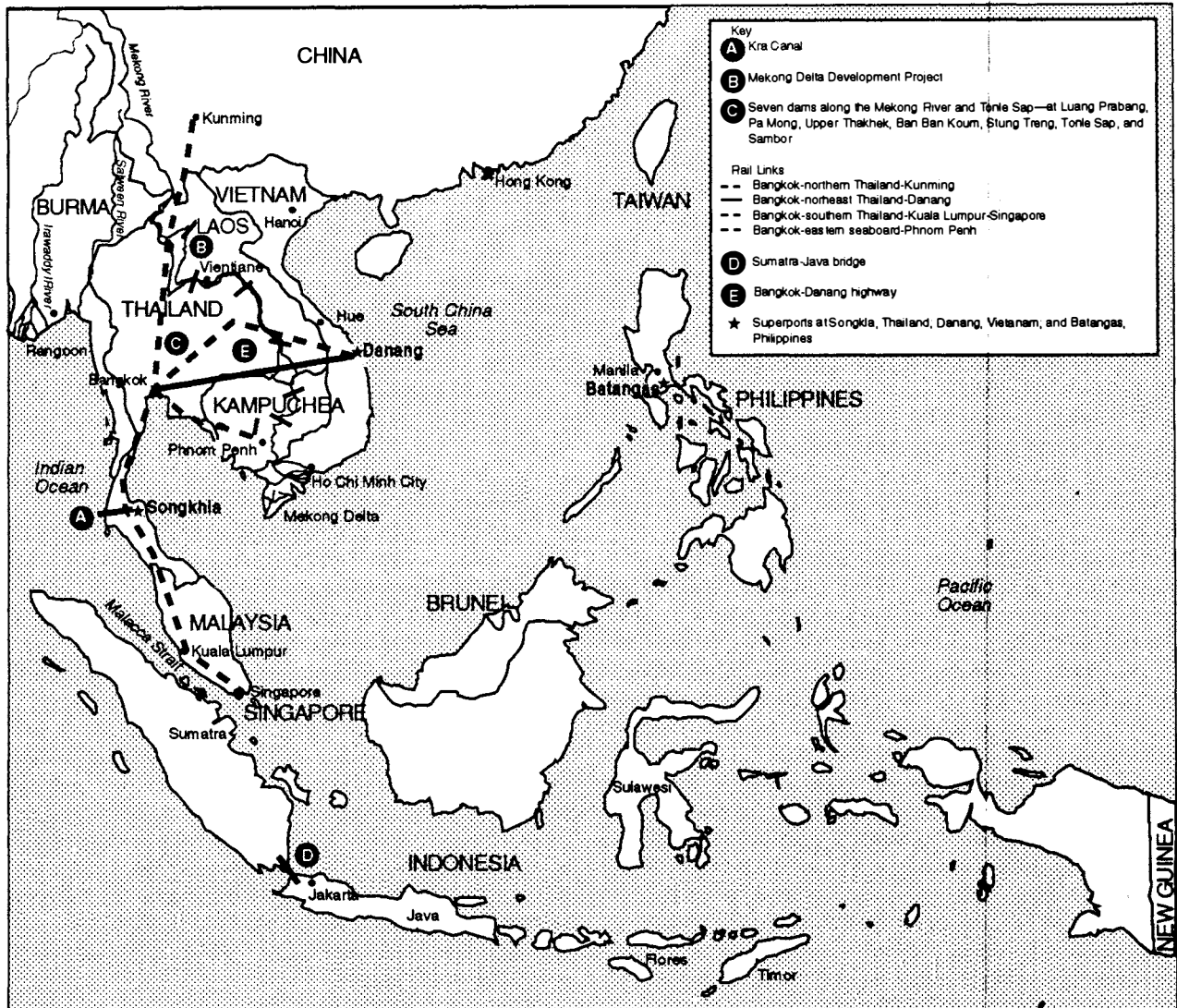
Southeast Asian integration

The Cambodian settlement also opens the possibility for the economic vitalization of Vietnam and Laos, and the integration of all three Indochinese countries into ASEAN, the political-economic coalition of non-communist countries of Southeast Asia. It thereby opens up tremendous possibilities for regional cooperation that could take full advantage of Southeast Asia's rich resources.

A number of projects are already on the drawing boards, with an emphasis on transport, to open up the region to full utilization (see map). These include:

- A superhighway linking Bangkok, Thailand, to the Vietnamese port of Danang.
- Rail links from Bangkok to northern Thailand to Da-

Development projects for Southeast Asia



nang; from Bangkok to Kunming in China; from Bangkok through southern Thailand to Malaysia and Singapore; and from Bangkok along the eastern coast into Cambodia.

- The Kra Canal through the Isthmus of Kra in Thailand. In combination with the creation of superports in Danang, Vietnam; Songkhla, Thailand; and Batangas, Philippines, this would speed the flow of resources and commodities through a region whose economic growth is objectively at a take-off point.

- A bridge linking Java and Sumatra in Indonesia.

It is unlikely, however, that any of these projects will find aid from the United States and the consortia that it dominates.

The World Bank, it was announced Sept. 11, has postponed a decision for a loan for the Pak Mun Dam in Thailand. The basis for the decision is a recent study by the U.S. Agency for International Development (AID), which says that the U.S. should not support the dam because the environmental impact studies were "out-of-date, flawed, and inadequate." A group of 150 protesters against the dam, who demonstrated outside the World Bank office in Bangkok Sept. 10 against the relocation of villagers the dam would cause, received substantial publicity. The Thai government, however, has indicated that it is determined to go ahead with the project, which would provide desperately needed hydropower.

Death count rises from China's floods

by Mary Burdman

Beijing is no longer able to cover up the extent of the flood disaster which hit China in July. As many as 800,000 people, not 2,000 as Beijing has been claiming, may have died in the floods that struck the Yangtze River valley, one of the most densely populated areas in China and a vital agricultural region, in mid-July. This report came from the Hong Kong publication *Trend*, and there are many more reports to back it up. There have been so many people reported missing that it is impossible to assess the real death toll, *Trend* reported. So many deaths would make these floods the worst disaster in China—outside of 40 years of Communist Party rule—since the floods of the 1930s, when at least 600,000 people died.

Concealing so many deaths for months is nothing new for Beijing; the regime covered up for years the deaths of at least 30 million people from the famine caused by Mao Zedong's Great Leap Forward in the late 1950s.

A strong confirmation of disaster came in the official national press on Oct. 1, China's National Day, the French daily *Le Figaro* reported from Beijing. While the Chinese-language *People's Daily* asserted that the Communist Party is anticipating "great challenges," these challenges are at the level of cataclysm, as the front page of the English-language *China Daily* revealed. The page is made up of headlines including: "A Nation in Struggle Against the Elements; State Fixes Objectives for Limitations of Disasters; Scientific Experts Unite to Monitor Calamities; Power of the People in War Against the Floods." China, always subject to natural disasters, has a long tradition that the demise of regimes is announced by the rage of the elements, *Le Figaro* noted.

Impact on the harvest

There is one thing on which the Beijing regime's power depends at this point. It is not the barrel of a gun; it is the ability to supply China's 1.2 billion people with a daily bowl of rice. Now, Beijing may not be able to do even that. The floods put a full 20% of China's cropland under water, just weeks before the harvest. In some areas, 70% of crops were destroyed.

China has already been devastated by 10 years of "reform"—i.e., stripping whatever infrastructure or industry existed—on top of 30 years of Maoism. At least 100 million jobless, homeless peasants are wandering the country. A Hong Kong journalist who had just visited the flood-devastat-

ed region told *EIR* in early September that there can be no comparison between conditions in China and in Russia. Even the conditions which sparked the upheaval in Russia, such as long lines for even bad meat or clothing, are decades ahead of the conditions Chinese peasants face. Their lives are concentrated on whether they can get some rice and a few vegetables to eat every day, he said; there is no question of meat. Millions are illiterate.

Then, the floods struck. The reports from Hong Kong say that the overall loss from the floods may have reached \$30 billion. China's entire annual budget is only about \$70 billion; whole families earn only about \$50 per month. At least 240 million people suffered the loss of their homes and other property—a figure 40 million higher than government estimates. Most of those who died either drowned or starved after being stranded by the floods. Many starved because they were given "emergency" food that had been stored for 15 years and was spoiled; others drowned when their rubber boats, from 10-year-old stocks, simply disintegrated in the water.

A social explosion

There were riots in many Chinese towns in the flooded region when victims stormed government warehouses for food, *Trend* reported. In the city of Anhui, 10,000 flood refugees, backed by People's Liberation Army (PLA) soldiers, attacked Communist Party and government warehouses to get food and supplies sent in from Hong Kong and Taiwan. A police chief and government officials were reportedly killed. Such clashes were reported throughout July, *Trend* wrote, and at least 50 flood victims were shot for looting. At a meeting in Beijing, provincial leaders reportedly came to blows, desperately vying for whatever government aid they could get. The party has been accused of dispensing food first to leading party and government officials, followed by PLA units, workers, and miners, and then city and town residents. As usual, China's peasants, hit the hardest, came last. Some have gotten only a few packages of noodles or moldy wheat.

By the end of September, there were reports that thousands of homeless refugees were being moved into China's interior, to Tibet and Xinjiang province, whose people have tried to rise against the Chinese government in the last few years. Thousands more are on the streets of Shanghai and other cities, begging for food.

Many of the unemployed are being rounded up into heavily guarded labor camps, Hong Kong's *Pai Shing* weekly reported. Camps have been established in coastal Guangdong province, where millions of desperate peasants have fled. *Pai Shing* wrote of a sudden drop in the "floating population" in Guangdong, because so many were sent to the camps, where they are forced to work processing tea for export just for scraps of food and shelter. They can only get out of the camps if "ransomed" for about \$30 by relatives.

Stagnated Indian economy crying out for an overhaul

by Ramtanu Maitra and Susan Maitra

A series of reforms which began with a two-staged devaluation of the Indian currency, the rupee, in early July, has somewhat overshadowed the weak performance of the Indian economy during 1990-91 for the second year in a row. The devaluation was quickly followed by a new industrial policy, new fiscal measures enumerated through the fiscal year 1991-92 budget, and a trade reform. The hope of a more effective economic system has largely diverted the critics' attention from what particularly went wrong in these past two years; instead, analysts are preoccupied with a raging debate as to what the future holds. But before reviewing the government's reform package and the political furor it has unleashed, which we will do in a future article, it is useful to look at the actual state of India's economy.

As the *Economic Survey 1990-91*, a government of India publication, acknowledges at the outset, the Indian economy faced uncertainties. These, according to the publication, were due to "the effects of the political situation at home, and the persistent fiscal imbalances were accentuated by the Gulf crisis which intensified strains on an already weak balance of payments position." India's acute balance of payments situation has been a subject of discussion throughout the last two years.

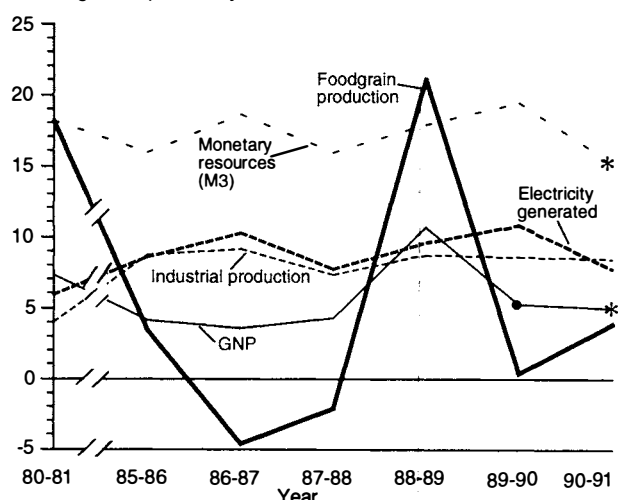
Nonetheless, despite these constraints, India's Gross National Product in real terms grew during fiscal year 1990-91 at a rate of about 5%—comparable to the previous year's growth rate but less than half of the 1988-89 figure. Among the major sectors, industrial production did the best, showing a growth rate of 8.4%, followed by electricity generation (7.7%), and agricultural production (4%). Most of the growth, however, was buoyed by large monetary expansions (19.4% in 1989-90 and 15.1% in 1990-91). In fact, India's monetary expansion throughout the previous decade has been significantly higher than the real growth in the economy, fueling inflation that is reflected in a steep rise in the wholesale price index (**Figure 1**).

In addition to these problems, India's balance of payments situation has worsened further during FY 1990-91 and for the first time since 1985-86, the growth of imports has outpaced the growth of exports, putting further pressure on the balance of payments situation (**Table 1**).

It is evident, though, that even while facing a large foreign debt (about \$70 billion) and with a meager \$2.5 billion in foreign currency reserves at the end of FY 1990-91 (**Figure 2**), India has developed a certain measure of resilience in its physical economy. Foodgrain production, for example, grew at a 3.9% rate to produce a record harvest expected to exceed the 1989-90 bumper harvest of 170.6 million tons. In the process, the rice production target of 73.7 million tons might have been exceeded, and the wheat production target of 54.5 million tons has likely been met.

The industrial production sector, hampered by the Gulf crisis and severe restrictions on imports of petroleum and petroleum products, could not keep up with the 8.6% growth rate of 1989-90 (**Figure 3**), but has done significantly better

FIGURE 1
Monetary expansion has outpaced real growth
% change over previous year



● Provisional * Anticipated
Selected economic indicators (% change over previous year).
Based on 1980-81 prices.

Source: (Economic Survey) 1990-91 Government of India.

TABLE 1

For the first time since 1985-86, growth of imports is outpacing the growth of exports

Balance of payments (millions U.S. dollars)

Item	1985-86	1986-87	1987-88	1988-89
Import	-17297.7	-17740.3	-19815.6	-23617.6
Export	+ 9462.7	+10420.1	+12645.9	+14257.1
Net monetary gold movement	+ 23.3	—	—	—
Invisibles (net)	+ 2967.1	+ 2757.7	+ 2316.5	+ 2172.1
Capital transactions (net)	+ 1924.3	+ 2056.0	+ 2247.6	+ 2582.9
Government misc. (net)	+ 1093.1	+ 2602.9	+ 2823.7	+ 4069.8
Amortization payments (gross)	- 1197.6	- 2378.9	- 2785.0	- 2709.8
Repurchases from IMF	- 206.8	- 526.1	- 932.5	- 1068.4
Banking capital (net)	+ 152.1	- 54.9	+ 57.7	- 183.1
Errors and omissions	+ 474.1	- 101.2	- 730.9	+ 140.5
Total deficit	- 2605.4	- 2964.7	- 4172.6	- 4356.5

Source: *Economic Survey 1990-91*, Government of India.

than expected. The manufacturing sector, which accounts for three-fourths of the total weight in the index for industrial production, did better than the previous year's 8.6% growth and recorded a growth of 9.2%. According to the *Economic Survey*, a use-based classification of industrial growth during the first 11 months of the FY 1990-91 shows that the durables and capital goods sectors grew at an accelerating rate, while the growth of consumer non-durables and basic industries either shrank or declined significantly.

Weaknesses in agriculture remain

The overall performance of the agricultural and industrial sectors, however, indicate that neither sector has moved forward in any distinct way. The agricultural sector, helped by an excellent monsoon, has met the target but did little else. Foodgrain production, and particularly the non-foodgrain agricultural production in India, continues to have a low yield (Table 2). Large tracts of land, as much as 40% of total cultivated land, will probably never have irrigation cover and will remain vulnerable to rainfall patterns. In particular, oil seeds, pulses, and coarse grains have shown very little improvement in yield during the last decade. In addition, more than 75% of Indian farmers are tilling plots which are smaller than two hectares. Farmland is becoming further fragmented every year, creating more marginal farmers with less and less land.

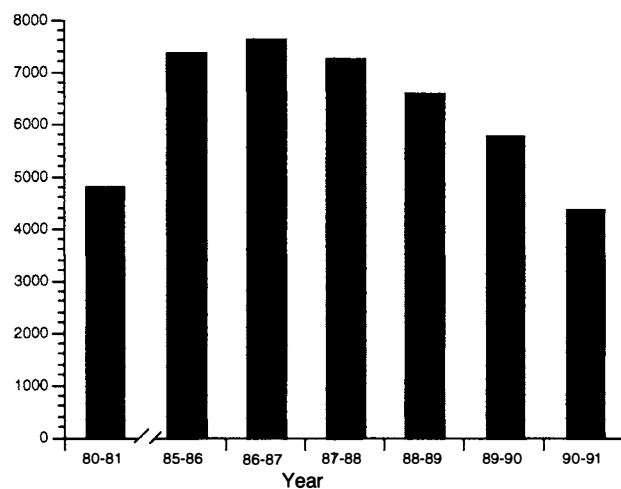
It is obvious that the government cannot ignore this deplorable situation in the farmland, which has kept agricultural productivity low and degraded cultivable land. However, government policies indicate nothing new to overcome this basic weakness of the Indian agricultural sector. It is certain that increasing subsidies, even if it reached the poor farmers, is no solution to the problem, but the government has little else.

In FY 1990-91, India's troubled infrastructural sector has done badly again. Electricity generation, production of

FIGURE 2

Foreign currency reserves

(in 10 million rupees)

Source: (*Economic Survey: 1990-91*) Government of India

crude oil, and refinery throughput showed evidence of slowing down and even decline. Coal production, which showed a 5.4% growth over the previous year in absolute terms, was hampered significantly because of failure to dispatch the mined coal. Pithead stocks showed a 14.5% increase.

Looming power crisis

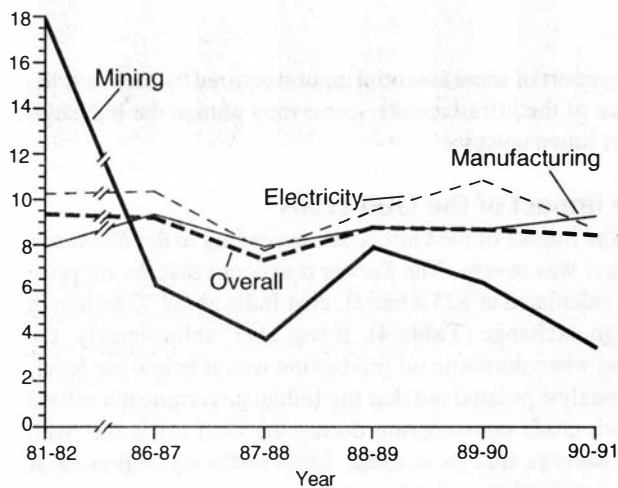
In the power generation sector, while hydroelectric, again helped by a good monsoon, showed a respectable growth rate of 15.1%, thermal power generation, which accounts for about 70% of the total, consisting of coal-burning processes and nuclear, showed an abysmal 5.1% growth compared to the 12.1% growth it had achieved in FY 1989-



Major improvements and investment must especially be made in India's infrastructure, energy, and agricultural sectors to overcome economic stagnation.

FIGURE 3
Industrial sector showing signs of stagnation overall

% of industrial sector



%	Mining	Manufacturing	Electricity	Overall
	(11.46)	(77.11)	(11.43)	(100.0)

Annual growth rates in major sectors of industry (base 1980-81)
 Source: (Economic survey 1990-91) Government of India

90 (Table 3). The poor performance of the power sector has provided impetus to the proposal to privatize the power sector. The government-run State Electricity Boards (SEBs), which generate most of India's power and distribute all of it, are bankrupt. The coal industry has issued orders that the SEBs will henceforth have to pay cash in order to move the coal required for power plants.

At the same time, the SEBs have been virtually immobilized by excessive political interference and arbitrary appointments caused by the changing of political parties and leaders at the state level. As a result, they are inordinately overstaffed, which has led to the destruction of teamwork, morale, and discipline. In addition, excessive tariff subsidies given to the agricultural sector has resulted in massive wastage of electrical power. The wastage shows in the use of archaic and highly inefficient pumpsets and overuse of electrical power. In some places, like western Uttar Pradesh, SEB officials find it impossible to collect tariffs from militant farmers who are firmly backed by political leaders, some of them of national stature.

There is every indication that power shortages in India will rise sharply in the coming two to three years. Unless the Eighth Five Year Plan, which is now being finalized, allocates large amounts in the power sector and sees to it that the investment increases the productivity of the thermal power sector, the power situation will become a major deterrent to India's economic growth during this decade.

Crude oil production showed a sharp decline in FY 1990-91. Onshore oil production showed a negative growth of 3.1%, mainly due to the secessionist movements in Assam, the main source of India's onshore crude. In addition, off-

TABLE 2

Wheat and rice are just meeting targets, while other crops show little improvement

(million tons)

Crop	1980-81	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
Rice	53.6	63.8	60.6	56.8	70.5	74.1	N.A.
Wheat	36.3	47.1	44.3	46.2	54.1	49.7	N.A.
Pulses	10.6	13.4	11.7	11.0	13.8	12.6	N.A.
Coarse grains	29.0	26.2	26.8	26.4	31.5	34.3	N.A.
All food grains	129.6	150.4	143.4	140.4	169.9	170.6	N.A.

Source: *Economic Survey 1990-91*, Government of India.

TABLE 3

Infrastructure failure will affect industry soon

Item	Unit	1987-88	1988-89	1989-90	1990-91	Percentage change		
						1988-89 1987-88	1989-90 1988-89	1990-91 1989-90
Coal								
Production	mn tons	179.72	194.60	200.89	211.73	8.3	3.2	5.4
Dispatches	mn tons	170.82	184.02	191.93	200.89	7.7	4.3	4.4
Electricity generated								
Hydroelectric	bn Kwh	202.1	221.4	245.4	264.2	9.5	10.8	7.7
Thermal (coal, nuclear)	bn Kwh	47.5	57.9	62.1	71.5	21.9	7.3	15.1
Petroleum								
Crude production	mn tons	30.36	32.40	34.09	33.03	5.5	6.4	- 3.1
Refinery throughput	mn tons	47.75	48.8	51.94	51.77	2.2	6.4	- 0.3
Railway								
Cargo	mn tons	290.21	302.05	309.97	318.02	4.1	2.6	2.6
Ports								
Cargo handled	mn tons	133.69	146.43	148.14	152.55	9.5	1.2	3.0
Telecommunications								
Telephones added	thousands	313.08	374.94	416.22	482.65	19.8	11.0	16.0

Source: *Economic Survey 1990-91*, Government of India.

shore oil production, India's major source for domestic crude, also showed a drop from 21.7 million tons production in FY 1989-90. The stagnation in offshore crude production which began to show up in 1985-86 forced India to import about 50% more crude in 1990-91 than it was importing in 1984-85. The stagnation is caused by the inability of the Oil and Natural Gas Commission (ONGC), a government of India undertaking, to open up new productive oil fields, and the steady depletion of existing oil-producing fields in the Bombay High. As a result, the import constituent of India's crude consumption, which was the lowest in 1984-85 at about 32%, has now reached about 40%. There is little hope that India will be able to reduce its foreign currency expenditure in the near future on account of crude imports.

As the *Economic Survey* points out, the continued failure of the infrastructure sector is sure to affect the industrial sector soon. Despite years of warning, the infrastructure sector has remained neglected and highly unproductive. At this time, particularly when the foreign exchange crisis is sure to

curb import of some essential inputs required by industry, the failure of the infrastructure sector may plunge the industrial sector into a tailspin.

The impact of the Gulf crisis

The impact of the Gulf crisis, according to the *Economic Survey*, was severe. The *Survey* points out that the oil price rise, calculated at \$25 a barrel, cost India about \$2 billion in foreign exchange (Table 4). It was also, unfortunately, the period when domestic oil production was at below par level. One analyst pointed out that the Indian government's efforts to curb crude consumption during the Gulf crisis met with little success and, as a result, India ended up importing at least 2 million tons of extra crude.

During the Gulf crisis, India also suffered losses in foreign exchange earnings due to the shortfall of remittances from migrant workers of Indian origin from Kuwait and Iraq. The *Economic Survey* claims that the Gulf crisis might have been responsible for a loss of about \$500 million in deposits

TABLE 4

Impact of Gulf war on balance of payments

	Economic Survey 1990-91 \$ million	Finance Ministry estimates (Oct. 90-Sept. 91) \$ million
Net petroleum import bill	2,020	2,360
Export loss to West Asia	280	200
Loss in remittances	273	0
Emergency repatriation costs	200	200
Loss in NRI Deposit	500	0

Source: Alam Srinivas, *The Times of India*, July 23, 1991

under the two types of Non-Resident Indian (NRI) accounts with India-based banks.

There is, however, some dispute over how much India really did lose due to the crisis that led to the Gulf war. According to the *Economic Survey*, the total loss is close to \$3.3 billion. Finance Ministry estimates for the period October 1990 to September 1991 show that the loss was close to \$2.8 billion. However, some independent analysts claim that both figures are conservative and do not take into account the export losses incurred by India due to reduced exports to industrialized countries during this period. According to them, the loss figure should be much higher.

Whatever the actual foreign exchange lost due to the Gulf crisis, it only added to India's balance of payments woes. According to the *Economic Survey*, foreign debt during 1990-91 grew from about \$47 billion at the end of 1989-90 to about \$58 billion excluding the NRI deposits, and about \$70 billion including the NRI deposits.

The foreign debt crunch

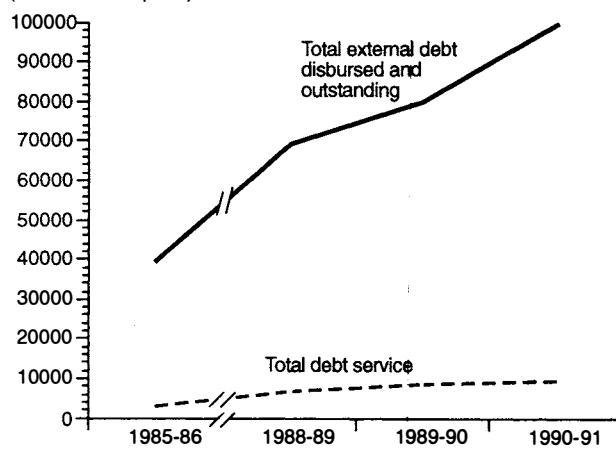
Besides the rapid rise of foreign debt itself (Figure 4), the composition of India's debt has changed significantly. At the beginning of the Sixth Plan period (1980-81 to 1984-85), external debt stock consisted mainly of external assistance which constituted as much as 90% of the total. Since then, the share of external assistance in debt stock has declined. In 1989-90, some 70% of India's foreign debt was due to external assistance. External commercial borrowing has registered a fast growth, accounting for 27% of the debt stock in 1989-90 (Figure 5).

