

EIR

Executive Intelligence Review

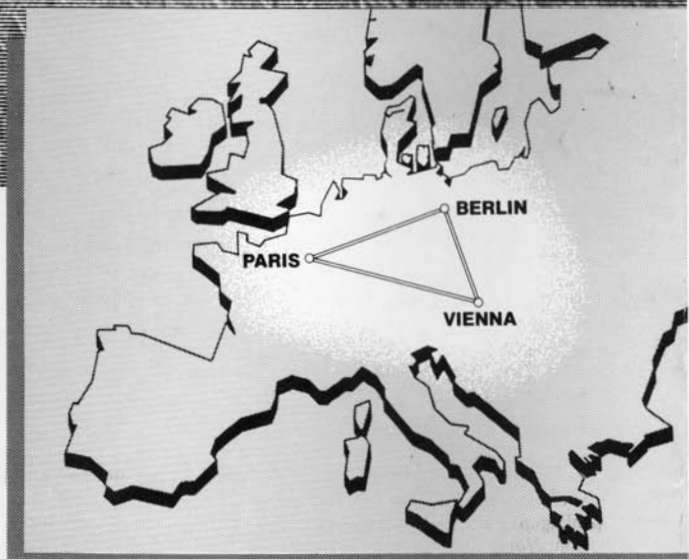
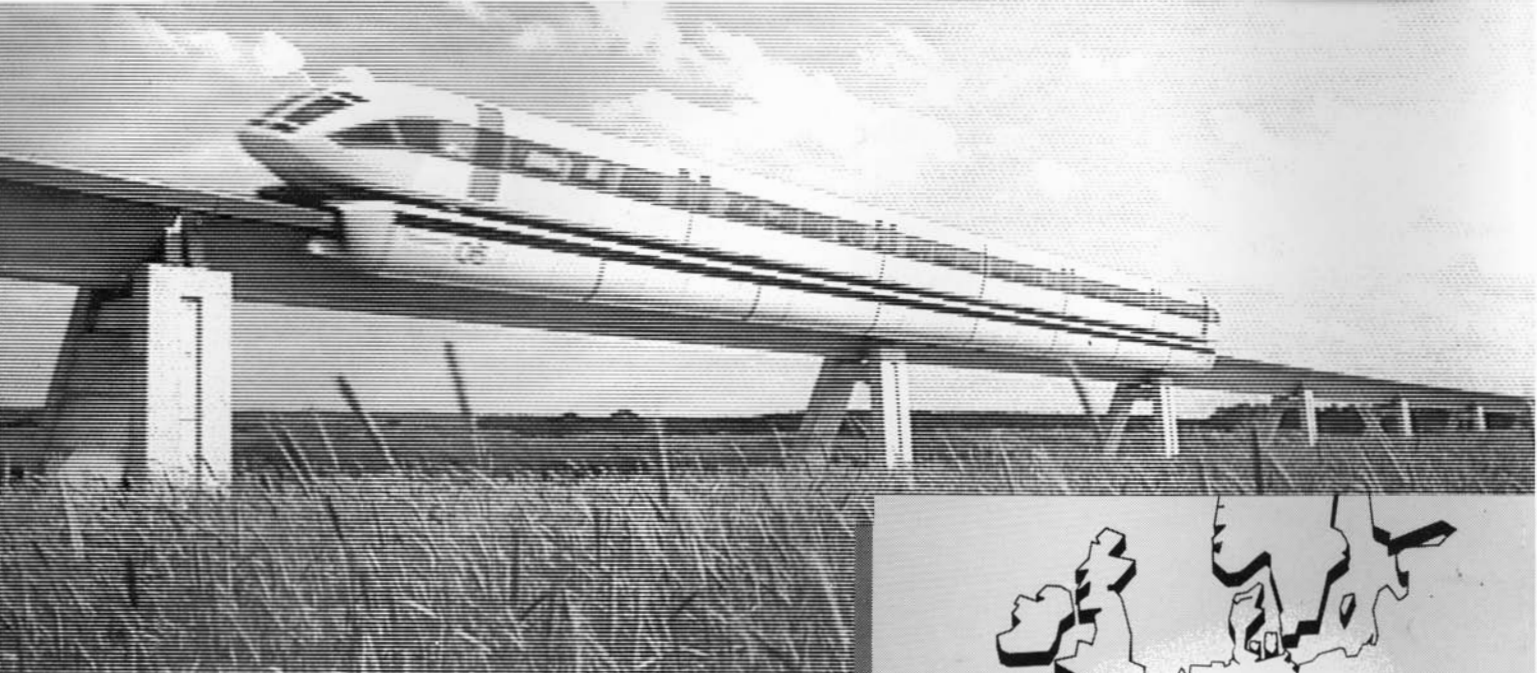
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—from the Berlin Declaration,
March 4, 1991

EIR

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From the Editor

Your editor received an extravagant compliment from a Middle Eastern reader who visited our offices a few days ago. He said, "We have a saying in Islam—to call the Devil by his name. In your articles, you call the Devil by his name." However I think this compliment is applicable to all of our authors, especially to the founding editor, Lyndon LaRouche, who taught us to write the truth.

I am reminded of the famous episode in Dante's *Paradiso*, where Dante encounters his ancestor Cacciaguida and begs him to foretell his own future. Cacciaguida prophesies that the poet will be unjustly tried for crimes of which he is innocent, and sent into bitter exile by his native Florence. The poet replies that this prediction puts him in a dilemma. If, upon his return to earth, he writes all of the things he has learned in his journey through the afterlife, he fears that not only Florence, but every city will banish him. Yet if he holds back the truth, he will be blamed by future generations. Cacciaguida's reply: You must tell the full truth. If it makes some people uncomfortable—he adds, in a line so pungent it must have raised eyebrows in Paradise—"let them scratch where they itch!"

The "let them scratch" principle, which thus received at least a fictional heavenly blessing, is fulfilled in several articles this week. Start with the *Feature*, which profiles major figures in the new administration. We think it shows how urgently William Clinton needs to free Lyndon LaRouche if his presidency is going to survive. Remember, we're the ones who said that Gorbachov would not last if he accepted western monetarist dictates, and forecast that the Reagan-Bush phony recovery would earn George Bush an eviction from the White House.

Here's another one of those famous *EIR* forecasts: If Clinton does try to export "democracy" as his predecessor did, the rebellion which swept Ibero-America in 1992 will seem like small potatoes. The nation of Guatemala has been offered up on the altar of fake human rights. But in nearby Mexico (see report on Gail Billington's tour), the more the United States tries to impoverish and humiliate Ibero-America, the bigger the movement grows to free George Bush's "Man in the Iron Mask," Lyndon LaRouche, and his associates.

Nora Hamerman

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Feature



A march and vigil outside the White House in Washington, D.C. on Jan. 27, 1993, the fourth anniversary of Lyndon LaRouche's imprisonment. With the new administration in total disarray, the one bold move Clinton could make to take back control of the agenda would be to free economist LaRouche.

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World Bank tightens noose on Russia; resistance grows

by Denise Henderson

The outcome of the policy brawl which is now raging among Russia's ruling circles will determine whether or not Russia will survive economically, politically, and strategically. The central issue is that the leadership is facing an economy which has become more and more thoroughly destroyed over the past year, thanks to the policies of Harvard's punk "economist" Jeffrey Sachs and the austerity conditionalities of the International Monetary Fund (IMF). At the end of 1992, official unemployment in Russia, due mostly to the shutdown of state-owned industries, was up to at least half a million.

On Jan. 26, Arkady Volsky, the head of the Russian Union of Industrialists, who is close to Prime Minister Chernomyrdin and some military-industrial circles, made public his opposition to Sachs and the IMF policies. In an article which appeared in the Paris daily *Le Figaro*, Volsky stressed that the Union had been formed to "defend the interest of industrialists" and that now, in the 1990s, the group's main activity is to lobby, both within Russia and abroad, for the "reinforcement of the International Union of Industrialists" which latter exists in 20 countries, including the 15 nations of the former Soviet Union, Poland, Bulgaria, Hungary, and the Czech and Slovak republics. The International Union's aim is to "reestablish relations between manufacturers" that were broken apart when the Soviet bloc's economic organization, the Council for Mutual Economic Assistance (known as Comecon) collapsed. The collapse of Comecon, in his view, is responsible for 60% of the collapse of production that has occurred in the recent period in the former Comecon sector.

Volsky added that "no foreign model, no foreign experience can fit Russia," because of Russia's unique history, as

well as its specificity of experience, its immense territory, and its particular problems of infrastructure development.

Volsky and the other members of the Union, which largely represents state enterprises tied into the military-industrial complex, have thus indicated that they will not sit still much longer for what Speaker of the Supreme Soviet Ruslan Khasbulatov has called the "Latin Americanization" of Russia which he said "has taken place in the sphere of economic reforms this entire year."

Euthanasia for a nation?

It seems, however, that rather than sensing the potential for revolt against their economic programs, the western financial institutions are now moving in to implement a second phase of their destruction of the Russian economy, this time in the guise of "financial aid" from the World Bank, which held an open house to announce its permanent mission in Moscow the week of Jan. 18.

On that occasion, the head of the World Bank mission, Ardy Stoutjesdijk, was introduced to the Russian business community. Stoutjesdijk, from Holland, likely sent chills up and down the spines of the Russians present, when he announced that "the government of Russia . . . may have no choice" other than to accept the "drastic measures" being proposed by the World Bank. Stoutjesdijk's analogy was carefully chosen from the medical field, in which the Dutch have become leaders in the practice of euthanasia against their sick and elderly. In the Netherlands, even pre-adolescent children have the legal "right" to choose "assisted suicide" rather than medical care. Stoutjesdijk told the packed press conference that "in Dutch, we have a proverb that says

that for some medical conditions there are no alternatives but drastic measures. And unfortunately this is the case in economics as well. . . . The government of the Russian Federation may have no choice” but to accept financial aid from the World Bank and the International Monetary Fund—on the conditions offered. Although he did not say so at such a polite gathering, these conditionalities will destroy what remains of Russia’s economy in both the private and state sectors.

Target: the oil industry

Khasbulatov’s term “Latin Americanization” is most relevant here. In this instance, the World Bank is aiming at Russia’s oil industry, which, most experts agree, could be highly profitable, if it were to receive badly needed investment in equipment and processing facilities. But Stoutjesdijk’s aim, as has been the aim of the IMF and World Bank in breaking up Mexico’s state-owned oil company Pemex, is to increase energy prices inside Russia, to force an internal decrease of consumption of energy, while raising Russia’s selling price of oil within the former Comecon countries.

As Stoutjesdijk explained it, “We find that in many countries, particularly in countries that produce oil, the prices charged for energy are often extremely low. This has several economic disadvantages. If the price is excessively low, we tend to get overconsumption. And in a country such as Russia, for example, consumption of energy is much higher than in other countries of a similar level of income.”

In the mind of a financial bloodsucker such as Stoutjesdijk and the international financial interests that he represents: “The problem with that is that oil or gas is a commodity that one can easily sell in the international market. If a lot of oil is consumed domestically beyond what is really necessary, less is available for export. And that means that less foreign exchange is available to purchase other efficient or useful things. We therefore often talk to governments about the desirability of increasing energy prices from time to time. Particularly, if the government is interested in having the World Bank finance extended oil production.”

“We fully realize that this is often very difficult,” continued Stoutjesdijk, but “we also know that it is very desirable.” He admitted, “These discussions then often give us pretty bad publicity, because we are often accused of not being sensitive to the consequences of higher energy prices on the consumer.”

Stoutjesdijk is not proposing to increase Russia’s infrastructure so that it could work out state-to-state deals with other former Soviet republics such as Latvia, Estonia, Lithuania, Armenia, and other former Comecon countries which need energy; rather, the World Bank’s parasitical operations require that only those countries that can afford to meet the bank’s outrageous conditions receive energy; as for the others—they can simply freeze to death. To add insult to injury, Russia will never receive a dime from such an endeavor; all

profits will go to the World Bank to pay it back for its “help” in putting Russia’s petroleum industry back on its feet.

Enough is enough

As Lyndon LaRouche emphasized on Jan. 27 in his weekly interview “*EIR* Talks with Lyndon LaRouche”: “The Jeffrey Sachs policy for eastern Europe and the former Soviet Union is not only not working and could never have worked, but is causing a kind of patriotic nationalist backlash against the West, throughout the hardliners, as not limited to but reflected by the military leadership.

“Russia’s military leadership and many Russian voices are saying that the Anglo-American empire is collapsing, that the United States is rapidly disintegrating as a world power, will not have power much longer, and are saying that therefore, while they are in reduced circumstances strategically, yet they have reached the point that they are no longer going to tolerate in 1993 what they freely submitted to, withholding all their objections, in 1990, 1991, and 1992.”

“Thus,” warned LaRouche, “Clinton faces the fact that the Russian Empire is coming back *rapidly*, and coming back because U.S. policy and Anglo-American policy toward the entire world, including the former Soviet Union, over the past years, 1990 through 1992, has been *criminally stupid*. They have done all the things they should not have done. They have thrown away the greatest opportunity in 20th-century history for some kind of world stability and security. They blew it! And Clinton is coming in apparently continuing to adhere to the Bush policy. And with that circumstance, with the U.S. economy collapsing, the Russians, knowing it, say, ‘We don’t have to put up with this any more. We’re now going to start coming out in the open.’ Therefore, Yeltsin is under tremendous pressure from this faction in the Russian establishment, which is saying, ‘We won’t put up with it anymore.’ ”

It is that strategic outlook which must inform any economic overtures to Russia on the part of the western nations. The way out of the world economic mess is not going to be for the United States to continue to support a World Bank and IMF whose policies have already turned large sections of Africa into a graveyard and are having the same effect in Ibero-America. The way out, rather, is to support the joint development of Europe and Asia, particularly Asia; to put an end to the superpower games of breaking up into ever-smaller pieces the former Soviet Union. Such a plan will ultimately backfire, since the Russian military-industrial complex recognizes that it will gain nothing by destroying its own economy internally.

In such a strategic situation, LaRouche’s proposal of a Paris-Berlin-Vienna Productive Triangle for high-technology infrastructure and industry development is the means for avoiding a return to a Cold War, which could rapidly escalate into a world war—with the IMF and the World Bank largely to blame.

The spreading web of George Soros

Can one person be a rapacious speculator and a selfless philanthropist? Scott Thompson traces the geopolitical profile of a fast-rising Hungarian-American.

Last September, financial manager George Soros was among the leading figures whose currency speculation against the British pound and the Italian lira wrecked the European Exchange Rate Mechanism (ERM). In the process of this debauched manipulation of the derivatives market, Soros pocketed between \$1 and \$2 billion. Before 1992 was out, Soros embarked on a spree of unheralded bounty, endowing a network of foundations in 19 countries in central and eastern Europe.

No doubt, western Europe was badly weakened, especially at its Franco-German core; but did eastern Europe gain? Is Mr. Soros a computer-age Robin Hood, robbing the haves in order to rain largesse on the have-nots? Or is something less amiable afoot, something with its own appalling logic, in which even George Soros may be a pawn?

While his exact gains from the currency market depredations are unknown, estimates of Soros's loot are astronomical. According to the Jan. 2-3, 1993 issue of the *London Financial Times*, "He bet heavily against ERM and won \$2 billion."

The *New York Times* reported Oct. 27, "The Hungarian-American financier George Soros made a profit of almost \$1 billion during last month's devaluation of the British pound by betting heavily the currency would collapse despite government assurances.

"In an interview reported today in the *Times* of London, Mr. Soros said he had borrowed heavily to take his stand against the pound because he was confident the German Bundesbank wanted devaluations in Britain and Italy, but not in France. In the weeks leading up to Sept. 16, known as Black Wednesday in Britain, Mr. Soros sold pounds, betting \$10 billion that Prime Minister John Major would fail to keep the currency above its floor in Europe's Exchange Rate Mechanism.

"He won, and Mr. Major lost. The onslaught of currency speculators forced Mr. Major to pull the pound out of the European Community's system for regulating the value of the community's national currencies."

Germany was the target

It would appear on the surface that the victim of George Soros's runs on the pound and the lira was primarily Britain.

But like many things about Mr. Soros, the superficial impression misleads. Expert observers say the actual target was Germany and secondarily France, the key nations for realizing a Eurasian economic recovery effort strong enough to resist Anglo-American financial looting. Soros has made clear in his writings, like his 1991 book, *Underwriting Democracy*, that he considers a Europe in which Germany is hegemonic to be the most dangerous outcome of the revolution of 1989. Informed sources report Soros may have been "leaked" details of how much money the Bundesbank, Germany's central bank, was prepared to spend to prop up the two weakest European currencies in the run-up to the French vote on Sept. 19 on the Maastricht Treaty. Using leveraged loans, Soros raised \$40 billion to outspend the Germans. How?

A speculator like Soros is able to borrow on a margin of 5%, borrowing \$1 billion for just \$50 million. The lira fell from 765 to the deutschemark to 980 in September, providing a 28% profit. But with 20:1 leverage, a trader like Soros could have made 20 times the 28%, or 560%—\$280 million on an investment of \$50 million.

Who would give Soros such favorable rates? Informed sources, again, report that Soros is backed by the Mossad (Israeli foreign intelligence) and the resources of the Zionist apparatus in the world financial community. Soros's own operations—such as the Quantum Fund—operate in offshore dirty money laundromats like the Netherlands Antilles and Macao. Soros is also reportedly close to the New York Federal Reserve Bank, especially its recently resigned head E. Gerald Corrigan. The New York Federal Reserve Bank keeps a pulse-beat reading on global currency markets, and frequently intervenes. European sources suggest that Corrigan's sudden exit after Soros's raid on the pound and the lira may be related to reports that the New York Fed was involved in the speculative orgy.

Spreading the largesse

George Soros oversees a web of foundations in central and eastern Europe, spun off his original Open Society Fund, founded in 1979. Following his usurious gains in western currency markets, he has doled out large sums of money for

a variety of causes:

- On Dec. 9, Soros announced the creation of the \$100 million **International Science Foundation for the Former Soviet Union**. The announcement was made by Soros in Washington and Dr. Boris G. Saltykov, deputy prime minister of the Russian Federation, in Moscow. Soros said: "The scientific culture in the former Soviet Union is threatened by the collapse of the economies of that region. The purpose of this foundation will be to reverse deterioration of scholarly professions in these states, to preserve scientific excellence where it exists, and to create a more open system of organization and financing of fundamental research and science education." The foundation will be administered by a board of directors of leading international scientists. One of its goals is to "apply new methods of science funding to encourage science professionals to remain active in their native countries." (This seems to be a response to the scare about Soviet scientists selling the secrets of weapons of mass destruction abroad.) Again, the fact sheet states: "Additional financial resources will be sought from government and private sources in the U.S. and other industrialized countries; European and Japanese participation will be particularly welcomed."

- On Dec. 18, Soros announced that he was giving "the biggest private donation ever made to an international humanitarian cause" by donating \$50 million for Bosnian support aid. The money is to be administered by the United Nations High Commissioner for Refugees. Initial allocations were to go to several private voluntary organizations, including Save the Children Fund Alliance, Médecins sans Frontières (Doctors without Borders), the International Rescue Committee, and Oxfam. The title of the program is **An Appeal for Security in Bosnia**, and the board of advisers to U.N. High Commissioner Sadako Ogata will include former U.N. High Commissioner for Refugees Prince Sadruddin Aga Khan and the president of the Carnegie Endowment for International Peace, Ambassador Morton Abramowitz.

- On Jan. 5, Soros announced a \$25 million revolving loan to the government of the Republic of Macedonia (Makedonija), earmarked for purchasing heating oil and other urgent needs the country has to survive through the winter. In the press statement, Soros is quoted: "The government of Macedonia is a coalition of moderate Macedonians and Albanians. It is trying very hard to preserve a multi-ethnic society, but is threatened from all sides: Macedonian extremists on one side, Albanian extremists on the other; the present Yugoslav government has a great interest in fomenting trouble and the Greek government seems intent on preventing an independent Macedonia from existing at all. The lack of heat and other economic hardships are exacerbating ethnic tensions. If there is conflict in Macedonia, it is likely to degenerate into a general Balkan war; on the other hand, if a multi-ethnic society can survive there, it would help contain the turmoil that has engulfed the region. The time to recog-

nize Macedonia is now. Why must we always wait until conflict actually breaks out before we act." Soros established the **Open Society Fund of Macedonia** in August 1992.

These causes sound benign enough. But Mr. Soros's philanthropy sows a huge debt of gratitude in Russia, ex-Yugoslavia, and the old Soviet satellites. May we not suspect that it will be harvested by creating new targets for the Anglo-American speculative thievery in which Soros himself excels—in the name of the "open society"?

The open society of Sir Karl Popper

To test this hunch, let us examine our subject's intellectual pedigree. George Soros, a Hungarian-born American Jew, is a protégé of Sir Karl Popper, the high priest of postwar Aristotelian ideology, whom Soros met while a student at the Fabian Society's London School of Economics. In *Underwriting Democracy*, Soros recounts:

"I had approached the crisis in eastern Europe with a well-developed set of ideas about how societies work and how they change. . . . I formulated it first as a student at the London School of Economics in the 1950s. At that time, I had just left Hungary, which had come under Soviet domination, and I was preoccupied with the differences between the closed social system I wanted to get away from and the open one I had chosen to live in. I was greatly influenced by the philosophy of Karl Popper and to a lesser extent by the free-market views of Friedrich Hayek. I had finished my courses in two years and I had a third to wait before the degree was conferred on me. I used that opportunity in 1952-53 to submit some essays to Popper, and I continued to develop my ideas while working first in London and then in New York. Eventually, I gave up philosophy and devoted myself to making money."

Except for the later addition of some of the more overtly lunatic ideas of "chaos theory" from physics, Soros traces his entire theory of "open" and "closed" societies to his tutelage under Karl Popper. The "open society" is Popper's model of a "free market of ideas" in a value-free society. Value-free means hostile to the Platonic outlook in Augustinian Christianity, by which every human individual has sacred rights, starting with the right to life.

The British Aristotelian Society, which Popper dominated since the war, has argued that the Athenians were right to execute Socrates for having engaged the youth of Athens in the search for the truth and the good. From such premises, the British Aristotelian Society has fought every leader furthering human progress by Socrates' method, down to the present. Indeed, Popper lies that the influence of Plato was to blame for Nazism.

Yet the "anti-authoritarian" Popper, like his mentor Aristotle, does not object to coercion if it is aimed against human life. In an interview published in Germany in March 1992, Sir Karl blamed environmental ills on "the population explosion," which "we have to solve in an ethical way. Only

children that are really wanted must be born. . . . People that don't want the children must be given the means not to get them. The means do exist now, I mean the abortion pill." He voiced "optimism" that the Catholic Church would support euthanasia in such "reasonable" instances as rape or AIDS babies, or babies born in the Third World without a chance of survival.

Should abortions and euthanasia prove too slow, there's always military force. Popper blamed a large part of the developing sector's crisis on the "political stupidity" of its leaders. "We have liberated these states too early and in a too primitive way. These are no-law states yet. The same would happen if you'd leave a kindergarten to itself." He argued that the "civilized world" has all the right to launch wars against the Third World for the sake of "peace."

Sir Karl's pupil Soros claims to recognize that economic depression breeds totalitarian regimes. Yet he has helped unleash the very von Hayek-modeled "shock therapy" austerity regimes that are destroying all hope of recovery of the collapsed former communist economies. Soros is a financial manager, who deals in the esoteric realm of derivatives—e.g., currency speculation—and his writings show the most perverse contempt for physical-economic principles.

The obstinacy suggests that George Soros is not just out for himself, but fronts for an Anglo-American geopolitical faction bent on strangling economic development. Take his collaboration with the shady Mark Palmer. It began, according to John Train's *The New Money Masters*, when Palmer was U.S. ambassador to Hungary, and backed a management-training center in an old castle outside Budapest known as the Central European University. Palmer had to resign as ambassador in a major conflict-of-interest scandal, and evaded prosecution through the equivalent of a plea bargain. Today he is executive officer of the Central European Development Corp. (CEDC). Informed sources report that through the CEDC, Palmer—also close to Kissinger Associates—is working to contain any potential development role for Germany, by seeding central and eastern Europe with Anglo-American financial institutions. Not surprisingly, in a 1991 interview, Palmer sharply opposed Lyndon LaRouche's proposal for a Productive Triangle plan which would join Paris, Berlin, and Vienna by high-speed rail links, and transform the region into an industrial engine to drive the development of the Eurasian continent as a whole.

Sachsmaniac

Soros had a big hand in creating the Polish model of "shock therapy" which has so ruined the economy, that many Polish voters are turning back in desperation to the communists. In his book, Soros boasts of being a major funder of babyfaced Harvard economist Jeffrey Sachs, whom he introduced into economic policy debates in Poland and the Soviet Union. Soros writes of Poland:

"I considered it essential to demonstrate that the political transformation [from a closed to an open society] could result in economic improvement: Poland was the place where this could be accomplished. . . . I prepared the broad outlines of a comprehensive economic program. It had three ingredients: monetary stabilization, structural changes, and debt reorganization. I argued that the three objectives could be accomplished better in combination than separately. That was particularly true for industrial reorganization and debt reorganization since they represented opposite sides of the national balance sheet. I proposed a kind of macroeconomic debt-for-equity swap. . . .

"I joined forces with Prof. Jeffrey Sachs of Harvard University, who was advocating a similar program, and sponsored his work in Poland through the Stefan Batory Foundation. He created a tremendous stir with his ideas and became a very controversial figure, but he succeeded in focusing the debate on the right issues. I also worked closely with Prof. Stanislaw Gomulka, who became the adviser to the new finance minister, Leszek Balcerowicz, and was in the end more influential than Professor Sachs."

According to Soros, this combination developed a "radical approach." "Balcerowicz stuck to his guns and presented a radical program of monetary stabilization at the International Monetary Fund meeting in Washington. The IMF approved, and the program went into effect on Jan. 1, 1990. It was very tough on the population, but people were willing to take a lot of pain in order to see real change."

Soros's complaint is that not enough pain was inflicted on the Poles through this "shock" approach, because of the failure to shut down less efficient factories and leave their work forces jobless. In *Underwriting Democracy*, he states: "Take the case of Poland. The government acted very courageously; indeed, the stabilization program had some of the earmarks of a Polish cavalry charge. Inflation has been reduced but the outcome still hangs in the balance because structural adjustment is slow in coming. Production has fallen by 30%, but employment has fallen by only 3%. This means the entrenched management of state enterprises is using the respite it gained from wage claims to improve its profit margins and keep the workers employed. There is an unholy alliance between management and labor that will be hard to break."

Soros and the Shatalin Plan

After blaming the Polish fiasco on a failure to apply intensive enough shocks until the patient was electrocuted, Soros trained his sights on the Soviet Union. He got involved in drafting a Russian version of the Polish model, which became known as the Shatalin Plan, starting in July 1990. Soros urged Russian Federation President Boris Yeltsin, whom he met through Yuri Afanasyev, a leader of the democratic movement and a member of the board of Soros's Soviet American Foundation Cultural Initiative, to ally with

Mikhail Gorbachov for a radical restructuring of the Soviet Union. Yeltsin balked at first, according to Soros. The bulk of the plan that bore the name of Prof. Stanislav Shatalin had been authored by the East-West spy nest based in Laxenburg, Austria known as the International Institute for Applied Systems Analysis (IIASA).

Soros drafted a memorandum for Yeltsin on July 3, 1990, that prescribed the following monetarist potion:

"The only way in which the intervention can be made both effective and acceptable is by focusing on the creation of a monetary system that would allow the transformation of the Soviet Union into a confederation of sovereign republics and, in the case of the Baltic countries, independent states. The transformation itself is an internal affair in which it would be inappropriate to interfere; but having a monetary system that would keep the economy integrated or, more exactly, provide a way for reconstituting a disintegrating economy would make the difference between success and failure. The Soviet leadership recognizes that it cannot establish such a monetary system with assistance. What it needs is not just credit but the credibility that western involvement would bring. If the G-7 [countries represented at the Houston summit] indicated their willingness to help in establishing a monetary system for a reconstituted Soviet Union, their offer would be enthusiastically received and the seemingly inexorable decline into chaos could be reversed."