With such a steep rise in external commercial borrowing, and a significant amount of short-term borrowing extracting much higher interest rates, India's debt service ratio, defined as the proportion of amortization and interest payments to export and gross invisibles (non-goods income, such as insurance), has shot up during the last decade. The debt service ratio

FIGURE 4

External debt and debt service growing rapidly

(in 10 million rupees)

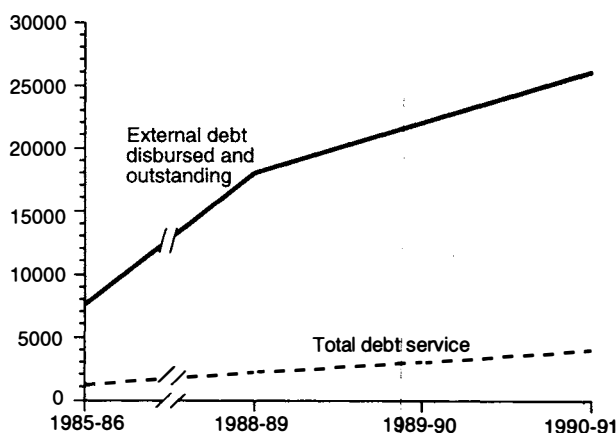


Source: (Economic Survey: 1990-91) Government of India

FIGURE 5

External commercial borrowing zooms

(in 10 million rupees)



Source: (Economic Survey: 1990-91) Government of India

rose from 9.4% of exports of goods and services in 1980-81 to a peak of 23.3% in 1987-88. This ratio is estimated to have declined to about 21% in 1990-91, principally due to the reduction of liabilities to the International Monetary Fund (IMF) with repayment of the Extended Fund Facility (EFF) loan of the early 1980s and significant growth in export earnings. The ratio could be higher if interest on NRI deposits and service of short-term debt are taken into account.

Large foreign debt and a deteriorating balance of payments situation has significantly curbed India's options to borrow commercially. India's credit rating has been downgraded from BBB- (long-term) and A2 (short-term) to BB+ (long-term) and B (short-term) by Standard & Poors; from A2 (long-term) and P1 (short-term) to Ba2 (long-term) and non-prime (short-term) by Moody's; and from A+ (long-term) to BBB (long-term) by the Japanese Bond Research Institute during FY 1990-91 and FY 1991-92. While the credit-rating downgrading can in part be attributed to the unstable political situation in India during this period, there is little doubt that the negative impact on foreign exchange earnings of the Gulf crisis and the uneasiness over the Indian situation as expressed by the NRIs through withdrawal of vast sums of deposits have been major factors in enhancing India's risk status. It is also clear that the three Indian governments that were in power during the 1989-91 period failed to alleviate the fears of foreign lenders because of their unwillingness to deal with the growing balance of payments problems.

The new government—a minority government led by the Congress Party that came to power following its success in the 1991 general elections—was left with little choice when it took over the reins last June but to seek loans from the IMF and garner as much bilateral assistance as possible to tide over the difficult foreign exchange problems. In order to enhance confidence among lenders, the new government has announced a major reform program with the purpose of getting the Indian economy out of the rut it is now in.

India's foreign exchange crisis is not going to affect the developmental programs in a direct way (India's Seventh Five Year Plan has 6.2% financial input from abroad.) But the Indian economy requires crucial state-of-the-art technological inputs in the form of high-technology components and capital goods. This is most explicit in the inputs required for capital goods manufacturing and the defense industry. Due to the foreign exchange crunch, these crucial inputs have been affected at least temporarily.

On the other hand, India's large domestic debt has seriously imbalanced India's budgets over the years. In the process, resources earlier earmarked for development have been increasingly channeled to meet interest payment obligations on current expenses. To offset this imbalance, India has taken recourse to large monetary expansions, which, however, due to the inadequate infrastructure sector, have proven to be double-edged at best. Because of the poor performance of the industrial sector, particularly the public sector units, and a growing overhead in the form of huge bureaucracy to oversee regulations and myriads of laws and by-laws, the "pump-priming" has failed to provide the expected boost. As a result, India is now experiencing double-digit inflation which, if allowed to continue for long, will scuttle the hopes generated by the government's new reform measures. Indian Finance Minister Dr. Manmohan Singh recently assured the country that inflation will be brought down to a single-digit rate before the year is over.

Space Technology

ESA releases first Earth radar images

by Philippe Jamet

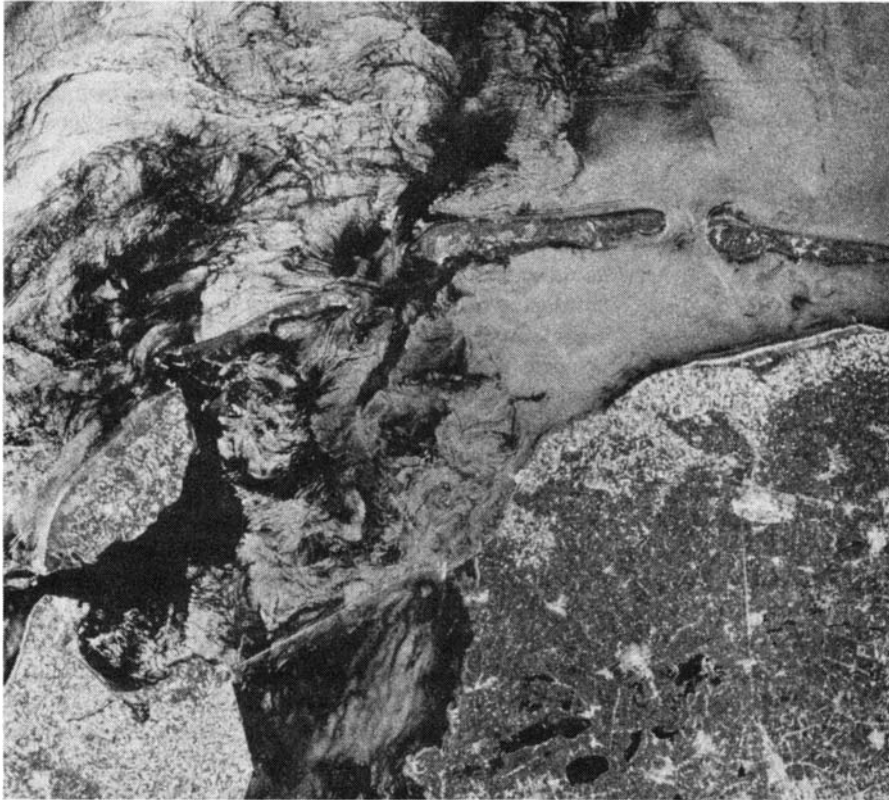
When it comes to new technologies, especially experimenting with new types of instrumentation, the European Space Agency (ESA) has reached a high point, with its remote sensing and environmental research satellite ERS-1. The satellite was launched in the night of July 16-17 and placed into a Sun synchronous orbit.

In distinction from the "classical" remote sensing satellites such as Spot or Landsat, which use instruments that make their observations in the visible wavelengths, ERS-1 uses a whole battery of radar instruments and transmitters which use ultra-shortwaves (1,000-30,000 MHz) and microwaves. We especially want to underline the two components of what is called AMI (Active Microwave Instrument), that is, the Synthetic Aperture Radar (SAR) and SCATT radar, developed by the Franco-British company Matra Marconi Space. Thanks to SAR—which operates outside the optical wavelength range and therefore "laughs at both the day and the night"—ERS-1 is able, by means of waves which are transmitted and received after being echoed from the "object" under study, to supply extremely precise information 24 hours a day. ERS-1 could very well be considered as the first real radar satellite worthy of the name: It goes far beyond its American precursor Seasat which functioned for about three months in 1978.

The first images

ERS-1 is in fact a veritable union of sophisticated new technologies, whose aims include studying the topography of the ocean floor, which is revealed by surface irregularities on the oceans themselves; the analysis of interactions between warm and cold currents; icebergs; and more generally, the ocean-atmosphere interactions which may allow more reliable and coherent models of climatic change and evolution. It will be, for example, possible to detect, in advance, cataclysmic processes in formation, which would apparently make it easier to understand their causes and take preventive measures.

Every radar-photo from ERS-1, whether of land or ocean, in itself practically flawlessly reveals a stage in the processes



Courtesy European Space Agency

This radar image, received from ERS-1 on July 27, clearly shows the potential of the Synthetic Aperture Radar. On the lower right the farmland of western Friesland in the northwest of the Netherlands and the variations of the water surface are visible. The light tones on the North Sea show the movements of waves and ocean currents. The dark parts, on the other hand, show where the sea surface is completely free of currents, and wave height is negligible. The white line along the Friesland coast is an immense breakwater which protects the polders against high tides.

being studied, and for this reason, the first images taken by ERS-1 were awaited impatiently by specialists. Even if, at present, the instruments of this huge, 2.4 ton satellite are just now coming into operation, the first results appear absolutely breathtaking! For example, on one of the first radar images put out by the agency, which represents a northwest part of the Netherlands including the islands of western Friesland showed by the SAR, the details of the coastal lands and the movements of the sea currents are so clear that one could believe oneself in the presence of an actual relief photo. In another image, received at the Kiruna Salmkjarvi station in Sweden and depicting the Spitsbergen region, the glaciers and icebergs floating in the sea appear, in contrast to their environment, almost better than in photos taken in the visible spectrum, and the crevices and unevenness of the mountains can almost be "optically felt." That's not all. Practically every day, the agency publishes new radar images confirming the excellence of the early results, and states: "Whatever the radar altimeter, the infrared radiometer, the wind diffusionometer, or the ultra-shortwave radar transmitter, all of them have results which allow the ESA to envisage the future of the mission with great optimism."

Unexpected dividends

There have been a few glitches, which can always be expected in an experimental program of this sort. Paradoxically,

while all the remote sensing instruments are functioning marvelously and in some cases better than expected, the operations control specialists at the ESA are experiencing the worst difficulties in locating the exact position of their satellite down to several inches. In fact, after mid-August, and for a reason not yet explained, the Precise Range and Range Rate Equipment, which normally allows the ground stations to follow the satellite in an extremely precise manner, has failed.

To fix this problem, the agency plans to use laser retroreflectors, which were prudently placed on board the satellite, and to couple them to a system of the same type for the transmission and reception with ground stations. This unexpected problem does not seem so far to have dampened the confidence of the ESA mission specialists in their program nor their determination for future projects. In fact, it is known that the ERS-1's results will be integrated in 1992 into the framework of the World Ocean Currents Experiment (WOCE) program and that a second satellite of the same type, called ERS-2, is currently under development. Of course, that is just awaiting by the end of the century, the future polar platform of the Columbus program.

Philippe Jamet is a free-lance science journalist in France. His article originally appeared in the weekly Nouvelle Solidarité of Sept. 27.

Eco-fascists hit a small snag in Paris

by Emmanuel Grenier

Plans to set up a global environment police at next year's Earth Summit in Rio de Janeiro met with some balking by Third World countries at the Tenth World Forestry Congress in Paris, although Malaysia's threat to boycott the Rio affair was unfortunately not followed up in Paris.

The final statement of the congress, "Declaration of Paris," was addressed to the world officials who will meet in Rio, and it partially reflects growing alarm in Third World countries over what many see as a colonialist resource grab in green disguise. After the Montreal Protocol banning chlorofluorocarbons, and the London Treaty of June 1990 with its even more radical measures, the Third World is leery of a "world forests instrument," a kind of "green police" which had been touted before the Congress. So the declaration was limited to "defining the principles, not legally binding, but authoritative, of management, conservation, and enhancement of all the world's forests."

By saying that "the true challenge consists in reconciling the economic use of natural resources and protection of the environment by an integrated and sustained development process," the statement may throw a spanner in the wheels of the plans for Rio, where the trend is to give conservation absolute priority over development. The three conventions which were slated to be signed or at least finalized in Rio (forests, bio-diversity, and climatic change) are stalled due to the North-South standoff.

The problem is energy from biomass

The congress opened with the painful announcement that 17 million hectares of forests vanish each year; during the ten days of the congress 500,000 hectares of forests would be destroyed. As noted by Edouard Saouma, director general of the United Nations Food and Agriculture Organization (FAO), this is not occurring in the developed countries of the North. In France, for example, the wooded surface has doubled in the past two centuries.

The actual tragedy is occurring in the tropical countries, in the rain forests. The debate centers on the causes of this accelerating deforestation. Forestry experts and the countries of the South are blaming poverty, resource deficiencies, fragile soils, inadequate technological and financial means devoted

to forest management, debt, and—in a potentially fatal concession to their enemies—population growth. The malthusian lobbies (mainly based in the North) and their agents among diplomats and ecologists point the finger at "overpopulation" as the sole culprit of deforestation.

The fact is, half of the world's woodcutting is done to supply fuel in poor countries, where people burn biomass to survive. This shows the extent to which the solution to deforestation must be found outside forest exploitation, by developing better sources of energy production in the Third World, especially in Africa and India. Even today, gas can compete very well with wood to use in home stoves for heating or cooking in urban settings, as shown in a French cooperative effort in Mali. All it would take is to subsidize the development of a network of gas distribution in the villages.

As FAO director Saouma said in his keynote speech, "If the world community wants to really preserve the patrimony of forests, it must allow the investment of funds at the level of its ambitions, on the necessary scale and over the necessary time period."

Even the FAO must go, say greens

But even the FAO, a creature of the one-worldist oligarchy, may be getting in the way of the ecological-fascist new world order. At the fringe of the forestry congress, green fanatics led by Susan George, Edward Goldsmith (Ecoropa, editor in chief of *The Ecologist*), and Marcus Colchester, representing the European branch of the World Rain Forest Movement, demanded the shutdown of FAO and called upon members to cease contributing to it. They said they were convinced that the "policies currently promoted by the FAO are a major cause of famine in the world, of ecological destruction, and of social alienation."

Goldsmith blasted mechanization, the use of inputs like fertilizer, and modern intensive farming, as the alleged source of all evils suffered by Third World peasants. He even demanded a halt to all development policy, to keep what remains of the forests intact "while there is still time." He said that we must "go back 10,000 years" to an autarkic stage of production organized by bio-regions and ethnic groups.

Jacques Delors, chairman of the European Community, griped that a project to help preserve the Amazon rain forest, adopted at the last Group of 7 meeting in London, has still not gotten EC funding. This \$250 million program, "earmarked for finding a realistic alternative to the destruction of the primeval forest," provides for training technicians in modern farming and forestry techniques, and pilot projects in agriculture and the planting and harvesting of woodlands. Delors said he was "shocked that in a domain so vital for everyone, some people are so behind in keeping their commitments." Since the project was proposed in the context of a supranational grab by G-7 bankers for the Amazon, against Brazilian sovereignty, maybe this penury will turn out to be a boon.

Colombia: New target of the greenies?

The Gaviria government has lent itself to the "sustainable development" campaign of Eco-92.

In April of this year, Maurice Strong, the secretary general of the U.N. Conference on Environment and Development, went on tour in Colombia to promote next year's Earth Summit, to be held in Rio de Janeiro, Brazil under UNCED's sponsorship. At that summit, or Eco-92 as it has been popularly dubbed, Strong and his co-thinkers hope to see the adoption of global ecological norms, starting with the "internationalization of the Amazon" and all the strategic and natural resources contained therein, which would establish a precedent for a new "green colonialism" worldwide.

Strong devoted special praise to Colombia's role in promoting the environmental cause noting, for example, the efforts of Colombia's oligarchic National Federation of Coffee Growers in financing ecological projects in Colombia. He said that its program "contributes in an exemplary and tangible way to the goals of the U.N. Conference on Environment and Development, to take place in Rio de Janeiro in June of 1992, which is to implement in practice the theory of sustainable development."

Colombia has been singled out as a target of the malthusians due to the fact that it is perhaps the only country in the world whose Constitution—written earlier this year—incorporates the concept of "sustainable development" and "ecological rights" in the body of its text.

Article 80 reads: "The state will plan the management and use of natural resources, to guarantee their sustainable development, their conserva-

tion, restoration or substitution." Article 58 reads: "Property has a social function. As such, its ecological function is also inherent." And Article 277, incredibly, argues that the Attorney General of the nation has the obligation to "defend the collective rights, especially of the environment."

"Sustainable development" is the euphemism that has been adopted by today's environmentalist followers of Parson Thomas Malthus, to con the technology-starved developing sector nations into endorsing what in the 1960s and 1970s was otherwise known as "zero growth." Terms like "sustainable development" and "appropriate technologies" are the cover under which the World Bank, International Monetary Fund, Inter-American Development Bank, and similar financial gendarmes for the international banks, impose "technological apartheid" upon the Third World, prohibiting the use of the most advanced scientific and technological discoveries to provide a higher and more dignified quality of life for those millions throughout the world who are today succumbing to plagues such as cholera and AIDS, and starvation.

It is in this sense that Colombia and its new Constitution fulfills the demands of George Bush's new world order, by effectively prohibiting the use and development of nuclear technology while elevating environmentalism to the status of constitutional law. And yet, the real collapse of Colombia's ecology can be seen in the reappearance of diseases that had disappeared a century ago, such as chol-

era. Latest official figures from the Health Ministry show that there are more than 7,400 cholera victims in Colombia, while nearly one-half the country is isolated due to the collapse of bridges that link the vast Eastern Plains (or *Llanos*), the country's primary breadbasket, with the rest of the country. While daily protests are held throughout the country against the government's insane economic policies of "liberalization," President César Gaviria is responding with a series of forums entitled "Conquering Markets."

In the midst of this desolate picture, there are still those who apparently have not swallowed the argument that environmentalism is the solution to man's ills. Fernando Casas, special adviser on environmental affairs to the Foreign Affairs Ministry, gave a forum in September at the National University of Bogotá in which he argued that the interests of the industrialized countries appear very different from those of the Third World. The former, he insisted, "are interested in the Third World's arms race, population growth, and forests, and they don't want the question of ecology mixed with the problem of development. We, on the other hand, are concerned with low per capita income, low prices for our raw materials, non-tariff restrictions on our imports, and the increasingly onerous conditions of the International Monetary Fund and other credit institutions."

Casas attacked the proposal for a U.N. ecology police force—so-called green helmets. "We do not agree that the Amazon should be declared the patrimony of humanity, and it would be absurd for the United Nations Security Council to suddenly decide to send its blue, green or whatever-color helmets to 'protect' our natural and ecological resources."

French farmers rally against GATT

President Mitterrand is caught between Anglo-American demands for subservience, and farmers raising hell.

Over 250,000 French farmers and supporters staged a protest in Paris on Sept. 29 against low farm prices, the General Agreement on Tariffs and Trade (GATT), and the dumping of eastern European food on the French market. Protesters marched through the streets with huge banners, and manned stands throughout the city, giving out wine, cheese, bread, and fresh produce to dramatize the fact that the government is permitting the ruin of French agriculture.

The Paris demonstration is the largest of many protest actions that have begun this fall in Europe. There was a 10,000-person demonstration in Munich, Germany on Sept. 22. On Sept. 27, there was a large protest rally of farmers in the state of Lower Saxony.

Parallel to the demonstrations in Europe, U.S. dairy farmers have been holding protest meetings in the dairy belt states, conferring on strategies against the ruinously low farm milk prices. In Australia, earlier this year, wheat growers pulled down the gates of the U.S. military installation near Perth, to protest low wheat prices, and the insolence of the U.S. government. In Canada, members of Parliament officially "put questions" before Prime Minister Brian Mulroney on Sept. 24 over the embattled state of dairy farmers in their districts.

The fighting mood shown by farmers is the most visible expression of disgust with the bullying by the United States, Britain, and their flunkies in Ottawa and Canberra, who are demanding that the 109 member nations of GATT conclude a global treaty soon, allowing Anglo-Ameri-

can private banking and commodity interests "free market" rights to loot farmers and consumers anywhere.

The GATT talks are resuming this fall for completing the "Uruguay Round" for global "freetrade" in agriculture. Under fierce U.S. pressure, European Community (EC) Agriculture Commissioner Ray MacSharry has put forward a plan calling for 15-35% reductions in farm prices for the 12 EC member nations, where farmers number about 10 million. Cuts in the EC's Common Agriculture Policy (CAP) and the GATT will mean mass extermination of these farms. For example, it is projected that the proposals would eliminate 50% of France's 700,000 full-time farmers by the end of the 1990s.

This destruction of European farm potential is the goal of Anglo-American interests who see any independent potential of the European Community as a political and financial threat. The Anglo-Americans are right now consolidating their grip over grain and meat output in the U.S., Canada, and Australia for schemes of worldwide food control.

French President François Mitterrand is caught in the middle of this power play. He went along with the Bush-Thatcher policy for war in the Persian Gulf; will he now collaborate with the Anglo-Americans in destroying his own nation? In the weeks preceding the Paris rally, Mitterrand and fellow government representatives had to cancel many engagements in the countryside, for fear of receiving salvos of rotten fruit and manure. Budget Minister Michel Charasse re-

fused to open a fair because of feared farmer reprisals. At the Sept. 29 Paris demonstration, the head of the French National Assembly, Laurent Fabius, was pelted with rotten eggs.

The United States was roundly denounced in a speech at the Paris rally by Raymond Lacombe, head of the National Federation of Farming Unions (FNSEA), the largest farm organization in France. Lacombe criticized "the brutal attacks from the United States," which wants to "control the food weapon." He scored "this hesitant Europe," which proposes nothing but a lowering of farm prices. He denounced the proposed system of "direct aid" to farmers, with which the government wants to replace the current compensation mechanisms. He said that direct aid would transform farmers into "functionaries waiting in line before their municipality to receive some meagre subsidies."

Lacombe denounced the free trade system "which seeks to become hegemonic throughout the planet—that of unbridled liberalism, exclusions, and imbalances." He attacked the "scandal of men and women who continue to be hungry, while farmers of the advanced countries are prevented from producing."

Lacombe counseled the farmer to understand, "The battle which is starting will not be easy. . . . We will need all our energy to counter the American offensive, stop the attempt to liquidate the Common Agriculture Policy, and obtain from our governments the decisions which will allow us to fortify our enterprises."

In contrast, Budget Minister Charasse has ridiculed the farmers as disrespectful of "the norms of democracy." In September, when Charasse announced a supposed farm aid package of \$8.8 million for livestock producers, the farm groups labeled it inconsequential.

Refugees are not the problem

A "sudden" rise in xenophobic extremism is coinciding with deliberations on changing immigration laws.

The Germans are increasingly showing symptoms of the same hysteria about immigrants that has seized France and Britain for some time. Since East Germany, population 17 million, hosted only about 150,000 foreigners, while West Germany, with its 62 million, hosted close to 4 million, the ratio of nationals to foreigners has decreased with German reunification.

But the number of refugees from eastern Europe and parts of the developing sector—mostly Sri Lanka, Afghanistan, Iran, Ethiopia, and the Kurdish regions—is increasing: 220,000 came in 1990, and there will be at least 50,000 more this year. In September alone, 28,000 came knocking at Germany's door. Since June, most of the refugees came from the war-battered former state of Yugoslavia. Many others are from Romania, Bulgaria, and Albania.

Not least because of the mass media's sensationalist coverage, which has been amplifying the problem with scare stories that "they are all coming here to take our money and our homes," the disease of xenophobia is spreading. With most Germans, it is still only latent, expressing itself verbally in nasty comments about "these people" and their different life-style.

This problem has existed before, in the late 1950s and early 1960s when the first big waves of "guest-workers" from south Italy, Turkey's Anatolia, Portugal, Spain, Greece, and Yugoslavia arrived. In the meantime, the Germans have accepted these foreigners, especially because they were working and paid taxes as any other

German worker did.

The real problem is the spread of aggressive xenophobia: street clashes with ethnic European youths, and most recently violence against shelters that lodge the refugees. The latest trouble began in late September with the outburst of primarily right-wing extremist rioting against refugee shelters in east Germany.

The small city of Hoyerswerda, in the state of Saxony, made headlines with five days of rioting against a building complex that shelters 100 former guest-workers from Mozambique and another shelter for 230 refugees mostly from Romania, Bulgaria, Albania, and Afghanistan.

The rioters, partially applauded by the townspeople, got into street clashes with several hundred policemen. Finally a police escort moved the foreigners to protected military barracks a way off, and the rioting lost steam; even so, the withdrawal of the police was then celebrated by the rioters as a victory.

Arson attacks on numerous refugee shelters also occurred in west German cities, and continued for days after the unrest in Hoyerswerda had ended.

Strangely enough, that "sudden" outburst of xenophobic extremism coincided with preparations for the late-September round of high-level meetings of government and Parliament officials in Bonn on the asylum and refugee problem, and eventual changes of the asylum and immigration laws.

German politicians at the cabinet level usually speak of the "necessity to solve the immigration problem at

its root, namely in those countries where it emerges," but this is mere rhetoric as long as they hold on—and many German politicians do that—to the malthusian, Club of Rome belief-matrix that there are limits to growth. They believe that the little growth that does exist must be defended at any cost. This leads straight into the doctrine that Germany, being an island of relative wealth in a surrounding world with supposedly limited resources, has to be shielded against the influx of "refugees from poverty" by special anti-immigration laws.

No prominent politician in Bonn has yet called for a "wall of steel" around Germany's borders in the way certain malthusian Americans have proposed to stop illegal immigrants at the U.S.-Mexican border along the Rio Grande.

But some have proposed to stop distributing those seeking asylum among the various German states and communities, and instead, to build decentralized camps all over the country to control the immigrants—a concept quite close to the "wall of steel."

The next step would be to seal the borders against unwelcome and undesirable foreigners, because more and more immigrants require more and more camps, and there will be more immigrants as long as the situation at home does not improve.

Solving the problem at the root requires rapid economic growth and increasing economic stability in all those countries or regions that produce the waves of immigration. Larger development projects in those regions would be invaluable; but proposing that goes utterly against the grain of the politicians' post-industrialist dogma that the era of big economic growth is gone.

So primarily, the problem has to be solved in the minds of the politicians.

Business Briefs

Ecological Fascism

India rejects Montreal Protocol

Indian Environment Minister Kamal Nath said Sept. 20 that his government will not sign the Montreal Protocol pledging measures to eliminate the ozone "hole," because it threatens India's sovereignty as a nation, according to London's *Independent*.

Nath said that India was unhappy about the conditions governing aid for finding "alternatives" to chlorofluorocarbons (CFCs). The conditions may infringe on India's sovereignty, he said.

Refrigeration is next to impossible without CFCs. Substitutes are much more expensive, and inferior. The implications for Third World food supply are serious. Other established technologies are also virtually eliminated if CFCs are.

The ozone "hole" was larger when discovered in 1956 than it is now. Human industrial "emissions" have been blamed, although one volcanic eruption—and there is a live volcano close to the site of the "hole" in Antarctica—emits more ozone-damaging gases than all industry in human history.