When Yeltsin responded favorably to several parts of this memo, Soros sent it to the G-7 heads of state, who would be gathering in Houston. Margaret Thatcher was among those who liked the plan. Soros returned to Russia, where Yeltsin and Gorbachov were reaching a reconciliation. After meetings with the leadership of both camps, Petrakov and Yavlinsky, who were en route to discuss the Shatalin Plan in retreat, said they "would welcome a group of western economists to discuss the plan as soon as the two leaders had signed off on it. . . . They left the composition of the western group to me. We would set the date of the visit through Aksyonov. I was elated. What I had hoped for had finally happened."

Upon his return to New York, Soros put together his group, which included: the ubiquitous Jeffrey Sachs, fresh from his debacle in Poland; Romano Prodi from Italy, former head of IRI (the Italian holding company of state-owned enterprises); Guillermo de la Dehesa from Spain, who had directed the Spanish privatization program at the Ministry of Finance; David Finch, retired official of the International Monetary Fund; Stanley Fischer and Jacob Frenkel, heads of research of the World Bank and IMF respectively; Michael Bruno of the Central Bank of Israel; Gur Ofer of Jerusalem University; Ed Hewett of the Brookings Institution; and Martin Tardos from Hungary.

Several members of this group traveled with Soros to Russia, where two plans were being debated: One was the Shatalin Plan and the other was identified with Soviet Prime

Minister Nikolai Ryzhkov. Gorbachov favored the Shatalin Plan, while Yeltsin favored Ryzhkov's. According to Soros, it was the bureaucracy that defeated the Shatalin Plan, because it would have created "a new center of power which would gain public support by doing battle with the much-hated old center. It was a brilliant conception not widely understood either inside the Soviet Union or outside. Unfortunately it was well enough understood by the bureaucracy which managed to defuse it. The Shatalin Plan was probably the last chance to create a new center of power whose authority would extend over the entire territory of the Soviet Union."

The Shatalin Plan was little more than an adaptation of the failed IMF-Sachs Polish model to the former Soviet Union, ostensibly to create a market economy. Among its provisions were: 1) decontrolling prices and ending subsidies on basic commodities like bread; 2) cutting the budget deficit to zero over two years; 3) shutting down inefficient industry and leaving the workers unemployed; and, 4) stabilizing the ruble and making it convertible.

As a financier, who has made his fortune out of manipulating the bubble in the West, Soros oozes scorn for an economy's need to build infrastructure and industry. In *Underwriting Democracy* he writes of the Soviet Union: "We may view the gigantic hydroelectric dams, the steel plants, the marble halls of the Moscow subway and the skyscrapers of Stalinist architecture as so many pyramids built by a modern pharaoh. Hydroelectric plants produce energy, and steel plants turn out steel, but if the steel and energy are used simply to produce more dams and steel plants, the effect on the economy is not very different from that of the construction of pyramids." While much heavy industry and infrastructure built under communism was stupidly planned, Soros's analogy to the pyramids of Egypt, which never had a function in the physical economy, is maliciously inexact. Not to mention the chutzpah of a currency speculator, who heists \$1-2 billion in days, calling steel plants and dams a drag on the economy!

In a Jan. 4, 1993 commentary in the *Washington Post* Soros harped on the monetarist theme: "Help should take the form of an internationally financed social safety net, distributed directly to the unemployed and needy in the form of hard currency—dollars or deutschmark bills.

"Given the fact that the minimum wage in Russia is \$6 a month, the cost of such a scheme would be well within the range of an IMF program: I believe \$10 billion a year would be sufficient for the entire Soviet Union."

Soros then unveils the real purpose of his proposed reforms—neo-colonialist looting: "The social safety net would also provide a powerful incentive to shut down loss-making enterprises. . . . Factories could be idled and the raw materials and energy that go into production could be sold for more than the output." Leaders of former communist nations struggling for freedom should ask themselves if they can afford George Soros's alms.

Sudan's farmers achieve grain surplus, send food relief abroad

Dr. Abdalla Ahmed Abdalla is ambassador to the United States from the Republic of Sudan. He has served as professor on the agriculture faculty, and also as dean of students, at the University of Khartoum. From 1974 to 1977, he was vice chancellor of the university, and since has served as chairman of the university's council (regents.) He served as minister of agriculture, food and natural resources in Sudan from 1977 to 1980. From 1980 to 1985, he was the first governor of the Northern region in Sudan. He is a graduate of the University of Khartoum, and earned a master's and doctoral degrees in plant physiology from the University of California at Davis. He completed his studies there in 1963.

After the government of President Omar Hassan El Bashir commenced in Sudan in June 1989, Dr. Abdallah was appointed ambassador to the United States. He was interviewed by Marcia Merry on Jan. 14 in Washington, D.C. We present Part I of a two-part interview.

EIR: After its food supply problems of 1990, Sudan is now providing food relief to several nations.

Abdalla: Sudan's harvest of grain for 1992 was estimated at 5.5 million tons, creating a surplus of 1.5 million tons. Sudan is now sending grain for food relief to points of need on three continents: to Bosnia; to Somalia, Zambia, Zimbabwe; and to Afghanistan. Food has been sent to the Gaza Strip, and to Egypt, after the earthquake. This year, Sudan is pledging 100,000 metric tons of grain (sorghum, wheat, and corn) to the World Food Program, for distribution to those in need in southern Sudan.

EIR: What have been the agriculture developments in Sudan over the past three years, since your government adopted its "Economic Salvation Program" in 1990?

Abdalla: Changes in strategies and policies have been designed primarily to create an environment conducive to growth and development. The Economic Salvation Program was designed also to redress economic ills, and to redirect resources particularly to the productive sectors, and particularly to the agriculture sector. The program considers the agriculture sector as the engine of the economic growth of the Sudan. Therefore, any developments that have taken place in

the agricultural sector in the last two years should be related to the overall economic policy environment that has been introduced.

As a result of this new policy environment, there have been certain major policy actions taken, the central of which are:

1) The privatization of several of the Agricultural Public Corporations (APCs) was implemented, and other actions taken to foster the private sector.

2) Certain changes were made in the laws and regulations affecting economic activities in the areas of customs and taxation, with a bias toward production and development.

3) Liberalization of input and product prices was done, through the abolition of subsidies and reduction of taxes.

4) There has been a revision of the Investment Encouragement Act to provide more incentives, particularly in the agriculture sector, such as tax holidays and guarantees.

5) There has been a reform of credit policy. This is to increase the flow of resources into the agriculture sector.

6) There was also legislation mandating that a certain percentage of land in the irrigated schemes, and in the mechanized schemes, be put to forests. This is a new orientation toward caring for environment.

EIR: How does the credit to agriculture work?

Abdalla: A number of actions were taken:

1) A consortium of commercial banks was formed to finance APCs and individuals. In the past they were financed by the central bank with very low interest. This has now become completely privatized. There is a consortium of banks that is extending financing to some APCs until they are privatized completely. Some APCs will be privatized gradually, such as the Gezira, Rahad, and New Halfa.

2) There was also a very substantial increase of the capital of the agricultural Bank of Sudan, with a marked increase in its branches in towns and rural areas. More lines of credit to farmers were established. The Bank of Sudan also increased the credit ceiling to 50% for agriculture, which will be reviewed periodically.

3) There was the establishment of Livestock, Farmers, and Livestock Raisers Banks—new, private banks. The

farmers themselves bought a government bank, and now they run the Farmers Bank. These are three specialized, private banks, directed toward the private sector, fostered and supported by the sector, and serving mainly to support the traditional agriculture sector.

There are many details which I have not given you, which have been put in place to enable the agriculture sector, whether it is still in the public corporation state, or in transition, or private, to make use of and respond to the new policy environment of macroeconomic measures that have been taken.

EIR: What has been the impact of these policy changes?

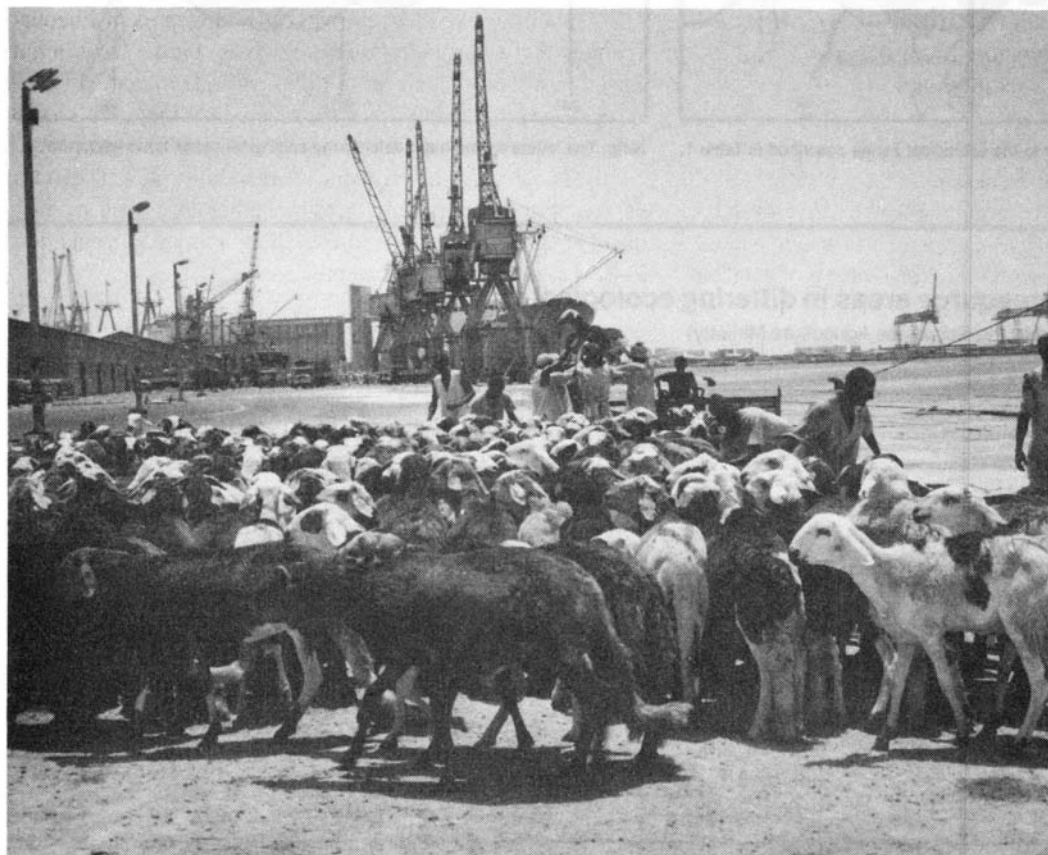
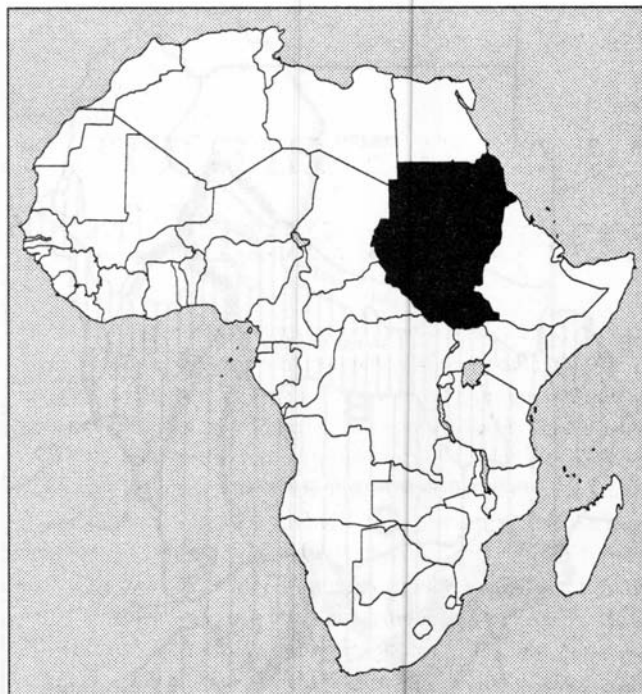
Abdalla: The agriculture sector responded markedly to the policies during the past two years.

1) The agriculture sector recorded a growth rate of 30% during 1991-92. This is the highest over the last decade. There was nothing like a 30% growth rate. And this 30% growth rate in the agriculture sector contributed to the overall growth rate of the economy of 11.8%. These figures have also been agreed to by the World Bank and the International Monetary Fund.

2) The total grain production increased from 2.7 million tons in 1989-90, to 4.8 million tons in 1991-92. This immediately resulted in self-sufficiency, and a little surplus

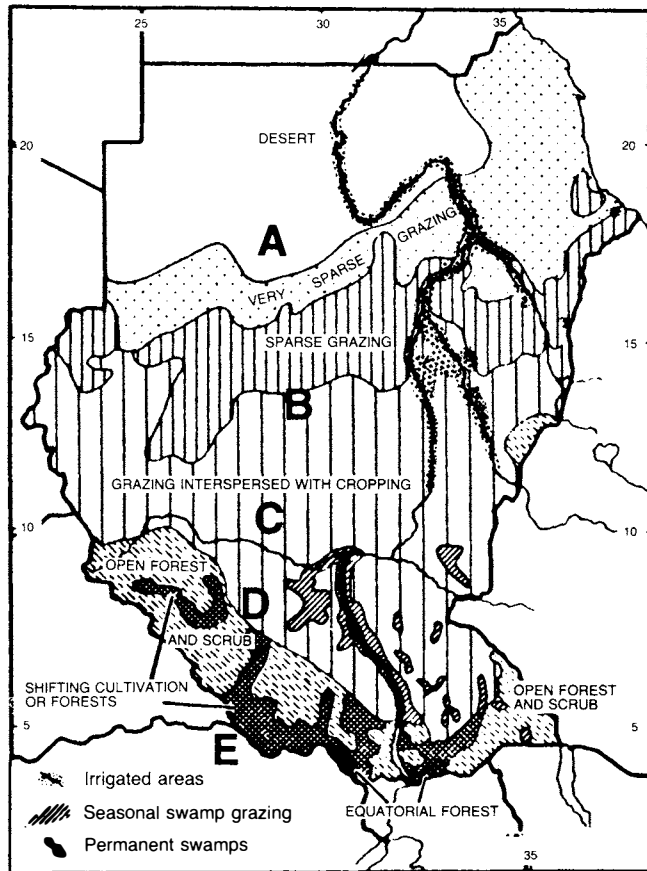
FIGURE 1

Sudan in the African continent



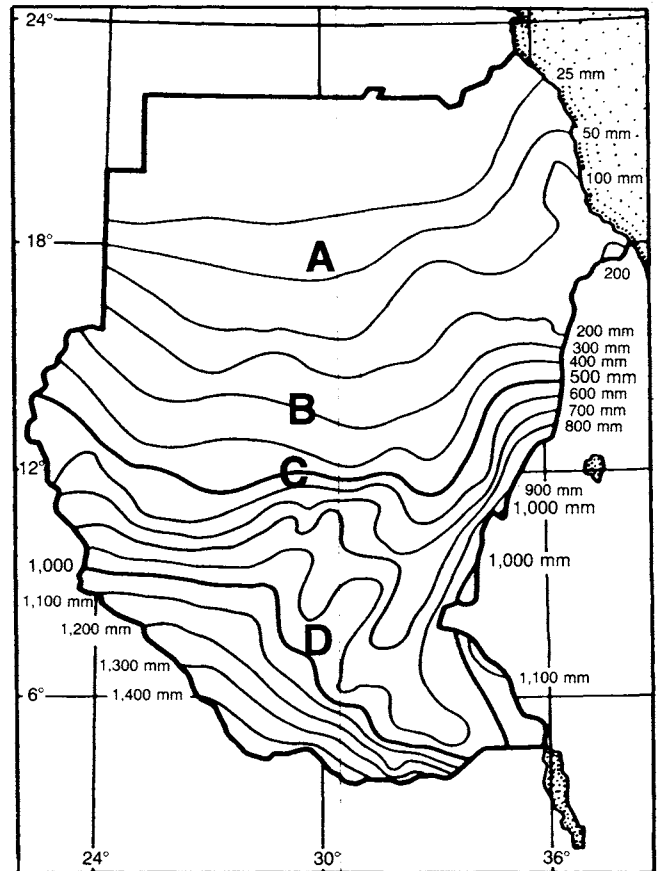
A scene at Port Sudan. Sudan ships livestock to Saudi Arabia, Egypt, Libya, and Jordan. The agriculture sector overall achieved a 30% growth rate last year.

FIGURE 2
Sudan's diverse agro-ecology: land use zones



Note: The letters on the maps refer to the ecological zones described in Table 1.

FIGURE 3
Sudan's average annual rainfall



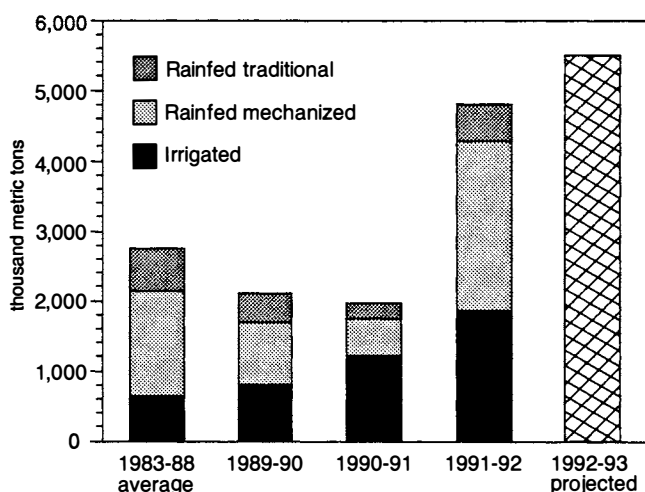
Note: The letters on the maps refer to the ecological zones described in Table 1.

TABLE 1
Sudan's agricultural resource areas in differing ecological zones
(millions of hectares; estimated by the Sudanese Agriculture Ministry)

Ecological zone	Total area	Pasture area	Cultivated area	Total area available for agriculture	Forested
A. Desert	71.9	—	—	—	—
Semidesert	48.6	9.7	—	—	—
B. Savanna (sandy, low rainfall: 300-400 millimeters)	32.4	28.6	3.8	—	—
C. Savanna (higher rainfall: 400-800 mm)	35.9	31.9	4	32	—
Subtotal—Northern Sudan:	188.8	70.2	7.8	32	—
D. Savanna (high rainfall: 800-1,300 mm)	34	22.7	—	11.4	—
E. Flood area	24.2	—	—	—	—
Mountainous	.6	—	—	—	—
Forested	—	—	—	—	24.2
Subtotal—Southern Sudan:	58.8	22.7	N.A.	11.4	24.2
Total Sudan:	247.6	92.8	7.8	43.4	24.2

FIGURE 4
Sudan: annual output of all grains by farm sector, 1983-92

(sorghum, wheat, millet, com)



(Figure 4).

This year, which is 1992-93, the harvest is still going on. The estimate of the harvest, by the U.N. Food and Agriculture Organization [FAO] assessment team, which now comes annually to make an assessment of grain production in the Sudan, is between 5 and 5.5 million tons, giving us a surplus of 1.5 million tons of sorghum. President El Bashir announced recently that the harvest may reach 7 million tons.

The FAO was in Sudan in November and December 1992, and at that time, the figure quoted by the minister of agriculture as an assessment, was 5.5 million tons.

This is the record highest harvest in Sudan. There has never been 1.5 million tons of surplus, never in the history of Sudan. This occurred from the combined output of the mechanized, the traditional [non-mechanized], and the irrigated sectors.

Wheat production increased from an average of 200,000 tons in the late 1980s, to 895,000 tons in 1991-92. It used to oscillate between 150,000 and 200,000 tons in the late 1980s. As for 1992-93, of course, the crop is still in the field.

These increases resulted from not only an increase in the cropped area, but an increase in yield, i.e., increased productivity. Some people think that increases have been obtained only through horizontal expansion of area. Not so. It is both: horizontal expansion and vertical expansion—that is, productivity per unit area, resulting from the new policies introduced.

The higher yields reflect the removal of certain constraints, the application of some technology in terms of research, better farming methods, better management, better resources for fertilizer, and timely application of inputs.

3) Integration of livestock in the irrigated subsector. This

FIGURE 5
Sudan: annual output of food crops rises, cash crops falls, in irrigated sector, 1983-92

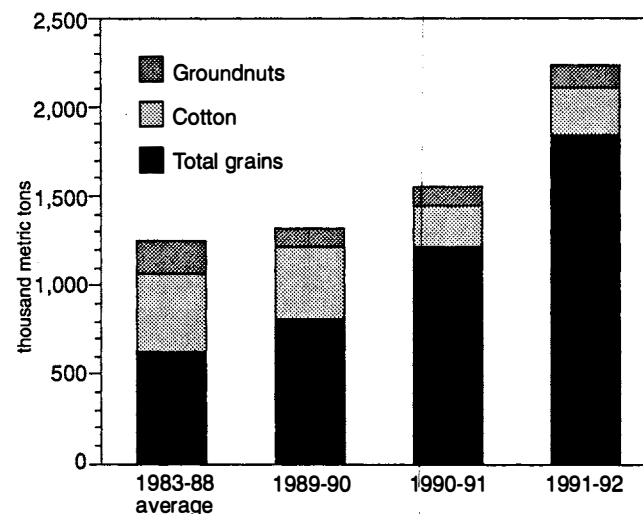


TABLE 2
Estimated numbers of livestock in Sudan, 1985-92

(thousands of head)

Year	Cattle	Goats	Sheep	Camels
1985-86	19,632	13,799	18,690	2,712
1986-87	19,739	13,942	18,801	2,705
1987-88	19,858	14,196	19,207	2,722
1988-89	20,167	14,482	19,668	2,732
1989-90	20,593	14,854	20,168	2,742
1990-91	21,028	15,278	20,701	2,752
1991-92	21,504	15,592	21,288	2,775

has been going on for a long time; what is new is that credit facilities have been made for the farmers and the tenants to purchase livestock. The fodder is now an integral part of the rotation in the Gezira scheme, and other schemes (Table 2).

4) There has been an increase in the area for export crops—sesame, ground nuts, safflower—which was a reaction by the farmers to the liberalization policies and prices.

Exports in the last two years have gone mainly to Europe, and now to the Far East—Malaysia, Indonesia, China. We used to have some exports of cotton to India, but they are terminating, because India is now more or less self-sufficient in cotton. Livestock goes to the Middle East, mainly to Saudi Arabia, and also to Egypt, Libya, Jordan.

Sesame goes mainly to Europe, but there are now new



Harvesting of gum arabic, used in manufacture of adhesives, confections, and pharmaceuticals.

markets in Southeast Asia. This year's harvest is about three times as much as last year. The government estimate is about 350,000 tons of sesame. The farmers and the merchants estimate is 500,000 tons. In contrast, the last year's harvest—the one before the most recent—was 100,000 tons.

Gum arabic is very good this year. Last year it was very bad, because the winter was very severe. This year there is a good harvest.

EIR: Are there new technology and education programs?

Abdalla: There are many prerequisites and determinants for sustained agriculture growth. One of them is technology, and by that I mean research, education, and extension.

In our vision for agriculture in the future—to increase our exports, to guarantee our food security, and to make a base for agriculture industry—promotional policies and technology become very important, along with the private sector. It is very important that we emphasize agriculture education, research, and extension. This is now being done through, mainly, supporting the agriculture research system that is already there.

We are strengthening the capabilities of the different experimental stations in the different regions of the Sudan, because the capabilities of agriculture research in the Sudan have been declining. They have declined particularly in terms of operational budget for research, equipment, supplies, partly some brain drain—losing some of our good agriculture

research workers to other countries; partly because of certain structural deficits in the system itself; and partly because of lack of strong linkage between agriculture research and extension, because each is in a separate structural area.

Agriculture Research Cooperation is directly under the Minister of Agriculture, and has very little to do, if anything, with extension. Extension is in the Ministry of Agriculture, but very isolated from agriculture research and education. Agriculture education is totally under higher education, and has very little to do with agriculture research, which is targeted toward solving the problems of agriculture in the Sudan. It is rather academic research and so on, and very little cooperation and coordination exist.

However, these problems are now being addressed, with the objectives of bringing together as much as possible agriculture education, agriculture research, and agriculture extension. New faculties of agriculture have been created in the new universities.

There is a new faculty of agriculture in the new University of Wadi Al-Nil in the north (that's the Nile Valley University,) primarily addressing irrigated horticulture, because that's an area of horticulture, known for its high-value crops. They will focus on arid agriculture, utilizing underground water. Already we get water from the Nile.

There is another new faculty in Kordofan, and that faculty of agriculture is going to address more the problems of natural resources—land degradation, soil/water relationships, environmental degradation of forests, better land use management, and so on. It will also address livestock, because Kordofan is the livestock region. It will address productive farming systems that will integrate soil and livestock crops altogether, also caring for the environment. It will emphasize the new concept—which is not new, but emerging: the concept of sustainable agriculture.

There is another agriculture faculty in Darfur. And in the south, there is a college of agriculture at the Upper Nile University in Malakal. There is also a college of agriculture at the University of Gezira, which is now 15 years old. It addresses the problems of the irrigated sector of the Gezira and rainfed agriculture.

EIR: How many students are enrolled now?

Abdalla: There has been a revolution in higher education in Sudan. The number of students accepted has jumped at least five times in the last two years. This year there were 37,000 new enrollments. Two faculties are stressed at the colleges in the newly emerging universities: education and agriculture. Some of the universities have medicine, engineering, and so on. But there was primary concern for creating these two faculties in each of the new emerging universities. The faculty of education is always there, in all of them. And a faculty of agriculture is always there, in all of them. Apart from that, they differ.

To be continued.

How Ibero-America can become an economic superpower

by Dennis Small

The following is adapted from a speech delivered by EIR Ibero-American Editor Dennis Small in May 1992, at the founding conference of the Ibero-American Solidarity Movement in Tlaxcala, Mexico.

If we examine the process of economic disintegration that Ibero-America is suffering today, the task of putting an end to the looting of the continent and transforming it into an economic superpower could appear to be not only a titanic undertaking, but a sheer impossibility. Five years ago, in our *Ibero-American Integration* book, we spoke of the necessity of creating 100 million new productive jobs by the year 2000, that is, within 15 years, as the central theme of reconstruction. We showed there that this was feasible: If the policies outlined by Lyndon LaRouche in his 1982 work *Operation Juárez* were adopted, we could achieve a real economic growth rate of 10% a year, and we could thereby reach the level of development of Spain within 15 years; and in 30 years Ibero-America could attain the average development levels of the OECD countries (France, Germany, etc.).

But today, five years later, the task is far greater. Productive employment in Ibero-America stagnated for the entire decade of the 1980s at a level of about 90 million productive jobs, against which a real unemployment level of 75 million persons has been generated, the equivalent of a 45% unemployment rate (Figure 1). To provide productive employment to all of these unemployed, and also to all the new entrants to the labor market over the next 15 years, that is, by the year 2005, we would have to create not 100 million new productive jobs, but 130 million. In other words, the problem has become 30% greater in five short years.

And not only this. Today we are taking off from a very deteriorated productive base compared to that of 1985; cholera has ravaged Ibero-America; the infrastructure of the continent has collapsed. That is, Ibero-America has been "Africanized."

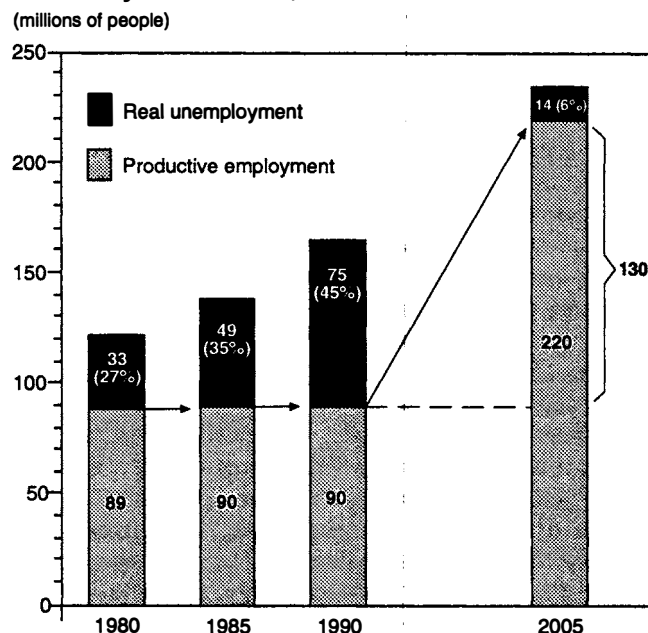
Can we succeed? Yes, we can; and the curious thing is that we can do it in the same 15-year time frame that would have been required to resolve the problem five years ago.