The conditions referred to by Nath are restrictions on industrial development. India obviously suspects an "imperialist" environmentalist hoax.

Space

Japan opens 'microgravity center'

Japan has begun some unique "space experiment" activity on Earth. Japan has recently opened a Microgravity Center, which is located in a 2,330-foot-deep mine shaft on Hokkaido island. If an object is dropped down the shaft it takes about 10 seconds for it to reach the bottom.

If the object encounters no air resistance or other obstruction on its way down, it experiences a few seconds of weightlessness, as it is in "free fall." Inside of the shaft is a vacuum-

sealed capsule, which is guided down the shaft by magnetic fields, and there is a compressed air brake for soft landings.

Though this is a small-scale version of hours and days of weightlessness when the Shuttle is in orbit, it provides Japanese scientists the opportunity to do preliminary experiments on new alloys, crystal growing, and other materials processing, as a precursor to space experiments.

The facility cost \$38 million to build, and each experiment costs \$7,000.

International Credit

World Bank takes in more than it gives out

The World Bank collected more in interest and capital repayments from the developing nations than it disbursed in new loans and assistance last year, the recently released 1991 World Bank *Annual Report* reveals. The developing nations, especially in Ibero-America, paid back \$1.56 billion more than they received in new funding last year.

The revelations could cause "immediate problems" for new World Bank President Lewis Preston of J.P. Morgan, who succeeded Barber Conable in September, London's *Guardian* reported. It warned of "sharp criticism" from Third World countries at the upcoming International Monetary Fund-World Bank meeting in Bangkok in October.

Ibero-America and the Caribbean nations paid the World Bank \$2.1 billion through July 1, 1991, and Europe (including eastern Europe), the Middle East, and North Africa paid out \$982 million, bringing the outflows from these regions to \$6 billion over the past four years. The Asian nations netted only \$470 million—for a region with three-fifths of the world's population—and impoverished black Africa \$895 million.

The World Bank predicts a 5% decline in the gross domestic product of eastern Europe due to the breakdown of Comecon, the loss of exports to the former U.S.S.R., and the Gulf crisis. Eastern Europe is expected to have a \$20 billion shortfall in the current calendar year.

While World Bank "lending" increased

from \$15.2 billion to \$16.4 billion from last year to this, net disbursement plummeted to \$6.3 billion from \$9.3 billion a year earlier.

New World Order

Indian politician warns of 'free market' danger

A leading, young Indian politician has warned his country that the Anglo-American elite is attempting to impose "free market" measures on the world to preserve its power.

Speaking at a conference on "Challenges before the Youth and the Nation," sponsored by former youth leaders of the ruling Congress Party in New Delhi, Sikkim state Congress Party leader P.P. Gurung told 450 youth leaders—60 of whom are parliamentarians—that the Gulf war's outcome launched a campaign to subjugate Third World nations to the "free market."

India, he said, cannot stand alone against the increasing pressure exerted by the Anglo-Americans worldwide to impose "free market" economy. Other nations in Asia are equally concerned about the Anglo-American pressure to open their markets. They recognize that by doing so, their nations' fragile economic structures will be devastated and their countries will face hundreds of secessionist movements which are similar in nature to the ones that Moscow is facing now. Unless the Asian nations can turn the tide against the free market onslaught, India's integrity will be seriously challenged, he said.

India's foreign policy should anchor upon developing close relations with China, Japan, Indonesia, Pakistan, and Bangladesh, Gurung said. They should form an economic axis. He also pointed out that all these nations are encountering manipulation on the part of the Anglo-Americans through environmental issues.

The conference was attended by most Indian government ministers. Prime Minister Narasimha Rao spoke on the same day. During the speech of Minister of State for External Affairs Eduardo Faleiro, Gurung also told him that India would do well to respond positively to a recent diplomatic gesture by Chinese Premier Li Peng.

Briefly

● **20 MILLION** people are blinded each year from infectious diseases. Most of them live in the "Third World." This was announced at a German congress of ophthalmologists in Bonn. Most cases could be cured if medicine were available.

● **THE BALTIC STATES** have announced a six-point economic cooperation plan featuring creation of a customs union, price controls, and monetary reform. Also planned are joint energy, transport, and telecommunications projects.

● **WEATHER** satellites will be borrowed from Europe by the United States until the next budget-delayed U.S. satellite is launched, the Commerce Department has reported. Two European organizations have agreed to move the Meteosat 3 satellite farther west to increase U.S. coastal storm coverage. It has already alerted the U.S. to Hurricane Bob last summer.

● **THE WORLD BANK** will provide \$100 million to reform Venezuela's "antiquated" judicial system. A government spokesman said that in a complete "free market" economy, the expectation is that there will be more "economic conflicts" due to "economic movement," requiring more emphasis on "white collar crime."

● **ALAN GARCIA**, the former President of Peru, said Sept. 23, "they want to get me because I confronted the IMF." Referring to efforts to implicate him the Bank of Credit and Commerce International scandal, Garcia said, "If because I confronted the International Monetary Fund, the bankers and the wealthy, they want to punish me—well, here I am. . . . I have come to expect a political, unjust accusation inspired by fear and hate."

● **THE PRESIDENT** of Benin, Nicephore Soglo, told a conference in the capital of Cotonou in mid-September that there could not be "democracy without bread." Living standards must be improved, he said.

AIDS

Mother's milk can transmit infection

The *New England Journal of Medicine* has just released a study from Kigali, Rwanda which shows that 4 of 11 mothers infected with HIV during breastfeeding, transmitted the virus to their babies. It has been known that a mother's milk can contain the virus, but it was said that this means of infection is "extremely rare."

Possibly, the virus enters the body of the baby through the mucous membrane of the baby's mouth. Scientists believe that a fresh HIV infection of the mother during breastfeeding poses the strongest risk to the baby, because of the huge amount of viruses showing up in the body at that time.

Nature magazine commented on this "new" finding: "It is a fact, that we don't know the real extent of the risk of getting infected."

Environmentalism

German daily attacks 'neo-malthusianism'

Neo-malthusianism was attacked in the Sept. 25 *Frankfurter Allgemeine Zeitung* in a half-page feature on the new report by the Club of Rome.

Malthus did not invent the theory of population growth, but rather provided an academic cover for the theory of *laissez mourir* (let them die) that had been produced earlier by Robert Wallace and Joseph Townsend—the population policy component of the *laissez faire* approach on economics, said the editorial.

Although Malthus's theories have long been discredited by the rise of population and food production at the same time, malthusianism is still in vogue among people like Club of Rome member Maurice Strong, who argued against "oral rehydration" of Third World children with diarrhea in a recent article in *The Lancet*, a British medical journal.

"This is rigid British utilitarianism in the early version of Jeremy Bentham," the paper

stated, mentioning, among others, Paul Ehrlich as the inventor of the "population bomb" hoax.

More expenses for health and education are an investment into labor productivity, says the paper. Population growth is not a burden, but rather an enrichment—if the economic conditions a population lives in are human.

Science

Gamma ray distribution confounds astronomers

Data newly acquired from NASA's ultrasensitive Gamma Ray Observatory (GRO), launched six months ago, were made public Sept. 23 at a press conference in Washington, providing scientists with a major surprise. The 117 gamma ray bursts observed so far are distributed more or less evenly over the sky.

The theory has been that neutron stars, supposed remnants of supernovae, are the source of gamma ray bursts, but this would require that the bursts be concentrated toward the center of the galaxy, or at least clustered in the galactic disk. Only recently, the Soviet gamma ray observatory Granat had appeared to confirm the latter theory.

If the bursts come from beyond the galaxy, "then the energy released in the brief one-second flash of gamma rays is many times the total energy released when a star explodes in a supernova," according to Dr. Neil Gehrels, the GRO chief scientist at the Goddard Space Flight Center in Greenbelt, Maryland.

According to NASA scientist Gerald Fishman, the observations cannot be explained by any existing theory or object. Physicist Paul Joss said the discovery will have a "very dramatic effect" in the science community. "I am at a total loss to explain the findings." Other scientists called the findings "astounding" and "mind-blowing."

Gamma rays are produced in nature by changes of state within atomic nuclei. The gamma ray bursts detected from space last from a fraction of a second to hundreds of seconds.

Stop George Bush's new world order with development

by Warren A. J. Hamerman

George Bush and his allies are using the ongoing 46th Session of the U.N. General Assembly in New York to push as far and fast as possible to transform the United Nations into a global police surveillance and military instrument to put down all resistance to malthusian genocide and austerity in "broken" ex-independent nations—the so-called *Pax Universalis* or revival of the Roman Empire. Vital issues such as economic development, technology transfer, economic growth, and debt relief have been aggressively ruled out of order by the powerful advanced sector alliance of the Americans, the European Community, and the Japanese.

How are such agendas controlled? On the eve of the 46th Session, Thomas Pickering, the U.S. ambassador to the United Nations, invited all the world's ambassadors to a reception where he informed them in personal remarks and a several-page instruction sheet what the American objectives for the session would be, and what would "please" the U.S. for the other delegations to say and not to say. The Americans and their allies repeatedly intervened in private meetings and committees to extinguish every initiative by both developing sector nations and even Secretary General Javier Pérez de Cuellar on the issue of canceling African debt payments and financing real economic development. According to various reports, the developing sector debt has already surpassed \$1.4 trillion.

In this context, those voices which have spoken out for reviving the drive for economic justice and development are all the more important. These voices show that Bush's new world order is not consolidated.

For instance, on Oct. 3 the ambassador of Sri Lanka called for "the implementation of a true Fourth Development Decade" in a speech to the Second Committee (Economics and Finance) of the General Assembly. All 166 member states of the United Nations are members in the Second Committee and many of their representatives were present during the speech of Ambassador Dr. Stanley Kalpagé. He said: "The goals and objectives of previous International Development Decades were for the most part unattained. As far as the developing countries were concerned, the reason for this was that the external economic environment over the decade was



In 1967, Pope Paul VI declared, "The name for peace is development." During the last Development Decade, a series of U.N. photos taken in Indonesia, including this one, specified that, in order to raise living standards in developing countries, "Agricultural production must therefore be increased. This requires tractors, fertilizers, new and better seeds, vast irrigation schemes, land reforms." Now even subsistence farming is too advanced for Bush's "new world order."

United Nations

generally characterized by shrinking resource flows, declining commodity prices, rising interest rates and increasing barriers to market access."

The Sri Lankan ambassador added that for most developing countries "the [last] decade was one of falling growth rates, declining living standards and deepening poverty." He identified the negative effect of debt-servicing and stated:

"If the 1990s are to be a decade of development, this record of unsatisfactory progress and performance needs to be changed. In the absence of major changes in policies, the coming decade will be much like the previous one." Dr. Kalpagé called, therefore, for the "implementation of a true Fourth Development Decade." He asserted that a true Fourth Development Decade "calls for more than marginal increases in growth rates. Higher rates of growth in developing countries will reflect progress in several sectors of the economy and in the pursuit of social and other goals. The strategy must look beyond the constraints of the moment. A decade is not enough to work miracles, but a true decade of development would make a great difference to the world situation on the eve of the next century."

Later he said: "New possibilities for increasing the flow of development finance in the 1990s should also be explored." In the concluding section of his speech, Dr. Kalpagé identified what he meant by development:

"A sustained acceleration of the development process will not take place unless developing countries modernize and transform their industrial and agricultural sectors and participate in the progress made possible by advances in

science and technology. An acceleration in the process of industrialization must be a central element in the economic transformation of most developing countries and in the reactivation of development in the 1990s."

Crucial to Bush's strategy is to rely on the fact that the media will censor coverage of such voices, while they over-amplify every nuance of the American proposal to activate U.N. blue helmets in various military actions.

Effectively, the plan of world empire, like all previous empires in history, maintains control through a combination of intimidation through overwhelming force and divide and conquer tactics. Natural allies like the developing sector nations and the newly independent European republics are pitted against each other for the meager crumbs or so-called concessions which the U.N. relief agencies or the International Monetary Fund or Paris Club have to offer.

Thus, the debate between Bush's *Pax Universalis* and a "True Fourth Development Decade" is not an academic discussion which will unfold over time. These are two life and death alternatives with the lives of hundreds of millions of people hanging in the balance over the next six months.

It must also be emphasized that all so-called "police actions" or "peace conferences" in any area of the world without a plan for food, clothing, shelter, and medical care for all the people, are doomed. Therefore, it is crucial that Ghana, speaking on behalf of the Group of 77 developing sector nations, invoked Paul VI's theme, reiterated this year in *Centesimus Annus*, that "Development is the new name of peace" in the debate.

U.N. treats some nations as 'more equal than others,' says Mahathir

We excerpt from the address of Malaysia's Prime Minister Dr. Mahathir Mohamad to the plenary of the 46th Session of the U.N. General Assembly on Sept. 24, 1991. Subheads have been added.

. . . Mr. President:

The world has witnessed in the last two years more revolutionary changes than in the preceding hundred years. Without doubt these changes have opened new and historic opportunities to build a better world, anchored firmly in the rule of law, the sovereignty of nations, and a collective commitment to social and economic justice for all. The world is ripe for "a new world order," but it is hoped that this new world order will not be one that is imposed upon the world by the main beneficiary of the current revolution. All members of this august body called the United Nations should participate in the shaping of the new world order if we are to avoid a return of a new colonial era.

When the United Nations was formed after the Second World War, the allied victors assumed the right to create a world order in which each of the five major powers could veto anything that does not serve them. But then the five fell out and the East-West conflict divided the world into two antagonistic camps. The Cold War that followed not only retarded modern civilization, but converted poor countries into pawns and proxies, devastating their territories and economies with confrontations and wars. That they were not fighting their own battles is clear from the outbreak of peace in every continent as soon as the East-West confrontation ended.

With these experiences still fresh in our minds, how can we be assured that a new world order formulated by any one country or group of countries will be good for everyone? We are already feeling heavy hands forcing us to do this and not that. In East Asia we are told that we may not call ourselves East Asians as Europeans call themselves Europeans and Americans call themselves Americans. We are told that we must call ourselves Pacific people and align ourselves with people who are only partly Pacific, but more American, Atlantic, and European. We may not have an identity that is not permitted, nor may we work together on the basis of that identity. Is this a foretaste of the new world order that we must submit to?

Democracy, and only democracy is legitimate and per-

missible now. No one really disputes this. In fact, speaking for Malaysia, we can think of no alternative but democracy in the context of our pluralistic society. We can also affirm that we have no intention of siding with despots or tyrants and those that deny their people their rights to democratic government. But is there only one form of democracy or only one high-priest to interpret it?

We see differences in the practice of democracy even among those who are preaching democracy to us. Can only the preachers have the right to interpret democracy and to practice it as they deem fit and to force their interpretations on others? Cannot the converts too interpret the details, if not the basics? If democracy means the right to carry guns, to flaunt homosexuality, to disregard the institution of marriage, to disrupt and damage the well-being of the community in the name of individual rights, to destroy a particular faith, to have privileged institutions which are sacrosanct even if they indulge in lies and instigations which undermine society, the economy, and international relations; to permit foreigners to break national laws; if these are the essential details, cannot the new converts opt to reject them? We, the converts, will accept the basics, but what is the meaning of democracy if we have no right of choice at all, or if democracy means our people are consistently subjected to instability and disruptions and economic weaknesses which make us subject to manipulation by the powerful democracies of the world? Hegemony by democratic powers is no less oppressive than hegemony by totalitarian states.

Democracy means majority rule. The minority must have their rights, but do these rights include denial of the rights of the majority? Admittedly the majority may not oppress the minority, but if the minority exercise their rights without responsibility, become the agents of foreign democracies, and try to weaken their own country so as to make it a client state to certain democratic powers, must the majority in the name of democracy submit to the minority?

Democracy among nations

If democracy is to be the only acceptable system of government within states, shouldn't there be also democracy between the states of the world? In the U.N. we are equal, but five are more equal than the rest of the 166. Seven countries on their own lay down the laws which affect adversely the economies of others. A few nations on their own have

taken it upon themselves to determine the new world order. Powerful trade blocs demand voluntary restraints and impose laws and rules extra-territorially. Clearly the states of the world are not equal; not in the U.N., not anywhere. If democracy is such an equitable concept, why must we accept inequality between nations?

All these point towards an unhealthy and an undemocratic relation between nations. Yet equality and freedom is supposed to be the sole guiding principle of this modern civilization.

When the U.N. was formed in 1945, the victors of World War II arrogated to themselves the right to dictate the roles and the distribution of power between nations. Many things have happened since then. The victors of 1945 are no longer the powerful major players in world affairs. New powerful nations have emerged, while some major powers have changed structurally. And new ideas about rights and wrongs and democracy have crystalized. Are we going to be shackled forever to the results of World War II?

If the international democracy, as represented by the U.N., is to be meaningful and effective, there must be an infusion of some of the current ideas and realities. The world needs policing, as the Gulf war demonstrated to us. But are we to have self-appointed policemen or are we to have a police force that is beholden to this august body, the U.N.?

U.N. police actions

Police action by the U.N. needs to be governed by principles, and rules. Laying siege and starving out a castle or a city until the people had to eat rats or starve may seem appropriate and acceptable in the olden days. But can our conscience remain clear if a whole nation is starved into submission? Can our conscience be clear if the principal victims are the old and the infirm, the pregnant mothers and the newborns, the young and the innocent?

With the advent of modern weapons, should wars be fought or police action taken by destroying the recalcitrant nation totally in order to avoid casualties among our police force, and above all to avoid the demoralizing coffins being brought home? Is it truly possible that everything that is hit by massive bombs and rockets is military in character?

Is the Geneva Convention still relevant in the conduct of war? We condemn chemical warfare, but must we still have the nuclear weapons around? Are the people who possess them responsible and concerned about the horrendous effect of these weapons and will [they] not use them other than as a deterrent? Who determines when a deterrent is needed?

The leaders of nuclear nations, the people who will push the nuclear buttons, are not safe, as events in the Soviet Union amply demonstrated. We cannot even be sure that someone irrational might not become a leader and gain access to the button. Accordingly, the existence of all nuclear weapons cannot be justified in the present world.

The U.N., which is playing the role of inspectors in Iraq,



United Nations

Malaysian Prime Minister Dr. Mahathir Mohamad addressing the General Assembly on Sept. 24.

should extend that role to supervise the destruction of all nuclear weapons everywhere. More, it should supervise the invention and production of other diabolical weapons. Weapons for defense should be solely for defense, and their capabilities must be such as to prevent them from being used as weapons of aggression except in a limited way. Researches in new weapons by all nations should be reduced and no weapon should be sold by anyone without permits issued by the U.N. Malaysia has joined efforts with other delegations at this General Assembly to work towards a U.N. Arms Register to provide transparency and confidence building, as a first step towards giving the United Nations a comprehensive authority over disarmament.

We need weapons only for fighting criminals. If a nation is subjected to armed uprising, then the U.N. should take part in putting it down. Democratic governments should only be brought down by democratic process. Anything that goes beyond democratic processes should merit U.N. intervention if a request is made. We cannot preside over the disintegration of nations into ethnic communities, particularly if military action had no role in the initial consolidation of a nation.

Perhaps it may be asked why a tiny developing nation like Malaysia should be advising on how the world should be managed. We should not, except that what the world does

and what some nations or even individuals do, can affect us and affect us adversely.

Today individuals in some developed countries consider it their right to tell us how to rule our country. If we don't heed them, then they consider it their right to destroy our economy, impoverish our people, and overthrow our governments. These people latch on to various causes, such as human rights and the environment, in order to reimpose colonial rule on us. They are helped by the western media which also consider it their duty to tell us how to run our country.

Laying siege and starving out a castle or a city until the people had to eat rats or starve may seem appropriate and acceptable in the olden days. But can our conscience remain clear if a whole nation is starved into submission? Can our conscience be clear if the principal victims are the old and the infirm, the pregnant mothers and the newborns, the young and the innocent?

All these combine to make independence almost meaningless. Our only hope lies in the democratization of the U.N., especially as the option to defect to the other side is no longer available to us. We want to remain independent, but we also want to conform to international norms as determined not by some NGOs [non-governmental organizations] or the so-called advanced democracies, but by all the nations of the world. If we default, then it is the U.N. and not some Robin Hoods which should chastise us.

Mr. President,

We are glad that the winds of change have brought about significant developments in South Africa, which we hope would bring about the dismantling of apartheid and the start of negotiations towards a new democratic and non-racial South Africa. All these would not have been possible without international solidarity, with the United Nations system playing a key role in putting the necessary pressure on Pretoria. Despite these important developments, international solidarity, as manifested in the 1989 United Nations Consensus Declaration, must be maintained to meet the still difficult challenges ahead and ensure a successful conclusion to the process of change in South Africa. Right now priority must be given to putting an end to violence in black townships, reviving the preparatory process for constitutional negotiations involving the Pretoria regime, the ANC, Inkatha, and

others, as well as addressing the problems of social and economic inequities brought about by decades of apartheid.

Plight of Palestine

While the climate of peace and dialogue has benefited many parts of the world, the Middle East remains the most volatile region, and the Palestinian people continue to suffer under the cruel and illegal Israeli occupation. The current United States peace initiative has raised the hopes of many nations, including Malaysia, for an active peace process that would lead to a comprehensive solution of the Arab-Israeli conflict, including the establishment of an independent state for the Palestinians. We welcome the initiative and commitment of President Bush and Secretary Baker in undertaking this difficult task and wish them well.

The plight of the Palestinian people touches the heart of every Malaysian. We would like the Palestinian people to be treated fairly and justly. If what they do to protect themselves is considered criminal, then the same deeds committed by the Israelis should be considered equally criminal. Governments which kidnap and kill people should be condemned even more than desperate freedom fighters who are forced to violence because they can seek justice in no other way. The accelerated buildup of illegal Jewish settlements in the Occupied Territories is an act of unwarranted provocation by the Israeli authorities and constitutes a very serious and unacceptable obstacle to the current peace efforts. In our view Jews in the Soviet Union are better off there, where their entrepreneurial skills could be put to good use to re-build the economy of the country.

Question hangs over Earth Summit

Mr. President,

Next year the nations of the world are expected to meet in Rio de Janeiro to discuss the environment. If we are to meet there, there is a need to know whether it is going to be a constructive meeting or a finger-pointing, Third World-bashing session.

If that conference is going to be productive, then let us face the facts and deal with them. Unless we accept the truth regarding the sources and causes of environmental pollution, rising temperatures, and ozone depletion, we are not going to get anywhere in our efforts to reverse the process. If we go to Rio, let us go there to discuss and agree on a common course of action on environment and development.

The idea that the tropical forests can be saved only by boycotting tropical timber smacks more of economic arm-twisting than a real desire to save the forests. If selective logging and sustainable management is prevented and consequently the forests become no longer a source for wealth, the worthless forests may be cleared in order to produce food crops, or to provide firewood in poor developing nations.

On the other hand, the vast potential for reforestation has hardly been touched. The deserts of California can be

converted into a tropical forest, complete with rain-forest flora and fauna, simply by pumping the ground water and planting trees. Instead the underground water is being used for golf courses and artificial lakes to surround luxury hotels. If we can build sophisticated warplanes at \$1 billion apiece, surely we should have the ingenuity and the money to create tropical forests out of deserts? Libya should be congratulated for tapping underground water to irrigate its desert. It is shameful that nations richer and more advanced than Libya have done nothing significant to green the world.

The use of CFC [chlorofluorocarbon] and fossil fuel is greatest in the richest countries. Is there really a need for CFC for spraying when a simple rubber bulb can do the same? Do the countries with huge populations of monster automobiles really need to use them, when there can be small cars or efficient public transport systems using electricity generated by hydro-power plants?

We in the poor countries would like to have some cheap hydro-electric power. True, we have to sacrifice a few thousand acres of our forests. But we can spare these, for we have millions of acres more. But all manner of campaigns are mounted against our proposals for hydro-electric projects. Now of course the World Bank will be used to deprive poor countries of cheap hydro-electric power. And all these after the rich have developed most of their hydro potentials. Can we be blamed if we think this is a ploy to keep us poor?

If the UNCED [U.N. Conference on Environment and Development, which is sponsoring the Earth Summit] is to be meaningful, let us hear now of the plans for the rich for reducing their own contribution to the environmental degradation. If the sole approach is to link aid to poor countries with what they must do environmentally for the well-being of the rich, then UNCED would be a lost opportunity.

GATT, a wealthy nations' monopoly

Mr. President,

Economic growth in a poor country cannot depend on the domestic market. To grow, poor countries must have either aid or free access to foreign markets. It would be near suicidal for poor countries to keep their market to themselves. On the other hand there is every reason for the rich to keep their markets for themselves.

GATT [General Agreement on Tariffs and Trade] is conceived to promote free and equitable world trade. But how can poor individual countries argue their cases in the GATT Round when the huge trade blocs monopolize the meetings? Who would listen to the plaintive arguments of a tiny, insignificant Third World country?

To be heard, the poor must band together, not to form impoverished trade blocs, but to lend weight to their arguments. And so the East Asia Economic Group or EAEG was proposed, not as a trade bloc, but as a forum for the nations of East Asia to confer with each other in order to reach agreement on a common stand for a common problem caused

by the restrictive trade practices of the rich.

We are perplexed to find that this objective merely to have a voice in international affairs is being opposed openly and covertly, by the very country which preaches free trade. It is even more surprising that there should be such opposition when NAFTA [North American Free Trade Agreement] itself is being formed on the principle of the right of free association of independent countries. Can it be that what is right and proper for the rich and the powerful is not right or proper for the poor? One is tempted to suspect racist bias behind this stand.

Restructure U.N. organs

Mr. President,

Malaysia has supported the U.N. at every turn. We believe that the U.N. is the only legitimate instrument for creating an equitable world, for protecting the weak and the poor from the pressures of the strong. We welcome the end of the Cold War, but we must admit to nowhere else to look except to the U.N. More than ever before, we need a greater role for the U.N. in the affairs of the world.

While we believe a restructured Security Council has a vital role to play, we would like to see a balanced constitutional relationship, including accountability between the General Assembly, the Security Council, and the Secretariat, in order to truly make the United Nations the guardian of peace as suggested in the secretary general's report of 6 September 1991. Related to this, the Malaysian delegation has joined efforts with others to deliberate on ways and means to revitalize the organs of the United Nations, including the General Assembly and Ecosoc [the Economic and Social Council]. The experience of the Gulf conflict also makes it imperative for the United Nations to explore and put into effect all the potentials of preventive diplomacy, including a more pro-active role on the part of the secretary general and expanded U.N. peacekeeping operations. Malaysia believes that the time has come for the international community to explore also the potentials of the International Court of Justice, the judicial organ of the United Nations, as a means of fostering the resolution of conflict by peaceful means and in accordance with the rule of law.