How, then, can we make Ibero-America an economic superpower? Obviously, we must stop the looting of the

continent with an immediate and total moratorium on foreign debt payment and with a total political break with the International Monetary Fund. Obviously, we must form a common market and customs union in Ibero-America, to take advantage of the natural complementarity of the continent's economies; obviously, we must channel all resources saved and generated into production and not into speculation; and obviously, we must establish Hamiltonian mechanisms to generate credit. But all of these things, while necessary, are not sufficient to do the job.

The most fundamental economic question is: How can we reinvest the economic surplus thus generated, and what method must we use to arrive at such investment decisions? Here is where many otherwise well-intentioned nationalists across the continent fail miserably, not to mention the neo-Keynesians and other misguided economists. Only the eco-

FIGURE 1
Ibero-America: Real unemployment and needed job creation, 1980-2005





Children living on the streets of Brazil. Raising the productive power of labor is the absolute prerequisite for economic development of the continent.

conomic theory of Lyndon LaRouche has a scientific response to this question.

Population density

In many writings, LaRouche has demonstrated that the only scientific measurement of an advancing physical economy is the rate of growth of the potential population density of the society taken as a whole. This increase, in turn, requires three conditions. First, the average per capita consumption level, required for the development of the labor force, must increase. Second, the rate of investment in capital goods, machine tools, etc., for the economy, must increase, and it must do so at a faster rate than the growth of consumer goods production. In effect, every worker, and every member of society, in his productive activity, will put into action an ever greater quantity of capital, per capita. This increases the productive power of labor. Historically, these advances occur with the progress of science and technology, and their application to the economy. Third, energy density must be increased both per capita and per hectare, both in its industrial uses and for consumption directly. Not only must energy density be increased in this way, but the energy flux-density must also increase, that is, the "heat" of the economic pro-

cess, which is also a product of technological advance.

All of this requires that the reinvestment of the economic surplus be guided by these criteria: It must be done in such a way as to increase as rapidly as possible the labor force's productive capacity to assimilate and reproduce advances in science and technology. This is the only way to decide where to invest. Economic decisions cannot be made from the standpoint of "well, here are some hungry people, and we must feed them," or "here we need some houses built and we must repair the streets." The economy cannot be approached, just as politics cannot be approached, in "democratic" terms, dividing up what little there is "equitably." Rather, we must be totally scientific, and see what produces the most rapid possible increases in the productive power of labor. This means that we must find those areas or regions of *greatest economic density*, in terms of the three indicated parameters: 1) skilled manpower; 2) intensity of capital and technology use; 3) intensity of energy use.

The 'Productive Axis'

The most economically dense "Productive Axis" of Ibero-America is made up of the area of southern Brazil, passing through Uruguay to northern Argentina (Figure 2). In Argentina, this includes the provinces of Buenos Aires, Santa Fe, Córdoba, and Entre Rios; and in Brazil, Rio Grande do Sul, Santa Catarina, Paraña, São Paulo, Rio de Janeiro, and Espiritu Santo. This region possesses the greatest economic density, the greatest concentration of labor and capital potential able to facilitate the most rapid growth rates possible of the entire continent's productive labor power. It would therefore be a mistake to sidetrack available investment into poorer regions; on the contrary, investment should be channeled as a priority into precisely that region which, because of its density, can produce extremely high growth rates compared to the rest of the continent. This economic surplus could then be used as the motor to launch large infrastructure projects to integrate the continent physically, as shown on the map.

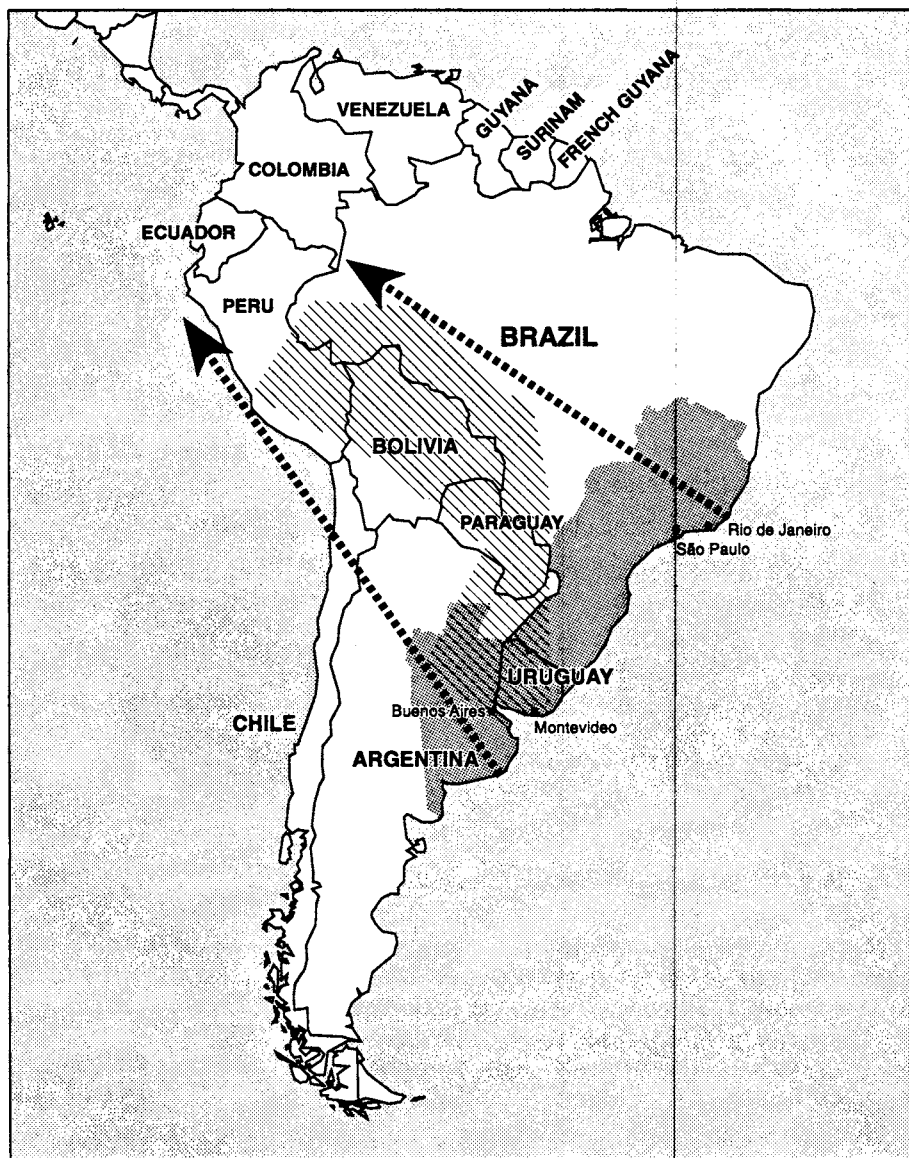
Let's look at some details of the region's economic density to better understand its potential.

Figure 3 takes four basic parameters of the physical economy and compares the "Productive Axis" with the entire Ibero-American continent for these categories. For example, in terms of total surface area, measured in square kilometers, the Productive Axis only includes 11.9% of the continent's total territory. But in terms of population, it contains 26.4% of the total. That is, the region possesses a greater population density than the rest of the continent.

As for manufacturing, we see that 40.4% of the continental total is found in this region. In terms of manufacturing production, the Productive Axis concentrates 44.3% of the continent's total. In the production of electrical energy, 39.4% of the continental total is found in this region.

What does this translate into in terms of densities? In Figure 4, we compare the densities of the Productive Axis

FIGURE 2
The Ibero-American
'Productive Axis'



in the categories mentioned with those of the rest of Ibero-America, and Spain. We chose Spain, because it's a European country with an intermediate level of development to which Ibero-America could aspire within a period of 15 years; not to mention Lyndon LaRouche's proposed "Productive Triangle"—Europe's industrial heartland connecting Paris, Berlin, and Vienna—as the planet's most economically dense region.

In the area of population, the population density of the Productive Axis is 48 inhabitants per square kilometer, which is more or less the minimum necessary to begin the process of self-sufficient industrialization. Compare this to the rest of the continent's population density, which is only 18. In other words, the Productive Axis has a population density three times greater than the rest of the continent. At the same time, this is less than Spain's, which is not even one of the

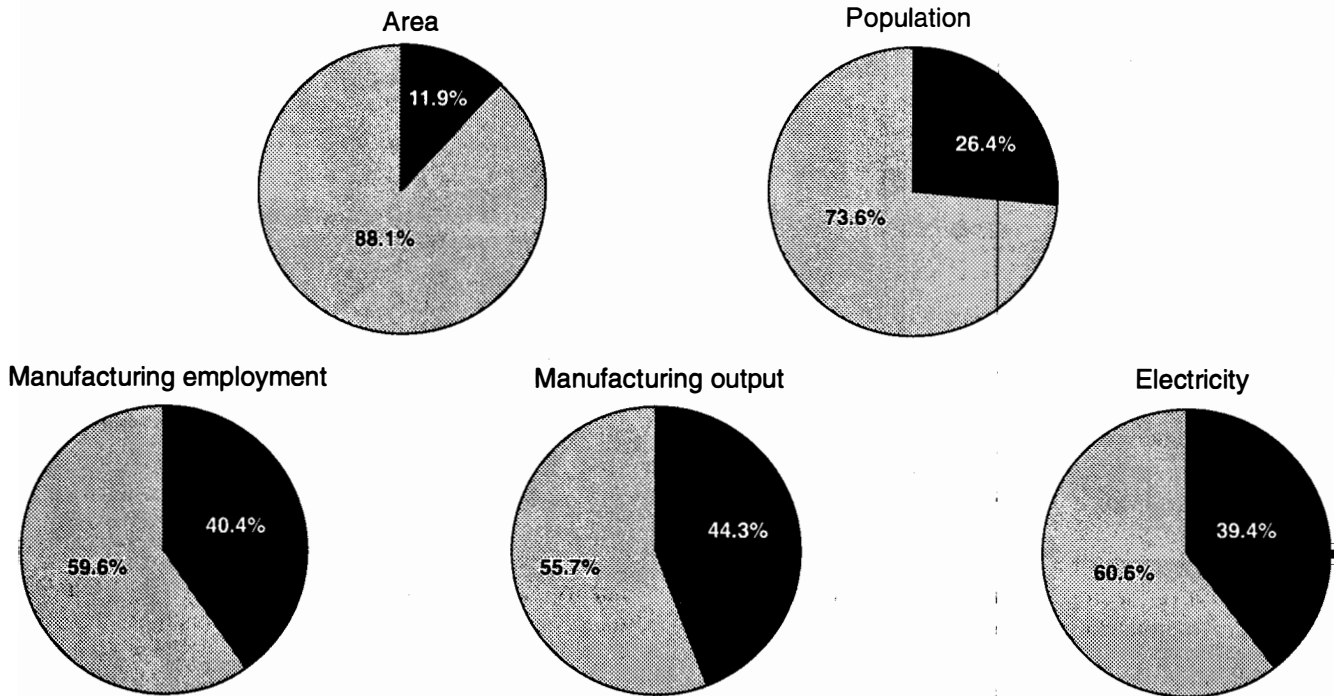
densest countries in the world: Spain has 77 inhabitants per square kilometer compared to France (102), Germany (221), Japan (325) and South Korea (428). Europe's Productive Triangle possesses a population density of 288 inhabitants per square kilometer.

Employment in manufacturing provides an approximate measure of the existence of skilled labor, LaRouche's first parameter. In this category, the Productive Axis has a density of 2.6 workers per square kilometer, compared to 0.5 for the rest of Ibero-America and 5.0 in Spain. That is, as far as this particular parameter is concerned, the Productive Axis is over five times more dense than the rest of the continent.

The density of manufacturing production, measured in thousands of dollars per square kilometer, reflects LaRouche's second parameter: relative intensity in use of capital. The rest of Ibero-America is at the level of 7, com-

FIGURE 3

The 'Productive Axis' as a percent of Ibero-America, 1990



pared to the Productive Axis which stands at 39—that is, between five and six times more dense than the rest of the continent in terms of manufacturing production. But once again, the Axis stands far below Spain, which produces \$135,000 worth of manufactures per square kilometer.

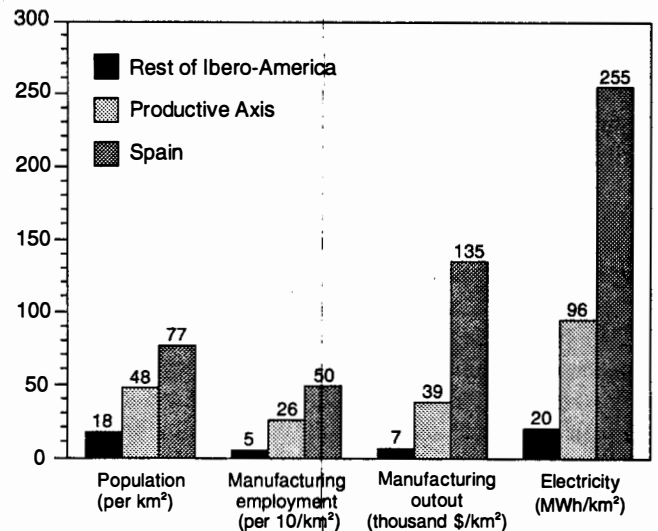
The last category is electrical energy: the Productive Axis consumes 96 megawatt-hours per square kilometer, almost five times more than the rest of Ibero-America, with a level of 20. Spain consumes 255 megawatt-hours per square kilometer.

These broad parameters of the physical economy give us an idea of why we have to center any continental development project in the Productive Axis: Only there can we find a sufficient concentration or density of the limiting conditions of economic growth. We must use that productive capability to generate the necessary growth rates to achieve a “densification” of the rest of Ibero-America, to bring the entire continent to the level of Spain within 15 years.

What makes this possible are not so much the existing densities found within the Productive Axis which in themselves are not so impressive; but rather the region’s potential to generate and absorb technological advances—a potential which is due more than anything to the existence of a significant number of scientists and technicians, particularly in Argentina and Brazil. This is the continent’s most important economic resource: that technological and scientific capability which is exactly what the International Monetary Fund

FIGURE 4

The relative densities of the 'Productive Axis,' 1990



and Wall Street want to destroy no matter what. It is these capabilities, particularly Argentina and Brazil’s nuclear and aerospace programs, which make it possible to transform Ibero-America into an economic superpower.

Wine speculators heading for a bust

by Philip Ulanowsky

A well-informed source in the international wine trade has told this news service that wine prices will fall drastically "in about a year." In his view, some prices could drop to a tenth of their present level.

Since the early 1980s, especially since the 1982 "super vintage," wine has joined other commodities as a target for investment speculators, driving prices through the roof, especially prices for the finest and rarest wines. In recent years, however, a drop in American wine consumption, and increases in production and availability, have created a glut. The same winds that blew over the card-houses of real estate and leveraged buy-outs are now blowing around the relatively smaller speculative markets. However, evidence indicates engineering by some of the power-brokers of the market.

Fine wines have always been purchased young by connoisseurs and dealers, since many can improve with age, in some cases over decades, making them increasingly rare and expensive items. In the 1980s, however, futures in wine took off in earnest, with yuppies buying cellarsfull of wine and bigger investors taking up to six- and even seven-figure plunges into the market, in hopes of selling the wine at a significant profit a few years later.

Why predict a decline? "It's already happening. We see that in Port [wine] and others," said the source. "The [top] chateaus are in good shape; it's the wines around them" that will suffer the most, he said, referring to second-level, primarily French wines, now priced typically in the range of \$18-35. Many of these wines will become available for a dime on the dollar (wholesale), this source predicts.

Collapse is overdue

"It should have happened three years ago. Historically, it happens about 18 months behind the real estate market. Look at what happened in the '70s," said the source. During that decade of financial assaults, only a couple of major vintages (years when the wines of a given country or region are exceptionally good, due to unusually good growing seasons) were recognized. According to this source, the price drop of the '72 vintage (followed by two weak years) was led by wines such as Chateaus Talbot and Gruaud LaRose,

two of the powerful Cordier interest's Bordeaux wines which, in the last decade, have more than tripled in price.

In the 1980s, under the Reagan "boom," the wines from a majority of years were glorified, each new one being hyped as the latest "vintage of the century," P.T. Barnum-style. Prices for top wines soared, pulling the market as a whole along.

The profile of the wine industry also changed. In Bordeaux, Burgundy, and other traditional wine regions, where producers often represented a third- or fifth-generation ownership of the property, even legendary wines houses are now owned by Japanese or multinational interests. "Diversification" led more than a few corporations into similar positions in the wine market, while European wine interests formed joint ventures for prime vineyards in the United States.

A sober view of the 1980s successes must include recognition that significant advances in wine-making technology and practices permit better wines to be made in lesser years than was generally possible a decade prior. The more ordinary wines have benefited the most, thus narrowing the quality gap between, for instance, many "jug" wines and their cousins costing twice or thrice as much. As this change impresses itself on the palate of discerning wine drinkers, they are likely to toast the prosperity around the increasingly distant corner with less costly fare.

LA ROUCHE	
YOU MAY LOVE HIM	
YOU MAY HATE HIM	
	
BUT	The Power of Reason: 1988 an autobiography by Lyndon H. LaRouche, Jr.
YOU'D BETTER	
KNOW WHAT	
HE HAS TO SAY	
The Power of Reason: 1988	
An Autobiography by Lyndon H. LaRouche, Jr.	
Published by Executive Intelligence Review	
Order from Ben Franklin Booksellers, 107 South King St., Leesburg, VA 22075. \$10 plus shipping (\$3.50 first book, \$.50 each additional). Bulk rates available.	

The trade war dimension

It is usually safe to presume that when a warning of this kind surfaces on matters involving international trade, powerful forces have already determined an intended outcome.

Given the rumblings against the United States in European policy circles, the faltering negotiations around the General Agreement on Tariffs and Trade (GATT) and the European Community's Maastricht Treaty, and similar trade impasses, which recently included U.S. threats of trade war against French wine, it were hardly a guess that this development is no exception. In fact, the source reports, significant lots (hundreds of cases) of "second-tier" wines—some unavailable for years—are suddenly appearing, in the already depressed London as well as New York and other wholesale markets, at prices that haven't been seen for over a decade.

At the same time, the grand mogul of the U.S. market, the Bronfman-owned Seagrams' Chateau and Estates importers, is dumping large quantities of wine on the Belgian and German markets.

If wine prices do drop significantly, this can only hurt California growers, who are already ripping out tens of thousands of acres of vines in prime wine country, due to the unchecked spread of a voracious new type of the dreaded root louse *phylloxera*. Given the \$10,000-per-acre cost of replanting on resistant root stocks—and new vines don't even produce fruit for three years—the cost is already estimated in the billions for the known infestation. If it should spread further, the figure could soar. There is no doubt, given the credit crunch at banks and the financial indebtedness of many growers, that hundreds of wineries will go out of business.

A new Prohibition?

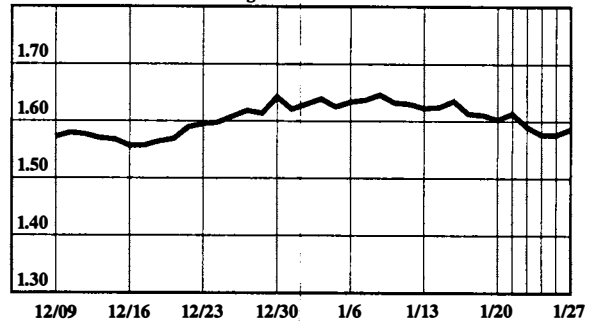
Other factors may also come into play over the coming years. The neo-Prohibitionist movement, which already has a significant voice in federal alcohol regulatory and enforcement agencies, as well as among millions of fundamentalist Christians, may well grow. The last round of Prohibition was no accident, but rather a well-orchestrated boost for the Bronfman-Lansky organized crime rings. The hands and feet of the Bronfman interests should again be closely watched as matters progress.

In the 1990s, our source predicts that only about two more major vintages will be declared (after 1990): one, mid-decade; the other, 1999. Meanwhile, many of those who made major investments recently in wine futures will "take a bath." Wineries and vineyards will be hit hard by collapsed revenues. Major dealers and other players with multimillion-dollar funds assembled between now and then to purchase large volumes of wine at the lower prices, will clean up. The prices of the wines will come back, he said; "they always do," but with a hiatus of about five years before prices recover.

Currency Rates

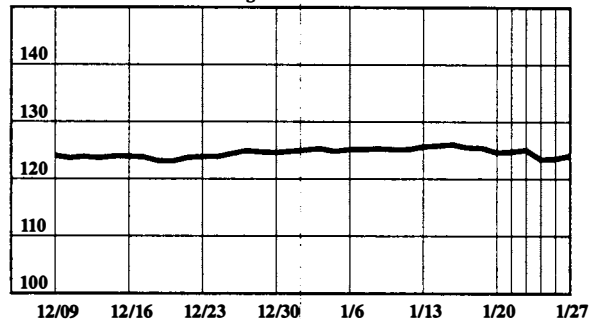
The dollar in deutschemarks

New York late afternoon fixing



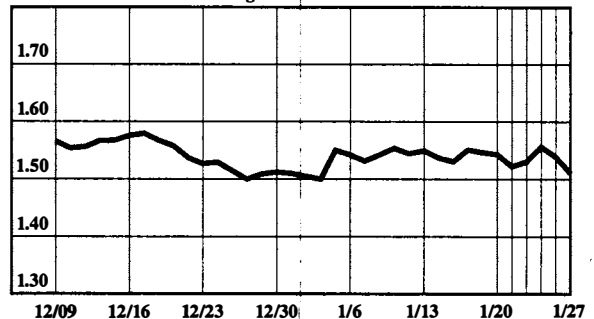
The dollar in yen

New York late afternoon fixing



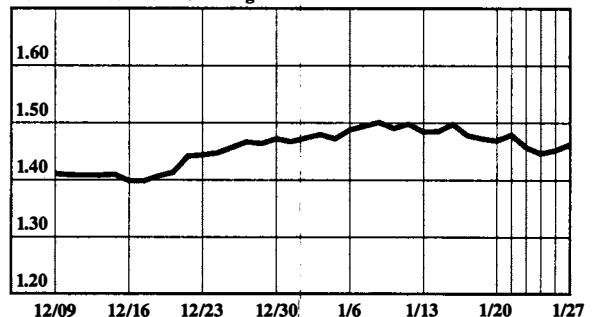
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Rob from the poor to give to the rich

The primary role of the so-called government-sponsored enterprises is to put your money in the bankers' pockets.

Do you think the federal deficit comes from overspending on the general welfare? That's what you're told to think. But think again.

While the Constitution charges the government to care for the general welfare, instead, the government has created myriad tools for looting the population, for the welfare of select international financial interests.

Among the forms of this looting is the creation of federally backed debt (farm borrowing, family home loans, and other seemingly useful debt) expressly for the purpose of lining the pockets of holders of the federal loan guarantees—giant bankrupt banks. Bad loans are even deliberately set up, so that taxpayers' money ends up going to the banks holding the loan guarantees.

That process is clearly seen in government-sponsored enterprises (GSEs), such as the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Company (Freddie Mac), which buy mortgages from mortgage lenders, bundle them together, and issue them as government-backed securities.

In theory, these agencies exist to help families buy homes, by providing government guarantees for loans. By buying mortgages from savings and loans and other mortgage lenders, such agencies as Fannie Mae and Freddie Mac free up the lenders' funds for further mortgage loans, allowing more people to buy houses.

Were that the whole story, we would have no objection. By helping families buy homes, the government would indeed be contributing to the

general welfare of the population. But that's not what is going on.

By running loans through these GSEs, the government is converting ordinary loans, for which the bankers are at risk, into government-backed securities. Moreover, since these securities are as good as cash, they can be traded freely in the securities markets, providing hundreds of billions of dollars to inflate the speculative bubble.

Another facet of this robbery is found in the farm sector, where the Farm Credit System (FCS) and the Farmers Home Administration (FmHA) operate.

The methods by which the government is separating farmers from their land and livelihood, for the benefit of the big banks, were detailed in hearings in North and South Dakota in December 1992.

The hearings, called on behalf of the Schiller Institute, were run by retired Washington State Supreme Court Justice William Goodloe, Oklahoma executive director of the National Association for the Advancement of Colored People Wade Watts, and Schiller Institute Food for Peace representative Phil Valenti.

The investigative committee found evidence of widespread fraud on the part of bankers, officers of government-sponsored enterprises, and government officials at the federal, state, and local levels. The committee found evidence of a clear "intent and pattern by creditors to defraud" the FmHA and "violate the law." The committee also found that "officers

and directors of the Farm Credit System" repeatedly violated the law by failing to inform borrowers of how lower interest rates and better loan repayment schedules could be obtained, thereby illegally increasing the debt burden borne by farmers, and increasing the likelihood that the debt could not be repaid.

These illegal activities, the committee found, were part of a deliberate government policy, as outlined in the Farm Credit System's "Project 1995," under which the independent family farmer is to be destroyed, his money stolen by the bankers, and his land appropriated by the grain cartels.

"I resigned from Farm Credit in February 1988, over my concern and belief Farm Credit was defrauding the government, was committing restructuring fraud, and was violating ethics to debtors," Keith McGruder, a former Loan Officer Special Accounts with the Farm Credit Bank of Omaha and the Farm Credit Bank of Louisville, told the committee.

The FCS is defrauding farmer-borrowers by three main methods, McGruder testified. First, the FCS raised interest rates on fully secured current loans, while hiding, in violation of the law, options by which the borrower could obtain lower interest rates or longer payout schedules. Second, the FCS often fraudulently forced borrowers to restructure their loans, to obtain additional security. Third, the FCS often threw farmers into foreclosure and took their farms.

The consequence of this is to loot the farmer of as much of his assets as possible, then put him out of business.

The inhumanity of forcing farmers off their land, while much of the world is dying for lack of food, is shocking, but it is hardly surprising, given the government's repeated moves to protect the predatory financial system, no matter the cost in human lives.

Business Briefs

Space

Joint experiment planned, defense pact signed

The German and Japanese space agencies are planning a joint materials processing mission which will use a Japanese launch vehicle produced by Nissan Motors, and a German experiment carrier, *Aviation Week* reported in mid-January. The material to be processed is said to be a catalyst which is useful in refining oil. After five days in space, the experiment carrier will land in the Australian desert.

Until recently, these two nations cooperated in space only indirectly, through separate European and Japanese participation in the U.S. Space Station Freedom project. Both are anxious to expand their international relations without the United States as a mediator, and bilateral agreements have been proliferating.

Meanwhile, outgoing U.S. Defense Secretary Richard Cheney announced on Jan. 20 that an agreement between the United States and France had been signed for cooperation in developing the military uses of outer space, Reuters reported. The agreement marks a major change in U.S.-French relations.

While the agreement is top secret, a joint statement said that the United States and France "intend to explore cooperation in military uses of outer space . . . [and] share the commitment not to contribute to the proliferation of missile and space technologies that could jeopardize international security. . . . [They] believe . . . they should examine cooperation in the military uses of space in the following candidate areas: communications, navigation, environmental monitoring, space technology and experiments, and officer, scientist, engineer, and other personnel exchanges."

Labor

British unemployment dispels recovery myth

Unemployment in Britain rose by more than 60,000 in December, bringing the official total almost to 3 million, British media reported in

banner headlines on Jan. 22.

News of the biggest one-month jump in the number of people out of work and claiming benefits since the summer of 1991 came alongside further job losses announced by Barclays and British Gas, and fears of further cutbacks at Ford. Officials believe that the seasonally adjusted total is increasing at around 40,000 a month, faster than at a similar stage of the 1980-81 slump. Unemployment has now risen for 32 consecutive months.

The report was accompanied by figures showing that the manufacturing sector suffered an across-the-board drop in output in November. The *Guardian* reported growing anxiety among dealers and analysts in London about "the lack of evidence of economic recovery," and the pound tumbled on the prospect that the government would be forced to cut the cost of borrowing to levels not seen since the late-1970s. The so-called "wise men" of the Treasury and the Confederation of British Industry demanded an urgent base-rate cut in order to stimulate a "dangerously depressed economy."

Science

Laser beams produced by new method, Chinese say

A new method for producing laser beams has been developed by Prof. Gao Jingyue at Jilin University in northeast China, according to press reports on Jan. 22. In contrast to the universally known "population inversion" method, laser emission from sodium without population inversion has been observed in his lab.

Population inversion means that electrons are simultaneously excited to a higher energy state. In this instance, it appears that coherent light emission can occur without first increasing the energy state—without a population inversion. In Italian physicist Giuliano Preparata's model of superradiance (quantum field coherence), coherent radiation can also be accessed at low-energy states. In fact, he proposes that the superradiant ground state is a lower energy state than is normally found.

The new method will break the limits of population inversion, and offer a wider choice of lased light characteristics and applications

in military, industrial, and medical fields.

Experts have praised this invention as the most advanced in the world. The project, which may have a profound influence on laser research and theory, has passed evaluation from China's State Committee of the National Fund of Natural Science.

Energy

Japan designs nuclear power plants for the Moon

Japan, which now has the most ambitious nuclear power development plan in the world, is currently making plans to place nuclear power plants on the Moon, Reuters reported Jan. 23.

The Science and Technology Agency, a government ministry, is planning to launch a five-year project this spring to develop a converter that can change energy generated by nuclear power plants on the Moon into electricity and then transmit it to Earth. The agency unveiled the next-generation energy project, touting it as the answer to future energy needs and a way to reduce dependency on nuclear power generation on Earth.

Japan, which relies on imports for about 84% of its energy resources, is steadily increasing its use of nuclear power, which now accounts for about 30% of its electricity output. It is going ahead with an experimental fast breeder reactor (FBR) program, even though France and Britain have pulled back.

Health

AIDS-like disease ravaging Sudan

United Nations and relief sources reported on Jan. 22 that 60,000 have died in Sudan due to an AIDS-like disease that has wiped out whole villages. The disease is Kala-azar, or visceral leishmaniasis, which is spread by parasite-infected sandflies. The symptoms are similar to AIDS in that the immune system breaks down and the victim dies of other infections.

The affected Sudanese, located in the Par-

ayang area, are unable to escape because they are hemmed in by a battle front between rebel and government forces, and the world's largest swamp. Because raiders often sell the people of the area into slavery, the villagers often sleep in the forest, where they are infected by the sandflies.

Victims of the Kala-azar disease can only be saved by a complex treatment involving at least 30 costly injections.

AIDS

Up to one-sixth of Zimbabweans infected

One-sixth of the population of Zimbabwe which has been tested, has the HIV virus that causes the disease AIDS, BBC reported on Jan. 18. This has been determined by the Zimbabwe Commercial Farmers Union, which carried out a national survey.

The union warns that the AIDS epidemic could have "disastrous consequences for the Zimbabwe economy." The areas of transport, finance, and marketing could suffer from "serious labor shortages over the next decade" as a result of the out-of-control epidemic.

Demographics

Deaths in Russia exceeded births in 1992

For the first time since World War II, deaths exceeded births in Russia in 1992, Russian Deputy Health Minister Nikolai Vaganov said on Jan. 21, Reuters reported.

"We have lost [the equivalent of] quite a big town," Vaganov said of the 190,000 Russians who died in 1992. "Maternity hospitals are half empty." Only 11 babies were born per 1,000 members of the 150 million population last year, down from 12 in 1991. The death rate increased slightly to 12 per 1,000.

"Few families dare to have a child," Vaganov said. "They are unsure of their future as

prices soar and unemployment grows." Russian inflation, estimated at more than 2,000% in 1992, has reduced many families to poverty, with the average monthly salary of about 13,000 rubles (\$26) barely enough to cover essential food costs.

Vaganov said Russia's population might be falling even faster than official figures suggested, because many babies who died at birth were excluded from statistics. Vaganov said that beginning this year, Russia would adopt statistical standards approved by the World Health Organization, and predicted that this could raise the number of registered infant deaths by at least 20%.

Germany

Kohl austerity will drop living standards

Chancellor Helmut Kohl's government in Bonn approved on Jan. 18 a proposal to reduce the budget deficit, including cuts in entitlement and subsidy programs in the range of 18 billion deutschmarks (\$11.2 billion), for fiscal year 1993, which is expected to be presented to the parliament for a vote before the end of January. The London *Times* billed the "solidarity pact" as the most drastic cut in German living standards in 50 years.

DM 9 billion in "savings" involves across-the-board cuts in unemployment compensation, sick pay, child support, and other essential social welfare programs.

Another DM 9 billion is to be cut from state support to the coalmining and farm sectors, ship-building, the textile and steel-producing industries, and the aerospace sector.

A substantial increase of the gasoline tax and a new tax for the use of roads and highways are additional parts of the package. The government also announced its intent to impose another "solidarity surcharge" of 10% on the income tax, to pay for projects in the eastern states of Germany. This tax, which is proposed to go into effect in 1995, may be collected earlier. The first such "solidarity" tax, of 7.5%, was collected between the summer of 1991 and 1992, but instead was used to pay for the Persian Gulf war against Iraq.

Briefly

● **JAPAN** will host a conference April 23-24 to discuss Asian nations' worries about trade war because of the North American Free Trade Agreement and the Maastricht Treaty, a Foreign Ministry source said on Jan. 18. Delegates from 15 Pacific countries are expected to attend.

● **CHINA** has leased the Russian port of Sarubino, near Vladivostok, the pro-Beijing Hong Kong paper *Wen Wei Bao* reported. China wants to build berths for 3 million tons of shipping. The port will give China access to the Sea of Japan and be used for shipping goods to Japan and North America. The governor of the Chinese province of Jilin, Guao Yan, said that the two countries are ready to begin construction of a railroad from the city of Hunchun in Jilin to Sarubino.

● **SLOVENIA AND CROATIA** were granted membership in the International Monetary Fund on Jan. 20. They must pay their share of the former Yugoslavia foreign debt and accept IMF conditionalities in exchange for loans. Even if the Serbian war were halted, they will not be able to support the half million refugees, nor start a reconstruction program.

● **THE INTER-ACTION** Council of Helmut Schmidt is meeting in Cape Town, South Africa, and is forming "a strategy to pull the [African] continent out of its economic plight," the Jan. 22 London *Times* reported. One agenda item is a call for the cancellation of Africa's debt.

● **THE HEALTH MINISTRY** in Japan plans to investigate the effects of computer games on health. Hospitals there report at least a dozen cases in which children have had epileptic fits while playing computer video games, the daily *Tokyo Shimbun* reported on Jan. 17.

● **IBM CORPORATION** announced a fourth-quarter loss of \$5.5 billion on Jan. 19. It was the largest ever loss for any American corporation in any fiscal quarter, according to media reports.

Clinton's choice: Free LaRouche or suffer disaster

by Kathleen Klenetsky

Shortly after the November elections, former Democratic presidential candidate Lyndon H. LaRouche issued a statement containing a friendly warning to the newly elected Bill Clinton. The gist was that if the new President did not move immediately to crack down on the multitrillion-dollar global financial bubble, the result of a decade of massive unregulated international financial speculation, any hopes he had of putting the U.S. economy on a pro-growth vector would be dashed, and his presidency would go down in flames.

“Contrary to the popular mythology which grips public opinion among the so-called reader of newspapers and viewer of television news and talk shows,” said LaRouche in a Nov. 10 statement, “the problem is not . . . the deficit nor even the size of the federal official debt. The problem of the U.S. economy is a policy of deregulation unleashed during 1978-79 . . . by the Carter administration and by Paul Volcker’s leadership of the Federal Reserve System, which created . . . the biggest international financial bubble in world history. That bubble is what is crushing the U.S. economy and the U.S. people,” said LaRouche, “not the debt, and not the federal deficit.

“Unless the Clinton administration changes its policy and recognizes that Ross Perot did not understand economics, did not recognize that the Fed is the one thing they must attack—its policies, free trade, GATT [the General Agreement on Tariffs and Trade], and this other nonsense—and instead follows my particular program, this country is going to spiral deeper and deeper into the worst depression of the 20th century.”

LaRouche’s warning came as Wall Street was applying intense pressure on the President-elect to accede to policies directly the opposite of what LaRouche recommended. Within days of his election, the *WallStreet Journal* printed a front-page article flatly asserting that if Clinton went ahead with his proposed \$200 billion infrastructure program (puny compared to the actual infrastructure requirements of the U.S. economy), the financial markets would react by dumping U.S. Treasury bonds, wreaking havoc on the U.S. economy.



Bill Clinton, during the presidential primary in February 1992 in New Hampshire, is handed a copy of a pamphlet on Lyndon LaRouche's "2255" appeal, documenting the evidence of government criminality in the prosecution against him.

That blackmail was reinforced a few weeks later, when the winter issue of the New York Council on Foreign Relations' journal *Foreign Affairs* published a lead article by investment banker Jeffrey Garten warning Clinton that the financial markets would "bring him to his knees" if he did not immediately adopt a regime of harsh domestic austerity.

Unfortunately for himself and the country, Clinton thus far has chosen to back off from those parts of his campaign platform which Wall Street opposes, including his promised tax cut for the middle class and, more importantly, the idea of using infrastructure investment to "grow the economy" out of its current collapse.

In addition to these sins of omission, Clinton and his key administration officials—many of whom, as we document in the following profiles, speak for the worst pro-austerity, anti-growth financial factions—have indicated an ominous willingness to embrace the "markets' " austerity dictates. Clinton set the tone in his inaugural speech, whose President Kennedy-mimicking rhetoric was punctuated by repeated calls for "sacrifice."

That wasn't just rhetoric on his part. The administration is rife with talk of imposing new taxes and making deeper budget cuts. In the latest instance, Treasury Secretary Lloyd Bentsen said in a nationally televised interview on Jan. 24 that Clinton will likely propose a broad-based consumption tax, possibly including new taxes on energy consumption, when he unveils his economic program in February.

If Clinton believes that such obeisance to Wall Street will somehow guarantee his political survival, he's sorely

deluded. It was the economy which did in George Bush—as Clinton and his advisers well understood during the campaign. If Clinton persists in applying austerity "solutions" to a crisis that can only be dealt with by overthrowing the stranglehold which the markets, in conjunction with the Federal Reserve, have put on the U.S. economy, he will find himself having the shortest political honeymoon on record.

The honeymoon has already started to sour. Every time Clinton reneges on a campaign promise, as the furor over his about-face on the Haiti issue demonstrated, he alienates another constituency. The Zoe Baird debacle has further eroded his credibility.

Clinton has one alternative to otherwise certain catastrophe: He can adopt the economic program proposed by LaRouche, beginning with nationalizing the Federal Reserve, and using it as a source of low-interest credit targeted to reviving industrial and agricultural production, and putting millions of jobless Americans to work. This would enable him to line up the U.S. population behind him, giving him the political base required to face down the financial elites.

"So long as Clinton is committed to submitting to the bond market and the Federal Reserve System, and as long as he's not prepared to take the measures to bring these boys into line and get the economy moving in the way I've indicated, there's no chance of anything but a failure from Clinton," LaRouche commented in a Jan. 19 radio interview. "And that's the crux of the matter. That's the breaking point. That's the point on which he stands or falls. If he doesn't do as I've recommended, he's finished—he's finished before he begins."

Who's who in the Clinton administration

by Kathleen Klenetsky, Carl Osgood, and Stanley Ezrol

Below we profile some of the key members of the incoming Clinton administration.

Warren Christopher, secretary of state

Warren Christopher, chairman of O'Melveny and Myers, the largest law firm in Los Angeles and one of the entertainment business's top firms, is President Bill Clinton's choice to be the next U.S. secretary of state. Despite his modest family background, Christopher has achieved remarkable heights in the Anglo-American establishment, including membership in the Trilateral Commission and the vice chairmanship of the New York Council on Foreign Relations. His specialty is domestic and foreign counterinsurgency.



After his service in the Navy during World War II, he went to Stanford University Law School, emerging in 1949 as clerk for Supreme Court Justice William O. Douglas. Returning to California in 1950, Christopher joined O'Melveny and Myers and began a career of activism in the Democratic Party. In 1959, he was appointed special counsel to California governor Edmund G. ("Pat") Brown, the organized crime-connected father of the more recently prominent Jerry "Fruitfly" Brown. From 1961 through 1965, he was a special consultant to Undersecretary of State George Ball. In 1965, Christopher's career as a counterinsurgent began with his appointment to the McCone Commission which studied the riots in Los Angeles' Watts district.

This career path was continued through his 1967-69 service as deputy attorney general under President Lyndon Johnson. One of his first assignments in that office was to tour riot-afflicted sections of Detroit with then-Undersecretary of the Army Cyrus Vance. The two of them recommended deploying the Army's 82nd Airborne Division to Detroit. The following year, Johnson asked Christopher to oversee the investigation into the assassination of Robert F. Kennedy, which determined that assassin Sirhan Sirhan acted alone. He was

also asked to assess the situation surrounding the Democratic Party Convention in Chicago, which was targeted by anti-Johnson demonstrators, including a hard core of terrorists trained by former national security adviser and lifelong Skull and Bones man McGeorge Bundy's Ford Foundation.

In this period Christopher worked with Vance on "Operation Garden Plot," which established Pentagon coordination with the Justice Department and other domestic agencies to track and control political activists and use covert as well as overt military force against potential domestic disturbances. Christopher, as recently publicized documents show, lied about his knowledge of Garden Plot during his 1977 confirmation hearings for the post of deputy secretary of state. Among the "civil rights" activists working in collaboration with the Justice Department apparatus in this period, was Marian Wright Edelman, the protégé of former CIA agent and Skull and Bones man William Sloan Coffin and longtime friend of First Lady Hillary Clinton.

During the Carter administration (1977-81), Christopher served as deputy secretary of state under Vance. During his confirmation hearings, he pledged to act as Vance's "alter ego," and, by all accounts, succeeded. As deputy secretary, he was involved in sabotaging nuclear technology negotiations between Germany and Brazil, and negotiating the Panama Canal Treaty, the "Camp David" agreement between Israel, Egypt, and the United States, and the Iran hostage release. He coordinated the Carter human rights policy which contributed to the installation of the Sandinista regime in Nicaragua and the Khomeini regime in Iran.

In 1988, upon the election of Skull and Bones man George Bush to the presidency, Christopher served on the executive committee of the American Agenda, which presented bipartisan policy proposals to Bush over the names of former Presidents Jimmy Carter and Gerald Ford. Christopher co-chaired the agenda's foreign policy section with Kissinger Associates President Lawrence Eagleburger, who was later named Bush's deputy secretary of state and was Christopher's predecessor as secretary of state.

Meanwhile, Christopher had become chairman of O'Melveny and Myers, which has been his base of operations while not in government service. That firm traditionally has been entrusted with handling legal matters for major financial institutions, and for the entertainment sector. Under Christopher, its clients include Security Pacific; Northrop; the Bank of New York; Lockheed; Trust National Bank of Chicago; Goldman Sachs and Co.; the City of Los Angeles; the now-bankrupt Canadian real estate giant Olympia and York; David Rockefeller's Chase Manhattan Bank; Dr. Henry A. Kissinger; Citibank; Salomon Brothers, Inc.; IBM; The Irvine Company; the Club of Rome and the Aspen Institute's major sponsor, Atlantic Richfield; Norman Lear's ACT III Communications; Castle Rock Entertainment; CBS; Columbia Picture's Entertainment, Inc.; the allegedly sexy Morgan Fairchild; Home Box Office; the Motion Picture Association of America; Burt Reynolds; Dinah Shore; James Stewart;

Walt Disney; and Warner Brothers, Inc.

Under Christopher's chairmanship, the firm has attempted to develop international ties. It has established joint operations with the London firm MacFarlane's, and has opened an office in Japan and taken on a number of Japanese clients including Industrial Bank of Japan, Japan Airlines, Toyota Motor Co., Nippon Oil, Nippon Steel, Marubeni, and C. Itoh and Co.

Given the above list of multinational clients, it should be obvious that if Christopher was being candid when he pledged during his confirmation hearings to recuse himself from matters involving potential conflicts of interest, he'll have a lot of free time on his hands at the State Department.

In 1992, Los Angeles Mayor Tom Bradley named Christopher to head a commission investigating the Los Angeles riots of that year. Despite the fact that those "riots" were shown by eyewitness accounts to be largely the work of a small handful of youth gangs and trained terrorists connected to the same Ford Foundation and Justice Department apparatus which Christopher had helped set up in the 1960s, Christopher recommended that the Los Angeles Police Department be blamed for the violence.

We can expect Warren Christopher to attempt to use as secretary of state the kind of methods he's used in the past. Although credulous figures in the Middle East believed, based on news reports of Zionist discomfort with Christopher, that the Clinton administration might be less vicious than its predecessor in the enforcement of the "new world order" policies, Christopher praised the Bush administration's bombing of Iraq which took place during his Senate confirmation hearings. He can be expected to get along well with his old friend Cyrus Vance, who is currently the United Nations special envoy responsible for allowing the rape and slaughter of Bosnia to continue unimpeded.

Les Aspin, secretary of defense

Clinton's choice of Les Aspin to head up the Department of Defense points to a policy of even more extensive and aggressive U.S. military interventionism abroad than that which occurred under Bush's new world order. Like Clinton and Gore, Aspin was one of the strongest supporters of Bush's Gulf war against Iraq within the Democratic Party. After the war ended, Aspin called repeatedly for new military strikes against Iraq. In his Senate confirmation hearings, Aspin vigorously affirmed the new administration's support for Bush's pre-inaugural strikes on Iraq, stating that "there's no daylight" between Clinton and



his successor on how to deal with Saddam Hussein.

Educated at Yale, Oxford, and the Massachusetts Institute of Technology, Aspin was one of the original "whiz kids" recruited to the Pentagon during the Vietnam era by Robert Strange McNamara, who introduced the disease of systems analysis into U.S. military strategy. When he joined the House Armed Services in the 1970s, Aspin took up the cudgels against Pentagon "waste."

By the early 1980s, he had established himself as one of the key congressional "experts" on military strategy. Downplaying the Soviet military threat, Aspin took the lead in promoting the nuclear freeze, banning anti-satellite (ASAT) testing, and forcing deep cuts in the Strategic Defense Initiative program and other crucial weapons systems.

In 1985, Aspin led a revolt in the House Armed Services Committee which succeeded in ousting Rep. Mel Price (D-Ill.), a military traditionalist, and installing himself as chairman. From this position, Aspin advanced the campaign to complete the transformation of the U.S. military into an arm of Anglo-American financial policy, epitomized by the U.S. interventions into Panama and Iraq.

A backer of the Nicaraguan rebel Contras, Aspin participated in the congressional panel that covered up crucial aspects of the Iran-Contra scandal, including Bush's pivotal role.

Aspin's strategic orientation closely resembles that put forth in the Wohlstetter Report, published by the Defense Department at the end of the Reagan administration, which claimed that the major threat to U.S. interests in the future would be in the Third World, and that the military would have to be reshaped accordingly, with an emphasis put on developing rapid deployment forces that could be sent quickly to various regional "hot spots." During congressional hearings last spring, Aspin proposed a new doctrine of preemptive strikes against "would-be nuclear powers" in the developing sector, saying that this should become the "stated policy" of the United States.

Aspin also subscribes to the view put forth in a controversial draft Department of Defense guidance which was leaked to the press last March. Authored by Wohlstetter collaborator Paul Wolfowitz, the guidance, which was subsequently toned down, at least for public consumption, stated that a goal of U.S. strategic policy should be to prevent any other nation, including Germany and Japan, from emerging as a superpower.

The Washington-based Center for Strategic and International Studies, the home base of Henry Kissinger, has been one of the principal promoters of this outlook, and Aspin has participated in several panels CSIS has convened on restructuring U.S. military strategy and the Armed Forces.

An article in the Swiss newspaper *Neue Zürcher Zeitung* last November accurately portrayed Aspin as a partisan of the "limited objectives school," which foresees a reshaping of the U.S. military in the post-Cold War world to deal with "new threats and regional conflicts." This school favors

smaller, more flexible forces of a "conventional reaction" type, using "smart weapons," to be deployed under a "multilateral United Nations" mantle.

Given his close ties to the rabidly pro-Israel "neo-conservative" crowd of Wolfowitz and Wohlsetter, it is not surprising that Aspin has received lavish political contributions from the American-Israeli Public Affairs Committee (AIPAC), the leading pro-Israel lobby in the United States.

R. James Woolsey, director of central intelligence

R. James Woolsey, a Rhodes Scholar, a Stanford University and Yale Law School alumnus, and Clinton's choice for the office of director of central intelligence, is a show horse from Georgetown University's Center for Strategic and International Studies (CSIS), Henry Kissinger's Washington franchise of Britain's Royal Institute for International Affairs.

Having served as undersecretary of the Navy in the Carter administration, Woolsey promoted during the Reagan years the CSIS's bipartisan "military reform" policies. The CSIS policy, in essence, is that superpower conflict should be avoided through mutual agreement among superpowers to turn their military capabilities against the underdeveloped sector, utilizing, where possible, indigenous forces to carry out the most dangerous operations. Robert Komer, who served as undersecretary of the Army while Woolsey was undersecretary of the Navy, described this as a "horses and rabbits" strategy, in which the advanced sector "horses" would provide air and logistical support for the brown, yellow, and black "rabbits" on the ground. Woolsey himself has used the example of the British Empire's Gurkha mercenaries to illustrate his ideas on the kinds of forces needed. The CSIS and Woolsey's cost-cutting proposals targeted any weapon systems or strategies directed against a Soviet strategic threat. There is little mystery what his outlook will be in the supposed "post-Cold War era."

From his position as CSIS counsel, Woolsey worked on this effort in collaboration with Democrats such as Defense Secretary Aspin, playboy Gary Hart, and Vice President Al Gore, and Republicans including former Vice President Dan Quayle, former National Security Adviser Brent Scowcroft, and former National Security Adviser, illegal arms dealer, failed suicide, and Bush pardonee Robert McFarlane.

In 1981, Woolsey served on the Townes Commission, which recommended that MX missiles be based in gigantic lightweight, slow-moving, energy efficient, constantly aloft, and obviously vulnerable aircraft. In 1983, he served on the Scowcroft Commission, which recommended that the MX missile be scrapped in favor of the still-undesigned "Midgetman" missile. He co-authored a number of articles on these proposals with commission chairman, former president of Kissinger Associates, and former National Security Adviser

Brent Scowcroft, who appears to be Woolsey's closest collaborator. In 1985, he was named to the Packard Commission on Pentagon reform, and headed an Atlantic Council study entitled "Defending Peace and Freedom: Toward Strategic Stability in the Year 2000."

In 1987, Woolsey represented Michael Ledeen, a suspected wrong-doer in the Iran-Contra scandal who has been implicated in Kissinger's dirty operations, from the Temple Mount operation in Jerusalem to destabilize the Middle East, to the Propaganda-2 (P-2) masonic lodge conspiracy in Italy. In 1988, he worked with the "moderate" Democratic Leadership Council and advised Albert Gore's presidential campaign on military matters.

From 1989 through 1991, Woolsey was President George Bush's ambassador to the European Arms Control talks, and is now a partner in the Shea and Gardner law firm, where he primarily represents defense contractors. He has served on the Stanford University board of trustees and as a director of the Aerospace Corp., Martin Marietta, British Aerospace, Fairchild Industries, and other firms.

Anthony Lake, national security adviser

Anthony Lake, Clinton's choice for national security adviser, would be the first career foreign service officer in recent memory to hold that post. After a round of foreign service assignments in the 1960s, including a term as Ambassador Henry Cabot Lodge's personal assistant in Vietnam, Lake was hired as Henry Kissinger's personal assistant at the Nixon National Security Council. In 1970, he resigned, reportedly over disagreement with the escalation of the Vietnam War into Cambodia, and worked, among other things, with the "new left" Transnational Institute. During the Carter administration, he served as the State Department's director of policy planning, where he reported to Warren Christopher, and his deputy was Samuel R. ("Sandy") Berger, who is slated to be his deputy at the national security council.

Writing about his government service, Lake has consistently advocated an increasing role for foreign service professionals and a decreasing one for political appointees. In his 1989 book *Somoza Falling*, Lake argued that had the Carter administration taken the advice of State Department official Viron Vaky and Venezuelan President Carlos Andrés Pérez, that it act promptly to support a coup against Nicaragua's President Anastasio Somoza, the Sandinista guerrillas might not have succeeded in replacing him. In fact, had the United States not tacitly encouraged the foreign interference of Pérez, Fidel Castro, and others, the Sandinistas never could have formed a government in Nicaragua.

Despite Lake's alleged disagreement with Kissinger over Vietnam, he agrees with Kissinger on the role of morality in foreign policy. In his book on Nicaragua, he wrote, "One of

the limitations on the willingness of the Carter administration to act with greater vigor was its belief in principle.”

Samuel R. ('Sandy') Berger, deputy national security adviser

Clinton has chosen a friend of 20 years to be his deputy national security adviser. Berger first met Clinton when they were both working on George McGovern's ill-fated 1972 presidential campaign. Fulbright Scholar Berger had joined that campaign after serving as special assistant to New York City Mayor John V. Lindsay. He served as the deputy director of the State Department's Office of Policy Planning during the Carter administration, when Anthony Lake was the director. Berger, a Harvard Law graduate and Council on Foreign Relations member, has been an attorney for the Washington legal firm Hogan and Hartson, whence he has represented Toyota Motors, the Polish Solidarnosc trade union, and other clients.

Dr. Madeleine K. Albright, U.S. ambassador to the United Nations

Madeleine Albright, whom Clinton has selected to be ambassador to the United Nations, is a former student of President Carter's National Security Adviser Zbigniew Brzezinski and joined Brzezinski's staff at the National Security Council. A native of Czechoslovakia, Albright emigrated to the United States when her father, Josef Kobel, a representative to the U.N., left the communist regime.

Prior to serving under Brzezinski, Albright had been Sen. Edmund Muskie's (D-Me.) chief legislative assistant. Since the end of the Carter administration, she has continued to serve as an operative of Harriman family foreign policy. She was a founding member of the board of directors of the Center for National Policy, which was formed in 1981 as the think-tank for Pamela Harriman's political action committee, Democrats for the Eighties. In 1989, she was named CNP's president, and continued in that post until her U.N. appointment. In 1984, she advised both presidential candidate Walter Mondale and his running mate Geraldine Ferraro. In 1988, she advised candidate Michael S. Dukakis.

Since 1984, Albright has been vice chairman of the National Democratic Institute for International Affairs, which was established as the Democratic Party quasi-autonomous non-governmental organization ("quango") of the National Endowment for Democracy. These quangos were established under the rubric of President Reagan's "Project Democracy," according to their founding documents, to continue the overt and covert political operations abroad which the CIA and other government agencies were barred by law from partici-

pating in by the intelligence reforms of the 1970s.

Project Democracy's role in eastern Europe, where Albright has been active, has been to insist on economic shock therapy, which has, in every location where it has been practiced, driven living standards below communist-era levels. This has already resulted in communist counter-revolutions in Lithuania and Tajikistan, and in grotesque civil warfare in dozens of locations in the former Soviet sphere of influence. This pattern overlays Brzezinski's projected "Arc of Crisis" from South Asia, through the Mideast, to North Africa, which, under Brzezinski's theory, will destroy the old order, to make way for the new.

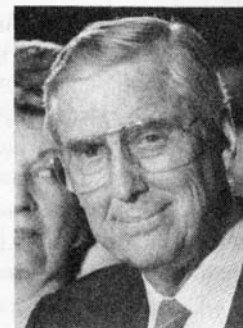
Albright is a member of the New York Council on Foreign Relations, has taught at the Georgetown University School of Foreign Service, and been an associate of Kissinger's Center for Strategic and International Studies.

Lloyd Bentsen, secretary of the treasury

When Bill Clinton announced his appointment of Texas Sen. Lloyd Bentsen as his treasury secretary, he commented: "I have chosen someone who will command the respect of Wall Street." That was certainly an accurate statement, as Wall Street's enthusiastic response to the appointment evidenced. One of the wealthiest men in the Senate (his father amassed a real estate empire estimated to be worth \$150 million by buying up land cheap from poor farmers in the Rio Grande Valley; he himself is worth over \$7 million), Bentsen has come to be known as one of the key protectors of real estate, insurance, commercial banking, and, of course, the oil industry in the U.S. Senate.

Through his promotion of various tax breaks, financial deregulation, etc., Bentsen has performed such an excellent job for these interests, most recently as chairman of the Senate Finance Committee, that he's not only become known as "Loophole Lloyd," but was able to charge lobbyists \$10,000 each for the privilege of attending his monthly breakfast meetings (a practice he was forced to halt when it attracted negative scrutiny). He has had his campaign coffers filled to overflowing with generous donations by such Wall Street firms as Goldman Sachs, which gave him over \$13,000 between 1990 and 1992, and Baker and Botts, James A. Baker III's law firm, which contributed \$10,000 in 1991. In Washington, where he owns a palatial residence, he and his wife count in their social circle such establishment exemplars as Elliot Richardson and former CIA chief Richard Helms.