Mr. President,

The international community is now at the proverbial crossroads. We truly have a chance to build a better world through consensus and to use the United Nations as the principal forum and vehicle for achieving our objectives. We cannot afford to miss this historic opportunity to benefit from the peace dividend resulting from the cessation of the Cold War. It must, however, be underlined that a global consensus approach requires tolerance for different ideas and practices inherent in our complex and pluralistic world. There is simply no place for an international order based on hegemony and domination. Let us then work together as partners in our common endeavor to build a better world.

Opposition grows to Bush's new order

At the U.N. General Assembly and elsewhere, spokesmen from the Third World are opposing the Anglo-American policies of economic devastation, violation of national sovereignty, and population control.

Here are some examples.

Iraq: History will judge the United Nations

Iraqi Foreign Minister Ahmed Hussain addressed the U.N. General Assembly on Sept. 27:

"We have listened on Sept. 23 to the speech delivered by President Bush in the General Assembly, and we cannot but express our regret that a President of a state, indeed the biggest power, would resort to untoward attacks against the President of my country in a manner incompatible with diplomatic practice.

"In this context, if we were to call the American President names, as he has allowed himself to do to my President, we would wonder what to call one who killed women, children, and the elderly with his planes and missiles, who bombarded the Amariya shelter, killing more women and children? What could we call one who gave the orders to bury Iraqi soldiers alive, one whose forces targeted baby-food factories, and lastly one who insists on depriving a population of 18 million of food and medicine, and all other means of livelihood? . . .

"Notwithstanding the American President's repeated assertions that he does not want the Iraqi people to suffer from starvation, food shortages, and the lack of the basic requirements of civilian life, the fact remains that America is responsible above all others for the suffering of the Iraqi people. . . .

"Indications of the so-called new world order clearly suggest that this is going to be a unipolar type of order which does not take into account the needs and interest of developing countries. It is an order established on the basis of the stands and decisions dictated by a single country or a limited number of countries; stands and decisions designed to suit the narrow interest of these countries in a selective double-standard manner, alien to the principles of justice and fairness enshrined in the U.N. Charter. . . .

"I wish to draw the attention of the member states of the United Nations to the fundamental goal behind the founding

of this organization; the goal of preserving the sovereignty of peoples over territories and safeguarding their right to live in freedom and dignity.

"Now, you are faced with a tragic human situation that has befallen the people of Iraq, who have had their considerable contribution to progress, justice, and humanity for more than 6,000 years. This people is facing the specter of starvation and disease of the worst kind, as a result of an unjust economic blockade. . . .

"Therefore this organization, whose charter stipulates the preservation of the dignity of the individual, is facing a test of its conscience and humanity; and history will pass its judgment in light of the manner in which this organization conducts itself and addresses this tragic situation, to the creation of which this organization was itself party."

Algeria: Lift sanctions against Iraq

Lakhdar Brahimi, the foreign minister of Algeria, in his speech to the U.N. General Assembly on Sept. 27, stated that "the credibility of the United Nations required that actions taken should not lead to the punishment of a people. To be clear, Algeria appeals that the suffering of the Iraqi people be alleviated and the sanctions in Iraq be lifted as soon as possible."

He also denounced Israel's persistence in its policies of repression against the Palestinian people and its illegal occupation of Lebanon: "The Geneva Conventions are being flouted. Settlements are being erected in Occupied Territories. It seems that every Arab or Palestinian concession has met with a new Israeli demand." He called for the international community to ensure that Israel withdraw from southern Lebanon and to establish a national fund for the reconstruction of Lebanon.

India: Uphold national sovereignty

The minister of external affairs of India, Shri M. Solanki, told the U.N. General Assembly on Sept. 26 that "the overall debt situation for the developing countries has assumed alarming proportions and poses a serious threat to their economic viability. A solution to the debt problem of the developing countries would need a comprehensive and integrated strategy encompassing all categories of affected countries and all forms of debt.

"Against this backdrop, the Secretary General's proposal for an international conference on the financing of development deserves support."

Solanki warned against the new "conditionalities" approach to economic aid:

"Attempts are being made to factor into the calculus of international and bilateral economic cooperation, non-economic considerations such as good governance, observance of human rights, environment, military expenditure, etc. . . . What is questionable is the linkage of these issues with development assistance of which the recipients are only the devel-

oping countries.”

Solanki opposed the sanctions against Iraq:

“The United Nations has the duty and responsibility to exert all its energies to remove the suffering, hunger, and squalor left behind by the war. This is particularly true of the Iraqi civilian population, whose misery is not lightened by the continuation of economic and trade sanctions. We commend the humanitarian assistance provided to the people of the region by member countries as well as U.N. agencies. At the same time, we believe that any outside intervention in a member country on humanitarian grounds constitutes an abridgement of national sovereignty and is, therefore, fraught with serious implications.”

He said that India “applauds” U.S. efforts to get parties in the Middle East to the negotiating table, and added: “We believe that a just and comprehensive settlement of the Middle East question will be possible and durable only if it restores to the Palestinian people their fundamental rights, including their right to a homeland.”

Ghana: Poverty is a ‘grim enemy’ of peace

The secretary for foreign affairs of Ghana, Dr. Obed Y. Asamoah, warned in his speech to the General Assembly on Sept. 26 that “the world ignores at its own peril” the “monumental” problems of Africa.

“The 85% of the world’s population who live on 30% of the world’s income are not asking the world’s 15% for charity,” he said. “We do recognize our primary and ultimate responsibility for our own development. There is clear evidence that in many instances, some of us have achieved in decades what it took some of the industrial countries centuries to achieve. Some have adopted socially and politically difficult economic restructuring and reform measures. The increasing factor of external influences that are beyond our control has, however, inhibited these efforts.

“The international economic order, including the global financial and trade arrangements, that we were ushered into at independence still exploits our economies. Our restructuring and reform measures have in most cases resulted in increased production and productivity, but with diminishing returns. The unfavorable terms of trade, marked by falling commodity prices and increasing prices of industrial goods and services, coupled with high industrial-country fiscal deficits, and high international interest rates, have made debt-servicing a major burden on our fragile economies. In a situation where 45 to 80% of export earnings are diverted into debt-servicing, the prospect of many of our economies regressing into a state of subsistence is not idle speculation.”

He continued:

“A world that sincerely desires peace would have to rethink its attitude towards the present global economic imbalances. Poverty is a grim enemy of peace. . . . Developing countries have to be relieved of the burden of debt. Both the debt stock and debt service must be reduced or eliminated

completely. The recommendations of the secretary general’s Expert Group on Africa’s debt would have to be given serious consideration. Moreover, all measures that will stabilize commodity prices and promote the transfer of financial resources and technology to the mutual benefit of industrial and developed countries will have to be taken. . . .

“It is tempting, for some, to see the ideological collapse of eastern Europe as a victory for the inequitable global economic system that consigns the majority of the world to poverty. It has been remarked, more than once, that the industrial countries do not need developing countries. There is nothing farther from the truth. . . .

Italy, Austria demand suspension of sovereignty

While some Third World leaders were speaking out against Bush’s new world order at the U.N. General Assembly, there was also no scarcity of endorsements for the Anglo-Americans’ genocide policy.

Italian Foreign Minister Gianni de Michelis, in his speech on Sept. 27, called the “right” to intervene in another country for “humanitarian” purposes—as was ostensibly done in Iraq for the sake of the Kurds—“the most truly innovative concept of the remaining decade of this century. This must be the focal point of our efforts through the United Nations, which is also the main forum of the new ‘world order.’ Intervention that is primarily aimed at securing protection of human rights . . . is a prerogative of the international community, which must have the power to suspend sovereignty whenever it is exercised in a criminal manner.”

Austrian Foreign Minister Alois Mock called in his speech on Sept. 27 for U.N. intervention forces to monitor and settle human rights and environmental disputes, each with their own color helmets, to join the already existing “blue helmets.”

“The United Nations ought to have the possibility to quickly react to serious human rights abuses and to prevent any escalation of such abuses,” he said. “I propose that the Commission on Human Rights adopt an emergency procedure based on a permanent register of experts—who could be called ‘White Helmets’—and would be at the disposal of the Commission.” He also referred to a proposal made by Austria two years ago, “to establish ‘Green Helmets’ who could intervene in the framework of a system of dispute prevention and settlement concerning the environment.”

Dr. Asamoah also warned that nations must remain sovereign, and while the Non-Aligned Movement—whose summit meeting recently took place in Ghana—calls for political pluralism and respect for human rights, “there is no basis for making the promotion of these values new conditionalities for international economic cooperation. And it must be admitted that the notion that development is not possible without them has no historical foundation.”

In conclusion, he cited the papal encyclical issued in May, *Centesimus Annus*:

“The new name of peace is development. Just as there is a collective responsibility for avoiding war, so too there is a collective responsibility for promoting development.”

Tanzania: No to political ‘conditionalities’

The foreign minister of Tanzania, Ahmed Hassan Diria, in his speech to the U.N. General Assembly on Sept. 30, declared his country in staunch opposition to the new conditionalities being imposed on economic aid.

“Aid conditionalities have been a source of controversy between the donor community and recipient countries,” he said. “The new conditionality linking aid to political reform exacerbates the controversy. For instance, on April 15, 1991, the European Bank for Reconstruction and Development was established, with the proviso that the acceptance of a multi-party democracy and free market would be a condition *sine qua non* for getting aid from the Bank. . . . The linkage between the provision of foreign aid and the implementation of political reforms is undesirable.”

He also detailed the catastrophic economic situation of Africa, and noted that “the last three decades have also witnessed the acceleration of disinvestment in Africa. . . . It is unacceptable that there continues to be a net capital flow from the developing countries to the industrialized nations. According to a 1990 World Bank report, developing countries paid \$27.5 billion more than they received in new credit and grants. Sub-Saharan Africa alone retransferred \$500 million more than it received.”

Gabon: IMF’s programs make matters worse

Pascaline M. Bongo, the foreign minister of Gabon, addressed the U.N. General Assembly on Sept. 30, denouncing the effects of the International Monetary Fund’s “structural adjustment” programs on the developing sector. She cautioned that “the international financial institutions have called for the implementation of structural adjustment programs. Unfortunately, these programs result in social costs with negative consequences for our populations. The concomitance of these programs with the social demands linked to liberalization in the African political systems, adds a considerable intensity to the difficulties confronting the governments of African countries.”

Africa’s economic situation will only begin to improve, she said, if there is a restructuring of international relations

“to take into account not only the interests of the North, but also those of the South, whether it be the constant drop in the prices of raw materials or the ever-present question of the debt.”

Senegal: The South is financing the North

The foreign affairs minister of Senegal said on Sept. 24 that despite the alarm bells being rung for years now, “poverty persists and is spreading.”

“Constantly aggravated by the continuous drop in the price of raw materials, the foreign debt, and the requirements of structural adjustments, this phenomenon shows that international cooperation for development is outside the renewal that characterizes the new international relations. . . .

“Crushed by the weight of the debt and the deterioration of the terms of exchange, the countries of the South are working harder and producing more, only to receive less, in order to pay interest which is itself subjected to the fluctuations of foreign currencies. Thus, the South continues to finance the North to the tune of several tens of billions of dollars per year.”

Pakistan: Jamaat-e-Islami rejects population control

Senator Qazi Hussain Ahmad, leader of the Jamaat-e-Islami party of Pakistan, issued a statement on Sept. 5 denouncing a new government policy to expand population control measures. The Jamaat-e-Islami is a member of the ruling coalition and Pakistan’s largest religious party. The statement of Amir Ahmad follows:

“Terming ‘family planning’ as ‘population welfare,’ is an absolutely misleading misnomer. The government has included the establishing of family planning centers among the development projects whose funds have been allocated by senators and members of the National Assembly of Pakistan. These centers have nothing to do with the development of an area. Family planning is misguidance and a conspiracy hatched by western nations. Western society has been deprived of the merriment and bustling of youth and children due to its materialistic attitudes, selfishness, and fashion-mongering. The West thinks the growing population of Muslims is a threat to it and wants to disseminate this misguidance in Muslim communities through the disciples of the West. But the fact remains, that a newly born child comes with one mouth and two hands to earn his livelihood and is gifted with a fertile mind. If necessary arrangements are made for his proper education and useful training, every newly born child would certainly contribute towards a tremendous increase in the national product.

“I strongly protest the establishment of family planning centers in the garb of population welfare. The religious circles already think that these centers are misleading, and pave a way for speedily spreading immodesty in the country. So these centers should be closed down.”

NGOs appeal to halt anti-Iraq sanctions

The following Appeal was read to the full Assembly of the Human Rights Sub-Commission on Prevention of Discrimination and the Protection of Minorities in late August in Geneva, Switzerland. It is part of the official record of the session. A more extensive verbal report was submitted to the sub-commission on Aug. 13 by Warren Hamerman, representing the International Progress Organization, one of the Appeal's signatories. Hamerman's remarks appeared in EIR, Aug. 23.

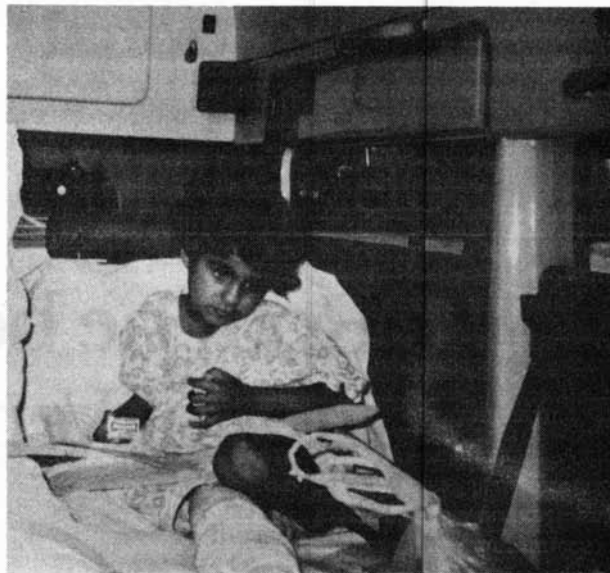
Appeal

To the Chairman of the Sub-Commission on Prevention of Discrimination and the Protection of Minorities

Representatives of non-governmental organizations, meeting in Geneva for the Forty-third Session of the Sub-Commission on Prevention of Discrimination and the Protection of Minorities 5-30 August 1991, call upon the Chairman of the Sub-Commission to take up the question of the ongoing human tragedy among innocent Iraqi civilians caused by the continuation of the economic sanctions.

The most basic right, the right to life, is being denied in fact to 18 million people by the continuation of the sanctions policy implemented through the United Nations Security Council. This policy violates both the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights. That such a policy be carried out on the basis of decisions made by a U.N. organ is unprecedented in the history of the U.N., as it involves a total boycott, following the deliberate destruction of Iraq's infrastructure; a further special feature of this human rights violation is that it is being carried out not by a national government, but by an intergovernmental body against the population of a member state of the U.N.

The most egregious example of the violation of human rights and fundamental freedoms committed through the sanctions policy against Iraq is constituted by the fact that the population is being deprived of the food, water and medicine required to keep it alive. This calamitous situation was documented in the July 1991 report issued by the inter-agency task force led by the U.N. Secretary General's Executive Delegate, Prince Sadruddin Aga Khan, and composed of experts from Unicef, WHO, FAO, WFP, UNHCR, UNDP and others. Earlier, U.N. Undersecretary General Martti Ahtisaari had issued similar findings after his tour to Iraq (see document S/22366, Security Council).



Committee to Save the Children in Iraq

This Iraqi girl from Najaf suffered leg injuries from a bomb blast that couldn't be treated in her home country because of the continuing embargo. She was brought to Germany for treatment through the efforts of the Committee to Save the Children in Iraq.

The situation in postwar Iraq can be characterized as similar to that of a medieval city under siege: cut off from outside assistance, its population, deprived of adequate food, water, medical care and the means to produce its subsistence, is condemned to perish. According to a May 1991 Harvard Study Team Report, the most affected are children with estimates that as many as 170,000 further children will die this year as a result of these postwar conditions.

We believe that it must be said that the members of the U.N. Security Council bear a particular responsibility for the grave consequences of the continuation of the sanctions, because they have been duly informed of the findings of Prince Sadruddin Aga Khan and the Harvard Study Team.

We call upon the Chairman to activate the means at his disposal to bring this case of systematic violations of human rights, as defined by the very humanitarian principles enshrined in the U.N. Charter, before the Secretary General, to urge the Security Council to take the necessary measures to alleviate the suffering of the civilian population in Iraq.

Signed:

International Progress Organization
Union des Juristes Arabes
International Organization for the Elimination of All Forms of Racial Discrimination
International League for the Rights and Liberation of Peoples
Pan-Africanist Congress of Azania
Afro-Asian Peoples Solidarity Organization
International Indian Treaty Council
International Association of Democratic Lawyers

LaRouche book 'Dope, Inc.' center of Venezuelan scandal

by Gretchen Small

David Rockefeller's leading Venezuelan business partner, multimillionaire Gustavo Cisneros, once again finds himself at the center of a drug-trafficking scandal he thought he had successfully buried six years ago. On Sept. 19, the Venezuelan daily *El Globo* reported that a congressional investigatory committee has evidence that Cisneros is the real owner of Celere, Inc., a Miami-based company which the U.S. Drug Enforcement Administration (DEA) has under investigation for at least three separate cases of cocaine trafficking.

Many more than Gustavo Cisneros are now in a state of near panic. The report strikes at the heart of the financial interests which control the Carlos Andrés Pérez government. Cisneros is widely known as the regime's moneybags; his business partner and former employee, Pedro Tinoco, Jr., heads the Central Bank. Both men have served Rockefeller family interests for years: Tinoco as Chase Manhattan's representative in Venezuela; Cisneros joining Henry Kissinger on Chase's International Advisory board under David Rockefeller. Rockefeller control over the government is so tight that Pérez hired Kissinger as his investment adviser in 1990.

These interests have set out to turn Venezuela into an international financial haven for hot monies—no questions asked. A team operating under Central Bank chief Tinoco has drawn up plans for the total deregulation and reorganization of the national financial system, reforms required before their scheme can go into operation. The reforms were first unveiled, not in Venezuela, but before Rockefeller's Council of the Americas in January 1990. Now, all that stands in the way of implementation of this is the approval of the Venezuelan Congress.

The financial reform has encountered more resistance than its authors expected, particularly because it is no secret that the reforms would transform Venezuela into the drug

money-laundering center of the continent. When the reform laws were first unveiled, Superintendent of Foreign Investment (SIEX) Edison Perozo issued a pamphlet warning that their passage "will implement a narco-economy system, to great benefit for the drug-traffickers," while "many national industries will pass into foreign hands." Within short order, Perozo was fired, and the SIEX replaced by a new Presidential Advisory Committee on International Investment—headed by Henry Kissinger, and including such luminaries as American Express's James Robinson, Fiat's Giovanni Agnelli, and Nestlé's Helmut Maucher, among others.

Opposition did not end with that, however. In October 1990, the Venezuelan Labor Party (PLV) issued a special report entitled "Financial Reform Will Lead to a Narco-Economy," which circulated widely in Caracas. Until the Cisneros-Celere scandal broke, however, opposition to the Tinoco reforms remained limited to a small minority which received little publicity. Now, the only thing discussed in Venezuela is whether the Cisneros-Tinoco interests behind the financial reform have been caught running the drug trade themselves.

The ghost of Narcotráfico, SA

The Celere, Inc. dope connection has been news all over the Venezuelan press for the past few months, because a top executive of the company is Lázaro Rogelio Ugarte Bresselau, who had been security chief for Pérez—until the news of the DEA investigation became public. A congressional committee set up to investigate charges that Ugarte and another former Pérez security chief named Orlando García were involved in terrorism and drug-running (see *EIR*, Aug. 2, 1991), then leaked its findings that the real owner of Celere, Inc. was the Cisneroses. Spokesmen for the Organización Diego Cisneros, the Cisneros family holding company, im-

mediately issued an “energetic” denial.

The denial did nothing to silence the scandal, however, largely because no one has forgotten the hysterical witchhunt which Gustavo had launched in 1985 against *Executive Intelligence Review* and its best-selling exposé of the dope trade, *Dope, Inc.*

In late January 1985, *EIR* had issued an updated Spanish-language edition of *Dope, Inc.* The book, commissioned by *EIR* founder Lyndon LaRouche, revealed how international oligarchic families run the dope trade through the banks, in collaboration with Soviet networks. Only days after a few copies of *Narcotráfico, SA* had arrived in Venezuela, police raided *EIR*'s offices in Caracas, confiscated all copies of the book, deported *EIR*'s correspondents, and arrested a group of LaRouche's Venezuelan friends, all because the new edition of the book contained a chapter noting Cisneros's ties to international money-laundering interests.

Gustavo Cisneros personally, joined by the vice president of the Cisneros organization, José Rafael Revenga, petitioned the courts to prohibit all sales or distribution of *Narcotráfico, SA* within Venezuelan territory. Judge Alirio Abreu Burelli obliged, making *Narcotráfico, SA* the first book banned in Venezuela in decades. To this day, the book is illegal in Venezuela.

While the Cisneros-controlled television and newspapers launched a non-stop media tirade against LaRouche as a “mercenary of disinformation,” David Rockefeller flew into Venezuela to hold a press conference with “his friend” Cisneros.

PLV, LaRouche, have their day

The degree of hysteria displayed by the Cisneros interests against a book which only reported the facts on the public record of Cisneros's business ties, which themselves were linked to international money-laundering, raised eyebrows internationally—and set off a few police investigations as well. So, when it was reported that the Cisneros family owned a company caught running dope, everyone in Venezuela remembered *Narcotráfico, SA*.

The same day the *El Globo* report appeared, Radio Caracas Televisión (RCT), one of the two major national television networks in Venezuela, interviewed PLV Secretary General Alejandro Peña, one of LaRouche's friends who had been arrested in 1985. In a 10-minute segment broadcast nationally, on prime-time evening news that same night and again in the morning, Peña reviewed what *Narcotráfico, SA* reported about Cisneros and Tinoco, and called for an investigation into the banning of the book.

With radio talk shows around the country buzzing over the story, Peña called a press conference on Sept. 21. Reporters from the Cisneros television channel Venevisión spoke first, demanding that Peña admit that the man behind *Narcotráfico, SA*, Lyndon LaRouche, is now in prison serving a long sentence.

“If my offices were raided in 1985 just because I had a few copies of the book, imagine what they did to LaRouche, who put out the book,” Peña answered. As the cameras began flashing, Peña then held up a copy of a 1982 letter from Henry Kissinger to then-FBI Director William Webster. “This letter, as you can see here, is addressed, ‘Dear Bill,’ and in it Kissinger calls on his friend Webster to use the resources of the government of the United States to persecute LaRouche,” Peña explained.

Peña reported on how LaRouche's political influence in the U.S. had been growing before his indictment, including the votes his colleagues were getting in elections, especially the 1986 statewide Democratic Party primary victories in Illinois. He also noted LaRouche's opposition to the Iran-Contra policy, setting off another round of flashing cameras as he held up a copy of the telex message concerning LaRouche, complete with “classified” and “secret” stamps, sent by Iran-Contra figure Gen. Richard Secord to Oliver North, which was later found in North's safe.

“Given all this information, I believe that LaRouche is in jail for political reasons, that he is a political prisoner. Don't you agree?” Peña concluded.

The Cisneroses' witchhunt had backfired: The truth about LaRouche and who imprisoned him was now available to every Venezuelan. Venevisión did not cover the press conference, but RCT aired the LaRouche case on prime-time national television, and two daily papers carried the news.

Will free speech be allowed?

The battle has only escalated since then. On Oct. 2, eighteen prominent members of the Venezuelan Congress, representing several different political currents, issued a communiqué calling for “the irregular and unconstitutional” prohibition against the book *Narcotráfico, SA* to be lifted. “We call on the appropriate authorities . . . to correct this irregular and unconstitutional action, which . . . is prejudicial to free speech in Venezuela” (see box).

During special hearings Sept. 24, Venezuelan congressmen had grilled Celere, Inc. executive Lázaro Ugarte as to whether he had been involved in the banning of *Narcotráfico, SA*. When Ugarte attempted to dismiss the book and LaRouche out of hand, the congressmen warned him that it would be irresponsible for the committee not to thoroughly air the charges made by Peña, especially since allegations have been made by others that Celere, Inc.—founded on Feb. 4, 1985, one day before police raided *EIR*'s office—was created with the express purpose of doing away with *Narcotráfico, SA*.

Also feeling the heat is financial reform author Tinoco. Tinoco's name had come up originally in the Celere scandal because it was he who had brought Ugarte back to Venezuela after a period of virtual exile in Spain—a Cuban-Venezuelan CIA agent who operated under three different identities, this was not the first time Ugarte had found himself in trouble.

Congressmen seek to lift ban on book

Issued in Caracas, Venezuela on Oct. 2, 1991:

We, the undersigned, Senators and Representatives of the Republic of Venezuela, in our capacity as representatives of the popular will, through the present communication express our allegiance to the National Constitution and our commitment to defend the rights of all Venezuelans, especially that of freedom of expression, specified in Article 66 of the Constitution in the following terms:

"Everyone has the right to express his views either orally or in writing, and, in so doing, to make use of any media, with prior censorship being prohibited. . . ."

Based on this constitutional precept, as well as on the mandate of our own conscience, we proclaim our most energetic opposition to the existence of censorship or any kind of prohibition of any book or publication.

It has recently come to public attention that, on February 15, 1985, and by order of the Civil Court of the Fourth Circuit, a book called *Narcotráfico, SA* was prohibited from freely circulating. Because of the aforementioned, and independently of the concepts presented in that book, we call upon the appropriate authorities, and especially upon the Judicial Branch, to correct that irregular and unconstitutional action, which, by any lights, is prejudicial to free speech in Venezuela.

Signed:

Rafael Montes de Oca (Copei)

Rafael Tudela (Independent)

Gabriel Niño (Independent)

Casto Gil Rivera (MEP)

Rafael Guerra Ramos (MAS)

Héctor Collins (Independent)

Aristóbulo Istúriz (Causa R)

Ricardo Gutiérrez (PCV)

Pedro Escarrá (MIN)

Luis Manuel Esculpi (MAS)

Héctor Pérez Marcano (MAS)

Jesús Valderrama (Independent)

Alexis Ortiz (Independent)

Pablo Medina (Causa R)

César Pérez Vivas (Copei)

Luis Hernández (Independent)

Rodrigo Cabeza (MAS)

Jorge Leon Díaz (Independent)

Party affiliations listed for purposes of identification only.

Tinoco hired Ugarte to work for him at Tinoco's private bank, Banco Latino.