The man picked by Clinton to take charge of U.S. domestic and international economic policy has been intimately



involved in one of the worst financial scandals of the century: the savings and loan bank debacle. Bentsen's participation in one of the most suppressed aspects of this sordid episode, the active collaboration between the CIA and the mafia in siphoning off funds from a host of S&Ls during the 1980s to finance a variety of illegal and/or rogue operations, including Iran-Contra, is documented in the 1992 book *The Mafia, CIA & George Bush* by Peter Brewton (F.P.I. Books/Shapolsky Publishers, Inc., 1992).

Author Peter Brewton reports that Bentsen, after being chosen by Michael Dukakis as his vice presidential running mate in 1988, advised Dukakis not to raise the S&L crisis as a campaign issue. This saved great embarrassment not only for Bush, but for Bentsen as well, since both men had plenty to hide about their participation in the dirtier side of the S&L mess. Indeed, in his introduction, Brewton notes that if the Democrats had won in 1988, the book would have been titled *The Mafia, CIA & Lloyd Bentsen*.

Brewton closely examines Bentsen's role in the S&L fiasco, focusing in particular on his relationship to secretive Texas millionaire banker-developer Walter Mischer, whom he shows to have been a key link between Bush, Bentsen, the mafia, and the CIA. Among other revelations, Brewton reports that Bentsen owned three S&Ls which later ended up in the hands of CIA or mafia associates. One such was Jefferson Savings, which was bought from the Bentsen family by Guillermo Hernandez-Cartaya, a Cuban exile and long-time CIA asset who had been the subject of several state and federal investigations (quashed by the CIA) for embezzlement, drug running, and mafia links.

Despite his patrician trappings, Bentsen will fit in well with the Clinton administration. Considered the key player in the Senate on trade issues, Bentsen has an approach very similar to Clinton's. He strongly supports free trade, and played a pivotal role in promoting the North American Free Trade Agreement (NAFTA). During the congressional debate over whether to grant President Bush "fast track" authority to negotiate NAFTA, Bentsen used all the power at his disposal to line up "yea" votes. According to knowledgeable sources, he assisted Clinton during the campaign in coming up with a formulation on NAFTA that would appease labor and other opponents of the treaty.

On the other hand, he also shares Clinton's commitment to forcing U.S. allies to "open their markets." A harsh critic of Japan and European Community trading practices, Bentsen headed the Senate Democratic Working Group on Trade, through which he helped shape some of the key trade-war legislation developed in Congress over the last several years. When he was chosen by Dukakis as his vice-presidential candidate in 1988, the response in Tokyo was swift—and negative. During the current round of General Agreement on Tariffs and Trade (GATT) negotiations, Bentsen pressed the White House to demand deeper agricultural concessions from Europe. (Ironically, as the Oct. 13, 1988 *Wall Street Journal*

pointed out, Bentsen had invested at least \$250,000 in a mutual fund that invests only in foreign countries—including Japan.)

In the area of foreign policy, Bentsen has taken a particular interest in Ibero-America. He was one of the advisers to President Reagan's Central American Commission (the "Kissinger Commission"), and repeatedly went to bat for the Reagan administration's policy of funding the Nicaraguan Contras—hardly surprising, in light of his extensive links to CIA networks involved in that operation.

Bentsen has also pushed Ibero-American governments, and especially Mexico, to privatize their economies and liberalize regulations restricting foreign investments. In a Senate speech in June 1988, Bentsen said that Mexico must face "economic reality" by selling some government-owned industries and changing its attitude toward foreign investors.

As for the domestic economy, Bentsen became known as one of the leading Democratic advocates of the misbegotten notion that the only way the United States can develop investment capital, is through imposing draconian cuts on consumption. He also helped usher Sen. Daniel Moynihan's (D-N.Y.) "workfare" legislation through Congress in 1988.

Just this last spring, Bentsen penned a commentary for the April 5, 1992 *Washington Post* attacking President Bush for failing to make deficit reduction his top priority. In it, Bentsen praised the work of the National Economic Commission, a bipartisan group created in 1987 by Congress, with the assistance of Felix Rohatyn of Lazard Frères, to devise a formula for deficit reduction based on cuts in Social Security and Medicare.

Similarly, in a speech to the National Association of Manufacturers last July, Bentsen said that "we have to be considering . . . consumption taxes." Presaging what role he will play in the Clinton administration, Bentsen used the article to demand that President Bush "campaign on a pledge to eliminate the budget deficit no matter what it takes," adding, "I would urge his Democratic opponent [i.e., Clinton] to outdo him in this regard rather than seek to undercut him."

That wasn't just rhetoric, as his first major public statement (his Senate confirmation hearings) since his nomination shows. President Clinton is "without question" "committed to reducing the deficit in a "major way," Bentsen told the Senate Finance Committee. Asked how the administration intends to achieve deficit reduction, Bentsen replied: "We have to address entitlements" (Social Security, Medicare, Medicaid) and raise taxes.

Roger Altman, deputy secretary of the treasury

One of Clinton's top economic advisers during the presidential campaign, and a personal friend since they attended

Georgetown University together, Roger Altman will function primarily as a transmission belt for Wall Street's dictates to the new administration.

Altman served as assistant secretary of the treasury during the Carter era, where he helped organize the Chrysler bailout, and collaborated with Lazard Frères's Felix Rohatyn, in fashioning the "Big MAC" bankers' dictatorship for New York City. The bulk of his experience has been in the private sector, specifically, investment banking of the most speculation-oriented variety which has been largely responsible for the destruction of the U.S. economy.

After Carter was driven from the White House, Altman went back to work for the old "Our Crowd" firm of Lehman Brothers, which had the dubious distinction of fielding the first junk bonds ever. There, he promptly became one of the three managing directors responsible for the firm's investment banking activities.

In 1987, Altman joined the Blackstone Group, an investment firm established in 1985 by Peter Peterson, the former chairman of Lehman Brothers and current chairman of the New York Council on Foreign Relations, after Lehman Brothers began to fall apart as a result of its financial excesses. Altman was quickly promoted to chief executive officer.

The Blackstone Group specializes in merchant banking and mergers and acquisitions (buying up failed S&Ls is one of its key profitmakers), and has been involved in some of the largest Japanese takeovers of U.S. corporations, including Sony Corp.'s purchase of Columbia Pictures. In March 1987, Blackstone put together a \$630 million investment fund, with participation by Nikko Securities, General Motors, and Prudential Insurance, among others, to, as Peterson put it, "move in opportunistically and make investments in distressed industries." Altman's personal client list includes Nestlé as well as Kohlberg Kravis Roberts, king of the corporate raiders.

Altman's affiliation with Blackstone gives some clues as to what kind of advice this son of Wall Street is likely to give Clinton. Blackstone's founder (and Altman's close friend) Peter Peterson has been one of the most vocal advocates of slashing social spending, especially for the elderly. Peterson has recently emerged as the brains behind the Concord Coalition, founded this past fall by former Sens. Warren Rudman (R-N.H.) and Paul Tsongas (D-Mass.) to lobby for deep cuts in entitlement programs and steep tax hikes.

Another close Altman colleague at Blackstone is Jeffrey Garten (they've written a number of articles together). Garten authored the lead piece in the winter 1993 issue of *Foreign Affairs* (published by Peterson's Council on Foreign Relations), which warns Clinton that if he doesn't immediately adopt a program of harsh domestic austerity coupled with pressuring Germany and Japan to reinflate their economies, the financial markets will "bring him to his knees."

Altman's record places him solidly in the pro-austerity camp. In his capacity as co-chairman of the New York City

mayor's Management Advisory Task Force and related posts, Altman has come up with what he has the gall to describe as "humane" ways to slash the Medicaid program, which provides the only access most poor Americans have to medical care, force "givebacks" down the throats of unionized workers, and impose \$5 tolls on bridges into New York.

If his Senate confirmation hearings are any guide, Altman intends to bring this same slash-and-burn economic policy into the new administration. He insisted during his testimony that the key to turning around the U.S. economy is to concentrate on deficit reduction. Altman also called for new taxes: "I do think that one form or another of a new tax on consumption is in order," he said, mentioning as possibilities energy taxes or a national sales tax.

Robert Rubin, assistant to the President for economic policy

In an interview with *Time* magazine earlier this year, Robert Rubin remarked that there was no way that a Clinton administration would handle the deficit as badly as the Bush administration had, because the markets wouldn't give a Democrat the same leverage they gave the Republicans.

He should know.

In choosing Rubin to head the newly created National Economic Council, Clinton has let the fox into the hen house. Rubin represents the worst features of Wall Street, and has played a pivotal role in encouraging the speculative and usurious excesses of the last two decades which are primarily responsible for the United States' precipitous economic decline. Rubin spent nearly all of his career "on the Street" at Goldman Sachs and Co., the last major private partnership on Wall Street.

Under the leadership of the late Gustave Levy, the firm pioneered many of the major financial "innovations" of the past 20 years, including stock arbitrage, the practice of betting money on the outcomes of corporate takeover battles. Rubin oversaw Goldman Sachs's arbitrage department at the beginning of the 1980s, at the height of the hostile takeover craze. During the same period, Goldman Sachs also introduced basket trading for institutional investors, which radically transformed the New York Stock Exchange. In 1973, Rubin was apparently at the forefront of introducing and legitimizing options trading—the first of the financial derivatives markets to be developed in the world. Since then, Goldman Sachs has become one of the biggest players in the international derivatives market, the multitrillion-dollar source of major world financial instability.

Goldman Sachs has benefitted mightily from these activities. Not only has the firm as a whole grown in influence and power, but its senior personnel have amassed huge personal

fortunes through such parasitical practices. According to the *Wall Street Journal* of July 22, 1992, Goldman partners (Rubin was one of the firm's two co-chairman at the time) earned more than \$15 million each in 1991; some estimates put Rubin's earnings as high as \$30 million per year—a far cry from the “man of the people” Clinton vowed to bring into his cabinet. In short, Rubin epitomizes the very practices which have wrecked the economy, and which Clinton claims to oppose.

Nevertheless, Clinton has put Rubin into a position from which he could function as a virtual economic czar. The National Economic Commission is a new entity, and its powers remain to be defined. According to Clinton, Rubin's job is to “coordinate, to facilitate, and to provide some direction to the deliberations of our economic council”—a description that would seem to allow tremendous latitude.

One responsibility which Rubin does have in his new position, and one which has the potential for giving him inordinate influence over the President, is to provide him with daily briefings on economic matters, just as the national security adviser does on strategic developments. As one Clinton adviser noted: “Power is proximity. Put Bob Rubin in the White House and he'll be a powerful person.”

In part, Rubin's appointment represents a payback on Clinton's part. Rubin was one of the key engineers of Clinton's campaign; he encouraged Clinton to run and raised millions of dollars for his war chest, and then donated \$275,000 to fund the Democratic nominating convention in New York. One of Rubin's Goldman Sachs partners, Barrie Wigmore, sits on the board of the Democratic Leadership Council, the policy group Clinton chaired in 1991, and which has enjoyed Goldman Sachs's financial largesse.

A product of Harvard, Yale, and the London School of Economics, Rubin has been a major financial angel for the Democratic Party and its candidates. He has had close ties to Democratic Party wheeler-dealer (and Bush ambassador to Moscow) Robert Strauss since 1972, served on the board of directors for Pamela Harriman's political action committee, and has been active in the Center for National Policy, a Democratic Party think-tank closely affiliated with Harriman.

While his Goldman Sachs background characterizes his economic policy outlook, the few public comments which Rubin has made recently reinforce the view that he will function as an “enforcer” for the markets in the White House, demanding crushing austerity as the first order of business for the new administration. In an interview with the *Washington Post* last October, Rubin emphasized that any “stimulus” program had to be combined “with long-term deficit reduction, and the art is to make the deficit reduction part credible.”

Appearing before the Senate Banking Committee in January 1992 in his capacity as vice chairman of the Center for National Policy, Rubin averred: “Our political leaders must take the lead in creating the political and public will to sacrifice consumption for quite some time to do what is necessary

to deal with these problems” of the economy. “What I really believe we need,” he said, “is a national resurgence directed toward the long term, a willingness to sacrifice consumption now and for quite some time.”

Leon Panetta, director, Office of Management and Budget

Rep. Leon Panetta brings to his post a singular obsession with the budget deficit as the source of the nation's economic ills. Panetta, who hails from Monterey, California, began political life as a Republican, in charge of the Office of Civil Rights in the Nixon administration. He switched parties after being forced out of that office in 1970 for being “too liberal.” He was first elected to the Congress in 1976, and was a member of the House Budget Committee in the early 1980s where he gained a reputation as a deficit hawk. After two years off the committee, he was elected chairman after the 1988 elections, where he subsequently played a key role in formulating the 1990 budget agreement.



Panetta has often been portrayed as someone who tenaciously fights for unpopular causes. A brief analysis of his record, however, reveals that he has never challenged the policymaking axioms of the bankrupt financial establishment. He has repeatedly proclaimed his faith in Federal Reserve chairman Alan Greenspan, and the Fed's role in the economy. His approach to the budget has been primarily a numbers game. He has always tried to focus the budget debate on numbers, such as the Gramm-Rudman targets, and more recently, the 1990 budget agreement.

For Panetta, fiscal responsibility means that budgetary considerations determine what the government undertakes. “In the past,” he said upon becoming committee chairman, “you'd develop a program. Only later would anyone raise the question of how to finance it.”

He laid out his view of the House Budget Committee as an enforcement committee in an interview with the *New York Times* in 1988. “Once you set the budget goals, you have to say ‘no’ to a lot of people,” he said. “We will not fail in our obligation to meet our deficit reduction targets. We have to consider defense. We have to consider revenues . . . but we will not abandon the poor and disadvantaged in our society.”

Besides defense, entitlement programs have also been high on his target list. With entitlements making up 44% of federal outlays, he told the *Christian Science Monitor* in 1990, “if you're not willing to deal with entitlements, you're not going to get the [deficit] numbers down.”

Alice Rivlin, deputy director, Office of Management and Budget

If anything, Alice Rivlin surpasses her new boss's mania for budget cutting. For Rivlin, as for Panetta, there is no means of generating surplus wealth in the economy. Instead, there is only, as Rivlin herself once said, the most efficient means of distributing limited resources—and if that means that some people must suffer terribly, then so be it.

Rivlin comes to the OMB from the Brookings Institution where she was director of the Economic Studies Program during 1983-87. Prior to that she was director of the Congressional Budget Office. In addition to Brookings, she was named to the board of directors of Union Carbide Corp., she received a teaching position at George Mason University in northern Virginia in 1990, and she is also a senior official of the Wilderness Society, and so brings an environmentalist bent to her policymaking.

In 1990, Rivlin also served as chairman of the D.C. Commission on Budget and Financial Priorities that was set up by D.C. Mayor Marion Barry in order to find solutions to the city's fiscal problems. The Rivlin Commission's report, released in November 1990, recommended reducing the city's work force by 6,000 positions and reducing the police department by 1,600 positions, including 1,000 that Congress had just ordered the city to add.

The report was heavily criticized, especially by city managers, because the commission did not make its recommendations based on actual work done by actual people, but rather on organization charts and job descriptions.

Her approach to economics complements Panetta's. For her, economics is "the science of hard choices. The basic problem," she says, "is how to use limited resources most efficiently." Like Panetta, she also believes that slashing the federal deficit must be the first order of business, and that to do so, large spending cuts are necessary.

She has also proposed a myriad of taxes, including a graduated gas tax increase that would rise to \$1 per gallon over five years, a "carbon" tax on fossil fuels, and a national consumption tax. In conjunction, she sees a redistribution of responsibilities back from the federal level to the state level, including in the areas of education, work force skills, and public infrastructure.

During the election campaign, Rivlin participated on two key task forces convened by leading establishment think-tanks to proffer advice to the new President. Their recommendations provide an ominous foretaste of the policies Rivlin is expected to promote in her new position:

- The CSIS Strengthening of America Commission, which called for balancing the budget by 2002 through reducing federal deficits by \$2 trillion over 10 years. The plan relies primarily upon spending reductions, reducing currently expected spending by 8% (\$1.5 trillion), and tax in-

creases of nearly \$500 billion.

- The Carnegie Endowment National Commission on America and the New World, which, in a report ("Changing Our Ways") released last summer, called for "significantly raising energy prices," reducing world population levels, and balancing the federal budget. Vis-à-vis the last point, the report states: "There is no painless solution to the deficit. We will need stronger discipline over spending, including limits on entitlement programs, as well as increases in taxes."

Donna Shalala, secretary of health and human services

Donna Shalala's appointment to head the federal department responsible for administering Medicare, Medicaid, welfare, and a host of other social programs clearly indicates that the Clinton administration intends to elevate "cost containment" to new and dangerous heights.

Given that she has no background at all in health care, which is the principal concern of HHS, one can only assume that she was chosen because of her extensive experience in administering savage cost-cutting programs. One of the few female members of the Trilateral Commission, Shalala (nicknamed "Boom Boom") cut her political-administrative teeth back in the 1970s, when Wall Street banker Felix Rohatyn brought her onto the board of Big MAC, the supra-governmental entity set up to dictate economic and financial policy to debt-strapped New York City. Rohatyn and Big MAC managed to keep the city's debt payments flowing, but at the cost of turning New York into a Third World city, leaving much of its infrastructure in ruins, its middle class impoverished, and its poor driven to living in the streets.

Assessing Big MAC's impact, Shalala told the Jan. 15, 1976 *New York Times* that it would lead to "10 years of agony." Admitting that MAC's policies had already driven some businesses from the city, she blithely went on to say that "we will retain many of the corporate headquarters, as well as the financial community, the fashion industry, the theater, and the medical centers. Frankly, I'm optimistic."

According to Rohatyn, Shalala, who served as Big MAC's treasurer and wrote the legislation that created the Emergency Financial Control Board, did not balk at carrying out the massive budget cuts, layoffs, and other draconian measures the panel ordained. He recently told the *Washington Post* that Big MAC directors were forced to make "extraordinarily difficult decisions," including raising taxes, laying off city workers, and freezing wages. But although Shalala comes from a "very liberal background and has very liberal tendencies," he said, she nevertheless "was absolutely rock-solid when we went through this list of horrors."

Rohatyn, together with Hillary Clinton, whom Shalala replaced last year as chairman of the board of the Children's

Defense Fund, were reportedly responsible for convincing Clinton to name Shalala to the HHS post.

Clinton is likely to rely on Shalala's "toughness" to take the point in implementing his own "list of horrors," including his campaign pledge to "end welfare as we know it," and his plans to restructure the U.S. health care system along the lines of the notorious Oregon Plan, which proposed to strictly ration Medicaid funds.

Shalala's other claim to fame is her involvement in the "political correctness" movement, which has earned her the sobriquet of the "Queen of PC." An avowed feminist and vocal supporter of abortion "rights," Shalala introduced the so-called "Madison Plan" shortly after she became chancellor of the University of Wisconsin in 1987. The plan called for quotas for minority faculty and student recruitment, setting up a multicultural center, and imposing an ethnic studies requirement for all undergraduates. It has been severely criticized for lowering academic standards.

Shalala also instituted a controversial speech code at the university, which meted out penalties to students accused of making alleged racial or sexual slurs. The code was declared unconstitutional by a federal judge last year.

Although she has denied reports that she is a lesbian, Shalala has made no secret of her staunch support for "gay rights." She personally lobbied the Defense Department in 1991 to end the military ban on homosexuals and signed on to a lawsuit for that purpose.

Known to be extraordinarily ambitious and a shameless name-dropper, Shalala told *Change* magazine in 1989, "In contrast to most feminists, I really think I am mentally and emotionally an insider and a member of the establishment."

Robert Reich, secretary of labor

Robert Reich has been the most public representative of the "pro-infrastructure" faction within the Clinton camp. A friend and adviser to the new President since their days together as Rhodes Scholars at Oxford, he drafted large parts of Clinton's campaign platform, including those sections which call for the federal government to increase investment in infrastructure and worker retraining by approximately \$220 billion over the next four years—a puny amount in light of the multitrillion-dollar deficit in infrastructure investment which the United States has piled up over the last 30 years.

Clinton's decision to put Reich at the Department of Labor, instead of giving him a more important economic policy



position, was seen as evidence that the Wall Street crowd in the Clinton camp had won out in their fight to give deficit reduction, i.e., austerity, priority billing over fiscal stimulus. The media campaign to portray Reich as somehow incompetent because he didn't have a Ph.D. in economics, was part of the "markets" crusade to keep Reich in check.

In the early 1980s, Reich was identified as part of the "industrial policy" crowd, but then underwent a shift from the more protectionist-leaning tendency of that grouping toward rabid free-trade advocacy.

Most of his economic prescriptions are premised on the same fundamental misconceptions that gave rise to the economic mess the United States now finds itself in—a fact underscored by his involvement in assisting then-Governor Dukakis in the development of the short-lived "Massachusetts Miracle," now known as the Massachusetts Nightmare.

First, Reich rejects the need for the United States to maintain a strong national industrial and agricultural base. In his latest book, *The Work of Nations* (1991), he argues that the predominance of the global economy means that there no longer exist "American" companies as such. Rather, the global economy consists of a collection of essentially nationless multinationals which locate their operations in whatever geographic areas offer a skilled work force willing to work for cheap wages. Therefore, instead of attempting to build up its own high-tech industries, the United States should try to attract multinationals to its shores by upgrading its work force and making limited investments in communications and transportation systems.

"Nations are becoming regions of a global economy; their citizens, laborers in a global market," writes Reich. "National corporations are turning into global webs whose high-volume, standardized activities are undertaken wherever labor is cheapest worldwide, and whose most profitable activities are carried out wherever skilled and talented people can best conceptualize new problems and solutions." A corollary Reich draws from this argument is that "there is no longer any reason for the United States . . . to protect, subsidize, or otherwise support its corporations above all others."

Reich's even more fundamental methodological flaw is his failure to differentiate between productive and non-productive forms of investment. While he has attacked the speculative excesses of the 1980s as a waste of capital, he also insists that a nation's wealth correlates with the emphasis it places on training its work force to become what he calls "symbolic analysts," i.e., people who deal in concepts.

But Reich doesn't limit this designation to scientists, engineers, and others who are necessary to increasing the productive powers of an economy, and includes a range of essentially parasitical activities, including: "public relations executives, investment bankers, lawyers, real estate developers, and even a few creative accountants," not to mention "management consultants, financial consultants . . . organizational development specialists . . . corporate headhunters

and marketing strategists, art directors, architects, cinematographers, film editors, production designers," etc.

Reich's hallmark proposal that the government step up investment in worker retraining is designed explicitly to churn out more such "symbolic analysts." Reich goes so far as to advocate outright that the United States should encourage "a greater portion of its work force [to become] Hollywood moviemakers and slick advertising men."

Reich underscored his commitment to the post-industrial service economy in an article in the February 1991 issue of *Atlantic Monthly*. Under the headline, "The Real Economy," Reich detailed his proposal for an "industrial policy" predicated on the expansion of computer technology and the service sector. Reich wrote that it is meaningless to distinguish "goods" from "services," because "so much of the value provided by a successful enterprise entails services."

Although Reich has recently soft-pedalled the issue of austerity for obvious political reasons, he hasn't been so shy in the past. For example, in an article in the 1987-88 year-end issue of *Foreign Affairs*, Reich stated that reversing the U.S.'s declining competitiveness would require scaling back "aggregate consumption by . . . taxing more of Social Security benefits . . . reducing farm supports . . . and taxing consumption directly—through, for example, a progressive tax on a family's net spending."

Bruce Babbitt, secretary of the interior

Bill Clinton's appointment of Bruce Babbitt as secretary of the interior drew rave reviews from the leaders of the environmental movement. "It's wonderful to have a conservationist as interior secretary for a change," exulted Dave Alberswerth of the National Wildlife Federation. Together with Carol Browner, the designated administrator of the Environmental Protection Agency, Babbitt represents the hard-core environmentalist faction within the Clinton administration.

The Harvard Law-educated former governor of Arizona and current head of the League of Conservation Voters shares much of the radical "green" outlook of Vice President "Mr. Ozone Hole" Gore. The two men have collaborated on a number of environmentalist projects, most recently the so-called "Compact for a New World." Released prior to the Rio de Janeiro Earth Summit last June, the compact was produced by the New World Dialogue, a group of influentials from the Americas convened under the auspices of the World Resources Institute, one of the leading eco-fascist think-tanks



in the United States.

Signed by both Babbitt and Gore, the compact calls for a series of comprehensive environmental agreements that would "reduce greenhouse gas emissions" by having Canada and the United States "sharply curtail their per capita use of energy," achieve "population stabilization" by mid-century, and enforce "reductions in the consumption of resources by the well-do-to."

Babbitt is no newcomer to environmental extremism. A longtime member of the Sierra Club and other "green" outfits, Babbitt's reputation as a foe of nuclear power earned him a seat on the panel set up to investigate the Three Mile Island incident. As governor of Arizona, he pushed hard for the adoption of overbearing environmental regulations.

During his abortive campaign for the 1988 Democratic presidential nomination, Babbitt repeatedly cited the alleged threat to the environment posed by the "ozone hole" and the spread of chlorofluorocarbons (CFCs) and acid rain, invoked the name of Teddy Roosevelt for a policy of creating more "public lands," i.e., taking land out of agricultural and mineral use, and vowed to convene a "summit on the environment" if he were elected.

Babbitt is expected to help sell the North American Free Trade Agreement to the environmentalist rank-and-file, who have taken the greenie propaganda so literally that they are proving to be an obstacle to NAFTA, by pushing for the addition of tougher environmental measures to the pact.

Over the past year, Babbitt has waged a crusade for NAFTA, predicated on strengthening its environmental provisions. In a commentary in the April 22, 1991 *Christian Science Monitor*, for instance, Babbitt called for a "new world trading and environmental agreement. The Mexican trade negotiations [NAFTA] should serve as the starting point to explore the larger issue of the relation between environmental standards and the entire GATT trading system," he wrote. "The time is at hand for Americans to voice their confidence in North American free trade," he added. "It is also time to call for a larger vision—a new world order that includes expanded progress on the global environment. The place to start is close to home—along our own borders, on our own continent—with Mexico."

Clinton will also no doubt rely on Babbitt's extensive connections in Mexico and other Ibero-American countries, should he decide to go in the direction outlined in the Gore-Babbitt "Compact for a New World." Babbitt is a longstanding member of the Inter-American Dialogue, which has advocated that Ibero-American countries legalize drugs so they can use the proceeds to pay back their foreign debt.

Babbitt holds "Mother Nature" in much higher regard than he does human beings. That bias is reflected in his 1988 presidential campaign platform, which advocated a "universal means test" to cut Social Security and Medicare expenditures, a national consumption tax of 5%, and drastic reductions in farm price supports.

Pressure on Croatia marks countdown to World War III

by Konstantin George

On Jan. 25, Helga Zepp-LaRouche released an analysis warning that “the short fuse for an internationalization of the war in the Balkans has already almost reached its detonator.” Mrs. Zepp-LaRouche is president of the Schiller Institute in Germany, which has been exposing Greater Serbian genocide in former Yugoslavia for two years.

She pointed out that the Serbian Parliament’s apparent approval of the United Nations “peace plan” is merely “the 135th attempt to lead the West around by the nose.” The Geneva “peace conference,” she said, is only a “figleaf for international confirmation of the territorial gains made by the Serbs in their unparalleled bestiality. The Bosnian Serbs openly acknowledge that their approval of the Vance-Owen plan is only a temporary, *pro forma* move to slow down the growing momentum for a western military intervention.”

Croatia not allowed to defend itself

A few days earlier, on Jan. 22, the Croatian Armed Forces launched their first counter-offensive to begin liberating Serbian-occupied Croatian territory since the deployment one year ago of the U.N. “peacekeeping” (Unprofor) troops, which have protected the Serbian conquest of one-third of Croatia. But a vicious blackmail campaign by the western powers, and the mediation of this blackmail through “internationally acceptable” consensus policies by Croatia’s Tudjman government, is crippling the potential to halt the Serbian genocide.

The Croatian forces, operating from Zadar, advanced some 20-30 kilometers into the Dalmatian region called Krajina, inflicting heavy losses on the Serbs and capturing the territory around the destroyed bridge at Maslenica, the only overland link between northern Croatia and Dalmatia, and the airport at Zemunik outside Zadar. The offensive could have threatened if not captured Knin, the “capital” of the

“Serbian Republic of Krajina.” Yet the Croatian forces were ordered not to proceed beyond a certain line, thus giving the Serbian forces time to regroup and, on Jan. 27, begin a counterattack. Why?

Croatia, the victim of aggression simply trying to retake its territory, had been subjected to an international slander barrage giving it “equal blame” with Serbia. The territory in question was supposed to have been demilitarized by the U.N., cleared of Serbian forces, and turned over to Croatian administration.

The hypocritical western stance is closely choreographed with pro-Serbian Russia. On Jan. 25 the Russian Foreign Ministry put out a declaration threatening to seek U.N. sanctions against Zagreb, and warning that Croatia’s offensive threatens the security of Russian U.N. forces in the region. It is well known that Russia will not intervene militarily, confining its involvement to sending in mercenary “volunteers.” But the noisy Russian protests provide the cover for the West to back off.

Contrary to the media myth of an invincible Serbian Army, the Serbian military position is objectively precarious and fraught with weaknesses. The Belgrade communist clique is mired in a small-scale repeat of the dilemma that confronted the Nazis in the World War II. The more they conquer, the more their forces become over-stretched, trying to hold their conquests and fighting adversaries on multiple fronts. Serbia has taken about two-thirds of Bosnia, but at the price of tying down large military forces, thus critically weakening its forces in the occupied regions of Croatia. Just as with the original Nazis, whose mass murder increased markedly after they had reached their military apogee, so in this horrible winter, the Serbian genocide against the hundreds of thousands of Bosnian Muslims is escalating.

By late January, all signs pointed in the direction of some form of western military intervention in response to the public outcry. But media coverage suggests that such an intervention will also increase the western chains of containment imposed on Croatia.

Between Jan. 24 and 27, Croatia was “condemned” unanimously by the “Big Five” in two U.N. Security Council resolutions, and ordered to withdraw its forces from the territory it had just liberated. The Anglo-American bloc leaned especially hard on Germany, the only major European country friendly to Croatia. German Foreign Minister Klaus Kinkel issued, on Jan. 27, the most outrageous “warning” of all to Croatia, demanding an “immediate end” to the Croatian offensive, lest Croatia be “equated” with Serbia.

Sabotaging intervention

This “co-aggressor” line has been rampant in western media. The German daily *Süddeutsche Zeitung* ran a commentary alleging that Croatia has quietly de facto “annexed one-third of Bosnia,” complete with—and here comes the next Big Lie—“ethnic cleansing.” The Jan. 28 London *Guardian* raved: “In Central Bosnia, black-hooded Croatian fighters mined and blocked most roads to make the area inaccessible, while carrying out a bout of ethnic cleansing of Muslims.”

A French naval squadron, led by the carrier *Clemenceau*, was nearing the Adriatic on Jan. 28, and the British carrier *Ark Royal* was heading for the Adriatic. Land-based aircraft of France, Britain, and the Netherlands were on alert. The U.S. carrier *Kennedy*, the helicopter carrier *Guam*, and other warships were also on station. If military actions are designed to enforce the U.N. cease-fire lines running across Croatian territory, then they will amount to nothing more than a corollary to the Geneva plan dividing up Bosnia. Such plans would be a military respite for Serbia.

What must be done

Mrs. Zepp-LaRouche called Serbia’s apparent compliance with the Geneva plan just a short-term feint. She said, “the Serbs’ preparations for their hoped-for territorial gains in Makedonija are proceeding at full throttle, as are preparations for a renewed wave of ‘ethnic cleansing’ of 2 million ethnic Albanians from Kosova.

“If that occurs—automatically bringing with it the intervention of Greece and Turkey, and thus pitting two members of NATO on opposing sides of the war—then the entire NATO southern flank will be at risk, and the West will have no choice but to intervene. . . . Over the last few days, various Russian spokesmen have threatened that in that event, the Russians would take the side of the Serbs. The countdown for World War III is under way. . . .

“The truth is that this war in the Balkans has been going on since 1989, and was encouraged by the Anglo-American side because of their geopolitical opposition to a so-called ‘Fourth Reich’—that is to say, against reunified Germany. A drawn-out, festering conflict in the Balkans is supposed to

prevent Germany from playing a decisive role in the economic development of the nations to the east.

“The assassination in late 1989 of the chairman of Deutsche Bank, Alfred Herrhausen—the only leading German economic expert with the courage to present a vision for the development of the East—and the idea of utilizing the Serbs in order to tie down continental Europe, particularly Germany, were both products of the geopolitical design of leading circles in Washington, London, and their co-thinkers elsewhere.

“Because Germany was not to be allowed to economically develop the East, or to gain ‘influence in the Balkans,’ the U.N. Security Council has been tolerating the Serbs for years as they have committed crimes against humanity which are without parallel in this century, even when compared with the Nazis’ crimes. . . .

“Prior to mounting any intervention, all participating powers must openly declare that it was this geopolitical insanity in the tradition of Haushofer, Millner, and Mackinder—that it was the myth of a supposed ‘Fourth Reich,’ used as a justification or the bestialities being committed by the Serbs—which has brought the world to the brink of World War III. Only in this way can we neutralize the danger and prevent the geopolitical strategy of non-action from simply becoming replaced by an equivalent geopolitical strategy of military intervention.

“Furthermore, the priority demand must be that all states of former Yugoslavia must regain control of the territory they had prior to the first breakup of Yugoslavia. If Serbia rejects this, targeted air strikes and other measures must be taken to prevent Serbia from pursuing its war of conquest against its neighbors. The Serbian Air Force must be deprived of its ability to control the air space over all of former Yugoslavia.

“It is also high time that the Serbian military be held unequivocally responsible for the actions of the Chetniks, and that we no longer accept Milosevic’s double-dealing games.

“Peace can only be established on the basis of enforcing the borders of the previously existing states, and that also means recognizing the authority of the governments of Slovenia, Croatia, Bosnia, and Serbia over their territories. . . . In addition, those responsible for the genocide must be brought before a tribunal.

“If world peace is to be reestablished . . . it is urgent that we adopt a policy of war avoidance through economic development. That means that we have to put into place *now*, that which we failed to put into place following 1989. We need to immediately implement a Eurasian development program, as has been proposed by Lyndon LaRouche in the form of the ‘Paris-Berlin-Vienna Productive Triangle,’ as the motor for reconstructing the world economy. The extension of this ‘Triangle’ as a development plan for the Balkans and a reconstruction program for the destroyed war zones, is at the same time the content of the peace plan which would benefit all affected parties, including the Serbian population,” she wrote.

Germans weigh military action against Serbia

by Michael Liebig in Wiesbaden

The war in former Yugoslavia is forcing Germany to take a good look at its fundamental principles, and to make decisions that will affect its very existence. There are many signs that by sometime this spring, a military intervention will be launched against Serbia by the United States and western European nations. Paradoxically, the military action is being planned by the very same governments which for 18 months have been permitting Serbia to wage its war offensive against Croatia and Bosnia. While the West has been practicing "appeasement," the fascist-communist leadership of Serbia has been committing war crimes of such monstrous magnitude, that citizens' revulsion can no longer be ignored by their governments. The western political elites, thanks to their provocative passivity, are seeing their credibility sink below the minimum threshold.

Serbia today is Europe's "Frankenstein's monster," in the tradition of Hitler and Stalin. There is no question about the legitimacy, according to international law, of initiating military action against Serbia. International law requires that assistance be given to the victims of aggression, and it calls for military action against aggressor states. However, the "Serbian question" cannot be separated from the question of the "geopolitical accessories to the crime"—Britain's Lord Carrington, former U.S. Secretary of State Lawrence Eagleburger, U.N. envoy Cyrus Vance, certain people in Moscow, and many others. The outbreak and subsequent course of the Balkan war has shown that the Anglo-American establishment and French diplomacy, in conjunction with influential forces in Moscow, were and are pursuing a policy of "geopolitical balance of power." The Serbian leadership's racist expansionism was encouraged in order to create a counterbalance in southern Europe to reunited Germany.

The chances that the situation might open up, such that the United States would dump the geopolitical axioms of its European-Eurasian policy, are not that bad, since the consequences of this policy are now beginning to turn against the United States itself. Washington fears that without a military intervention into Serbia, NATO's entire southern flank would crumble, as Turkey and Greece take opposite sides in

the conflict. In the Islamic world, most regimes, led by Saudi Arabia, fear that the war in Bosnia will become a catalyst for "Islamic fundamentalism." This in turn would affect U.S. long-term interests in the region. France is seeing its own political viability, and that of western Europe as a whole, dramatically undermined as a result of the the geopolitically oriented policy it has pursued up to now. But on the other hand, France can not simply "leave it up to the Americans" to intervene in Serbia, since that would reestablish the United States as the dominant power in Europe.

This ambivalence in geopolitical doctrine, whose results we have witnessed in the Balkans since 1991, is especially evident with regard to Russia. According to the premises of geopolitics, a western military intervention against Serbia could lead to a new East-West confrontation in Europe. Under those circumstances, Germany—regardless of whether it participated in the intervention or not—would be the strategic loser. On the other hand, only an intervention which is *not* based on geopolitical premises can prevent a drawn-out Balkan war from leading to the creation of a "Slavic-Orthodox power bloc" under Great Russian leadership, which would pose a strategic threat to the United States.

Concerning an intervention against Serbia, it can and must be made convincingly clear to the Russian leadership and the Russian people, that their interests are not served by supporting the Serbian aggressor and terror regime, but rather lie in an economic reconstruction program "from the Atlantic to the Urals."

What the objectives must be

If military steps are taken against Serbia, then such a war must be brought to a conclusion as rapidly as possible, with the greatest political and military resolve. From the very outset, military planning must exclude the contingency of a long, drawn-out, Vietnam-style campaign involving the big powers. The war and peace objectives of a military intervention must be:

- Depose Serbia's fascist-communist leaders and bring them before a war crimes tribunal.
- Reestablish the legitimate borders of the states of former Yugoslavia.
- Economic reconstruction in the framework of an European-wide reconstruction program.

These goals can be attained through the arming of Bosnia and Croatia, which will bear the brunt of the battle; through cutting off Serbian supply routes into Bosnia and Croatia; and through shutting out Serbia's Air Force.

The options for Germany

German participation in an intervention, so defined militarily and politically, is legitimate according to both international law and Germany's own constitution. Germany's Basic Law does not limit the deployment of German Armed Forces to NATO's territory. Article 26 of the Basic Law

forbids all offensive wars, regardless of their form, location, or under what pretext they are conducted. German Bundeswehr participation in combat units in the framework of collective security systems, is permitted only when it is a question of "bringing about and ensuring a peaceful and lasting order in Europe and between the peoples of the world" (Article 24). At the same time, Article 87a of the Basic Law allows the German Armed Forces, without any geographic restrictions, to be deployed for defensive purposes. Germany's constitutional bodies have the express duty to use military means to protect the German people from harm, regardless of where the assault on Germany's fundamental security interests emanates from.

The decision to participate in a military intervention against Serbia is perhaps the most difficult one which Germany has had to make since the end of World War II. If it comes to a military intervention against Serbia, this would have a dramatic impact on Germany's domestic political situation. Germany would become a de facto "frontline nation," along with Hungary, Austria, and Italy. Western Europe, and especially Germany, would cease being a peaceful area behind the front, where life could go on more or less without disruption. The prevailing lifestyle in western Europe, with its emphasis on physical possessions, hedonism, entertainment culture, and alienation from Christianity, would be challenged. But it should also be considered that certain waning political forces might unscrupulously use the objective "state of emergency" in order to keep themselves in power.

Moreover, Germany would be threatened on its own soil by Serbian terrorist low-intensity warfare actions. Military experts reckon that Serbia is already engaged in intensive efforts to acquire ballistic missiles. Missiles with a range of 1,000 kilometers could strike targets in southeastern Germany.

There is much talk about how, for historical reasons, Germany cannot participate in any military action against Serbia. On April 6, 1941, beginning with a merciless air bombardment of Belgrade, Nazi Germany assaulted Yugoslavia, which capitulated on April 17, 1941. Particularly in 1943-44, partisan forces were locked in brutal battle against the German occupation forces. These historical events, however, do not alter the fact that today it is Serbia which is guilty of waging an offensive war and of committing genocide and monstrous war crimes. Past crimes are no reason for us to tolerate crimes being committed in the present.

In Europe, the time for avoiding and ending war solely by political and economic means, is now behind us. Under the present historical circumstances, Germany and France have no choice but to systematically expand their military cooperation with the aim of mounting an intervention against Serbia. This military alliance must be constructed on the basis of the Franco-German Treaty of Jan. 22, 1962 between French President Charles de Gaulle and German Chancellor Konrad Adenauer.

'Friends of Schiller' meet in Croatian capital

On Jan. 23, the Schiller Institute held a meeting at the University of Philosophy in Zagreb, Croatia, to explore the possibility of setting up a Cultural Association of the Friends of the Schiller Institute. More than 25 people attended, including journalists who had previously published material from the institute and from *EIR*, engineers, government employees, and *EIR* readers.

The Schiller Institute was founded by Helga Zepp-LaRouche in 1984, and has chapters around the world.

The Zagreb seminar was opened by Paolo Raimondi of Germany, who outlined the geopolitical goals of the Anglo-Americans and their role today in this new Balkan war. He compared the geopolitical notions of Halford Mackinder, Lord Kitchener, and Karl Haushofer at the turn of the century, with the views of Henry Kissinger, Zbigniew Brzezinski, et al., aimed to prevent the development and integration of the Eurasian continent. He explained that the programs of the Schiller Institute derive from the fundamental idea of man as *imago viva Dei*—in the living image of God.

This concept was developed further by Elke Fimmen, also of Germany, who explained why the Schiller Institute was named after the German poet Friedrich Schiller (1759-1805), the poet of freedom and republicanism who fought to make culture the highest point of the political fight to free men and nations from the oligarchical systems. Fimmen also outlined Lyndon LaRouche's program for a Paris-Berlin-Vienna Productive Triangle of economic development, to spark the revival of Europe as a whole.

Sheila Jones, from the United States, spoke about the political persecution of LaRouche in America, and his effort to create a movement based on reason, to defeat the corruption of the ruling elite which is leading to a third world war. She spoke about the fight of the U.S. civil rights movement, and the recent merging of the best parts of that movement with the LaRouche movement internationally.

EIR Editor for Russia and Eastern Europe Konstantin George exposed the economic disaster that followed the implementation of the International Monetary Fund's austerity programs in the East European countries. Croatia was recently accepted into the IMF, and the media have created a false expectation of aid and development as a result of this.

Many participants signed a letter to President Clinton, demanding freedom for LaRouche. It was agreed that the first step of the Friends of the Schiller Institute should be the publication of literature in the Croatian language. Later, steps will be taken toward the formation of an official association. The main Croatian daily *Vjesnik* published a report on the conference, focusing on the Schiller Institute's attack on the IMF.

Billington tour in Mexico builds support to free LaRouche

by Carlos Wesley

There is widespread support in Mexico for the demand to free U.S. political prisoner Lyndon LaRouche, according to activist Gail Billington, who conducted a 10-day visit to that country in January. During her visit, she met with members of Mexico's Congress, including with the president and the ranking member of the Committee on Human Rights. Her tour, which took her to Mexico City, Guadalajara, and to Ciudad Obregón and Hermosillo in the northern state of Sonora, also included meetings with state legislators, the media, leading figures from all the major political parties, and civil and human rights organizations and bar associations, to inform them about the gross violations of human rights occurring in the United States. She appealed to them to join the International Coalition to Free Lyndon LaRouche, and to sign a letter demanding that U.S. President Bill Clinton free LaRouche, undoing the injustice to him committed by George Bush.

Nearly 30 prominent Mexicans joined in support of the coalition's initiative, after listening to Billington describe the years-long effort, led by Henry Kissinger, the Anti-Defamation League of B'nai B'rith, and the sundry government and private agencies that make up the anti-LaRouche task force, to jail LaRouche and destroy his political movement. Her husband, Michael Billington, a LaRouche fundraiser, is currently serving a barbaric 77-year jail sentence in the state of Virginia for allegedly selling "securities" without a license. The 70-year-old LaRouche has just completed the fourth year of a 15-year federal prison sentence for "conspiracy." Another LaRouche associate, Rochelle Ascher, is serving a 10-year term in a Virginia prison, while several other LaRouche activists are out on bail pending the results of their appeals on sentences of up to 46 years in prison, imposed as punishment for their political activity.

Virtually everyone Gail Billington met in Mexico, including the hard-bitten reporters attending the news conferences she held jointly with Marivilla Carrasco, a leader of the Ibero-American Solidarity Movement, was visibly shocked as she described the Kafka-esque details of the railroading of her husband. While serving a three-year federal prison sentence for his political activities as a co-defendant of LaRouche, Billington, in a blatant violation of the constitutional protections against double jeopardy and similar state statutes, was tried by a Virginia court, using exactly the same fake evidence employed to convict him in federal court, for

a "crime" which was not even on the books at the time he was indicted! His conviction by the Virginia court came after his own defense lawyer argued at trial that Billington was insane and required psychiatric evaluation. The judge refused to allow Billington to fire his hostile lawyer, who not only failed to present a defense, but in his final argument claimed that his client was guilty!

The same judge later upheld a 77-year sentence for Billington—about 30 times more than that received by junk bond swindler Ivan Boesky. Billington's case involved \$76,000 in political loans. In contrast, junk bond king Michael Milken, who admitted he made *billions* in phony transactions, served only 22 months in prison.

Mrs. Billington was repeatedly asked, "Why is LaRouche treated so brutally?" She reminded listeners of LaRouche's decades-long fight against International Monetary Fund (IMF) usury and for the economic development of the Third World, of his proposals for a debt moratoria and for the establishment of an Ibero-American Common Market, of the fact that he traveled to Mexico at least four times to meet with industrialists, farmers, and government officials, including former President José López Portillo, to help develop strategies to implement these programs.

'Imago viva Dei'

"LaRouche's enemies have criminalized policy differences," she told a group of attorneys. "His proposals are to reorganize the economy around the concept of man in the image of the living God (*imago viva Dei*), whereas Kissinger and his masters are genocidalists, they don't believe each individual human being is sacred." She called upon the lawyers to sign the letter to Clinton and join the International Coalition to Free LaRouche. After several moments of silence, the head of the group said words to the effect: "We have to take a stand; we can't just sit by." Every one of the lawyers came forward and signed up.

Reportedly Mrs. Billington had the same profound, very personal impact on others with whom she met. Almost everyone volunteered to do something besides signing the letter to free LaRouche and the others, and many thanked her for inspiring them with her courage. Several of the signers also indicated that they would launch their own initiatives to overturn the increasingly Confederate orientation of the U.S. justice system, as shown by the use of the "Thornburgh



Gail Billington with her husband Michael Billington, outside the courthouse in Loudoun County, Virginia in 1986. Michael Billington is serving a 77-year prison term on trumped-up charges of "securities fraud."

Doctrine."

Among those who signed was Luis Cotero, the president of the National Federation of Bar Associations, and Pedro Vargas Avalos, president of the bar association in the state of Jalisco. Support for the coalition's initiative cut across party lines, as the signers included a cross-section of the parties represented in Mexico's Congress—Rep. Cecilia Soto of the PARM; Rep. Pablo Emilio Madero, formerly of the PAN; Rep. Jorge Moscoso of the PRD; and Rep. J.J. González of the ruling PRI—and other political figures, such as Jesús González Schmall, the internationally respected Christian Democratic leader of the Democracy and Doctrine Forum, which split away from the PAN when the leadership of that party allied with President Carlos Salinas de Gortari.

Outrage at fascist U.S. justice

The response Mrs. Billington got is also due to the outrage Mexicans feel at the Thornburgh Doctrine, which was used by the U.S. government to justify the kidnapping of Dr. Humberto Alvarez Machaín, a Mexican national, from his own country and put him on trial in a Los Angeles federal court, which acquitted him, and the fact that the United States leads the world in the number of people incarcerated and in the barbaric use of the death penalty, particularly against

blacks, poor whites, and Hispanics (the majority of whom are Mexican-Americans).

One such case is that of Ricardo Aldape Guerra, a Mexican national who is awaiting execution in Texas after being convicted in a trial which saw the use of coerced testimony, suborned witnesses, and the suppression of exculpatory evidence.

There is also much anger at the United States for its economic policies which are ruining Mexico, despite the constant barrage of propaganda regarding the non-existent benefits of the North American Free Trade Agreement (NAFTA). The municipality of Guaymas, for example, became officially bankrupt while Mrs. Billington was in Mexico.

Although President Salinas appears to have everything under control, under the surface every institution and party is splintering because of the disasters of the IMF free trade policies pushed by the United States. Many in Mexico see LaRouche as the alternative to such policies, leading them to join the International Coalition to Free LaRouche.

Documentation

El Sol de México

Excerpts of the article by Axel Trujillo which was published on Jan. 13 by the Mexico City daily El Sol de México. It was entitled, "2,600 Persons Sentenced to Death by U.S.A. Justice: Gail Billington."

American "justice," which condemned to death Mexican Ricardo Aldape Guerra and violated international law in the kidnapping of Dr. Humberto Alvarez Machaín, has, as its premises, the forcing of confessions, negotiating the participation in trials of witnesses with criminal records, and the hiding of exculpatory evidence.

American human rights activist Gail Billington affirmed the foregoing as she explained that under this kind of "justice," 2,600 persons in the U.S. are sentenced to death, 40% of whom are black and 7% of whom are Latinos, who are confined principally in jails in Texas, California, and Florida.

"If every day they executed one person condemned to capital punishment, the rest of the century wouldn't suffice to complete this macabre labor," stressed Gail Billington.

She said that every year the courts of her country condemn 300 persons to death, and that since 1973, after the reinstatement of capital punishment, 189 criminals have been executed, 1992 being the year with the greatest number of cases, 31. . . .

The spokeswoman explained that Michael Billington, her husband, was accused of financial fraud and sentenced to 77 years in prison in a judicial process which was "prejudiced," plagued with irregularities and partial proofs; besides the fact that the accusers, in this case the government of former

President Ronald Reagan and the Anti-Defamation League, hid exculpatory evidence, which has become known in the last two years. . . .

She stressed that her husband Michael Billington . . . did not commit the alleged offense of "security sales fraud." What he did, in fact, was to raise money for the various political campaigns carried out by the organization founded by Lyndon LaRouche in the U.S. more than 20 years ago.

At the same time, Mrs. Billington is fighting to obtain exoneration for political activist Lyndon LaRouche, 70 years old and condemned to 15 years in prison in a maximum security prison in the U.S., of which he has served five [sic].

Gail Billington will meet with the Human Rights Committee of the Mexican Chamber of Deputies, and with various personalities from all strata of the country, as well as with

the leaders of human rights organizations. . . .

Tribuna del Yaqui

Excerpts of the article filed from the city of Hermosillo by Humberto Corral, that appeared in the Jan. 20 issue of the Sonoran daily Tribuna del Yaqui. It was entitled "Bush Policies in the U.S. Government Criticized."

Gail Billington, a human rights activist and member of the political movement of Lyndon LaRouche, presented some shocking statistics here about violations of the Universal Rights of Man occurring in the country that is our northern neighbor.

She noted that the citizenry is vulnerable regarding human rights because they [the U.S.] lead in the number of people imprisoned. "The current year will be more tumultuous, both on the international scene and domestically, if Bill Clinton does not change the judicial policy of the outgoing administration." . . .

To give an idea of the high rate of violations against the Universal Rights of Man in the United States, she said that 1 out of 4 of all black men between the ages of 18 and 30 years, is either in jail or on probation. . . .

The leader from the political movement of Lyndon LaRouche brought her message to this city, to make known the other side of the American government and to point out that now is the time for the new President, Bill Clinton, to change the administration of justice in the United States.

Gail Billington reflects on her tour

Returning to the United States after her mid-January tour of Mexico to obtain support to free Lyndon LaRouche, her husband Michael Billington, Rochelle Ascher, and other persecuted associates of LaRouche, Gail Billington had these reflections on her visit.

Uniformly there was a strong personal, emotional, even physical response to my briefing on the political and legal atrocities committed against LaRouche, my husband Michael Billington, and other LaRouche associates in the series of federal and state criminal cases that have been carried out in the United States. This included emphatically the response from the press. . . .

There is tremendous anger at the United States for the way in which it acts as the self-appointed arbiter of "human rights violations," while adamantly denying the existence of any such violations against its own citizens. . . .

One frequently asked question was, "What is the U.S. population doing about this? Why aren't they more angry?"

My answer was that the U.S. population, addicted to TV culture, has become devastatingly morally passive, and unable to distinguish between reality and fantasy. But equally importantly, I warned that this TV culture—soap opera, Oprah-style "tell all" sensational talk shows, and MTV-style rock video—and the fast food, McDonald's-style culture are the biggest, most corrupting, and most obnoxious exports of the United States. On this point, there was universal acclamation.

We must refuse to live like slaves

Political prisoner Michael Billington wrote the following message, entitled "Imprisoned in the Capital of the Confederacy," from his prison cell on Jan. 6. He has been sentenced to 77 years by the state of Virginia. It was delivered by his wife, Gail Billington, to the people of Mexico.

Confederate law has regional power, not only in the South, but over the U.S. federal government. The law is not restrained by natural law nor by a Constitution whose purpose was to approximate natural law, based on God's creation of man in his own image. The law of equity among individuals and among nations—that each individual or nation is sovereign, based on God-given inalienable rights, and must be granted the same rights and freedoms, and constrained by the same code of justice, as every other sovereign individual or nation—is essential for the development of the potential creative powers of each individual (which is the purpose of each nation's sovereign existence). It has been replaced by the view that law is simply that which best serves the policy of those in power. The system claims moral neutrality, not because all people are treated equally, but because questions

of truth and justice are not permitted to interfere with the imposition of the chosen policy, and the punishment of those who oppose it.

Thus were we railroaded by this Confederate system—just as those who opposed slavery were “guilty” under Confederate law.

This is not moral neutrality, but legislated evil, which cannot be tolerated by any moral human being. The decision to destroy the political organization associated with Lyndon LaRouche was fascist in nature—intentional implementation of evil—as well as illegal under constitutional law. The decision to try me twice in the state of Virginia—once in federal court and once in state court—was part of the same evil. The 77-year sentence was one of several examples where those involved in this evil chose to publicly flaunt their evil, using terror to force submission.

This is the view from which the Thornburgh Doctrine derived. The policy of the U.S. government was declared to be above any restriction of constitutional or international law, simply on the basis of the power of the government to enforce it.

I recently discovered in my China studies from within the prison system that the intellectual forefathers of the “new Confederacy” and the Thornburgh Doctrine, i.e., those who formed the Confederacy in the 1850s, were the same individuals who helped the British carry out one of the most evil deeds of human history: the Opium Wars and the subjugation of China. Then-U.S. Secretary of State Caleb Cushing and his friends in the diplomatic corps and in the Protestant missionary societies in China worked openly and with great military force in the 1850s and 1860s to impose “free trade” in opium upon the millions of Chinese. They had their own “Thornburgh Doctrine”—Cushing believed that the only law of nations was the law of Christendom. His view of “Christendom,” of course, had nothing to do with Christianity, but was only a name for the policy of the most powerful nations in the Christian world, Britain and America. Under the false banner of the cross, they enslaved millions of Chinese through drugs, a policy of menticide in keeping with their chattel slavery in the South.

Simultaneously, these interests worked with their French associates to arrange the invasion and occupation of Mexico.

We defeated the Thornburgh Doctrine and the Confederacy once before. Our Lincoln today is in prison, and the Confederacy controls most of the national institutions. Through the North American Free Trade Agreement and other means they are re-occupying Mexico and much of the Third World. The Opium War today is carried out against the entire world’s population, especially their own citizens, which is one modern form of slavery.

Our advantage is the power of truth. God’s will is just—if we do not allow fear and greed to obscure our minds. If we refuse to live as slaves, regardless of the consequences in our personal lives, then we will be free, and we can win this war.

Menchú delivers death sentence to Guatemala

by Gretchen Small

Working with the United Nations, Nobel Peace Prize winner Rigoberta Menchú is using the repatriation of some 2,400 Guatemalan refugees from their Mexican exile this January, to launch an organizing drive by the narco-terrorist Guatemalan National Revolutionary Union (URNG) for a U.N.-communist takeover of Guatemala similar to what is now occurring in neighboring El Salvador.