In his television appearances, the PLV's Peña, noting that Tinoco had also been cited in *Narcotráfico SA*, called for an investigation into Tinoco's enormous power over Venezuelan finances. Tinoco serves as chief executive of the Latino financial group, representative of Chase Manhattan, Central Bank chief, and Venezuela's chief debt negotiator, all at once, Peña noted. He is buying up banks on Venezuela's borders with Colombia, and promoting a financial reform that will lead to Venezuela becoming a narco-economy. Many foreign banks, including Tinoco's Chase, which have been investigated in the U.S. for drug money-laundering, are planning to take advantage of this situation, and are grounds for suspending the financial reforms, Peña stated.

He further called for an investigation into the funds which are being used to buy up the basic state-owned industries of the country, since "it is not a secret that interests tied to the drug trade are interested in colonizing and monopolizing the Venezuelan economy, and they could very well use the so-called process of privatizations to do so."

On Oct. 1, the editorial of the Sunday edition of the widely read *Diario de Caracas* tore into the Pérez government's foreign debt refinancing concluded earlier this year as one more "fraud," not only from the standpoint of the debt being illegally contracted, but also due to "the prejudice to the country that could have been caused by the fact that Pedro Tinoco was the negotiator with the foreign banks." Citing Peña's charges, *Diario de Caracas* noted that Tinoco's role in the debt negotiations was more complicated than Ugarte's three identities; Tinoco wore four hats: "president of the Venezuelan Central Bank, negotiator of the foreign debt, head of one of the most important financial groups in the country, and adviser to Chase Manhattan Bank (the bank that presided over the creditor banks' steering committee)." This poses a clear conflict of interest "whose implications must be clarified and quantified before the nation," *Diario de Caracas* concluded.

The same day, the daily *El Nacional* gave Tinoco a full page to promote his projects. He pumped his financial reform, calling it helpful to Venezuela because by bringing in "the good banks, the solid international banks," Venezuela could "transform itself into an important regional financial center." We should furthermore move towards privatizing our oil industry, he added.

Tinoco has not limited himself to interviews to defend himself. Peña has been "harassed because of his denunciations," *Diario de Caracas* reported Sept. 28. Strangers have driven ostentatiously past his home several times in an all-terrain vehicle with tinted windows, and taken pictures of his wife and apartment, the paper noted. To make sure Peña understood the surveillance was a threat, the same drivers later came back to deliver an old quarterly report from Tinoco's Banco Latino.

The gang that banned 'Narcotráfico, SA'

On Feb. 4, 1985, a little more than a week after the publication of *Narcotráfico, SA*, agents of Venezuela's political police, DISIP, raided the apartment of *EIR*'s Caracas correspondents, Mexican citizens Carlos and Lucía Méndez, at 2 a.m. At 10 a.m. the same morning, they raided and emptied out *EIR*'s Caracas bureau office. In addition to the Méndezes, Lorenzo Carrasco and Stefania Sacchi, also *EIR* journalists visiting Venezuela at the time, were illegally detained that day; all four were held for three days, and then expelled from the country.

The Venezuelan newspaper *El Mundo* reported on Feb. 6, "The four journalists were held incommunicado by the DISIP following a complaint by the Cisneros family." On Feb. 15, Venezuelan Judge Alirio Abreu Burelli handed down a decision banning the book *Narcotráfico, SA* from circulating in Venezuela, based on a complaint filed by Gustavo Cisneros and José Rafael Revenga, vice president of the Diego Cisneros Organization and a top executive of the TV network Venevisión owned by the Cisneroses.

The DISIP agent in charge of the raids was one Leovigildo Briceño, a.k.a. "Comisario Amilcar," acting on a warrant issued by Judge Ana Luisa Gandica. The judge's brother, Luis Gregorio Gandica, served as a public prosecutor in the *EIR* case.

Within a few months of the raid, deportation, and banning of the book, the truth about who was behind the attack on *EIR* began to emerge. Today, it is demonstrated that almost every person involved in the operation was involved in the illegal drug business in one way or another:

- Ten days after the raid on *EIR*'s Caracas office, U.S. Customs officials seized a Venezuelan Lear jet identified as YV-12-CP, in Hollywood, Florida, and after searching it, they uncovered an undisclosed amount of cocaine in a lifeboat. The owner of the jet was a front company for Pepsi Cola of Venezuela—and the fleet it belonged to was frequently used by Pepsi president Oswaldo Cisneros.

- In April 1986, DISIP agent Leovigildo Briceño, a.k.a. "Comisario Amilcar," was suspended from the police and put under arrest, after he was caught appropriating 33 pounds of cocaine and a fortune in jewels which had been taken into police custody during raids in which he participated.

- Judge Ana Luisa Gandica, who had earlier served as legal counsel to the Cisneros-owned Pepsi Cola of Venezuela, worked as a team with "Comisario Amilcar," and ordered the raids of the jewelry stores from which 3 million bolivars

worth of jewels were later found missing. (Although "Amilcar" was charged with the theft, his lawyer claimed Judge Gandica stole the jewels.)

In March 1986 Judge Gandica was ordered off the bench because it was revealed that she had never met the educational requirements to be a judge, but continued to function as such nonetheless.

Judge Gandica was also a witness at Lázaro Rogelio Ugarte's wedding, and was involved in another scandal involving the disappearance of a considerable amount of U.S. currency, along with DISIP agent Johan Medina, a.k.a. "Comisario David," who was also a witness at Ugarte's wedding.

- Luis Gregorio Gandica was fired from his job as a public prosecutor in December 1985, for having stolen the files of a drug investigation in progress.



The Spanish language edition of *Dope, Inc.*—banned in Venezuela soon after it was issued in early 1985.

Dubrovnik's mayor: 'SOS! Act now!'

The mayor of the ancient city of Dubrovnik, Croatia, Pero Poljanic, has an urgent appeal to "editors of newspapers around the world" to intervene in any way possible to rescue his city from the aggression being carried out by the proponents of a "Greater Serbia." The appeal, which was entitled "Dubrovnik, Croatia—SOS: Act now!" was received by *EIR* offices on Oct. 3. It began with the plea, "Please give these few lines maximum publicity."

Mayor Poljanic wrote: "I write as mayor of a unique and irreplaceable city which has warmly and affectionately welcomed hundreds of thousands of your citizens. And which has warmly welcomed hundreds of thousands of Serbian tourists too.

"Two relatively moderate commanders of the so-called 'federal' navy were today stripped of their commands and are now in prison. They have been replaced by extremists who are committed to the idea of annexing this part of Croatia—the Dalmatian region—to Montenegro (which is now an extension of 'Greater Serbia').

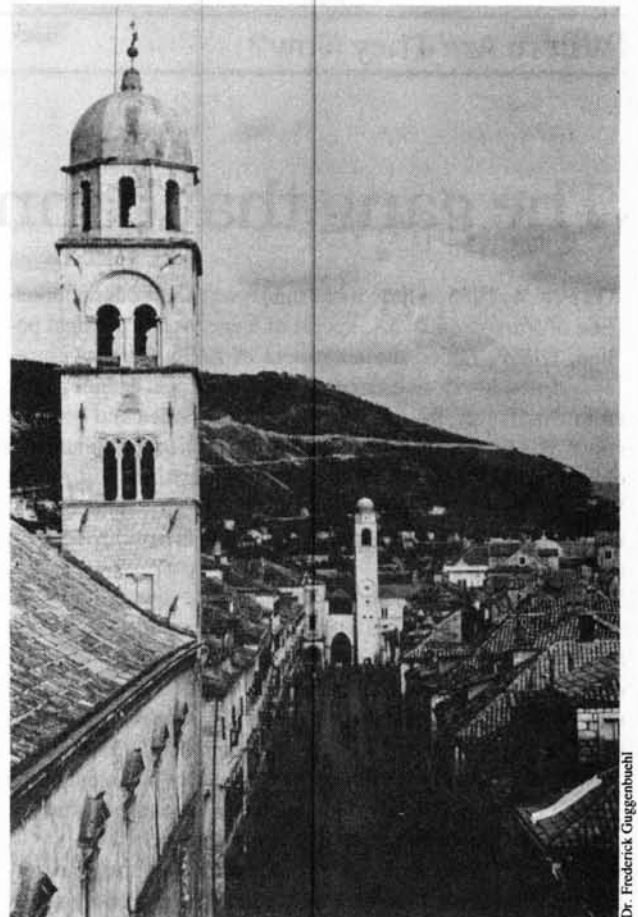
"In this war against Croatia, we have never been in greater danger from the Serbian forces.

"At this very moment, other cities are suffering far more (we are trying to look after hundreds of refugees here now). But, as mayor, my first concern must of course be for Dubrovnik and the surrounding region; although I would dearly like to plead for Osijek or Pakrac, I must now plead for Dubrovnik itself.

"Unless Croatia is recognized, I do not see how you can help us with more than words. That is now all that the outside world can do to help us."

Act of revenge

The destruction being wrought on Dubrovnik is being carried out despite its lack of military significance. "Dubrovnik has no military importance whatsoever," London Prof. Mark Wheeler of the School of Slavonic Studies told BBC Oct. 3. He said that the predominant faction of the federal army, typified by Chief of Staff Blagoje Adzic, "has taken on board, lock, stock, and barrel, the Greater Serbia designs of [communist strongman] Slobodan Milosevic," and that the attacks on Dubrovnik, from this standpoint, could be seen as "acts of revenge" on the Croats. Asked what role he thought the European Community "monitors" in Dubrovnik could play, Wheeler said ironically, "The monitors can do nothing except get killed. That, plus the fact that a beautiful jewel of the Adriatic is being destroyed, *might* create the hue



Dr. Frederick Guggenbuchi

The beautiful Croatian seaport of Dubrovnik is a center of European culture, now a military target of the Greater Serbians.

and cry that would make it impossible for the international community *not* to react to what is happening."

Concern in Austria and Bulgaria over the Serbian war led to a meeting of military officials in Sofia, Bulgaria Oct. 1. General Inspector of the Austrian Army Karl Majcen met with senior Bulgarian military officials on the conflict. Both sides repudiated Serbian propaganda charges of plans in Austria and Bulgaria for military intervention with the aim of annexing territory, but announced that there would be closer consultations and high-level military relations between Vienna and Sofia in the future. The meeting in Sofia was the first in 20 years on that level.

An eyewitness account of the devastation in Dubrovnik was given to BBC on Oct. 3 by Prof. Kathleen Wilkes, who teaches at the Inter-University Center in Dubrovnik. She said that the city had been without water for three days and had no electricity. Fires had broken out all around the area. Casualties, she said, were "mostly among civilians," and "ambulances and fire brigades are among the army's targets for attacks." Medicine was in very short supply, she added.

West should not wait to recognize Armenia

EIR: You have just come back to Germany from Armenia, where you were part of a delegation of the Schiller Institute observing the referendum on independence from Moscow. What were your impressions?

Hellenbroich: The Schiller Institute delegation was officially invited by the Foreign Relations Committee of the Parliament, to observe the conduct of the referendum on Armenia's independence. I must say that the impressions we had were overpowering, in the sense that we were able to observe on the day of the referendum, Sept. 21, how determined the people there were in deciding in favor of a free, independent Armenia.

First concerning the preliminary results, which were announced to the press on Sept. 23 by the Armenian vice president and the chairman of the electoral commission, Babken Ararkyan. Altogether 2,163,000 people are eligible to vote, and of those, 2,056,000 voted, i.e., nearly 95% did go to the polls. That is already an overwhelming result.

Of course one thing that contributed to this result was the fact that the attempted putsch in Moscow in August had been crushed. That encouraged people. On the other hand we were personally struck, in our visits to over 22 voting districts, that people really want to build a new society.

The enthusiasm of the Armenians was demonstrated when by 11 o'clock in the morning in some rural communities practically everyone had already voted. We were in Yerevan as well as in Kirovakan, and even there, between 60 and 70% of the eligible voters had voted in the morning. What surprised us was the spontaneous warmth with which people congratulated us on German reunification. What leaped out in the conversations was the hope that Armenia, too, might soon be brought back together and the wound of Nagorno-Karabakh [an enclave within Azerbaidzhan with an Armenian ethnic majority—ed.] could be healed.

During our visit to the city of Spitak, which had been badly damaged by the [Dec. 7, 1988] earthquake, where we visited the reconstruction project of the German Red Cross, enormous gratitude was also expressed toward us. They will never forget the readiness to help on the part of all the Germans, who collaborated so intensively in relief efforts, to fix up the damages which in some areas are still very visible.



Anno Hellenbroich [holding tape recorder] in Armenia last June, interviewing refugees from Armenian villages in Azerbaidzhani territory. With him was Michael Vitt, also of the Schiller Institute.

EIR: At the same time as the referendum talks were held over the conflict in Nagorno-Karabakh with the mediation of Russian President Yeltsin and the Kazakhstan President Nazarbayev. How were the results of these negotiations seen in Armenia?

Hellenbroich: I personally had the impression that the results of these talks are not awakening hopes as great as it appeared at first. I read the communiqué, and my impression is that it is not yet clear whether Yeltsin or Nazarbayev have the possibility to bring about a cease-fire and whether the door is still open for a possible unification of Armenia and Nagorno-Karabakh, which I personally believe to be just, on historical grounds.

EIR: What role could the West play to stabilize the situation there better?

Hellenbroich: Something interesting happened in Kirovakan. We were invited there by the mayor and representatives of the city council to a reception, and while we were talking in walked the delegates of the American observer group under the leadership of Democratic Congressman Lehman. He gave a little toast and said that he personally hoped for Armenia to be recognized soon as independent and that he would share this view with President Bush. And with an eye on the German delegation he said, we would also like to share that view with Chancellor Kohl himself. I replied that I was extraordinarily happy to hear something like that from him and promised him to do my part for that.

My conviction is in fact that recognition should come soon, and that we should not—as happened in the case of the Baltic states—wait until all the other Transcaucasian states have effectively taken steps toward independence, and only then bestow recognition. Rather, we should use the potential which the Armenians are now offering and meet them halfway, especially in the economic realm.

LaRouche case presented in Moscow to CSCE 'Parallel Activities' event

Anno Hellenbroich presented the following speech to the media in Moscow on Sept. 19, in a public seminar in the context of "Parallel Activities" of the CSCE conference (see box). He spoke on behalf of the International Commission to Investigate Human Rights Violations:

Allow me to welcome you here. Regrettably, the president of the Commission to Investigate Human Rights Violations, Mrs. Ortrun Cramer, was unable to travel from Germany to be with you today; the honor therefore has fallen to me, to present our appeal in a case which has become notorious: that of Lyndon LaRouche.

Having, as an observer, been present several times at trials in the United States in recent years, and having addressed conferences on human rights violations there, I believe I may give you a fair idea of what is the problem in that country with regard to human rights.

One year ago, during the Parallel Activities of the Copenhagen meeting of the CSCE Conference on the Human Dimension, former U.S. Attorney General Ramsey Clark spoke at an event sponsored by the International Commission to Investigate Human Rights Violations, in his capacity as the lawyer of U.S. dissident and political prisoner Lyndon H. LaRouche, whom he had represented on appeal. He told the Copenhagen audience that he saw "the LaRouche case" as characteristic of a pattern of human rights violations and of a disregard both for international law standards, and fair trial standards, now prevalent in the United States of America: "I suggest that for better or for worse, because it represents such enormous power, with the breakup of East-West tensions and the enormous threats of the future to the poor and disinherited of the earth, we'd better pay careful attention to what the United States does."

This takes on even greater importance, in the light of the coup attempt here in your country having been successfully put down.

Today, Mr. Clark's warnings hold as true as they did a year ago. In fact, the overall situation of U.S. politics has changed for the worse, to wit: Frightening developments within the U.S. justice system grow apace, causing unease among both legal experts and laymen around the world. In August 1991, before the U.N. Subcommittee on Prevention of Discrimination and Protection of Minorities, the Vienna-based International Progress Organization (IPO), a Non-Governmental Organization in consultative status with the

United Nations, warned that "the United States has fallen outside international legal standards de facto:

"(a) The increasing ease with which the death penalty is being carried out which stands in stark contrast to the fact that in former totalitarian regimes in eastern Europe the first steps to judicial democratization included curtailment of the death penalty. . . .

"(b) The astonishing pattern of Supreme Court decisions under Chief Justice William A. Rehnquist which is moving at great velocity to destroy the fair trial guarantees for a criminal defendant.

"(c) The increasing trend of the judiciary to engage in legal and quasi-legal witchhunts against targeted political dissidents. The trend to abusing the powers of the state judiciary for political ends is most clearly seen in the complex of cases involving *Lyndon H. LaRouche, Jr.* and the 'entrapment' trials against elected minority political leaders."

Harsh criticisms of the U.S. justice system were aired in the English daily newspaper the *Guardian* on Wednesday, June 19, 1991. Under the heading, "America's Gulag," journalist Martin Walker reports from Washington: "As the Soviet Union's prison camps close, there is a new American Gulag emerging to take its place as the world's most infamous prison system. There are more than 1 million prisoners in federal, state and county jails in the United States which now holds the unenviable record of the world's highest known rate of incarceration. . . . The American Gulag boasts 426 prisoners per 100,000 population, well ahead of South Africa (33 per 100,000) and the Soviet Union (268 per 100,000). The rate in Britain, which is notorious in western Europe for its incarceration rate, is 97 per 100,000. . . . No other industrialized country imposes sentences of comparable severity. . . . One in four black men aged 20-29 is either in prison, on probation, or on parole."

Another alarming feature is the systematic harassment of black elected officials. In a report published in 1987, the group "Voters' Education and Registration Action" writes: "At the time the Voting Rights Act was passed in 1965, only 280 blacks held elective office. By 1975 there were 3,500 black elected officials. Today they number some 6,400." That is less than 1.5% of the approximately 500,000 elected officials in the United States! The report further says: "The harassment of black elected officials comes in many and varied forms. The most prevalent form is simply the employment of a double standard—either wittingly or otherwise—

for assessing the performance and integrity of black officials. . . . The forms of harassment involved in discrediting or incapacitating black elected officials have included lack of coverage, biased and inflammatory coverage, investigations, and unfounded accusations of criminal activity by the white media; audits and investigations by the IRS, surveillance, bugging, burglaries, and covert disruptive activity by various intelligence agencies; grand jury investigations and indictments by criminal justice agencies."

The case of Lyndon H. LaRouche

In the light of the above, it is perhaps not surprising that the systematic persecution against Lyndon H. LaRouche and the American political movement associated with him has gone on unchecked.

The Commission to Investigate Human Rights Violations must needs appeal, yet again, to the delegates of the CSCE Conference on the Human Dimension, met here in Moscow, to take whatever steps be called for to end the unlawful imprisonment of Lyndon LaRouche. What is more, both Mr. LaRouche and the political movement he represents must be publicly rehabilitated. For the CSCE member states to take such action, would not be to "interfere into the internal affairs" of the United States. On the contrary! Mr. LaRouche's case falls well within the mandate of the final document of the June 1990 CSCE conference in Copenhagen, signed by representatives of all participating states. Among those states, was the United States of America.

On Jan. 27, 1989, Lyndon LaRouche and his associates William Wertz, Edward Spannaus, Dennis Small, Michael Billington, and Joyce Rubinstein were sentenced by a federal court in Alexandria, Virginia to lengthy prison terms. Prevented from mounting any meaningful defense, the accused were subjected to a show trial, the only aim of which was to do away with a dissident political movement. Mr. LaRouche was falsely charged with conspiracy to borrow money fraudulently and conspiracy to conceal his income sources from the Internal Revenue Service (IRS); he was sentenced to 15 years in jail. This is, de facto, a life sentence, and out of all proportion to the contested sum of \$294,000 which the Prosecution alleged Mr. LaRouche's associates had fraudulently raised. European legal experts have called the jail term a "slow death sentence"—Mr. LaRouche was 69 on Sept. 8, 1991 and will die in jail unless we can free him. This man is innocent! He is a political prisoner of the Bush administration. On Jan. 22, 1990, the Fourth Circuit Court of Appeals denied Mr. LaRouche's appeal. On June 11, 1990, the Supreme Court of the United States declined even to review the case.

Other political associates of Mr. LaRouche were also indicted for what boils down to the "crime" of political fund-raising. Among those who were tried, several were sentenced to prison terms which can only be described as barbaric: Michael Billington—77 years; Anita Gallagher—

LaRouche case stirs interest at CSCE meeting

On Sept. 10, the meeting of the "Conference on the Human Dimension" of the CSCE (Conference on Security and Cooperation in Europe—the "Helsinki conference") started in Moscow. Until a few days before, it had been doubtful whether this conference would be held at all, given the volatile internal political situation after the coup attempt in August. However, as one result of the failure of the Moscow coup, the membership of the CSCE had grown by three states: The independent Baltic states Estonia, Lithuania, and Latvia were inducted into the CSCE during the first day of the conference in Moscow.

The holding of the conference was seen as a sign of hope for the stabilization and further democratization of the former Soviet Union, despite many problems deplored by speakers both during the official conference and during the "Parallel Activities" of Non-Governmental Organizations.

In light of the world tensions, the presentation of the case of U.S. political prisoner Lyndon H. LaRouche during the Parallel Activities program took on special urgency. The policy alternative offered by LaRouche—particularly the widely circulated economic development program for the "Paris-Berlin-Vienna Productive Triangle"—is crucial not only for Europe's future, but for world peace.

As during the previous CSCE meeting, the Conference on the Human Dimension in 1990 in Copenhagen, the Commission to Investigate Human Rights Violations this year appealed to conference delegates to free political prisoner LaRouche. This appeal was also circulated among the numerous Non-Governmental Organizations participating in the "Parallel Activities" program. On Sept. 19, the Commission held a public seminar in the context of the "Parallel Activities," where Anno Hellenbroich presented the Commission's appeal before 35 representatives of the media—among them *Moscow News* and the *Novosti* press agency—and human rights groups, such as the Sakharov Memorial group,

After he spoke, many questions were posed on the LaRouche case, on the general pattern of human rights violations in the United States, and on how the democracy movement in the former Soviet Union can support the Commission's efforts to fight U.S. human rights violations, and to free LaRouche.—Ortrun Cramer



Lyndon H. LaRouche, Jr. with his wife Helga Zepp-LaRouche, before he became a political prisoner in 1989.

39 years; Paul Gallagher—38 years; Laurence Hecht—34 years; Donald Phau—25 years; and Rochelle Ascher—10 years. Other associates, about to be tried, face similar sentences. Furthermore, it can be demonstrated that the “crimes” allegedly committed by Mr. LaRouche and his associates were actually concocted by the government of the United States. A short chronology of events:

In 1986, after two LaRouche associates won the Democratic nomination for Lieutenant Governor and Secretary of State in Illinois, a stream of extraordinarily hostile articles suddenly appeared in the U.S. media: no less than 23,000 such attacks in the four months between March and June 1986 alone!

On Oct. 6, 1986, the government carried out a 400-man police raid against the offices of publishing companies associated with Lyndon LaRouche in Leesburg, Virginia. As though by design, the press arrived on the scene at the very instant the dawn raid began. The companies’ records were seized, truckloads of documents carried away, never to be returned to their rightful owners.

On April 21, 1987, in another raid, the government invoked the law of involuntary bankruptcy to seize two publishing companies and a scientific foundation associated with the LaRouche movement. By this deed, the companies were closed down permanently, and thereby became unable to repay their loans. FBI, Secret Service, and IRS agents began to pay visits to former financial supporters of the firms, telling

these supporters that if they wanted their loans back, their only hope was to help the government prosecute Mr. LaRouche and his colleagues. The truth remains that it was the government’s action alone which made it impossible to repay the loans.

On Oct. 25, 1989—by that time, of course, LaRouche was in jail—a higher court headed by one of the most prominent bankruptcy judges in the country, Martin V.B. Bostetter, found that the government’s forced bankruptcy action was illegal and “in objective bad faith”; the government, he said, had perpetrated a “constructive fraud on the court.” Judge Bostetter’s finding was upheld on appeal.

There is still more proof of direct interference by the government of the United States.

- In a letter dated 1982, former U.S. Secretary of State Henry Kissinger wrote to then-FBI Director William Webster, asking him to look into taking some action against the bothersome LaRouche. After an exchange of letters among Webster, FBI Assistant Director Oliver Buck Revell, and Kissinger, the FBI decided in 1983 to start an investigation, and “the investigating Agent will be in contact with you.”

- In a sworn statement made to a Virginia court in May 1990, Richard Morris, former Executive Assistant to President Reagan’s National Security Adviser, stated that under the first Reagan administration, LaRouche used to meet with members of the National Security Council. Due to his opposition to the so-called “Contra” policy, LaRouche had powerful

enemies in the NSC. Morris named Kenneth deGraffenried, Walter Raymond, and Roy Godson.

- In early 1988, in a previous trial against Lyndon LaRouche and associates in Boston, the defense was able to obtain a document found in the safe of Oliver North, then at the National Security Council and a key figure in the Iran-Contra affair. This was a message from Richard Secord to North, showing that LaRouche and his movement had been under surveillance, and probably targeted for infiltration and disruption. Shortly after this message was placed into the trial record, the Boston judge ordered George Bush, then vice president of the United States, to search all his files for similar, probably exculpatory material. Shortly after, the government agreed to let this trial break down in a mistrial! One of the jurors later said in an interview to the Boston press: "We would have acquitted everybody at this point. . . . There was too much question of government misconduct in what was happening in the LaRouche campaign."

- When LaRouche was tried for the second time, in Alexandria, Virginia, the judge, Albert V. Bryan, ruled just before the trial opened that the facts about the involuntary bankruptcy, i.e., an illegal government action, were to be excluded from the proceedings. Judge Bryan was the self-same judge who had first granted the government's involuntary bankruptcy petition! Nor did he choose to disclose to the defense, that there was a manifest conflict of interest, for he was the incorporating attorney for Interarms, one of the largest weapons-exporting firms in the United States, with special links to the U.S. intelligence community. Furthermore, he sat for many years on the Foreign Intelligence Surveillance Court, a secret tribunal, the mandate of which is to try cases involving national security.

- After the Alexandria trial, the defense found that the foreman of the jury, one Buster Horton, had national security duties for Emergency Planning and Continuity of Government functions, along with a select group among whom was Lt. Col. Oliver North!

- The government of the United States has admitted to holding at least 59,000 documents on Mr. LaRouche, his colleagues, and institutions associated with him, which they refuse to release, although they constitute a body of exculpatory evidence. For some of this material, the government continues to claim "national security" reservations, although when the government made similar claims concerning exculpatory evidence in one of the Iran-Contra cases, against ex-CIA Station Chief Fernandez, the judge ordered the indictment to be dropped.

Violations of human rights of LaRouche associates

There are two especially serious instances of persecution against colleagues of Mr. LaRouche: that of Lewis du Pont Smith and that of Michael Billington.