The process now under way in Guatemala is another dramatic case of the U.N. creating a crisis where none existed. Despite the wild lies in the media, Guatemala is not suffering a civil war, but from terrorists whose capability was in the process of being eliminated. The URNG did *not* succeed in organizing a mass base for its operations, and emphatically does *not* enjoy mass support from the Indian population.

Menchú and the URNG, with whom she has worked for more than 10 years, now believe that, with the aid of the U.N., they will finally be able to divide Guatemala along ethnic lines, force the Indians into their hands, and unleash a war against Christian civilization itself in the country.

Mayan sacrifice revived

In an interview with *Vision* magazine in late 1992, reprinted in Peru’s *Expreso* newspaper on Jan. 17, Menchú unveiled the deeper goal of this ethnic warfare. The revival of “ancient religions” such as the Mayan is critical to “national liberation,” she stated. She denounced attempts to characterize Mayan priests and priestesses as “satanic” or sorcerers, and called for these Indian religions to become “a challenge to the Catholic and Evangelical churches” and “to 500 years of plunder”—her view of western civilization. “Why can’t the Mayan religion be the official religion?” she asked.

The bestial concept of “Indian religion” espoused by Menchú was first summarized in a document on Indian philosophy prepared in 1981 by the International Indian Treaty Council, of which Menchú is a spokesman and board member. That document, presented to a U.N. Indigenous Peoples conference in which Menchú participated, decried mankind as “the weakest of all creatures,” less worthy even than wolves, because “humans are only able to survive through the exercise of rationality since they lack the abilities of other creatures to gain food through use of fang and claw.” European science and religion is to be rejected, the group argued, because “rationality is a curse.”

Little is known about the actual Mayan religion, as the Mayan civilization collapsed between 600 and 900 A.D.



Over 45,000 Indian peasants returning to Guatemala have become political pawns of Rigoberta Menchú and narco-terrorists. Above, an Indian child in 1985.

(long before the Spanish arrived). The attempt to revive a distinct Mayan religion today is largely the work of foreign anthropologists, both western and Russian, who have studied the area. Christine Weber, the producer of a two-hour special on the Mayan religion aired on Jan. 20 by Public Broadcasting Service in the United States, admitted to the *Washington Post* that she discovered in doing the film that American interest in the Mayan religion "is sort of a cult," promoted at such places as the Smithsonian Institution.

What its promoters have proven, however, is that by the time of their collapse, human sacrifice and a cult of death and blood had become central to their religious rituals.

The promotion of a violent "Indian" religion conducive to ethnic warfare, is directed at more than Guatemala. As *Expreso* noted, now that Menchú has broken the taboo on discussions of these pagan religions, "ancient religiosity could take on much greater force" worldwide.

Menchú orders: 'Return to fight'

Negotiations over the repatriation of over 45,000 Guatemalan refugees, who have been living in southern Mexico in U.N.-run camps since the early 1980s, began months ago. Everything was set for the first major group to return in January—until the political activists who dominate the refugee camps demanded that the return become a weeks-long publicity stunt. Instead of returning by the route proposed by the government (a 65-mile trip straight to their old lands), the activists demanded the refugees travel 215 miles down the main highway to the capital, stopping for "welcoming parties" in every village along the way, before heading back

north along some of the worst roads in the country. The activists stated openly that they sought to pressure the government to negotiate a "peace treaty" with the URNG.

When the government refused, Menchú demanded that the U.N. force the government to back down. Guatemalan President Jorge Serrano denounced the plans as "dangerous," pointing out that it was completely unjust that "Rigoberta Menchú wants to take a 780-kilometer tour with children, elderly, pregnant women, dogs, and chickens." Over 8,000 refugees had already returned home in small groups without a problem before Menchú became involved, he pointed out.

Menchú also insisted that the return be gotten under way immediately, even if there was no time to prepare the logistics to provide adequate food, water, and road repair along the way. The government backed down, under what one U.N. official described as "the international blackmail" wielded by the refugees. When the refugees, over half of whom are children or elderly, complained to Menchú over the conditions to which they were being subjected, she dropped all pretense of being an advocate of peaceful change. Addressing a rally at the camp in Huehuetenango the first night in Guatemala, Menchú reminded the refugees that their motto had long been "Fight to Return. Return to Fight."

The repatriation has already achieved one of its goals. Seeking to deflect international pressure, on Jan. 19 President Serrano announced that his government will hold "peace" talks with the URNG narco-terrorists over the next 90 days, and invited U.N. monitors to Guatemala.

It was not coincidental that the announcement was made the day before Bill Clinton was sworn in as U.S. President. The last Democratic administration in Washington suspended U.S. military assistance to Guatemala, to protest alleged "human rights" violations against insurrectionary forces. With many of the same faces of that Carter government now returning to office, the government feared even worse sanctions.

In April, the U.S. committee which reviews access to the Generalized System of Preferences is scheduled to hear a suit brought by various U.S. non-governmental organizations sympathetic to the URNG, demanding Guatemalan products be denied the duty-free access which GSP status allows. NGO activists admitted to the Jan. 11 *Journal of Commerce* that busting up Guatemala's military is the goal of the suit. With one-half of Guatemala's exports going to the United States, were Guatemala to be excluded from the GSP, the effect on the country's economy would be devastating.

By inviting the U.N. in, however, Serrano walked into the trap set by Menchú, as the URNG quickly made clear. We will talk, they answered, provided we receive the same concessions the U.N. forced on El Salvador: the dissolution of civil defense patrols, the restriction of government troops to negotiated areas, a 50% reduction in the Armed Forces, and the establishment of an "ad hoc commission" composed of four Central American former Presidents and a U.N. representative to oversee the purging of the officer corps.

Time to probe the dealings of Australia's Isi Leibler

by an EIR Investigative Team

In the last two years, Mr. Isi Leibler, co-chairman of the World Jewish Congress, has moved into the limelight in Asia.

In November 1991, Leibler, a citizen of Australia and Commander of the British Empire, conducted a high-profile tour of many Asian capitals including New Delhi, Beijing, and Tokyo. Leibler told the Australian *Jewish News* that the tour "had been undertaken at the request of the Israeli government and in full cooperation with it." Indeed, Leibler is credited for New Delhi's willingness to recognize Israel and open diplomatic relations with the Zionist state. But, as Leibler told the press, in addition to the Israeli Foreign Ministry, "the U.S. State Department, in liaison with the World Jewish Congress (WJC), had requested" the trip, and the "Australian government had endorsed it with full diplomatic assistance in every Asian capital."

In 1992, Leibler organized a festival in Beijing, sponsored by the World Jewish Congress, to improve Sino-Israeli ties. The same year saw another Leibler whirlwind tour of Asian capitals, this time to lobby leaders for the repeal of the U.N. "Zionism is racism" resolution, an endeavor in which Leibler succeeded.

Leibler has come a long way since February 1981, when he pronounced himself "deeply honored" that newly inaugurated WJC president Edgar Bronfman, scion of the Seagram's empire, had "personally extended to me" the post of chairman of the World Jewish Congress' International Advisory Committee. In 1984, Leibler was given another boost when he was asked to set up the Asia Pacific Jewish Association of the World Jewish Congress, which set the stage for the 1991-92 tours.

Leibler's new-found prominence on the Asian scene raises the question: Is Dope, Inc. making a big push into Asia behind the screen of Leibler's World Jewish Congress?

This article is the first in a series on the Leibler family. The most prominent organizers of the Zionist lobby in Australia, there is mounting evidence that the Leiblers are also up to their eyeballs in dirty operations, some of which are already under examination by the Australian Parliament.

The Leibler brothers—Isi, Mark, and Allan—are the sons of a diamond dealer from Antwerp, who fled Europe in 1939. As documented by *EIR's* book *Dope, Inc.*, the diamond trade is one of the major international circuits for the flow of money laundered out of the drug trade. Isi Leibler was in the diamond trade himself until 1963, when he started Jetset, his own ticketing and booking travel agency, in Australia. Moores Fine Jewelry and other diamond operations are still under Leibler family control.

To get an idea of the dirty nexus the Leiblers appear to be at the center of, begin with a little story of suspected drug trafficking in the South Pacific island of Papua New Guinea.

The dogs go wild

On Aug. 8, 1991, Dennis Stevenson, an Independent Member of the Legislative Assembly for Canberra, stunned the chamber by naming the bosses of Australia's drug and pornographic video operations. One of those he cited was Alexander Gajic, whose lawyer, Leon Zwier, traveled to the United States "to negotiate with various organized crime groups to set up a deal to import and franchise X-rated videos." Zwier, Stevenson noted, "was recently made a partner of Arnold Bloch, Leibler, and Associates." The firm is the home of Mark Leibler.

Gajic was notorious as a self-confessed drug dealer who had been interrogated by the Stewart Royal Commission in 1982. Why was his lawyer joining Mark Leibler's law firm?

This is not the first time that people who work closely with one of the Leiblers had been involved in operations smacking of organized crime.

On March 6, 1985, the customs unit at the Jackson Airport in Port Moresby, Papua New Guinea, brought their special drug-sniffing dogs in to examine an executive jet about to take off for Australia. Upon sniffing luggage and parts of the plane, both dogs went wild. As the customs unit prepared to search the plane more thoroughly, an on-board phone rang. It was Papua New Guinea Prime Minister Michael Somare, who spoke to the officer in charge and ordered the customs unit off the plane.

Detective Constable Sam Kei reported that when that officer, Chief Inspector Tuka, heard that the prime minister himself was coming to the airport, "Tuke appeared to be shocked. . . . I could not believe that the search was to be aborted. To my mind the dogs' reactions warranted a more thorough search of the aircraft."

Unknown to Kei or Tuka, the prime minister had just eaten lunch with the plane's passengers two hours before. The passengers were:

John Aston, one of Sydney's leading lawyers. Aston made headlines two years earlier when the Stewart Royal Commission investigation into Australian drug trafficking found that Aston was a conduit between the notorious Mr. Asia drug syndicate, and the Nugan Hand bank, a drug money-laundering institution with multiple ties to the CIA.

John Johnson, owner of the chartered jet company, Pelair. Aston was also a consultant to Pelair. Over the preceding decade, Johnson had run a series of jet charter firms, all of which had been closely associated with Sir Peter Abeles's transport giant, TNT. TNT not only dominated Australian transport, but had extensive operations in Europe, the United States, and China. Abeles was often referred to in Australia as the "White Knight" for his suspected role in narcotics trafficking. Mark Leibler is the tax adviser for TNT.

Sonnie Lipshut, an arms dealer. Lipshut was an associate of Mark Leibler, and his wife worked for Leibler at the Zionist Federation of Australia. Lipshut and his wife were both board members of the Israeli Aircraft Industries. In 1980, Leibler incorporated a Melbourne firm, Intercorp, to handle the sales of the Israeli Aircraft Industries (IAI) in the South Pacific.

IAI, one of Israel's largest employers, was set up by Adolf Schwimmer, who employed numerous members of the Meyer Lansky crime syndicate while smuggling materials to the Jewish forces in Palestine during World War II, as part of the Baltimore, Maryland-based Sonnenborn Institute.

Israeli aircraft and chartered jets

Aston, Lipshut, and Johnson were in Papua New Guinea for two reasons. The first was to sell three IAI aircraft for \$10 million to that nation's Armed Forces, orders which would likely otherwise have gone to the Australian Government Aircraft Factories.

The three were also trying to set up a new worldwide joint airline between Johnson's charter jet company, Pelair, with Air Niugini, the Papua New Guinea government-owned airline. Pelair already had permission to fly between Papua New Guinea and Australia to export fish.

Both proposals were approved by Prime Minister Somare. It is notable that opposition figures in the Papua New Guinea Parliament charged that Ansett Airlines of Australia, owned by Sir Peter Abeles, had financed the election campaigns of Somare and his party.

The Pelair-Niugini new worldwide airline was cleared

by Somare's cabinet over the opposition of the comptroller general of Customs, who warned in a confidential memo that he was bothered by "uncertainties over the company such as unprofitability, the drug-running suspicion . . . [and] the involvement of certain Australian lawyers and a law enforcement officer who are not directors or shareholders of the company."

Australian Federal Police had asked the Papua New Guinea police to conduct surveillance of Pelair as part of an investigation into a suspected drug operation, involving former New South Wales policeman Murray Riley. Riley, it was known, had earlier used the Nugan Hand bank to pay for heroin importations.

The "law enforcement officer" referred to was New South Wales homicide squad Sgt. John Duff, who had been involved with Johnson in a previous airline since 1980. Duff was called before the Stewart Royal Commission in 1982 to answer questions about his close friendship with Aston. Then, in August 1985, he was suspended from duty, when a sergeant with the New South Wales Bureau of Criminal Intelligence charged that Duff had told him of plans for drug smuggling between Papua New Guinea and Australia. Duff wanted to be tipped off about surveillance of several Sydney criminals, including Murray Riley.

The Pelair company was the latest in a line of charter companies run by Johnson. The first was Southbank Aviation, whose major shareholders included Johnson and one Barrie Loiterton. Southbank's major client, and according to one source, half shareholder, was Sir Peter Abeles's TNT.

As for Loiterton, he had also been named in the Stewart Royal Commission as selling land in Fiji to members of the Mr. Asia drug syndicate. Loiterton had joint real estate deals with Abeles's partner, Sir Arthur George. When Loiterton's own company went bankrupt in 1974, his major development holdings were sold to Abeles and George.

The "drug-smuggling suspicions" raised in the Customs memo intersected the "unprofitability" question. One of Johnson's companies was ostensibly flying vegetables from Cairns in northern Australia to Papua New Guinea, but given the price of vegetables, it was inconceivable that the company would not operate at a massive loss.

Unless, of course, it were flying something else.

As the Australian *National Times* newspaper of Oct. 4-10, 1985 put it, "In the late 1970s, there were regular reports that operators with small aircraft were using P.N.G. [Papua New Guinea] as a staging post to import drugs across the unprotected borders of northern Australia." In the 1980s, one of Sir Peter Abeles's companies suddenly won the contract for surveillance across that coast. Sir Peter Abeles also held the contract with the Chinese state freight-forwarding company Sino-Trans, for exporting goods from China around the world. The largest single drug production zone in the world is China's Yunnan Province bordering on Burma and Laos.

Scandals target Kissinger's friends

Senior political figures from several parties are exposed for corruption and ties to organized crime.

Several friends and associates of Henry A. Kissinger are under fire for corruption here, with the schrapnel flying across the political spectrum. Who benefits? It's still hard to say, but the sensational scandals certainly do have the effect of distracting attention from the most important policy issues: the war in the Balkans and the economic crisis.

First on the target list is Oskar Lafontaine, vice chairman of the Social Democratic Party (SPD) and state governor of Saarland.

The Jan. 18 issue of the weekly *Der Spiegel* had a report on alleged mob contacts of Lafontaine and his longtime friend Reinhard Klimmt, contacts that could be traced back to the mid-1970s when Lafontaine became mayor of Saarbrücken, the state capital. It seems that Lafontaine used to frequent an exclusive night club, "Le Cascade," which was owned by the French mobster Hugo Lacour.

Lacour's escape from a Saarland prison in 1987, the sudden acquittal of one of his girlfriends in a trial a year later, and the fact that one of Lafontaine's bodyguards was one of Lacour's men, raise many questions for the SPD leaders.

In 1992, one of the leading issues on the agenda of the SPD was that of decriminalization of drug use and trafficking by addicts and "small-time dealers." Now people are asking whether SPD links to organized crime could be the driving element behind that dope legalization campaign.

These questions had better be answered before Germany enters the campaign for the 1994 parliamentary elections, and before influential poli-

cymakers in the United States who have considered Lafontaine as a political challenge to the German Chancellor Helmut Kohl feel tempted to invest in this "political alternative," as they did in the election campaign of 1990 (which saw Lafontaine's defeat).

Among those who have kept close contact with Lafontaine are those he met during his April 1992 tour of the United States: former Secretary of State Henry Kissinger, Secretary of State James Baker, National Security Adviser Brent Scowcroft, and Sen. Sam Nunn (D-Ga.).

During that visit, Lafontaine addressed select audiences at the American Council on Germany and Stanford University.

Two other German politicians have been involved in scandals that are also important for the United States. Matthias Wissmann, the young Christian Democrat who became new minister of research and technology in Chancellor Kohl's January cabinet reshuffle, is on the court record as a convicted tax evader in an affair dating from 1980.

His tax evasion became known in Bonn a week after Wissmann was sworn in as cabinet minister, but evasion was played down by Kohl's press spokesman as "a sin of adolescence." But it will certainly add to voters' impression that corruption and violations of law are part of the biography of many, if not most, senior politicians in the country.

Moreover, the scandal discredits a man who is viewed as one of Kohl's prime envoys to the new Clinton team, because Wissmann knows many of its members personally, mostly in the

economic and technology spheres.

Questions are also emerging around the new minister of economics, Günter Rexroth, a senior member of the Free Democratic Party. Instrumental in his appointment was FDP party chairman Otto Count Lambsdorff, a member of the Trilateral Commission and close acquaintance of its chairman, Paul A. Volcker. (Henry Kissinger was a former chairman.) Lambsdorff, chairman of the European section of the Trilateral Commission, had been forced to resign as federal economics minister in 1984 over scandals that involved his role as party treasurer.

Rexroth, minister of economics in the municipal administration of West Berlin from 1985 to 1989, became a member of the board of Citibank in June 1989, and took over the bank's German branch in Frankfurt in January 1990. In the reshuffle at the Berlin Treuhand agency after the assassination of Treuhand head Detlev Rohwedder (April 1991), Rexroth became one of the agency's vice chairmen, assigned to the control of the relics of the former East German arms-smuggling, money-laundering empire of Alexander Schalck-Golodkowski which did business with Ollie North's cabal. Rexroth's testimony still is to be heard before the Bonn parliamentary committee that is investigating that "Schalck" complex.

According to sources, Rexroth also used U.S. connections developed during his time at Citibank, in the background of several Treuhand decisions in 1991 and 1992, which gave preference for the sale of attractive Berlin real estate to such murky U.S. "investors" as Mark Palmer, Ronald Lauder, and others of the Center for European Development Corp.

Most of these matters haven't been looked into seriously yet. But a few more revelations will make very bad headlines for senior politicians soon.

International Intelligence

Honecker hails ties of Stasi with the West

In spite of the Cold War, the East and West German intelligence agencies maintained good cooperation, said Erich Honecker, the former head of the communist German Democratic Republic, in an interview with the journal *El Periódico* shortly after his arrival in Chile on Jan. 16.

Honecker, who was acquitted in a Berlin trial the week before and was allowed to leave Germany immediately afterward, said that the cooperation between East Germany's foreign intelligence agency, the Stasi, and West Germany's counterespionage agency, the Bundesverfassungsschutz (BfV), had "really been optimal and proceeded at the highest level." Both sides "informed and supported each other," Honecker said.

These remarks tend to confirm what knowledgeable observers in Germany have pointed out: that the sudden release of Honecker was linked to his inside knowledge about dirty aspects of East-West relations before 1989. Somebody would like to keep that information under wraps.

The same considerations also apparently secured the freedom of East Germany's former foreign intelligence boss, Markus Wolf (now living in Berlin), and his chief trouble-shooter Alexander Schalck-Golodkowski, the "business" partner of Oliver North.

In the interview, Honecker mentioned that he is still working on his autobiography, which he is committed to publishing later this year.

Brazilian cardinal: TV creates imbeciles

In the wake of the satanic murder of a television soap opera starlet, Cardinal Lucas Moreira Neves, of Bahia, Brazil, issued a manifesto against television, published in *Jornal do Brasil* Jan. 13 under the title, "I Accuse."

"I accuse Brazilian television," he

wrote, "of copiously ministering to its clients two ingredients which, curiously enough, always accompany one another: violence and pornography. . . . I accuse the television of our country of using sophisticated apparatuses and equipment with the aim of turning entire segments of the population into imbeciles . . . a generation of weaklings. . . . I accuse Brazilian TV of being the destroyer of the most true and inalienable moral values, be they personal or social, family, ethical, religious, or spiritual. Destroyer, because not only do they mock them, but they dissolve the conscience of the TV spectator, proposing instead the worst counter-values. In this sense, the business of demolishing the family and the highest family values—love, faithfulness, mutual respect, self-denial, and self-control—carried out daily, above all by the soap operas, is frightening. Instead of this: debauchery and dissolution, adultery, incest. . . ."

"Who killed the young actress? It would be ingenuous not to point out, and send to the seat of the accused, a co-author of the murder: Brazilian TV."

A recent study showed that in one week this year, the O Globo network's "entertainment" shows presented 244 assassination attempts, 397 attacks, 190 threats, 11 kidnappings, and 5 violent sexual crimes.

Balkan analyst sees world war looming

"It stinks of a third world war," a prominent Balkans figure told *EIR* in a discussion in mid-January, concerning the international repercussions of the current crisis.

He expressed full agreement with the view that the origins of the war could be found in a geopolitical effort to isolate and weaken Germany, and thereby weaken Europe. "The Serbs have always portrayed themselves as the bulwark against pan-Germanism, as the 'stabilization agent' in Europe. It's an old song, with a new singer today. As a result of the operation now, German foreign policy has become paralyzed.

The total paralysis of the German political class is both ridiculous and sad. Every time the Germans move, they are accused of being 'Nazis' trying to build a Fourth Reich.' But these accusations also provide a pretext, an alibi, for the Germans not to do anything."

He blamed the French political elite for reinforcing this view. "The French, for decades, have gone to the Russians, first the czarist Russians, then the U.S.S.R., in a flirtation against Germany. . . . The French are the traditional friends of the Serbians, although the English and the Americans have jumped into the game." He said that these powers were all involved in the "Babylon of diplomacy and initiatives," which was preventing a firm containment policy toward Serbia.

The source warned of the formation of "an Orthodox Church line in Europe," extending from Belgrade, through Athens and Bucharest to Moscow, which he considers extremely dangerous.

"When I see these wars among the churches, when I read the tabloid press in the Balkans, when I see the signs, I am reminded of the mood before World War II. Now, it all stinks of a third world war."

Cambodia may be heading for partition

Cambodia may be partitioned by the Khmer Rouge and the Phnom Penh government after the planned United Nations-sponsored elections in May, both Indonesian Foreign Minister Ali Alatas and Australian Foreign Minister Gareth Evans said on Jan. 22, according to the *International Herald Tribune*. Both men have been very active in negotiations of the peace agreement for Cambodia.

Due to financial constraints, the U.N. Security Council has decided that the election will be held in May as planned, even if the Khmer Rouge guerrillas refuse to participate. Khmer Rouge leader Khieu Samphan told Alatas that he will boycott the elections and the peace process.

Briefly

"We do have to contemplate the possibility, after the election, of some proportion of Cambodian territory not being effectively controlled by those parties contesting the election—maybe the order of 15-20%," Evans said. "We do have to contemplate the possibility of 500,000 or 600,000 out of 9 million Cambodians being in those areas."

"Partitioning is something nobody wants, but now, however, time is running short," Alatas said. If the Khmer Rouge does not participate in the elections, "you cannot speak of a comprehensive solution."

Since Jan. 18, the Khmer Rouge has held 12 U.N. personnel hostage in their headquarters in Pailin in western Cambodia.

Great Russians offer aid to Saddam Hussein

Russian expansionist Vladimir Zhirinovskiy, chairman of the Liberal Democratic Party, and a group of supporters flew to Baghdad on Jan. 24 to offer support to Saddam Hussein against the United States, the London *Sunday Times* reported. "We will blow up a few Kuwaiti ports and airplanes, plus a few American ships in the Gulf," Zhirinovskiy said. Zhirinovskiy received 6 million votes in Russia's presidential elections in 1991. Now, "give me \$1 billion, and I will be President of Russia," he said.

Zhirinovskiy visited Baghdad last year and held discussions with Saddam Hussein. It is due to pressure from the Russian politician's associates that Russia withdrew two warships from the Gulf which had been sent there in October, the *Sunday Times* reported.

Zhirinovskiy stated that the United States is "on its last legs; it will be starving in five years' time." He said the U.S. would collapse, just as the Soviet Union had. "We are going to Iraq to whip up anti-American fervor and to unite the Arab world against the U.S.," he said. One supporter predicted that "the millennium of the West is coming to an end."

Meanwhile, Russian communist and

military-linked nationalist media are warning that the U.S. attack on Iraq is a prelude to an attack on Serbia.

On Jan. 19, *Pravda*, formerly the daily of the Communist Party of the Soviet Union, wrote that "the 'warnings' given to Baghdad are addressed also to Belgrade." Washington, the paper charged, is acting like "an international judge which is going to put the Serbs on trial," and which "can kill Muslims in one spot of the world while claiming to want to protect them in another, in this case Bosnia-Hercegovina."

The daily *Sovietskaya Rossiya* wrote on Jan. 19 that Russia, Serbia, and Iraq "form a triangle," and Russian policy must be to protect the other two. *Sovietskaya Rossiya* also warned that "the attack on Iraq is a prelude to a possible attack on Serbia."

Germans discuss lifting of Bosnian arms embargo

German Foreign Minister Klaus Kinkel said on Jan. 20 that Germany is considering lifting the arms embargo against Bosnia, "but the decision must not be taken lightly and not be taken on our own," according to a Reuters report. "We must consider it together with our partners and, if the vote in the Bosnian Serb parliament fails, carefully weigh up all the pros and cons."

Chancellor Helmut Kohl also said that the embargo might have to be lifted.

Kinkel emphasized that the international community must weigh the moral justifications for providing arms for people to defend themselves, against the dangers of pouring more weapons into the Balkans. "Of course we have a moral and ethical duty to help people defend themselves; but on the other hand, the delivery of weapons could be hugely counterproductive and bring the opposite of what one wanted," Kinkel said.

The Bosnian government has for months pleaded for an end to a United Nations ban on arms deliveries, imposed before fighting started in Bosnia, saying that it would not need foreign military intervention if it were only allowed to defend itself.

● **YASSIR ARAFAT** addressed an Israeli television audience on Jan. 21, calling on Israel to agree to a direct meeting with the leaders of the Palestine Liberation Organization. "I call once again on the prime minister, Mr. Rabin, and his government to agree to a meeting of the courageous, in order to establish a courageous peace," Arafat said. The address was set up by Israeli peace activist Abie Nathan.

● **IBRAHIM SOUSS**, the Paris representative of the Palestine Liberation Organization, has gone into hiding because of an alleged plot to kill him. The French Secret Service, which is currently protecting him, is said to have been informed of a plot involving the Hamas group, which opposes the PLO. Hamas has denied the accusation.

● **ISRAEL** is one of the few states that is still supplying Serbia with military goods, according to an unnamed "international expert" quoted in the German daily *Süddeutsche Zeitung* on Jan. 26. Latest shipments included 10 light tanks, spare parts for tanks, and MiG-21 fighter aircraft.

● **PERU'S** Shining Path terrorists have assassinated 14 candidates in the Jan. 31 municipal elections and have declared an "armed strike" for the cities of Lima, Ayacucho, and Huaraz. This means they are threatening to kill anyone who goes to vote. One hundred candidates have resigned from the race because of threats.

● **IRAN'S** supreme leader Ayatollah Ali Khamenei urged Georgian President Eduard Shevardnadze in a meeting on Jan. 21 to help prevent Serbian crimes against the Bosnian Muslims. "Whoever helps the Serbs in their perpetration of those crimes shall be condemned by history, and Georgia can play an influential role in preventing those crimes," he said.

Can you fight a conspiracy, if you say it doesn't exist?

by Valerie Rush

Why Johnny Can't Tell Right From Wrong: Moral Illiteracy and the Case for Character Education

by William Kilpatrick

Simon and Schuster, New York, 1992

366 pages, hardbound, \$23

Kilpatrick's newest book on the lack of moral, or what he calls "character," education in the schools is a useful, if flawed, contribution to the war that parents and other citizens have begun to wage against the New Age takeover of the American public school system. His review of the drug-, sex-, and "life skills" education programs that now dominate so much of our children's schooltime concludes that the non-judgmental, value-free, "me"-centered approach of these programs is not only deliberately designed to shatter traditional family- and church-centered values, but is creating a generation of moral illiterates "who know their own feelings, but don't know their culture."