Lewis du Pont Smith, heir to the Du Pont chemical for-

tune, was found to be "mentally incompetent" by a U.S. court, after having given substantial sums to LaRouche's political campaigns. This meant he could neither control his own finances, nor marry. He and his wife Andrea were finally married in Rome, by Don Dario Composta, Dean of the Urbaniana University, a theological school attached to the Vatican. Those who heard our Commission's public event in Copenhagen, where Mr. du Pont Smith was one of the speakers, can testify that he is perfectly competent!

Michael Billington was sentenced to 77 years in jail, after a Virginia state trial where he was virtually unrepresented, due to severe political disagreements between Mr. Billington and his lawyer, a Republican activist called Brian Gettings. Mr. Billington asked leave of the court to fire Gettings, having found a more suitable lawyer. Not only did the court deny this right to him, but warned him that he would be forced to submit to psychiatric examination should he continue to insist on trial by jury. While awaiting trial, and without any reason being given for this decision, Mr. Billington was placed in solitary confinement for three months! Mr. Billington, who is appealing this 77 year sentence, is presently out on bail.

International protest raised

Before the first trial against Lyndon LaRouche and his associates opened, the International Commission to Investigate Human Rights Violations began to warn of what was to come through a series of large open conferences in Washington, D.C., Paris, and other cities. Among the speakers who testified to Mr. LaRouche's contributions to public life, were Prof. Norbert Brainin, first violinist of the legendary Amadeus Quartet, and Amelia Boynton Robinson, a close collaborator of the late Dr. Martin Luther King.

About 900 eminent jurists from the United States and Europe wrote or co-signed briefs of *Amicus Curiae* for LaRouche's appeal. Among them were Prof. Dr. Hans Klecatsky, former Minister of Justice of Austria; Prof. Dr. Von der Heydte, a German expert in international law who has called LaRouche "the American Dreyfus"; and Jean-Marc Varaut, Commission Reporter of the Universal Declaration of the Rights of Defense adopted in 1987 by the Bar Associations of the countries of the Free World.

The International Commission to Investigate Human Rights Violations and the Commission to Investigate Human Rights Violations filed complaints with the United Nations Human Rights Commission in 1989, 1990, and 1991; these complaints were co-signed by Mrs. Helga Zepp-LaRouche, wife of Lyndon LaRouche.

On Feb. 28, 1991, the International Progress Organization (IPO) presented the LaRouche case to the plenary session of the U.N. Human Rights Commission in Geneva, under Agenda Item 22: "Implementation of the Declaration on the Elimination of All Forms of Intolerance and of Discrimination Based on Religion or Belief." In this intervention, the IPO called upon the Special Rapporteur and Commission "to

fully investigate these increasing infringements of the rights and freedoms of 'thought, conscience and belief' and the principle of 'equality before the law,' as mandated by the Declaration." During August 1991, the LaRouche case was the subject of two further interventions of the IPO before a United Nations body: the U.N. Subcommittee on Prevention of Discrimination and Protection of Minorities. Referring to violations against freedom of thought and conscience for all individuals, freedom to form associations and freedom to manifest those beliefs in practice and teaching, the IPO also intervened under Agenda Item 10 and 11: "The Administration of justice" and "Independence and impartiality of the judiciary, jurors and assessors and the independence of lawyers."

The political views of Lyndon LaRouche

Why is LaRouche considered such a threat to the American establishment that it has resorted to the unlawful means described above to silence him?

For the last three decades, LaRouche has been the most outspoken and effective American opponent of usury, as practiced by international institutions like the International Monetary Fund and the World Bank. He has publicly stated that these usurious policies have led to genocide in the Third World.

Guided by the classical science of physical economy as elaborated by Gottfried Wilhelm Leibniz, Friedrich List and the Careys, Lyndon LaRouche proposed to bring into being a New, Just World Economic Order. More than a mere financial reform, he put forward large-scale development projects for the Indian subcontinent, Africa, and the Middle East; a plan for Latin American economic integration; and a plan to fund the exploration of space.

When the communist system began to collapse, Mr. LaRouche put out a plan from his jail cell: the 1990 "Paris-Berlin-Vienna Productive Triangle." This is a proposal to build now, a net of high-speed railway lines, roads, and canals, modern and efficient energy supply, and communication, with spiral arms reaching into eastern Europe so that their industry and agriculture may reach the highest levels of productivity within the shortest possible time.

Appeal to the CSCE

In the light of these manifest abuses, and others which cannot be described here for reasons of space, abuses which affect not only the principal accused, but their political supporters who are deprived of their *right* to exercise their political preferences, we call upon the member states of the CSCE to act decisively. Point 40.2 of the Final Document of the Copenhagen CSCE meeting in 1990, refers to the duty to "take appropriate measures to *protect persons or groups* . . . subject to threats or acts of discrimination, hostility or violence, as a result of their racial, ethnic, *cultural*, linguistic or religious identity, and to protect their property."

Schiller Institute sets Mozart concerts

On the occasion of the 200th anniversary of the death of Wolfgang Amadeus Mozart, the Schiller Institute in Italy has announced a national cycle of concerts called "Mozart in the Original Tuning." The concerts, in Milan, Rome, Vicenza, and Ascoli, will be performed with the concert A tuned to 432 vibrations per second, corresponding to a middle C of 256 vibrations. This is due, the organizers stated, to a desire to present Mozart's masterpieces in the key and with the color wanted by the composer.

Besides the damage to singers' voices caused by the higher and higher pitches of the post-Wagner era, modern tuning has forced changes in the great Italian stringed instruments, the Amati, Guarneri del Gesù, and Stradivarius violins made in Cremona, which were built for a lower tuning. The cycle of concerts goes back to a bill presented in the Italian Senate in 1988, on the basis of the Schiller Institute's campaign to sensitize the public to the problem of the high tuning, a campaign which received wide support from the highest levels of the professional music world internationally, especially among opera singers. The campaign was inspired by the scientific work of American statesman Lyndon LaRouche.

The entire Mozart corpus of organ compositions will be performed in the series by Maestro Arturo Sacchetti, who is the artistic director of Radio Vaticana. He will perform them on a mechanical-action organ of the type for which Mozart actually wrote, thus bringing out an aspect of Mozart's creative output which is little known because it does not lend itself to easy commercialization. Last fall, Maestro Sacchetti gave a cycle of 20 concerts of the full Bach organ works, which was co-sponsored by the Schiller Institute with the Rome City Cultural Department.

In addition, violinist Norbert Brainin—the famed first violinist of the Amadeus Quartet—and pianist Günter Ludwig will play four sonatas for violin and piano, KV 304, KV 376, KV 454, and KV 526. Brainin will play a splendid Omobono Stradivarius of 1736 for these performances.

Also included in the October-November series will be concerts of Mozart's lieder and arias, by baritone Andrea Concetti with pianist Andrea Sammartino.

The Mountbattens in the 'Mob of Royalty'

by Mary Burdman

Prince Philip, A Critical Biography

by John Parker

Sidgwick & Jackson, London, 1990
208 pages, hardbound, £15.95

Edwina Mountbatten, A Life of Her Own

by Janet Morgan

HarperCollins, London, 1991
509 pages, hardbound, £20

These two books provide some insight into how the British monarchy was shaped in this century for its current role as the filthy-rich patron of pagan ecogicism, by telling about the Mountbatten clan—Lord Louis, his wife Edwina, and nephew Philip, now the Royal Consort—who helped direct its modern development.

Information on this subject is certainly timely. In Europe, even as walls and communist governments fell in the past two years, royals in retreat since 1918 are looking east to step forward again. The princes of Yugoslavia and Romania, both cousins to Philip through his uncle, King Constantine I of Greece, are being touted to re-take thrones vacated as World War II broke out. There are even rumblings around those other cousins of the "Windsors," the remnants of Russia's Romanov dynasty.

Not that the books reviewed here appear intended to combat the royalist campaign. Janet Morgan's gossipy biography of Edwina Mountbatten is being promoted for its account, taken mostly from letters, of Edwina's relationship to Jawaharlal Nehru. It is timed to coincide with nasty attacks on Nehru's legacy as a leader of Indian Independence. As last Viceroy and Vicereine of India, the Mountbattens, who—by their own claims at least—between them made the final decision to partition India, and persuaded Nehru to agree to it over Mahatma Gandhi's total opposition, contributed much to the terrible tragedy of the migration in 1947 and the ongoing crisis in the Subcontinent.

In this century, the British "Royals" and their extended family reign as the *primus inter pares* of the European Protes-

tant-Orthodox oligarchy. "Englishness" is only a veneer added during the last two generations. In 1956, the British courts upheld an old statute from 1705, which provides that every Protestant "Royal" in Europe is entitled to British nationality, as a means to guarantee that no Catholic will ever take the throne.

The House of Windsor's origins in the House of Hanover almost 300 years ago are not the source of the problem. For generations, the family that took over the British throne married back into what Queen Victoria called "that Mob of Royalty." This was the great, incestuous family comprising the royal and ducal families of Britain, Russia, Germany, and Scandinavia, with an occasional foray into Spain and tentacles into the Balkan royalty of Romania, Yugoslavia, and Greece. All were multiply related to each other on paternal and maternal sides, witness the famous picture of Britain's George V and Czar Nicholas II of Russia side by side, looking more alike than most brothers.

John Parker requires three complicated genealogy charts to depict Philip's place in the oligarchical pecking order: one for the Danish-"Greek" and Russian line of his father, one for the Hessian ancestry of his mother and her brother Louis Mountbatten, and a third for his place in the British royal family. Philip's mother and Mountbatten were great-grandchildren of Queen Victoria.

The Windsor wealth

The royal wealth was built up only in the 20th century. Queen Victoria inherited debt when she took the throne. It was Edwina Mountbatten's grandfather, Sir Ernest Cassel, who managed the affairs of Victoria's son, King Edward VIII, so well that Edward ascended the throne free of debt.

Relatively little of the royal wealth comes directly from the publicly disputed Civil Lists provided by taxpayers. George V and his Queen Mary built a vast jewel collection, both from wedding gifts from Britain and the colonies, and later, by driving hard bargains to buy the jewels smuggled out of Russia by their Russian cousins who survived the Revolution. Elizabeth and Philip followed suit, acquiring jewels and racehorses from oil-rich Arabs.

Parker's is not much of a "critical" biography. The World Wide Fund for Nature, the platform from which Philip has pronounced his malthusian views for 30 years, in his capacity as WWF international president, is given little attention. Nor is the fact that Philip, educated only at the elite cult schools of Salem and Gordonstoun and in the Royal Navy, has no scientific credentials for his arrogant opinions.

Morgan's book is openly sycophantic. Edwina Mountbatten is the black sheep-turned-heroine of the British aristocracy, transformed by the war from her selfish, promiscuous (within upper class bounds) youth to the "healer" and tireless social worker who finally finds true love in her (properly platonic) adoration of Nehru. No plausible explanation is given for this supposed transformation.

International Intelligence

Shamir lays claim to all of 'Eretz Israel'

Israeli Prime Minister Yitzhak Shamir on Sept. 25 inaugurated the construction of a new Israeli town straddling the "green line" that separates pre-1967 Israel from the Occupied Territories. The town, Yigal Tsur, is part of the "star plan" construction project, which will effectively obliterate the concept of the green line by creating a dozen towns straddling the border.

"I like the color green," Shamir said, "but a green line that marks some kind of area of settlement in the land of Israel [Eretz Israel] does not exist. Everyone in the United States and in the whole world knows my opinions," he told Israeli TV, "that the land of Israel is the homeland of the people of Israel. When I say the land of Israel, the intention is the entire land of Israel. All our territories available for building will be populated by Jews to the end of the horizon."

According to Shamir's definition of the "land of Israel," it includes all lands between the Nile and Euphrates river valleys. His sidekick Ariel Sharon says that the land of Israel includes all lands occupied by Israel, plus Jordan.

Haitian coup ousts President Aristide

A military uprising in Haiti against the eight-month-old government of President Jean-Bertrand Aristide led to the toppling of that Socialist International-run government and the installation of a three-man military junta on Sept. 30.

The U.S. State Department issued a statement condemning the coup: "The United States strongly condemns the attack on Haiti's constitutional order and on President Aristide carried out by renegade elements of the Haitian army. We urge all personnel involved to return to their barracks immediately, and urge all elements of the Haitian military to respect the constitutional order and obey only the legitimate orders of their

civilian and military superiors."

As a result of intervention on the part of the United States, France, and Venezuela, Aristide was put on a plane bound for Venezuela, where he issued appeals for a United Nations military intervention to "restore democracy."

The U.S. media have chosen to play the event as a move by "hardline military elements who resented [Aristide's] efforts to dismantle vestiges of the Duvalier family dictatorship." The military had been particularly furious about Aristide's reported attempts to build a Swiss-trained, civilian elite commando under his personal control.

But Aristide is no "friend of the poor," as the U.S. media would portray him. He is backed by the Socialist International, and was put into office with the help of the National Endowment for Democracy and Jimmy Carter. A Theology of Liberation activist and pro-Cuban radical, Aristide, an ordained priest whose functions are suspended, offered precisely the combination of qualities to ensure that the extermination of the Haitian people through starvation and violence would proceed. And, although he campaigned furiously against the International Monetary Fund as a presidential candidate, Aristide shocked Haitians by clinching a stand-by agreement with the IMF just two weeks before the coup, as the condition for a \$540 million loan.

Russian military seen as formidable threat

The emerging Russian military could become much more challenging and formidable than the previous Soviet one, since it will hearken back to the best traditions of the pre-1917 Imperial Russian Army as a model, wrote Christopher Bellamy in the London *Independent* on Sept. 24.

The post-putsch Russian military will become a "scientific, well-disciplined army," according to Bellamy. Freed from the ideological concerns of the Bolshevik years, it will be guided more by professional soldiers, who will see Russia as the core of

their activity. Their model will be the pre-revolutionary Imperial Army of the 1890s and 1900s, which faced the challenge of adjusting to dramatic technological and social change. "Shorn of the worst aspects of the czarist military, that could mean very effective armed forces, indeed," writes Bellamy.

Imperial Army officers had excellent tactical, operational, and strategic ideas. They were able to integrate advanced technology, despite Russia's backward economic state. The Russian front-line forces during World War I were later praised by a leading German general as a "redoubtable adversary." It was only later Bolshevik propaganda, coupled with the downgrading of such military leaders as Marshal Tukhachevsky who tried to absorb the Imperial Army concepts into a Bolshevik context, which created the image of Imperial Army incompetence.

The transformation now under way will result in a smaller, but more effective, Russian armed forces, grouped around entities like a strategic missile and space command of a half-million men and a "quick-reaction command" with about 1.2 million soldiers. The emerging army will be better equipped than the previous Soviet Red Army, and will be better able to afford and assimilate developments in high technology, "for which Russians have a remarkable talent," writes Bellamy, who concludes that if this new army ever orients toward becoming an active adversary of the West, "heaven help us."

Markus Wolf arrested, spills beans on terrorism

The former head of East Germany's foreign intelligence service the Stasi, Markus Wolf, was detained in Germany on Sept. 24, after crossing the Bavarian-Austrian border, and transferred to the federal prosecutor's office in Karlsruhe.

The return of Wolf to Germany after a one-year odyssey that took him from Berlin to Moscow to Vienna, is generally viewed as an act of "voluntary surrender" upon certain conditions—the nature of which is not

Briefly

known yet. Wolf, as well as the prosecutor's office in Karlsruhe, have so far denied the existence of a "deal."

After an initial interrogation, Wolf was released on bail, but put under arrest again shortly thereafter. An amnesty, at least a partial one, in return for information on his agency's past and present activities in the West, has been mooted, but can't be expected at this early stage of the case.

In an interview with the French weekly *Vendredi-Samedi-Dimanche* at the end of August, Wolf pointed to connections between the CIA and the Israeli Mossad, and international terrorism.

"The CIA and Mossad's connections with these groups were, and still are, on the far side of the Moon," declared Wolf. "They are as important, if not more important than the visible side.

"For example, did you know that Palestinians arrested in Germany had had contacts, while in prison, with Mossad agents who offered—with the full knowledge of the German services—to free them in exchange for the murder of Abu Iyad?"

Tension builds between Ecuador and Peru

Ecuadoran Foreign Minister Diego Cordovez said on Sept. 26 that his country's border dispute with Peru endangers "continental peace." He said that relations between the two countries are "delicate."

Ecuador has repudiated the 1942 Rio Protocol, which ended an armed conflict with Peru, and has refused to continue the process of delimiting the border area, as called for by the protocol. Peruvian Foreign Minister Carlos Torres has stated that he hopes the guarantors of the protocol (United States, Chile, Brazil, Argentina) will come forward to act as observers and prevent any open conflict.

Adding to the tensions, a UPI wire dated Quito quotes a United Nations publication, *Military Strategy Yearbook*, which alleges that in 1990, Peru spent more than any other Ibero-American country in the pur-

chase of weaponry. The report is being played up by the Ecuadoran media, and based on it, the vice president of the Ecuadoran congress has called on Peru to abandon its "scandalous arms race."

Velikhov fears collapse of Soviet science

In a speech before the Extraordinary U.S.S.R. Congress of People's Deputies on Sept. 2, reported in *Izvestia*, the vice president of the Soviet Academy of Sciences, Academician E.P. Velikhov, pleaded with the deputies not to "break things so violently that the pieces cannot be put back together again."

Velikhov, who accompanied Gorbachov, as science adviser, to negotiate international military, arms control, and science agreements, was reported to be speaking for the Communist Party of the Soviet Union. He has played a leading role in Soviet nuclear physics for two decades.

In his speech, Velikhov addressed the fact that although each republic now theoretically runs whatever scientific or R&D institutions may be on its territory, "we must understand that in the future . . . the republics in their own interests will always accept the idea that certain centralized functions must be exercised."

"We must understand," Velikhov stated, "that there is a whole series of structures which cannot be rebuilt afterwards at all. Speaking about the economy, it is not just a matter of ties. The point is that for many years we worked very hard to build systems. We did not work very efficiently . . . but we built them."

Velikhov continued, "If we 'stoop' to the principle that we will become merely producers of raw materials, we will be caught in a trap, because there are very many raw materials producers in the world. A cheap work force is also a very bad principle. . . . If we destroy science we shall never rebuild it. . . . Then we will have no future. We will all sink together. . . . Science is a very delicate instrument, and it is now collapsing very quickly."

● **SRI LANKAN** President Ranasinghe Premadasa, who is fighting a campaign to have him impeached, on Sept. 23 accused the Israeli Mossad of plotting against him. "Mossad has been activated against me because I closed the Israeli interests section in the American Embassy," he said. "There are some people in the government who had lectured at an Israeli university and are acting as Mossad agents."

● **THE FOREIGN MINISTERS** of China and Israel, which do not have diplomatic relations, held what both sides described as a good meeting at the U.N. on Sept. 24. China's Qian Qichen and Israel's David Levy held a similar meeting about a year ago.

● **POLISH** parliamentarians who are former political prisoners have called on China to release its political prisoners. "We declared our opinion that the opening of China to the world should also be an opening of the prison door to its political prisoners," Bronislaw Geremek, a former dissident, told a news conference in Beijing on Sept. 25. He headed an eight-member delegation.

● **FRANCE'S** former defense minister, Jean-Pierre Chevènement, criticized President Bush's latest disarmament package on Oct. 1, saying that Bush is only proposing to disarm in areas where the Soviets have superiority (tactical nuclear weapons), but not where the U.S. is stronger (submarine-based nuclear missiles). Chevènement quit the Mitterrand government last fall, in opposition to Operation Desert Shield.

● **WAR IS LOOMING** in Bosnia-Herzegovina, the republic's deputy prime minister, Mohammed Cengis, declared on Sept. 30. A senior army general based in Bosnia, Milan Uzelac, called for a mobilization of Serbs in the republic to "go and get" the Croats. The Bosnian collective presidency demanded Uzelac's resignation.

Realities of the Depression stalk 'Herbert Hoover' Bush

by H. Graham Lowry

The fight in Washington over unemployment benefits reflects a devastating reality which is finally breaking through the haze of government stupidity on the state of the economy. The nation is in the grips of a depression, which will not bend to President Bush's incantations about recovery, and which is setting off political shockwaves now beginning to register in even the darkest dens of public officialdom.

The congressional debate on extending benefits for more than 2 million unemployed who have lost them since March 1, and for another million who would lose them by the end of the year, has brought the reality of the depression into view from Capitol Hill for the first time. And despite the partisan nature of the political profit-taking on the issue, President Bush has been openly and accurately compared to Herbert Hoover.

Despite the massive government coverup of the real extent of economic misery in the country, Bush's maniacal version of "prosperity is just around the corner" is now at odds even with administration statistics. On Sept. 26, the very day a White House spokesman repeated the claim that "we are coming out of a recession," the Census Bureau reported that the number of Americans living below the official poverty line rose to 33,600,000 during 1990—an increase of more than 2 million over 1989, and totaling 13.5% of the entire population. Despite setting the poverty line at an absurdly low \$13,359 for a *family of four*, the bureau's report shows that the *average* income for poor families was less than \$8,200! Of the total number of persons classified as poor, 40% were children under 18.

No poverty figures have been released yet for 1991, of course; but the additional 2 million workers who officially lost their jobs this year, and another 2 million who lost their unemployment benefits, are more than enough to increase the rate again. The real magnitude of the unemployment

crisis can be approximated when this shocking figure is added to the picture: less than 40% of workers laid off today are eligible for jobless benefits; yet only those filing claims are officially counted as unemployed.

'The economics of Ebenezer Scrooge'

During the same week the census figures were released, both the House and Senate passed legislation extending unemployment benefits by up to 20 weeks—depending on the level of unemployment in each state—to be funded under economic emergency provisions exempting it from the budget cap. President Bush, who had nullified a similar bill passed in August by refusing to authorize funding on an emergency basis, declared he would veto this one, describing the proposal as "a bunch of garbage." Republicans in Congress offered instead a bill offering only six more weeks of benefits for all but the six states with the highest unemployment, which would receive 10 weeks.

Sen. Lloyd Bentsen (D-Tex.) called the Bush-backed alternative "an empty promise that bears no relation to the reality of recession. . . . It takes its inspiration from the economics of Ebenezer Scrooge." Following House-Senate conference agreement Sept. 26 on the longer extension of benefits, Senate Majority Leader George Mitchell (D-Me.) noted that since Bush took office, 230,000 jobs were created, while more than 2 million were lost. "That's the worst record on job-creation and job-loss since Herbert Hoover," Mitchell declared. Mitchell called on Bush to sign the legislation, and Bentsen called for quick passage "because of the sad state of the economy."

The bill passed by both houses Oct. 1 would authorize \$6.4 billion to provide 7 additional weeks of unemployment benefits in 31 states, 13 more in 13 states, and 20 more in 6 states. The extensions were to take effect Oct. 6, but unem-

ployed workers who lost their benefits since March 1 would be included. The Democratic posture as champions of the neglected and downtrodden still needs a little work, however. The six states to receive 20-week extensions, because their unemployment rate is over 8%, have already been at that level for over six months.

Worse yet, the bill passed the Senate by a margin of only 65 to 35, two votes short of the number needed to override the veto promised by President Bush. Reports from Capitol Hill confirmed that Bush had personally strongarmed key senators to reject the bill and sustain his veto. As Florida Rep. Larry Smith, a Democrat, put it, Bush did not want to sign the bill "because then he would have to admit that his economic policies have been a total failure."

Have Americans had enough?

Whatever temporary assistance may be provided for the nation's unemployed, now officially numbering over 8.5 million, there are growing signs that the reality of an economic depression is stirring the American people to action. One unusual indication surfaced last month in Rhode Island, where thousands of people held repeated demonstrations demanding the return of the deposits they lost nine months ago when Gov. Bruce Sundlun closed 45 failed banks and credit unions. Despite repeated promises that their money would be returned, more than 200,000 depositors have not received a dime, and many are destitute. Now they have taken to the streets.

During the first week of September, 250 protesters blocked a highway for two hours outside a closed credit union in Warwick. Seven were arrested. On another day that week, 400 marched into the State House, where a dozen people chased the House Speaker down a hallway. On Sept. 6, a crowd of 1,000 people surrounded Governor Sundlun's car when he went to a political event, jostling police and aides, and yelling that Sundlun was acting like Adolf Hitler. The next day, 1,500 demonstrators rallied at the State House, demanding Sundlun's resignation. On Sept. 24, angry depositors again besieged the governor outside a hotel where he was holding a fundraiser. "The anger here, the frustration, is just incredible," said a local pollster. "I've never seen anything like it in my life."

Wave of teachers' strikes

A more general manifestation developing since Labor Day has been an unusual pattern of teachers' strikes around the country. Accumulating austerity in state and local budgets over a number of years has led to reduced teaching staffs, school closings, further classroom crowding, narrower curricula, and less pay for teachers. While there have been some strikes in recent years, they have generally been citywide actions in urban areas where major budget cuts were being imposed, and generally have lost. This fall, strikes have broken out sporadically in smaller districts across the country, without backing or coordination from either the American Federation of Teachers or the

National Education Association.

By the third week of September, strikes had broken out in more than 30 school districts, often involving only a few score of teachers, in New Jersey, Pennsylvania, Ohio, Kentucky, Illinois, Michigan, and Idaho. In Pennsylvania, selective strikes produced a changing daily pattern, with up to 13 districts out at any one time, involving about 3,000 teachers. Of the state's 172 school districts, 100 were still without contract settlements in mid-September, compared with 60 at the same date last year. By late September, teachers had struck a total of 25 Pennsylvania school districts, more than twice last year's number. The teachers have agreed to settlements in 17 of them, but 8 districts remained on strike Oct. 1. Strikes lasting one to four weeks took place in Illinois, in districts ranging in size from one with 33 teachers in Saline County to one with 1,700 in Elgin, affecting some 36,000 students all told.

At least 10,000 teachers went on strike nationwide during the month, as many districts experienced their first strikes ever. Salary disputes were the major issue in all of the strikes, but many of them also addressed class size and teaching resources. Under the conditions of a worsening depression, many school boards offered wage increases of 2% or less, and resorted to lockouts, court injunctions, and wholesale firings when teachers struck for more. A survey by the American Federation of Teachers, released Sept. 23, reported that the average teacher's salary, adjusted for inflation, has increased only \$20 over the last two years. And despite George Bush's "recovery," virtually every school board in the nation had already pronounced its coffers to be empty—yet the level of strike activity increased. Perhaps something is going on out there that Bush is not aware of.

Some realities are becoming difficult for him to ignore. A march of homeless people and housing activists embarked Sept. 28 on an 87-mile march from Boston to Bush's estate in Kennebunkport, Maine, carrying a banner with the names of homeless people who have died in the past year in the Boston area. They planned to converge at his vacation home on Oct. 5, with hundreds more protesters bussed in from around the country. The march on behalf of an estimated nearly 4 million homeless Americans was part of a week of nationwide actions planned.

President Bush, of course, is becoming impatient with the disasters accumulating as a result of his economic policy. As Democratic presidential candidate Lyndon LaRouche observed Oct. 3, "He's losing patience with the real estate market that won't stay up; he's losing his patience with the unemployed, who'd like unemployed benefits, or who would like jobs. He's losing patience with the poor, who insist on making his figures look bad by their numbers. . . . George Bush is losing patience all over the place—and he's losing patience with the universe, which doesn't do as he wishes it to do. I don't want to suggest that George Bush is insane, but he does remind me of an over-aged Roman Emperor, Caligula."

David Kay: an eco-fascist with a global search warrant

by Edward Spannaus

David Kay, the leader of the U.N. inspection team in Baghdad, has been praised in the western press as a hero who stood up to Saddam Hussein, while being denounced as a "CIA agent" by the Iraqi government. In truth, the Iraqis were too kind. David Kay is worse than they say. He is a raving eco-fascist, a global environmental cop who thinks that his supranational SWAT team should have the right to ransack and pillage any nation's industrial and technological capabilities.

According to the *Washington Post*, the U.N. team "consists largely of nuclear specialists selected for their physical stamina as well as their nuclear expertise." If this is true, then Kay must have a lot of stamina, because he sure doesn't have any nuclear expertise! He has absolutely no scientific or engineering background. His entire career has been as a "political scientist" plotting how international organizations such as the U.N. can use environmental laws and treaties to destroy the sovereignty of Third World countries and their right to develop.

Rockefellers, Mellons, and Carnegies

Over his career, Kay's work has been funded by the Rockefeller Foundation, the Ford Foundation, the Andrew W. Mellon Foundation, the Carnegie Endowment for International Peace, and the U.S. State Department. Investigation further shows that one of his books was published in 1977 by Praeger Publishers, a known CIA front.

After getting his Ph.D. from Columbia University in 1967, Kay became an adviser to the U.S. State Department and the U.S. Mission to the United Nations. Over the next two decades, he published numerous books and articles on the U.N. and international environmental regulation, funded by the foundations listed above. In 1978 Kay went to work as a senior evaluations officer for the United Nations Educational, Scientific, and Cultural Organization (Unesco), and in 1983 he became the director of program and project evaluation for the International Atomic Energy Agency (IAEA).

Kay is a close collaborator of Maurice Strong, the Club of Rome genocidalist who is secretary general of the "Eco-92" U.N. environmental conference to be held in Brazil next

June. Strong wrote the introduction to Kay's 1972 book *World Eco-Crisis*, a blueprint for the 1972 U.N. Conference on the Human Environment held in Stockholm, the forerunner of next year's "Earth Summit."

The 'Stockholm strategy'

Kay has devoted much of the last 20 years to implementing the environmental strategy developed around the 1972 Stockholm conference. Stripped of its academic mumbo-jumbo, the "Stockholm strategy" means suckering the Third World into giving up its aspirations for economic development and national sovereignty, under the pretext of protecting the environment. According to Kay's 1972 book, the best means of doing this is through the United Nations, since the U.N. "offers the best, and only real, opportunity for providing an institutional base with wide participation."

However, Kay wrote, a major problem in building the Stockholm conference was the fear of developing countries that environmentalism would be used against them to limit economic growth. Kay credited Maurice Strong's "lobbying" with overcoming these fears, since Strong "encouraged the developing states to believe" that concern with the environment will not reduce the funds available for development, but rather increase them, and even promised them additional funding from the advanced sector. Kay praised Strong's lies and manipulation for preventing the developing countries from boycotting the Stockholm conference, as had been feared.

Kay's 1983 book *Environmental Protection: the International Dimension* was billed as the first major evaluation of the Stockholm strategy of brainwashing Third World leaders. The book was financed by a grant from the Andrew W. Mellon Foundation to the American Society for International Law. In it, Kay bragged that by the late 1970s, a worldwide consensus for protecting the environment had emerged. "The less-developed countries, originally uninterested in environmental problems and fearful that efforts at environmental protection would brake their progress toward industrialization, had come to adopt a more favorable attitude." The strength of the Stockholm process, he wrote, "was that it mobilized, focused and educated

national governments . . . set an agreed agenda, and established a process for future action.”

Now it is time, he proposed in 1983, “for another intense effort to focus global attention and effort on the next stage of the agenda. . . . This calls for nothing less than a Stockholm II conference.” The nations of the world must put all national decisions on economic growth under the Stockholm umbrella. “It is clearer now that decisions on employment, income, resource utilization, growth, equity, and environmental quality cannot be made in isolation. An important function of a second Stockholm conference would be to recapture a unified conception of the environment and to integrate this view into international environmental protection activities.”

While Kay wants the Third World countries to prostrate themselves in front of the United Nations, he clearly thinks the U.S. government should have the right to override the U.N. whenever it pleases. This was demonstrated by his conduct during the recent Baghdad standoff, which caused intense embarrassment to the U.N. Kay was bypassing the U.N. and sending material seized from the Iraqis directly to the U.S. State Department. In the middle of the siege, he was ordered by U.N. officials to stop sending information to the United States. “Washington was better informed than me, and that’s not the way we should do it,” complained Rolf Ekeus, the head of the U.N.’s Special Commission in charge of dismantling Iraq’s nuclear program.

The Baghdad precedent

Like the entire Gulf war, Kay’s raids on Iraqi facilities are deliberately being orchestrated to set a precedent for the new world order’s global policing operations. On Sept. 27, an unnamed U.S. official was quoted as saying: “It is the most intrusive and extensive inspection regime ever imposed on a sovereign state. . . . When it comes to their nuclear program, they have no sovereign rights at all.” An official of the Carnegie Endowment (where Kay once worked) said that U.N. inspection teams would soon be conducting house-to-house searches in the homes of Iraqi nuclear scientists.

Lest anyone think that these methods are simply a reaction to Iraqi intransigence, it should be noted that last February, the director general of the International Atomic Energy Agency asked the U.N. to expand IAEA’s inspection powers. The director, Hans Blix, former head of Sweden’s Liberal Party, asked that the IAEA 1) have broader access to information and intelligence; 2) have access to all parts of a country for inspection purposes, whether the country agrees or not; and 3) that the mandate be “intrusive” when so authorized by the U.N. Security Council.

Placed in the context of Kay’s close collaboration with Maurice Strong and the Eco-92 gang, it is clear that such “intrusive” methods would not be limited to nuclear facilities, but could include any target which could be considered to be despoiling the environment.

Better lock your doors. Here comes the new world order.

Bush back on hot seat over Gates nomination

by Our Special Correspondent

Bush’s nominee to head the Central Intelligence Agency, Robert Gates, ran into a buzz-saw of opposition at the end of September. This time it isn’t so much the old criminal tales of corruption and abuse of power in the Iran-Contra affair and the so-called “October Surprise” theft of the 1980 election which has thrown Gates’s nomination into doubt. The attack comes from Gates’s peers within the intelligence community and the CIA, who charge a different kind of corruption, as deadly to the process of government as that, like the Iran-Contra affair, which Bush and his momentary allies like Sen. Ernest Hollings (D-S.C.) insist be covered up.

Since Bush has put the weight of his office behind the nomination on more than one occasion, including on the eve of the hearings which began Sept. 16, when he told Republican senators not to be “blushing violets” but to speak up for his nominee, the present trial of Gates also shapes up as a trial of his nominator, George Bush, and the methods that Bush has chosen to employ in the intelligence community.

The charges were put before public hearings of the Senate Intelligence Committee Oct. 1, in testimony by former CIA officials Hal Ford and Melvin Goodman. Their testimony had been previewed during closed sessions the week before.

Tailoring intelligence estimates

In the closed sessions, Gates’s professional reputation was put through the shredder by three former CIA analysts who testified Sept. 25. The analysts included 25-year agency veteran and present contract employee Melvin A. Goodman; Jennifer A. Glaudemans, a six-year veteran of the intelligence section; and Hal Ford, a former senior analyst. They charged that Gates:

- 1) manufactured intelligence to fit administration political campaigns, for example, on Soviet chemical weapons use in Afghanistan;
- 2) ignored intelligence which ran counter to administration political priorities, for example, on Iran;
- 3) falsified intelligence, e.g., permitted an operations division agent in Iran to file his reports as an “Iranian moderate”;
- 4) altered intelligence on the Soviet Union and international terrorism during 1982 to bring it into conformity with a book published by Claire Sterling;
- 5) fired or reassigned agents whose analyses did not fit

former director William Casey's policy agenda;

6) diluted the quality of agency analytical product with a large-scale hiring of inexperienced recruits, while concentrating areas of special concern to the former Reagan administration and Casey in the hands of a trusted few.

The charges, backed up by informal submissions from 22 serving CIA employees, have re-focused the confirmation hearings while adding explosive material to testimony presented Sept. 24 by Acting Director Richard Kerr and senior analyst Charles E. Allen, on what Gates knew, and when he knew it, about the Iran-Contra affair.

In the public hearings, it became clear that the issue is the political corruption which permitted the CIA to be used by those associated with Bush who cooked up the Iran-Contra affair and the October Surprise, including manufacturing the existence of a "moderate faction" within Iran and rigging the intelligence estimates and briefing process to push that evaluation through against the opponent view. The changed evaluation was what helped make possible the deals with Khomeini and his mad mullahs who took U.S. hostages, and blew up marines in Beirut.

Goodman charged, "A question remains. Was the President himself a victim of CIA misinformation, or even disinformation?" for when President Reagan insisted he was dealing with "Iranian moderates," no such group existed.

A second, equally devastating case was applied to the investigation of the 1981 assassination attempt against Pope John Paul II, when singleminded pursuit of the Soviet connection helped cover up the trail of the criminals.

Public hearings on the closed-door evidence were scheduled after Sen. Sam Nunn (D-Ga.) asked Goodman to identify which parts of his testimony were classified. Goodman replied that none was. The testimony has reportedly triggered a shift in attitude of some senators who had previously been assumed to be supportive of Gates's nomination, among them Alan Cranston (D-Calif.) and Warren Rudman (R-N.H.). Cranston told interviewers that "if the charges are accurate, they could jeopardize the nomination."

Bush had demanded back in July that the nomination process be conducted with dispatch, intending originally to see his candidate appointed before the summer recess. Independent Counsel Lawrence Walsh's continuing investigation into the Iran-Contra affair stopped that dead in its tracks. But it didn't stop Bush from continuing to back a candidate so tainted.

The question that continues to come up is, what does Bush himself owe to Robert Gates, to stick thus as he has with such damaged goods? London's sometimes scurrilous *Private Eye* magazine pointed out that Gates, like present ambassador to South Korea Donald Gregg, is a Carter administration National Security Council holdover, situated to have been one of the insiders for Reagan-Bush during the 1980 election. That certainly ought to be an area that any investigation of political corruption should look into.

Commentary

Oliver Wendell Holmes causes Thomas deadlock

by Edward Spannaus

Up until the day before the vote on his confirmation, Clarence Thomas was expected to easily win a majority of the votes in the Senate Judiciary Committee. Yet, when the committee voted on Sept. 27, the vote tied 7-7, and the nomination was sent to the floor of the Senate without a recommendation—the first time in history this has occurred. Suddenly, the success of President Bush's nomination was in question.

What had happened? Opposition from the liberals—Sens. Edward Kennedy (D-Mass.), Paul Simon (D-Ill.), Howard Metzenbaum (D-Ohio), etc.—was a foregone conclusion, particularly on the politically popular abortion issue. The most important "swing" vote was that of the influential Sen. Howell Heflin (D-Ala.). (Heflin is the former chief justice of Alabama, former chairman of the National Conference of Chief Justices, and now heads the Senate's sleaziest unit—its ethics committee.)

On Sept. 26, Heflin announced his opposition to Thomas. Without Heflin's vote, no Democrats on the Judiciary Committee other than Sen. Dennis DeConcini (D-Ariz.) would be likely to support the Thomas nomination.

Immediately after the committee vote, a commentator for Pacifica Radio reported that Heflin had turned against Thomas because of Thomas's attacks on Oliver Wendell Holmes. Readers of *EIR* were already well aware of the significance of the Holmes issue for the hearings. (See *EIR*, Sept. 13 and Sept. 27, 1991.) More than any other single jurist, Holmes is responsible for eradicating any notions of natural law and morality from American law, in favor of radical positivism and pragmatism.

Kennedy starts the Holmes issue

Virtually all press commentary on the hearings was confined to the sterile ideological framework of "liberal-conservative" issues. Press coverage was dominated by the predetermined issues of abortion, affirmative action, and "natural law," and Thomas's pre-programmed attempts to avoid a forthright statement of his own views. As to those portions of the hearings in which Thomas broke out of the straitjacket imposed by his Bush administration handlers—reflected in

his responses regarding criminal procedure, his attacks on Chief Justice William Rehnquist, or the Holmes issue—these were simply ignored by the establishment news media.

The first senator to bring up the Holmes issue was Kennedy, on the afternoon of Sept. 13. Prior to that, Heflin had engaged Thomas in a very friendly round of questions which gave Thomas the opportunity to talk at length about his youth, his earlier radicalism, and to present a very sympathetic picture of himself.

Toward the end of the day, Kennedy confronted Thomas with a 1988 speech in which he had attacked Holmes as a “nihilist” who “scoffed at natural law and natural rights.” Thomas tried to cover himself by responding that Holmes “was a great judge, a giant in our judicial system.” Kennedy then read a quote from Thomas saying that Holmes “sought to destroy the notion that justice, natural right, and natural law were objective.” Thomas tried to brush it aside as a quote from someone else.

On Sept. 16, Kennedy, better prepared, came back again on the Holmes issue, reading a long quotation from Thomas’s 1988 speech. Thomas, likewise better prepared, came back at Kennedy with the 1927 *Carrie Buck* case, in which Holmes had upheld the involuntary sterilization of a poor southern white woman. “Much of that resulted from concern about some statements like that in *Buck v. Bell* of Justice Holmes,” said Thomas. “I have concerns about statements like ‘three generations of imbeciles are enough.’”

Heflin finishes the Holmes issue

In the afternoon of Sept. 16, Senator Heflin jumped into the Holmes issue, picking up after Kennedy, and completely abandoned his friendly tone of the previous Friday. For almost 15 minutes, Heflin pressed Thomas on the obvious inconsistency between his comments on Holmes in 1988 and now, and asked if Thomas had now changed his opinion of Holmes. Thomas defended his 1988 statements, while still asserting that “clearly he [Holmes] is a great justice, but that doesn’t mean that we can’t disagree with him.”

Finally, Heflin read a long excerpt from Thomas’s 1988 speech again, and then lectured Thomas: “For you to attack, with words like this, in a speech, a Justice of the Supreme Court, as well as one who is generally regarded as one of the giants of the Supreme Court, raises some question in my mind.” Heflin went on: “What was your scholarship . . . how much had you read about him at the time?” Thomas again returned to the *Carrie Buck* case as “troublesome,” and went on to talk about the importance of natural law as the backdrop to the Constitution.

Heflin kept it up for a while, and Thomas continued trying to explain, but clearly the damage had been done. Heflin, obviously very exasperated, eventually gave up.

On Sept. 24, the day before the Judiciary Committee vote, Heflin announced his intentions, declaring: “Judge Thomas’s answers and explanations about previous speech-

The following is the controversial section of Clarence Thomas’s 1988 speech which so deeply offended Sens. Edward Kennedy and Howell Heflin:

The homage to natural right inscribed on the Justice Department building should be treated with more reverence than the many busts and paintings of Justice Oliver Wendell Holmes in the Department of Justice. You will recall Holmes as one who scoffed at natural law, “that brooding omnipresence in the sky.” If anything unites the jurisprudence of the left and the right today, it is the nihilism of Holmes. As Walter Burns puts it in his essay on Holmes . . . “No man who ever sat on the Supreme Court was less inclined and so poorly equipped to be a statesman, or to teach what a people needs in order to govern itself well.” . . . As constitutional scholar Robert Faulkner put it, “What Marshall had raised, Holmes sought to destroy.” And what Holmes sought to destroy was the notion that justice, natural rights, natural law were objective, that they existed at all apart from willfulness, whether of individuals or officials.

es, articles, and positions raised thoughts of inconsistencies, ambiguities, contradictions, lack of scholarship, lack of conviction, and instability.” Heflin also said that he feared that Thomas “might be part of the right-wing extremist movement.”

There is no doubt as to what Heflin was referring. Oliver Wendell Holmes, arguably the most evil jurist of the 20th century, is nonetheless a sacred icon among most judges and legal scholars. Whatever vestiges of a natural law philosophy still existed by the late-19th and early 20th centuries in the United States were eradicated by Holmes, who cynically rejected any other basis for law than force and custom. The only established grouping which has consistently attacked Holmes over the years is the Roman Catholic Church. To almost everyone else, the authority of Holmes is axiomatic.

Chief Justice Rehnquist, an avowed Hobbesian, has identified his own radical positivism with that of Holmes, and has praised Holmes for his view that morality has nothing to do with law.

Thomas’s use of the statement that the Holmes issue “unites the jurisprudence of the left and the right” is absolutely correct, as shown by the alliance of Kennedy and Heflin on this issue. On this issue, at least, Thomas broke the rules of the “liberal-conservative” charade that passes for politics in Washington. Now, he is paying the price.

Edward Spannaus is a researcher for the Constitutional Defense Fund.

CDF files suit vs. Hubert Humphrey III

The Constitutional Defense Fund filed a multimillion-dollar damage action in Common Pleas Court in Philadelphia Sept. 25 against Minnesota Attorney General Hubert "Skip" Humphrey III, two underlings in his office, and a Philadelphia bank for violations of the state and federal constitutional rights of CDF and its supporters. CDF is the legal defense fund that has assisted presidential candidate Lyndon LaRouche and his associates in their legal battle against a joint government-private agency prosecutorial witchhunt.

The civil rights suit arises out of actions by Humphrey's office in January 1991 to improperly seize the bank accounts of CDF, and gain access to the names of all its contributors by illegally obtaining search and seizure warrants from a Philadelphia court. CDF's complaint argues that "the Defendants, acting in concert, conspired together to interfere with and, therefore, violate Plaintiff's constitutional rights, interfering with its rights of political association and privacy, and those of its political supporters and contributors."

In January, Humphrey, Assistant Minnesota Attorney General James Early, and Richard Munson, an investigator in his office, deceived Philadelphia law enforcement officials, a Philadelphia court, and a Minnesota judge, to have CDF's bank accounts seized and search warrants for bank records issued. They did this by willfully distorting and withholding critical facts in an affidavit of probable cause and in representations to two judges regarding a CDF contributor whose sons had filed a civil suit after learning of her contribution.

That suit had been settled in November 1990 to the full satisfaction of all parties. But neither the suit's existence nor its settlement was disclosed by Humphrey's office in its affidavit to the Minnesota judge or Philadelphia authorities. Nonetheless, Humphrey tried to use the distorted "facts" of these transactions as the basis for his effort to disrupt CDF's fundraising and support for ongoing litigation, and to obtain, in violation of numerous constitutional protections, the identity of CDF's supporters.

After the Minnesota and Pennsylvania courts had both reversed earlier decisions (having been informed by CDF of the true facts), Humphrey's office still moved to get bank records, outside the law and behind the backs of the Philadelphia District Attorney and Philadelphia court. CDF's complaint asks for damages against Provident National Bank in improperly releasing such records to the Minnesota investigator.

The complaint seeks damages under six different claims: violations of various provisions of the Pennsylvania Consti-



Skip Humphrey

tution; violations under 42 USC 1983 (Federal Civil Rights Act) of the federal Constitution; malicious abuse of process; malicious use of process; wrongful conversion of property; and wrongful attachment under Pennsylvania law.

In January and February, Humphrey's office, with the assistance of such "Get LaRouche" task force principals as Loudoun County, Virginia Sheriff's Deputy Donald Moore, went on a multi-state fishing expedition against CDF and several publishing companies also associated with LaRouche. Moore assisted Humphrey in obtaining search warrants in two Virginia counties for records from several banks for *EIR*, CDF, and three other companies and organizations. Two judges in Fairfax, Virginia quashed the warrants as being unconstitutional and in violation of Virginia law and procedure. Thus, four separate courts rejected these efforts to grab bank accounts and obtain bank records as being illegal, improper, and unconstitutional.

A spokesman for CDF, commenting on the filing of the Pennsylvania lawsuit, said: "Humphrey is a thug for the 'Get LaRouche' task force. He may be able to get away with trampling on the Constitution in Minnesota. But I think that the Pennsylvania courts will not be so accommodating, given that he and his office came into Pennsylvania, lied to the Philadelphia District Attorney's office, and lied to a Philadelphia Common Pleas Court judge, blatantly violating the laws and Constitution of Pennsylvania in an effort to shut down a legal defense fund. They had been told by the courts here that they couldn't do what they were trying to do; their fishing expedition ran into a brick wall. Despite that, they stole documents the court told them they had no legal right to. It will be interesting to see how a Pennsylvania judge views those facts in this litigation."

U.S. runs byzantine informant system

by Leo F. Scanlon

Befitting its status as one of the “superpowers of incarceration,” the United States has developed an internal spy apparatus which is approaching the dimensions of the secret police machines in China and the former Soviet Union. Between 1987 and 1989, the U.S. government increased its criminal informant payroll from \$35 million to over \$63 million, with state law enforcement agencies matching that amount. Although figures for subsequent years are not yet available, the rate of increase in the number of highly paid secret informants has continued to expand, putting the officially reportable payroll in the range of \$250 million per year.

Lying, cheating, stealing, dealing drugs, and committing murder on behalf of law enforcement agencies frequently provide six-figure incomes and, Internal Revenue Service (IRS) records show, occasionally makes a millionaire of the informant—who is now the uncrowned king of the Bush-Thornburgh criminal justice system. According to information published in the *American Bar Association Journal*, the Atlanta office of the FBI alone supervised more than 257 informants during the cited period. And the FBI is not the largest user of such informants. The Customs Service and the Drug Enforcement Administration both spend more than the FBI on informants, and all are dwarfed by the Department of Justice (DoJ), which reported in 1989 that it carried a \$24 million informant payroll in the Federal Witness Protection Program. In addition, the IRS, the Bureau of Alcohol, Tobacco and Firearms, the Secret Service, and the Immigration and Naturalization Service utilize secret informants. CIA activities in this area are classified.

The figures for monies paid to the informant network are undoubtedly understated. Federal law allows government agencies to share up to 25% of the value of assets seized, and the “incentive plan” allows a lot of maneuver for deflated reporting and inflated payments. This typically involves contraband which can be re-sold on the drug market by the immunized informant, pushing the per-case payment above the \$250,000 cap imposed by federal rules.

Informant apparatus corrupts justice system

Contrary to prosecutors who are “addicted” to the informant apparatus, this network does not facilitate the prosecution of the organizers of the drug trade, who bargain their way out of sentences and onto the payroll; instead, it captures

the lowly couriers and street dealers who have no information to trade and no one to hand over. These wretches face mandatory prison sentences of 10 years or more, which is longer than the average sentence for a rapist (five years), a murderer (six years, eight months), or a robber (eight years).

In addition, the informant system allows cash-short local police agencies to engage in the lucrative business of entrapping victims targeted by informants, seizing and disposing of assets (in many cases before any trial ever occurs), and using the proceeds to finance operations.

The unsubstantiated word of an informant is now grounds for a search warrant, effectively bypassing constitutional restraints against illegal search and seizure. The legal press is full of stories of searches conducted on the basis of fraudulent statements by informants, and where the evidence is planted by the informant, since the rules against entrapment which constrain police do not apply to an informant.

While the Supreme Court has agreed to consider whether the Constitution limits how the government may choose its targets (*Jacobson v. United States*), the Rehnquist Court has already upheld the constitutionality of guidelines and rules established by the U.S. Sentencing Commission in 1987. These allow the “script” written by the authors of a sting to determine the sentence of the victim. Under the new sentencing guidelines, and the “modified real offense” sentencing, the sentence is based both on the severity of the offense and on other acts merely alleged. These other offenses, used in computing the sentence, do not have to be proven at trial or charged in an indictment; they may never have been committed, but simply reported or made up by an informant.

In designing a sting, prosecutors decide who to target, what crime to entrap them with, when and where, and how long the operation will run; each of these elements is an “enhancement factor” which has a specific quantifiable bearing on the sentence—even though the conduct is created by the government itself.

Mandatory sentencing, asset forfeiture laws, and the witness protection program were all passed by Congress as part of the so-called “war on drugs.” These devices are destroying what is left of legitimate law enforcement, and are now turning on the judiciary itself. One DoJ official told the *Legal Times* that “using lawyers as snitches . . . is something we think we ought to do, it is among the tools we have, and it is a perfectly valid one.” Increasingly, “defense attorneys” are actually government informants, often set up by their own clients, who are in turn framing other clients, attorneys, and judges.

The implications are staggering for a system in which judges rule on issues ranging from the conduct of elections to the health policies of local hospitals. It is documentable that virtually every state and federal legislator is the subject of some investigation. Now, judges have been brought under the same system—it might be called “government by blackmail.”

Catholic bishops attack euthanasia

Catholic bishops in the United States escalated their efforts to halt the spread of the Nazi policy of euthanasia, in a statement adopted by the National Conference of Catholic Bishops (NCCB) Administrative Committee during its Sept. 10-12 meeting in Washington, D.C., and in a call issued by New York Cardinal John O'Connor. The statements come as the "quality of life" ethic in the U.S. has taken a radical turn, from efforts to improve the lives of the poor, lonely, needy, and ill, to a view that those who cannot have "quality of life" should not live.

Expand the pro-life fight

Cardinal O'Connor called on the pro-life movement in late September to expand the focus of its efforts beyond the single-issue fight against abortion. According to the *Arlington Catholic Herald*, O'Connor said the pro-life movement's "persistent efforts to protect the unborn" must also be marshaled to resist attacks on the right to life of "the aging, the weak, the handicapped, the retarded." Cardinal O'Connor is chairman of the U.S. Catholic Bishops' Committee for Pro-Life Activities.

The National Conference of Catholic Bishops, in their statement, drew the line against acceptance by society of active euthanasia—murder. Destroying "the boundary between healing and killing would mark a radical departure from longstanding legal and medical traditions" in the U.S., it read. Calling for the rejection of proposals to legalize euthanasia, the committee asked all involved in the debate "to seek solutions to the problems of terminally ill patients and their families that respect the inherent worth of all human beings, especially those most in need of our love and assistance."

The NCCB statement warned that "A decision to take one's life or to allow a physician to kill a suffering patient . . . is very different from a decision to refuse extraordinary or disproportionately burdensome treatment." Those advocating euthanasia are capitalizing on "people's confusion, ambivalence, and even fear about the use of modern life-prolonging technologies," and, "borrowing language from the abortion debate," are insisting that a right to choose "prevail over all other considerations. . . . Being able to choose the time and manner of one's death, without regard to what is chosen, is presented as the ultimate freedom."

In a useful addition, the NCCB statement singled out for

attack the Hemlock Society, headed by Derek Humphrey, one of the leading organizations of the pro-euthanasia lobby. "Current efforts to legalize euthanasia place our society at a critical juncture," the statement read. "These efforts have received growing public attention due to new publications giving advice on methods of suicide and some highly publicized instances in which family members or physicians killed terminally ill persons or helped them kill themselves.

"Proposals such as those in the Pacific Northwest, spearheaded by the Hemlock Society, aim to change state laws against homicide and assisted suicide to allow physicians to provide drug overdoses or lethal injections to their terminally ill patients."

Principles for life

The Catholic bishops defended the sanctity of life on the basis of Church doctrine and the American Declaration of Independence. "As Catholic leaders and moral teachers, we believe that life is the most basic gift of a loving God—a gift over which we have stewardship but not absolute dominion. Our tradition, declaring a moral obligation to care for our own life and health and to seek such care from others . . . clearly and strongly affirms that as a responsible steward of life one must never directly intend to cause one's own death or the death of an innocent victim by action or omission. As the Second Vatican Council declared, 'Euthanasia and willful suicide' are 'offenses against life itself' which 'poison civilization'; they 'debase the perpetrators more than the victims and militate against the honor of the Creator.' . . .

"As the Vatican Congregation for the Doctrine of the Faith has said, 'Nothing and no one can in any way permit the killing of an innocent human being, whether a fetus or an embryo, an infant or an adult, an old person or one suffering from an incurable disease or a person who is dying.' Moreover, we have no right 'to ask for this act of killing' for ourselves or for those entrusted to our care; 'nor can any authority legitimately recommend or permit such an action.' We are dealing here with a 'violation of the divine law, an offense against the dignity of the human person, a crime against life and an attack on humanity' (Declaration on Euthanasia, 1980).

"Legalizing euthanasia would also violate American convictions about human rights and equality. The Declaration of Independence proclaims our inalienable rights to 'life, liberty and the pursuit of happiness.' If our right to life itself is diminished in value, our other rights will have no meaning. To destroy the boundary between healing and killing would mark a radical departure from longstanding legal and medical traditions of our country, posing a threat of unforeseeable magnitude to vulnerable members of our society. Those who represent the interests of elderly citizens, persons with disabilities and persons with AIDS or other terminal illnesses are justifiably alarmed when some hasten to confer on them the 'freedom' to be killed."

Elephants and Donkeys

by Brian Lantz

California rejects early presidential primary

Efforts in California to set an early March 1992 presidential primary election have disintegrated. At first portrayed by Speaker of the Assembly Willie Brown as a "done deal" (California joining the "Super Tuesday" states in the South), the March primary would have locked up the Democratic presidential nomination by mid-March. With Bush an expected shoo-in, the 1992 presidential primary campaign would have been over before it started.

Instead, the presidential primary bill was killed, the apparent victim of a turf war over the reapportionment of California's voting districts. The reapportionment fight is a bitter one, caused by the collapse of the California economy, the largest in the U.S. and the ninth largest in the world.

California Gov. Pete Wilson, fresh from papering over a hemorrhaging state budget with budget cuts and "nuisance tax" hikes in July, intends reapportionment to carve out a large number of "technocratic" Bush-league congressional and state legislative districts, shifting power to the suburbs. Wilson vetoed the apportionment plans of the Democratic Party-controlled legislature, and the veto was sustained despite a temporary alliance between Democrats and anti-Wilson conservative Republican legislators.

Bush in trouble

Does this mean that George Bush and his look-alike, Pete Wilson, can rest assured that California can be sewn up? At the state GOP convention during the third week of September, Bush showed up to back Wilson against agi-

tated conservative Republican opponents. Bush also held a fundraiser for Wilson's hand-picked replacement in the U.S. Senate, John Seymour. Bush got more than he bargained for; Seymour less.

Bush was told frankly by California businessmen that the "recession" was far worse than Bush was saying and something had to be done. Bush's fundraiser for Seymour was like the federal government's GNP statistics: first reported to have raised \$700,000, it turned out that the President's good name was worth a mere \$100,000 to Los Angeles Republicans. On Sept. 30, Wilson swallowed hard and vetoed a "gay rights" measure to protect his exposed flank.

Carpetbaggers

By the year 2000, California will be the nation's first "Third World" state—the majority citizens will be composed of minorities. To reapportion election district boundaries in compliance with the Federal Voting Rights Act, as well as reflect actual election rolls, reapportionment would mean that "safe," ultra-liberal Democratic urban districts are transformed. Seven new congressional districts will be added, three in the north and four in the south of the state. Hispanic and Asian voters in particular represent a growing portion of California voters, profiled as more traditional in their values. More and more Hispanic, Asian, and black voters have moved up and into the suburbs.

The Democratic Party, particularly in Los Angeles County—for decades controlled by "Kosher Nostra" mob-connected figures such as Paul Ziffren and Sidney Korshak—have denied minority voters effective leadership positions for years. Similarly, in the San Francisco Bay area, Willie

Brown may lose his Pacific Heights base—and probably his Assembly Speaker's post.

The Bush-Wilson Republican Party strategists now challenging the Los Angeles Democratic machine of U.S. Reps. Howard Berman and Henry Waxman, would offer to integrate minorities into their New Age, liberal Republican Party. Given the depression, however, Bush and Wilson have nothing to offer California's new majority either. It is therefore an insane ploy that Wilson and company's scheme is to use minority voters to slash the school budget and everything else in sight. This in a state that should be adding a new high school every day to keep up with student population growth.

Jerry Brown's chutzpah

Nothing makes the sophistry of the Democratic candidates more transparent than Jerry Brown, all but anointed the California Democratic Party's presidential favorite. Brown is the son of former California governor Pat Brown, Sr. Pat Brown served on the board of Investors' Overseas Services (IOS), the organized crime corporation run by Robert Vesco. With national Democratic Party officials talking about a brokered convention in New York, it is understood that "da boys" find the favorite son of Pat Brown, Paul Zifferin, and Sidney Korshak acceptable.

Jerry Brown's presidential campaign is not unhappy about the death of the California early primary legislation. They do not expect opposition to Bush—over domestic issues—to come to a head until June or July, timed thus to the California primary in June. But does Jerry have a solution to the full-blown crisis upon the nation? Of course not.

Gonzalez: Panama invasion 'worse than Hitler'

Rep. Henry B. Gonzalez (D-Tex.) attacked the Bush administration's slaughter in Panama in floor comments on Sept. 23, comparing U.S. actions to those of the Nazis.

Gonzalez related how the U.S. went in with F-117A Stealth bombers and "incinerated a whole area populated by black Panamanians who were living in these highly flammable wooden structures. . . . They incinerated them, and we can only make a guess as to how many. The best calculation that I would say would be the truth is that there were over 3,500. We had mass graves."

Gonzalez asked, "Is that not what we said the Nazis did when they occupied countries, when they overran them, when they occupied middle European countries and east European countries, the Slavic countries? . . . I remember pictures of the Katyn massacre and the like. And we also accused the Russians of those acts when they came back and were chasing the Nazi troops out. But we do not look at it that way when we do it. Now we call it something else. I know that at least from that aspect, from the standpoint of the abuse of words, this is the Orwellian world, but of all things, the President labeled the illegal invasion of Panama as Just Cause."

Senate scraps MX, SDI squeaks by

A day before the White House announced its "new defense policy" on Feb. 27, the Senate voted to block \$250 million for tests on a rail-mobile MX nuclear missile, one of the items President Bush announced would be scrapped. The Strategic Defense Initiative (SDI), already whittled down,

barely survived a vote Sept. 25 which would have cut \$1.1 billion off the Senate's proposed funding.

The B-2 bomber, which Bush excluded from the defense cuts, is in jeopardy in the Senate. The White House requested money for production of four more B-2 bombers, over and above the 15 which have already been approved. The additional funds were approved in a 51-48 vote, although the money appropriated for the B-2 cannot be spent until a separate vote on B-2 production is taken next year. The Senate also stipulated that the B-2 must pass certain flight performance tests before production can begin.

Discontent with NAFTA continues to brew

U.S. Trade Representative Carla Hills was asked back to Capitol Hill Sept. 26 to answer questions concerning the planned trade agreement with Mexico, indicating continued congressional concern over the nature of the agreement.

Earlier in the year, Congress voted to give the President "fast track" authority to negotiate the agreement. This meant that, although the agreement would have to be ratified by the Senate, Congress agreed to vote on a negotiated agreement without the right to offer amendments. Rep. Marcy Kaptur (D-Oh.), who took the initiative to call Hills before the panel, expressed concern over the planned agreement in floor comments on Sept. 25: "This trade agreement will not set the stage for the Mexican market growing as a real export opportunity for United States goods. . . . Rather, it is more likely Mexico will become a cheap manufacturing platform for foreign companies to back-door their

goods into the United States market, as so many *maquiladora* plants do now."

Kaptur suggested that a real development policy must be aimed at repatriating Mexican capital which is now fleeing the country. "Any Free Trade Agreement must be conditional on the return of Mexican capital back home where it is desperately needed," she said. "This agreement should condition some of its benefits on that goal. . . . What North America needs, is a comprehensive development agreement rather than a narrow trade agreement. For our nations to reap the mutual benefits of trade expansion despite our different national histories, trade must be a part of a larger strategy for growth and change in Mexico, and for adjustment in the United States."

Banking panel concerned about utilities dereg

The proposed deregulation of the electric utility industry was the subject of hearings by the Senate Banking Committee, chaired by Sen. Don Riegle (D-Mich.), on Sept. 17. The hearing was unusual since the utility bill has already been passed by the Senate Energy Committee, which has direct oversight of the utilities. The Banking Committee acted on the basis that the bill also involves the repeal of the Glass-Steagall Act, legislation enacted during the depression to maintain a "firewall" between commercial banking and the securities industry, which is in its purview.

According to the proposed bill, the utilities would not have to divest themselves of other interests so that the electricity portion of the business could be held hostage to other financial considerations. Also, regulators

currently require electric utilities to operate at 50% equity, but these new entities would likely operate with only about 10-20% equity, which is all that banks would require for loans.

Riegle said, UPI reported, that he was a "little nervous about the leveraging opportunities [for exempt wholesale generators]. I look around the room and I see a lot of money interests represented here. There are billions and billions of dollars at stake here." He fears that the search for financial relief on the part of the hard-pressed utilities industry could lead them to sacrifice the stability presently guaranteed to the consumer.

Congress kills AIDS disclosure plan

Dramatic testimony Sept. 26 by Kimberly Bergalis, a 23-year-old Florida woman who was infected with the AIDS virus by her dentist, failed to bring the Congress to act on measures offered to combat the spread of the disease. An amendment by Sen. Jesse Helms (R-N.C.), which would have forced health care workers performing invasive procedures to inform patients if they have the AIDS virus, was eliminated by a House-Senate conference committee the same day Bergalis testified.

The Helms amendment mandated a prison term of at least 10 years if medical personnel failed to inform their patients. The Helms amendment had earlier passed the Senate 81-18, but was not passed by the House. The hearings with Bergalis were an attempt to win support for a similar House amendment, sponsored by Rep. William Dannemeyer (R-Calif.).

Also testifying was Miss Bergalis's father, George Bergalis, who

urged congressmen to "get off their duffs" on the AIDS issue. He attacked them for "prostituting themselves" to "special interest groups they're indebted to." Bergalis also attacked Congress for treating AIDS as a "political disease" and not a "disease disease."

The House-Senate conference which rejected the Helms amendment also rejected a compromise offered by Senate Majority Leader George Mitchell (D-Me.) and Senate Minority Leader Bob Dole (R-Kan.). This proposal would have simply required health professionals engaged in invasive procedures to be tested for the AIDS virus and to inform their patients before conducting any invasive procedures, but without the criminal penalties. The Mitchell-Dole compromise was basically a reiteration of guidelines already suggested by the Centers for Disease Control in Atlanta, Georgia.

Medical organizations lobbied hard to stop even the milder version. The *New England Journal of Medicine* went so far as to claim that the risk of getting AIDS from a doctor during surgery is 1 in 21 million for every hour of the operation, about the same chance that a person will be in a fatal accident on the way to the hospital. Liberal Democrats objected that the amendment would cut off all Public Health Service funds. "To go after this problem with a sledgehammer when a feather would do, that's excessive," claimed Rep. Nancy Pelosi (D-Calif.).

Unemployment benefit extension faces veto

A House-Senate conference committee agreed Sept. 27 to legislation which would provide up to 20 extra

weeks of benefits to unemployed Americans. The redrafted legislation was approved by both the Senate and the House on Oct. 1. It extends extra benefits to unemployed workers who have exhausted the basic 26 weeks of unemployment compensation.

The legislation would affect about 3 million Americans caught in a state of semi-permanent unemployment. The measure passed the House with a veto-proof majority, and passed the Senate 65-35, two votes short of the two-thirds needed to override a presidential veto. Bush has opposed the bill, claiming it would break the budget deficit agreement from last year and be an admission that the economy is in "recession."

House initiates probe of 'October Surprise'

The House appointed a special task force Oct. 1 to investigate allegations that the 1980 Reagan-Bush campaign delayed the release of American hostages from Iran until after the 1980 election. Eight Democrats and five Republicans will serve on the panel.

The panel will be chaired by Rep. Lee Hamilton (D-Ind.), who was the co-chairman of the congressional Iran-Contra investigative committee. The exact form of the investigation is still the subject of heated debate. Democrats want the investigation to carry over until next fall with some of the hearings be held in closed session. Republicans want a six-month time limit placed on the investigation so that it doesn't carry into the presidential election campaign.

The panel will have the power to subpoena witnesses, and congressional leaders hope to uncover new evidence. A separate investigation is being conducted by the Senate Foreign Relations Committee.

National News

New call for open Democratic convention

John Droney, the Connecticut state Democratic chairman, called for an open national Democratic Party convention during a meeting of the Democratic National Committee recently in Los Angeles, Newhouse News Service reported.

"The primary process we've gone through in the last 20 years has been demonstrably unsuccessful in picking winning candidates," said John Droney, the Connecticut state Democratic chairman. "We lost five of the last six elections because the people who rose to the surface were acceptable to the activist left but unelectable in the rest of the country. I'd like to see a candidate who can win rather than one who is politically correct to the people who dominate the nominating process."

The Newhouse article focused on the problems posed for the Democratic Party by a long primary fight. "Our backs are against the wall. The illusion that we are the majority party is shattered, and we can't afford the luxury of squabbling among ourselves or we'll be wiped out," said California Democratic Chairman Phil Angelides.

Judge tells IRS to give over LaRouche records

Federal Judge Harold Greene effectively told the IRS Sept. 27 that Lyndon LaRouche has a right to records he requested, even if his request didn't go to the correct IRS office, in LaRouche's Freedom of Information Act (FOIA) case against the IRS. The case seeks both records concerning the tax case frame-up against him, as well as all records which show that the IRS revealed confidential information to NBC during 1984. The suit was filed last summer after the IRS ignored requests for information.

The government attorney argued that "the IRS is not withholding any records from LaRouche, from the offices he sent his request to. If LaRouche wanted records from the Richmond, Virginia office or the

New York office, then he has to file his request there. He can't write to the IRS Commissioner at headquarters in Washington to get those records." Judge Greene responded, "You're not telling me that the Commissioner doesn't have jurisdiction or supervision over the Richmond or New York offices?"

Scientists open war on animal rights terrorists

The American Council on Science and Health "took the gloves off" in the current "animal rights" debate, calling for a lobby in defense of human beings and an unmasking of the danger that animal rights advocates represent, in a press conference in New York Sept. 25. "The dolphins, the louseworts, the wetlands all have their lobbies; human beings must have their lobby," said Dr. Elizabeth M. Whelan, president of the council.

The group released a new report, "Laboratory Animal Testing: An Essential Component of Biomedical Research," which documents how medical breakthroughs for both humans and animals have depended on animal research. They also called on Congress to make break-ins and vandalism of research facilities a federal crime.

Dr. Michael DeBakey, renowned heart surgeon and chancellor of the Baylor College of Medicine in Texas, advocated that the medical and research community take a leadership role in educating legislators and the public about the need for animal testing. "As a human being and physician I cannot conceive of telling parents that their sick child will die because we cannot use all the tools at our disposal," DeBakey said. "How will they feel about a society that legislates the rights of animals above those of humans."

Present were several eminent doctors and research scientists as well as three leukemia patients from Memorial Sloan Kettering Hospital, one now in his 30s, whose longevity was the result of chemotherapy animal research 25 years ago. Dr. Steven Sternberg, an attending pathologist at Memorial Sloan Kettering Hospital said, "I find autopsies painful on dogs and turn my head

away, but I couldn't turn my head on the children."

Dr. Robert J. White, professor of neurosurgery at Case Western Reserve in Cleveland and an expert in trauma care for the brain and spinal cord, emphasized that experimentation on dogs and cats has helped unravel the physiological and biochemical problems of brain swelling which, during surgery, can cause the body to cease functioning. He emphasized that you "find solutions in animals to human problems." His new field of research using cats and dogs applies low temperature and reduced metabolism to inhibit brain swelling.

In response to a question, Dr. White estimated that due to the efforts of animal rights fanatics, in the last year 100,000 Americans have seen their quality of life reduced and life extension limited. In addition, 10,000 to 20,000 died unnecessarily from stroke, trauma, heart disease, and cancer, he said.

Other physicians raised the problem of reaching high school students through curriculum reform to reverse the "green-washing" of the animal rights movement. A proposed pilot curriculum would have a non-environmentalist emphasis and would expose students to the leading research in biology such as bio-engineering. They expressed their fear that children today are not going into science because of the animal rights propaganda. "We fear that we will not have the Louis Pasteurs and Marie Curies in the next generation," said Dr. Clifford Barger of Harvard Medical School.

FDA bill 'creating a police state'

Proposed legislation which would give the U.S. Food and Drug Administration (FDA) vast new police and prosecutorial powers was denounced in the lead editorial of the Sept. 27 *Richmond Times Dispatch*, in Virginia.

Entitled "Creating a Police State," the editorial attacked H.R. 2597, sponsored by Rep. Henry Waxman (D-Calif.). Under the provisions of the bill, the FDA would be given the power to conduct warrantless searches, electronic surveillance, and to act

as prosecutor, judge, and jury with no appeals allowed, the paper reported.

Illinois governor signs euthanasia law

Illinois Gov. Jim Edgar signed a "right to die" law on Sept. 26, whereby patients may now be murdered by the withdrawal of food and fluids. Edgar called the measure "cautious, compassionate, and rational."

The new law creates a ranked list of categories of relatives and friends designated to decide when eliminate food, fluids, or medical support. Persons to be killed may include the "comatose," "terminally ill," or those "unable to decide for themselves."

According to the *Chicago Tribune*, the euthanasia law was supported by the Illinois State Medical Society, the Illinois Hospital Association, the Chicago Bar Association, and the Catholic Conference of Illinois—led by Joseph Cardinal Bernardin.

State Rep. Thomas McCracken (R-Downers Grove) attacked the concept of "terminal illness": "I don't deny that there is suffering, but frankly, to create a presumption of death and not life is not a fair way to address this issue. This will have a profound effect on what's in store for us in the future."

Georgia kills victim of Rehnquist Court

Warren McCleskey was executed by the State of Georgia Sept. 25 after the U.S. Supreme Court denied a stay of execution by a 6-3 vote. Led by Chief Justice William Rehnquist, the Court has used the McCleskey case to limit *habeas corpus* petitions. The Court denied the petition despite new evidence that McCleskey's conviction was based on evidence illegally obtained.

Retiring Associate Justice Thurgood Marshall, dissenting, charged, "In refusing to grant a stay to fully review McCleskey's claims, the Court values expediency over human life. Repeatedly denying Warren McCleskey his constitutional rights is unac-

ceptable. Executing him is inexcusable."

Two jurors, who originally voted for the death penalty for McCleskey, now say they would not have condemned him if they had known that one of the principal witnesses against McCleskey was a police informant who was offered a lighter sentence in exchange for testimony. For years, prosecutors lied that they had not sent the informant into McCleskey's cell to elicit incriminating statements. In 1987, a federal judge ruled that the prosecutors had deployed the informant and vacated the sentence. Last April, the Supreme Court said McCleskey should still die because it was an "abuse of the writ" to bring such new evidence to light by filing a second *habeas corpus* petition.

In 1987, the Supreme Court ruled in McCleskey's case that the death penalty was constitutional, despite the fact that killers of white people are statistically much more likely to be executed than killers of black people.

Navy faults commander for attack on Iraqis

The U.S. Navy has handed out a "letter of caution" to Cmdr. Dennis Morral, the skipper of the guided missile frigate *Nicholas*, for carrying out attacks against Iraqi troops who were trying to surrender. It is the first public instance of the U.S. military censuring a commander for conduct during the war against Iraq.

Morral ordered a missile attack against an Iraqi position on an oil platform off the Kuwaiti coast, despite the fact that crew members had seen the Iraqi soldiers waving a white cloth just before the attack. Five Iraqis were killed and three wounded in the attack. Morral was found to have used "extremely poor judgment," but the Navy review panel concluded that he had not violated any international law or Navy regulations.

According to the Sept. 29 *New York Times*, some senior Navy officials are upset that Morral did not receive more severe punishment, fearing that it will be taken as a "do as you wish" signal from the Navy brass in future conflicts.

Briefly

● **U.S. AID** to Israel has been at least \$77 billion since 1967, or "\$16,500 for each Israeli citizen—when adjusted for inflation," the Sept. 23 *New York Times* reported. Once other "seldom noticed assistance" is added in, it "may actually be larger than that."

● **HUGH LIEDTKE**, who was an initiating partner with George Bush in Zapata Oil in the 1950s, may be placed under investigation by the Securities and Exchange Commission over sale of 21% of his holdings in Pennzoil just two weeks before the company announced the postponement of restructuring, which sent the stock tumbling 8%.

● **A PETITION** for an appeal for Anita Gallagher, Paul Gallagher, and Laurence Hecht was filed Sept. 20 to the Virginia State Court of Appeals. It set forward 12 major grounds for appeal of their convictions for "securities fraud" in political fundraising, which are one result of the witchhunt by the "Get LaRouche" task force and Virginia Attorney General Mary Sue Terry.

● **'SUN DAY 1992,'** is being launched by more than 100 groups, a press release from Ralph Nader's Public Citizen group announced Sept. 24. The Sun Day group states that its goal is minimally to get a 10% reduction in U.S. energy consumption by 2010.

● **THE LUTHERAN** School of Theology at Chicago has declared itself a "Green Zone," *The Lutheran*, the magazine of the Evangelical Lutheran Church in America, has reported.

● **AMELIA ROBINSON**, representing the Schiller Institute and Lyndon and Helga LaRouche, addressed a rally of 1,000 in Washington, D.C. Sept. 25, held to demand U.S. action against the atrocities of the "Greater Serbians" in Croatia. The veteran of the 1965 Selma voting rights battle said, "Now I am working for all the people of the world to have justice, and to live in freedom."

Editorial

The new face of war

President Bush captured media attention with his Sept. 27 announcement that the United States is no longer on a military alert status to guard against a possible Soviet attack. Specifically, Bush said that the U.S. will withdraw its ground-launched, short-range nuclear missiles and nuclear artillery from Europe and destroy them.

Other points included taking tactical nuclear weapons off ships, submarines, and land-based naval aircraft, and taking the intercontinental ballistic missiles and strategic bombers off alert status. Bush's rationale for this, that the Soviet Union is no longer a military threat, is not convincing, particularly because of the policy which George Bush himself has chosen vis-à-vis the republics of the former Soviet Union.

In a word, U.S. policy toward the Union of Sovereign States is guaranteed to encourage the greatest amount of economic chaos, and, therefore, political instability. Under conditions of civil war, the danger of a desperation move by Russian chauvinists becomes more, rather than less, likely. This could take the form of a nuclear first strike against the United States.

Rather than seeking to guarantee stability in the territory that was the Soviet Union, by aiding the new republics, U.S. policy is to maintain the fiction that the Soviet Union is viable and that Mikhail Gorbachov is holding the reins of power. The United States delayed in recognizing the Baltic republics until the last possible moment, and even more serious, the United States is demanding that the newly liberated republics accept the suicidal demands of the International Monetary Fund and follow the economic guidelines laid out by free-marketeer Harvard Prof. Jeffrey Sachs. These moves are all guaranteed to add to the instability of the region.

Along with the fact that we cannot discount a future military threat from Russia, many people also rightly conclude that the demonstrated insanity of the Bush administration is such that a militarized United States is also a danger to world security. The question then arises whether the Bush disarmament strategy is merely

a ploy to gain headlines, and a way to save money on certain big ticket items.

Is George Bush a man of peace, as he claims?

The answer is obviously, no. The Bush policy is one of military aggression; it is simply that the administration believes that it can successfully achieve its imperial aims of Anglo-American world domination by fighting a series of small wars rather than having a superpower confrontation.

In fact, this has been U.S. policy since Henry Kissinger introduced the policy of détente to the United States during the Nixon administration, as we documented in the May 3, 1991 issue. This policy, which is discussed under the rubric of population control, governed the invasion of Panama, the war against Iraq, the sending of French troops to Zaire, and may well bring the United States into a new armed conflict—in Haiti. Five hundred U.S. Marines are on standby alert at Guantanamo Bay in Cuba, poised to land on Haitian soil.

While the immediate pretext might be to defend American lives, the case is already being made that the United States, as part of the Organization of American States, should intervene militarily to restore deposed Haitian President Jean-Bertrand Aristide to power. Once before, in 1915, the United States moved to “restore democracy” to Haiti. In that instance, U.S., British, and French troops were sent in to seize the Customs House and collect debt payments. The illegal seizure of Haitian revenues was described in the United States as a “duty to insist on constitutional government.”

Not until 1934 did the United States return control of the Customs House to the Haitians and remove its troops from their soil. Today, the most undemocratic administration in U.S. history is hiding its military aims behind the facade of interventions in other nations to “preserve democracy,” just as in 1915.

George Bush is not a peace President. He is an evil and foolish man who may in fact be bringing the world into war without even quite knowing how he did it.

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EIR Special Report, May 1991

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