In particular, he takes aim at the so-called "affective education" model that, since the 1960s, has infiltrated classrooms nationwide from its California spawning grounds at the Esalen and Western Behavioral Science Institutes. Kilpatrick traces the evolution of the affective, or "human potential," movement created by Carl Rogers and Abraham Maslow from its 1950s roots as a (questionable) form of psychotherapy for the emotionally disturbed to its now widespread application in virtually every public school curriculum across the country. Rogers was one of the founders of the "sensitivity" or "T-group" session which facilitated the

flowering of the drug-rock counterculture in the 1960s.

Under the guise of helping children to "discover their own values" (values-clarification) and develop "critical thinking" skills, says Kilpatrick, the affective education model has "helped create an educational system with a de facto policy of withholding from children the greatest incentive to moral behavior—namely, the conviction that life makes sense." Self-esteem, once judged a by-product of achieving something worthwhile, of making a contribution to society, is today defined in the schools as "self-acceptance." The central message of all of these affective programs is "you're fine as you are," "you are you, and that is enough," and so forth. The Platonic argument for teaching children to fall in love with virtue, says Kilpatrick, has been replaced with the hedonistic philosophy of falling in love with oneself, of judging the good to be "whatever gives me pleasure."

In his chapter on affective drug-education programs, such as Quest, Dare, and Smart, Kilpatrick documents the repeated failure of these programs to curb drug abuse. Study after study of these programs yields the incontrovertible proof that tobacco, alcohol and drug abuse *dramatically increases* as the result of these non-judgmental programs which eschew "authoritarian guidance" (i.e. defining right and wrong) and which turn educators into "neutral facilitators" of "self-discovery" sensitivity sessions. As Kilpatrick observes, these programs' emphasis on self-expression, rejection of authority, and the quest for the true inner self is "indistinguishable from the philosophy that inspired the original outbreak of wide-scale drug experimentation" in the 1960s.

Standard sex education manuals used in junior and senior high schools regularly advise students to "tune out" their parents' voices, to "make your own choices," and to develop tolerance for the choices of others. As Kilpatrick notes, these

programs have “resulted in classrooms where teachers act like talk show hosts,” where the merits of different forms of contraception, techniques of masturbation, and the whole gamut of sexual acts are discussed in a “value-free” environment. With the emphasis entirely on “safe” sexual techniques, says Kilpatrick, “the link between character and sex” is eliminated.

Multicultural obscenities

Kilpatrick is most courageous when he takes on that political obscenity known as “multiculturalism,” or “political correctness.” As he admits, “Being against multiculturalism is a little like being against motherhood.” He blasts “feminist” curricula which define morality as a “male value,” and such ethnic programs as “Afro-centrism” and “indigenism,” which deemphasize and distort western civilization while fabricating new versions of black or Indian history in order to “boost the self-esteem” of minority students. Says Kilpatrick, these curricula are not efforts to teach history and culture but are rather invasive forms of psychotherapy. “Self-acceptance, rather than knowledge, sets the agenda.”

The real intention of the multiculturalists, suggests the author, is “to instill both cultural and ethical relativism into the heart of the curriculum. . . . From the extreme multiculturalist point of view, all cultures are created equal and no system of values is less valid than another—except, of course, traditional Western values, which are highly suspect.”

“To assign equal validity to all cultures, customs and values,” writes Kilpatrick, “is to create the educational equivalent of a Tower of Babel. The result is bound to be both cultural and moral confusion.” What is a child to do with the bits and pieces of various cultures he is offered? With the deemphasis on teaching western Judeo-Christian civilization, the child is left “adrift on a sea of relativism with no compass,” he concludes.

Kilpatrick also targets the thunder of rock music with which children are bombarded at home, on the street, and even in the classroom. He embraces Plato’s view that music and character are intimately linked. “A man raised on harmonious music,” he paraphrases Plato, “has a better chance of developing a harmonious soul.” The same is true of stories, poetry, painting, and craft. By being surrounded with nobility, grace, and beauty, says Kilpatrick, “the child can come to love justice and wisdom long before he can grasp these notions in their abstract form.” And yet, “in our society, we seem to have managed to create an erotic attachment to all the wrong things. . . . Instead of a passionate attachment to what is good, noble, and just, youth develop passionate attachments to their own needs, wants, and feelings.”

Knowing the enemy

Kilpatrick’s book is an eye-opener for parents who are wondering whatever happened to the eager, inquisitive

youngster they sent off to kindergarten. Yet his concluding proposals on how to solve the moral and cultural crisis facing American society are a little like trying to cure cancer with chicken soup. He prescribes hearty doses of “character-building” stories and “singable songs” in the home, and more discipline, ceremony, and behavior codes in the schools.

He also recommends that if parents can’t find a public school free of the curse of “affective education,” they can turn to religious schools, private schools, or home-schooling. In this, he fails to consider 1) that such options are economically beyond the reach of most Americans; 2) that promoting the option of private schools fosters the very condition of an educated elite versus the illiterate “masses” that the public school system was created to prevent; and 3) that even were it possible to provide the ideal private education for one’s child, there is no avoiding the fact that that child must eventually enter a society increasingly dominated—culturally, politically, and morally—by the brainwashed victims of the New Age.

Kilpatrick’s “character-building” proposals evade the reality that what we are faced with is not some well-intentioned but misguided educational philosophy, as he suggests, but deliberate cultural warfare aimed not merely at children, but at the very fiber of our nation. As in all warfare, unless one knows the enemy, one is doomed to defeat. This is a political fight, and as children grow older, their greatest defense is to see their parents and other adults naming the enemy and fighting it, not just in the schools, but in the nation and the world.

True, Kilpatrick goes further than many critical writers today in identifying the twin evils of the Enlightenment and Rousseau’s Romanticism, reincarnated as “deconstructionism” or “post-modernism,” as the philosophical roots of “affective education.” Yet he insists that “there is no conspiracy here.” He traces the influence of Nietzsche, and Frankfurt School conspirators John Dewey, Jean-Paul Sartre, and others of their ilk, in producing the moral indifferentism that permeates American society, but still insists “there is no conspiracy here.” This is cowardice, at the very least: a refusal to face the very facts he has marshalled.

Kilpatrick’s idea of a positive alternative also falls far short of the Platonic ideal he claims to admire. The book never mentions the greatest living spokesman for that ideal, American thinker Lyndon H. LaRouche, Jr., who was attacked by the Communist Party 25 years ago for defending New York City teachers against the “political correctness” of that era; who has identified the evil of the National Education Association, for introducing and promoting affective education models in the schools; and who has repeatedly mapped out proposals for restoring classical curriculum to the schools (see *EIR* Vol. 19, No. 34, Aug. 28, 1992). To praise, or even discuss LaRouche’s curriculum would bring down the full wrath of the liberal education establishment. But what could be more educational?

Classical songbooks open path to Mozart, Mendelssohn, Italian songs

by Nora Hamerman

26 Italian Songs and Arias

edited by John Glenn Paton
Alfred Publishing Co., Van Nuys, Calif., 1991
152 pages, paperbound, \$7.95 (medium-high,
medium-low)

24 Songs by Mendelssohn

edited by John Glenn Paton
Alfred Publishing Co., Van Nuys, Calif., 1992
96 pages, paperbound, \$9.95 (high, medium)

12 Songs by Mozart

edited by John Glenn Paton
Alfred Publishing Co., Van Nuys, Calif., 1992
72 pages, paperbound, \$8.95 (high, medium)

Over the past two years, John Glenn Paton, a veteran singing teacher who is now professor emeritus of the University of California at Berkeley, has brought out three new editions of the classic vocal repertoire through the Alfred music publishing company.

In 1991 this reviewer jumped for joy at seeing the first of these, *26 Italian Songs and Arias: An Authoritative Edition Based on Authentic Sources*. The reason was that for years I had been attempting, without success, to track down the original keys and original accompaniments to the popularly available versions of the 17th- and 18th-century Italian songs and arias that are so often taught to beginning voice students in versions that were shellacked with dubious dynamic and tempo markings and romantic, heavy piano accompaniments which clearly had nothing to do with the style desired by composers of the era of Scarlatti and Vivaldi.

Mr. Paton, it turned out, had spent more than 15 years researching in libraries all over Europe to produce his edition, and despite its flaws, some of which I will mention below, the

Alfred book provides the first versions widely available to the music-loving public which allow one to recapture the actual artistry of these beautiful, but often under-estimated works.

During 1992, Mr. Paton followed up with *12 Songs by Mozart* and *24 Songs by Felix Mendelssohn and Fanny Mendelssohn Hensel*.

These "Vocal Masterworks" editions, each available in two keys, are well produced, easily readable scores, and in a tradition Alfred has already established in its piano scores, they distinguish between *Urtext* (exactly what was written by the composer, as it is determined from autograph manuscripts or the most reliable early printed versions) and editorial suggestions, by printing the latter in a light gray type (or in the case of suggested ornaments, in smaller notes). And they are all in a modest price range under \$10.

By now, the Paton editions span what academic musicologists call the "baroque," the "classical," and the "romantic" eras in music, as these categories are nonsensically but commonly applied to refer to fixed periods in time. In reality, most of the music in all three Paton books falls within the scope of the classical approach to art—that is, it adheres to notions of proportion and beauty which we trace all the way back to fifth century B.C. Athens.

The Italian songs

Since I have reviewed the *26 Italian Songs* in other locations, suffice it to quickly indicate here Paton's accomplishment. First he identified some of the well-known "ancient airs," like "Se tu m'ami, se sospiri," as mid- to late-19th-century forgeries of the 17th century style, while leaving a question mark over the ugly "Come raggio del sol," attributed without evidence to Antonio Caldara, a prolific operatic composer of the early 18th century. Second, he provided a page of text for each song which gives its context in the opera from which it was taken, a phonetic guide to pronunciation for English-speakers, literal word-for-word translations, and background information on the composer and the manuscripts which were consulted.

In each case he lists the original key, although oddly, he chose not always to print the piece in that key. In a couple of cases, his choice of a key one half-step lower than the original seems to reflect Paton's awareness of the fact that standard pitch in the 18th century was nearly a half-step lower than

today. In others, the decision seems more arbitrary.

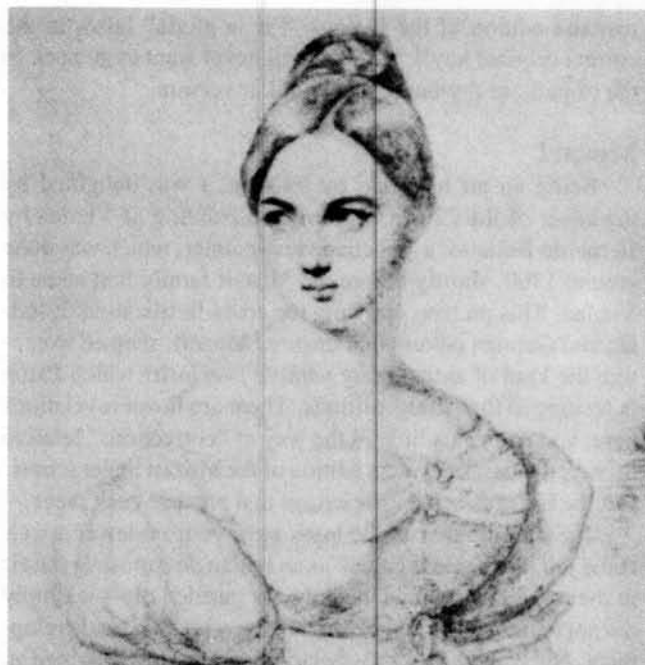
Indeed, all of Paton's new editions beg the question of the urgency of correcting modern trends in tuning. Starting in 1988, the Schiller Institute has campaigned internationally to restore the tuning fork to middle C at 256 Hz (yielding a concert A no higher than 432 Hz, slightly but significantly lower than the arbitrary modern pitch of A=440). This initiative, which was prompted by Lyndon LaRouche on the basis of restoring the lost unity between physical science and art, won the support of an impressive plurality of the world's top professional singers, and even reached the point of having a bill introduced into the Italian Parliament, modeled on an analogous initiative by Giuseppe Verdi in 1884.

Those of us who have tuned our keyboard instruments to that classical pitch, will probably stick to the old Schirmer edition for Caldara's "Alma del core," rather than Paton's transposition to A-flat (in his "medium high" book). Also, the familiar version, in this case, contains the original 16-measure instrumental introduction, which Paton unaccountably omits. On the other hand, it is very valuable to learn that in the original opera, *La Costanza in Amor Vince L'Inganno* of 1711, the aria was repeated with different text by an alto, in the key of D major, which is the key that Paton does use in his "medium low" book.

Some of my acquaintances have also complained that the Paton book's piano accompaniments are infuriatingly "unpianistic." No doubt, many of them can be improved; the most wildly unplayable for amateur pianists is the one for "O del mio dolce ardor" by Glück, which attempts to reproduce very rapid violin playing on the keyboard, and can't be brought off by most of us. I would say in Paton's defense that orchestral reductions are always a bugaboo, and that the "pianistic" accompaniments invented in the 19th century and printed in many familiar editions of these songs, are profoundly alien to the nature of the music itself. Perhaps one of the most legitimate laments for pianists in the Alfred editions, is that they achieve a very readable page at the expense of space, and that there are far too many page-turns as a result!

In the case of the Italian songs, the reason there can be different accompaniments at all, is that most of these composers did not write out a full keyboard score, unlike their later counterparts. They were either writing for a small orchestral ensemble, or in most cases, wrote only the vocal melody and a figured or unfigured bass line. This means that the composer left it to the keyboard performer (in the earlier pieces we are talking about lutes, harpichords, clavichords, and organs; in the later ones, fortepianos, the "singing" ancestor to our modern pianos) to fill in appropriate harmonies, which he often indicated by numbers (hence, "figured bass"). In modern editions, an editor almost always fills these in ("realizes" the bass line), because pianists are no longer taught figured bass as a standard part of their training (see box, p. 54).

The redeeming virtue of Paton's editions in this regard is that the bass lines he gives are the real ones, and if you have



Fanny Mendelssohn at about 16, in a drawing by her future husband, Wilhelm Hensel, who became Court Painter to the King of Prussia. Her brother Felix was a gifted amateur artist; one of his watercolors is on the cover of "24 Songs."

the necessary skills, you can change the accompaniment to suit your own taste and the demands of the occasion (meaning the instrument you are playing, the type of voice of the singer, and the kind of obbligato instruments that may also be playing).

The greatest genius among the composers represented in Paton's *26 Italian Songs* is Alessandro Scarlatti (1660-1725), the founding spirit of the Naples school of composition, to which all of European music owes an overwhelming debt. In the familiar edition of his song, "O cessate di piagarmi," the 19th-century romantic editor Parisotti actually threw Scarlatti's beautiful bass line out the window, and wrote his own accompaniment. (Parisotti is also the apparent author of the forgery "Se tu m'ami," which he ascribed to Pergolesi, another genius of 18th-century Italian vocal music.) Paton rightly points out that the change "reverses the symbolism" intended by Scarlatti, who played off the repeated tones of the melody against an emotionally restless bass line. I would call such a change immoral.

Other arbitrary, romanticist changes corrected by Paton include his restoration of the original scansion of the poetic text, in which composers of the 1600s often placed a weak syllable on a quick note slurred to a longer note, and also frequently would stretch one syllable over a long melisma with many notes. The 19th-century editors often flattened out the songs by replacing these syncopations and melismas and fitting the words to the notes in a way that suited their jaded modern ears. Just try the sarabande-like lilt of Paton's

restored edition of the famous "Per la gloria" (also, in the correct original key!), and you will never want to go back to the ironed-out rhythms of the familiar version.

Mozart

Being an art historian by training, I was delighted by the cover of the *12 Mozart Songs*, a painting of Vienna by Bernardo Bellotto, a Venetian view-painter, which was done around 1760, shortly before the Mozart family first came to Vienna. This picture, showing the cross-fertilization of Italian and German culture that inspired Mozart, seemed to capture the kind of authenticity *without preciousness* which Paton is seeking in the Alfred editions. There are fewer revelations here, and one gains little in the way of "corrections" relative to, say, the familiar Peters edition of the Mozart lieder scores. But the big plus is the little essays that precede each piece.

The first number in the book gave your reviewer a welcome jolt. "Ridente la calma" is an Italian *da capo aria* (an air in the a-b-a form) which had always puzzled me—it simply did not fit into my notion of Mozart at any point in his development. Not being a Mozart scholar, this misgiving remained an unarticulated "hunch," but I had avoided teaching or singing the piece because it seemed so oddly un-Mozartean, and also, because the text does not fit the notes very well. According to Paton, the opening theme is not by Mozart at all, but is rather his adaption to a different text, of an aria for soprano and orchestra by his good friend, the Czech composer Josef Myslivecek. What is by Mozart, other than the adaptation to piano and the new words, is the middle section, which is audibly the most akin to Mozart's operatic music.

In addition, we learn that the strophic song "Die Zufriedenheit" was originally set to be accompanied by mandolin before Mozart adapted it for piano, that the poem had been published first with music by Neefe (Beethoven's first teacher), and that there is an unfinished sketch for a setting by Beethoven himself. Paton also comments, refreshingly, that the optimism of the poem, written in 1776, expressed the spirit of the times as seen in the events of Philadelphia that year. We learn that the "pp" marking at the end of the sublime "Abendempfindung" is the only pianissimo Mozart ever wrote in a song score. In another celebrated Mozart song, "Das Veilchen," Paton notes that we cannot know whether Mozart himself intended the three tempo changes that are marked in the first printed edition, and also makes the surprising assertion that Mozart may not have known that the poem was by Goethe, since one of the two anthologies in which it was published, did not list the author's name.

In the preface, Paton reports on the guidance for interpretation of the ornaments called *appoggiaturas* which is given in a violin method book written by Mozart's father Leopold in 1757. Paton shows how these ornaments would be written, and on a staff below, how they should be played. Unfortunately the second example is reversed, a proofreader's lapse which should get fixed in future printings.

Handel's way to learn figured bass

Continuo Playing According to Handel: His Figured Bass Exercises

with a commentary by David Ledbetter
Clarendon Press, Oxford, U.K., 1990
106 pages, hardbound, \$44.95;
paperbound, \$24.95

"Nobody who has acquired the ability to accompany baroque music from a figured bass will be satisfied to return to using written-out realizations," remarks David Ledbetter in his introduction to this book. He adds, "The main advantage is in fact one of the reasons why the system of bass figuring was originally devised—it allows flexibility

Mendelssohn

Felix Mendelssohn's Opus 8 and 9, published respectively in 1827 and 1830, each contained 12 songs, but the Paton edition is the first to rectify an injustice done to his gifted older sister Fanny. She was the actual composer of three songs in each set. Born into a wealthy family with a leading social position in Berlin, Fanny Mendelssohn had compliantly accepted her family's decision not to publicize her great talent.

Fanny (1805-47) and Felix (1809-47) were grandchildren of the philosopher Moses Mendelssohn. As described by Paton, "Rising from complete poverty, [Moses] was able, as a silk merchant to support his wife and six children and to entertain the frequent visitors who sought him out for his wisdom. Moses was the first Jew who wrote books in German and the first German who translated the first five books of the Bible directly from Hebrew. In a time when most Jews were not accorded civil rights or citizenship, Moses' intellect brought him universal respect. He was often heralded by those who supported full civil rights for the Jewish population." Felix's mother, Lea Solomon Mendelssohn, had studied music with a pupil of J.S. Bach, and numerous unpublished Bach scores were handed down in the family. She gave the children their first piano lessons. Through Karl Zelter, a friend of Goethe, the two youngsters learned to write strophic songs (with the same music repeated for each stanza of text).

When Felix was 12 years old, he was taken by Zelter to Weimar, where he played Bach fugues for the old poet Goethe. In 1822, during a family visit, Goethe indicated his approval of Fanny Mendelssohn's songs to his poems. She

in the choice of accompanying instrument, and the same part can be used for organ, harpsichord, lute, or the oboe, each of which has its own accompaniment style. The texture and tessitura of the accompaniment can also be adjusted to suit the instrument accompanied. In the many baroque sonatas which allow alternative instrumentation the accompaniment will not be the same for the quiet flute or recorder as it is for the more extrovert oboe or violin." By extension, one might assume that in the 17th- and 18th-century Italian songs and arias, a different accompaniment would be used for a light soprano as opposed to a dramatic voice, for example.

This book reproduces the exercises which George Frederick Handel devised between 1724 and the mid-1730s, when he was harpsichord teacher to the Daughters of King George II of England—Princesses Anne, Caroline, Amelia, and Louisa. Princess Anne was a lifelong friend of the composer and a gifted musician, and he took the trouble to devise a comprehensive course for her. This course takes you from simple root-position triads all the

way through exercises in fugue. Handel's exercises are interspersed with brief commentaries by Ledbetter which explain the purpose of each exercise. Since the book was produced in England, some of the terminology takes a bit of getting used to, for example the word crotchets for what are usually called quarter-notes on this side of the Atlantic. At the back of the book there are nearly 40 pages of specimen realizations of the exercises.

In Paton's *26 Italian Songs and Arias*, the bass line is always the original bass line of the composer, whereas the other notes are the editor's realization. Quite a few of these arias are available in facsimile editions of the originals now—some of which are partially reproduced, as illustrations, in the Paton volume. If one takes the trouble to learn bass figuring as taught by Handel, then it will be possible to make one's own accompaniments to the Italian songs, possibly by the expedient of copying out the bass line and vocal line onto a separate score. It's all good exercise for developing a capability for the lost art of classical composition.—*Nora Hamerman*

was then just 17. One of these, the duet "Suleika und Hatem," is published in Opus 8; interestingly, Felix Mendelssohn never dared publish any of his settings of Goethe until after the poet had died. While the Mendelssohn songs are not at the level of the greatest German lieder, they are worthy of being sung much more than they are, and they played a very important role in his development as a composer, along with the influence of J.S. Bach. As Paton points out, they were also very important as the jumping-off point for Robert Schumann's lieder. A good example of the importance of vocal music for Felix Mendelssohn's instrumental composing is Op. 9, No. 1, "Frage" ("Question"). The striking phrase on the three opening words, "Ist es wahr?" ("Is it true?") was used by him several months later as the basis of his A major string quartet. One is reminded of Beethoven's use of the question, "Muss es sein?" ("Must it be?") as the theme for a movement in one of his late string quartets, a theme whose answer, "Es muss sein!" ("It must be!"), he also wrote as a canon. Although Felix and Fanny Mendelssohn were apparently unfamiliar with Schubert's songs when they wrote Op. 8 and 9, Felix was keenly aware of the compositional method of Beethoven.

Paton comments that in Opus 8, Fanny Mendelssohn's songs had an expressiveness that Felix's lacked, and that he took the leap to her level only in Opus 9. If this is right, then the "historical injustice" being rectified here goes well beyond the issue of putting Fanny's name on some songs.

One anecdote recounted in the book underscores Fanny Mendelssohn's achievement. During a visit to Britain's Queen Victoria and her German consort, Prince Albert, in 1842, Mendelssohn played the organ at Buckingham Palace

while Albert and Victoria sang. Felix Mendelssohn found a copy of his Opus 8 songs, and to his embarrassment, the queen chose "Italien," a setting of a poem by Grillparzer. When the queen praised the song, Mendelssohn had to admit that his sister had composed it. Later he wrote to his mother that the queen had the best "long high G" he had ever heard from an amateur. Anglophiles and monarchists should reflect on the following process of degeneration: In the 16th century, English royals (Henry VIII and Elizabeth I) composed polyphonic music; in the 18th, they learned figured bass accompaniment (the daughters of George II); even in the 19th, they mastered bel canto singing. Whereas today. . . .

The issue of keys

The Paton Italian songs come in "medium high" and "medium low" keys, pedagogical categories which have little to do with real tessituras of real singers. As long as A=440 and even higher pitches prevail, and musicians passively accept them, it is hard to argue with these sometimes capricious transpositions. In the Mozart book, the "high" book carries all pieces in the original keys, while in the "medium" book they are transposed down usually by a major or minor third, with the exception of two which are only brought down one whole-step, apparently in the desire—mistaken, in my view—of avoiding the extremes in range. From the standpoint of respecting the composer's intentions of vocal register as an important part of his musical ideas, if a song written for a high voice (soprano or tenor) has a "low" quality, it should have a symmetrically low quality for the low voice (contralto or bass), should it not? These transpositions are

very similar to those in the familiar Peters edition called “low,” but it seems that Paton, an experienced vocal pedagogue, does not think there are many truly “low” voices, especially among student singers.

The Mendelssohn book also comes in “high” and “medium,” and here, in a departure from common music-publishing practice, in which “high” often simply means “original keys,” Paton transposes *both ways*: Two songs in the “high” book are transposed upward, because the original settings appear to be for lower voices. This only works, of course, if you assume that the set is merely a collection of songs, and not a cycle meant to be sung all together. Paton seems ambivalent about this.

There are several references in all of Paton’s editions to the fact that the modern A=440 pitch does not correspond to the tuning used by the Italian baroque composers or Mozart or Mendelssohn. In Mendelssohn’s Opus 8, No. 11, “Im Grünen,” a piece in E major, Paton comments on p. 48, “If the vocal tessitura seems too high in the original key, it is partly because pianos are tuned higher now than in Felix’s time. If the song is performed in E-flat [a half-tone lower], the result will be close to Felix’s expectations.” Indeed, the score provides for a high B-natural, which, as you can discover by consulting the Schiller Institute’s *Manual on the Rudiments of Tuning and Registration* (Washington, D.C.: 1992) is the very top note of a soprano’s (or tenor’s) third

register. In the higher A=440 tuning, this note will be kicked into the fourth, register-like appendage called the “super-high” or “whistle” register, a very different quality of voice. This register appears rarely in lieder, and was not intended by Mendelssohn here. Unfortunately—this is a small editorial lapse—the same comment about singing the piece in E-flat is reprinted verbatim in the “medium” version of the songs, where it does not make sense, since here, the song is printed in C major, and the long high note is a G. Although high G is a very high note for a “medium” mezzo-soprano or baritone voice, especially in the wrong, modern A=440 tuning, it does not imply any shift into a different register.³

What recommends the “Vocal Masterworks” series overall, is that Paton operates from the assumption that singers and singing students are intelligent and that if they know the truth about a song, such as what key it was in, what the character in the opera was doing, the context in which it was written, and so forth, they will sing it better. This accords well with the fundamental principle of bel canto singing, which is that we sing with our heads—both in the technical sense of “placing” the tone in the head, and in the deeper sense, that the brain is the most important organ used for making music of any kind. As long as we continue to use our heads (which includes taking a critical view of Paton’s or his collaborators’ editing suggestions), these are the best editions around, for most of these pieces:

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Singing and the French horn

"Mozart," Dennis and Aubrey Brain, French horn, EMI CDH 64198

"Five Heroines," Maria Callas, soprano, EMI CMS 64418 (5 CDs)

After the usual hunt through a week's worth of worthless new classical CDs, I was delighted to find something to recommend: EMI Classics' two new CD recordings made 40 years ago by Dennis Brain and Maria Callas.

French hornist Dennis Brain (1921-1957) will be music to the ears of those weary of the presidential saxophone, an instrument which, no matter how skillfully played, is purely ugly. Brain's ability to make his French horn sing Mozart reminds us why men used to build instruments, which we seem to have forgotten: to make music more beautiful.

In Mozart and Beethoven's day, the "natural horn," which played at C=256 (A=430), was even more difficult than the modern horn. In addition to the cumbersome mouthpiece, long coiled pipe, and the instability of tone production, Mozart's horn had no valves and was even longer-piped.

To play these horns, players had to *shape* the tone like a singer, in the mind, with little dependence upon the instrument—to *sing* through the instrument. Instrumentalists and singers alike were trained to sing high bel canto for many years in childhood. That is, unlike the President, they played *because* they could sing; not because they could neither sing nor speak.

Neither was Brain a technical marvel replaceable by synthesizer. His phrasing of a musical line makes his some of the best recordings of Mozart ever done, period. He sounds like a great singer with a deep comprehension of the poetry—but there aren't

any words. EMI's new release of Dennis Brain with his father Aubrey is a fine introduction, but also hear Dennis Brain's mature "Mozart Horn Concertos" on EMI CDH 63013.

Bel canto repertoire

Maria Callas (1923-77) is the most famous singer after Caruso, and despite what you've heard, a much greater artist. Unlike today's classical singers, most of whom just sing the notes, Callas sang the idea between the notes.

Callas moreover had the shocking idea that the late 19th century *Verismo* school, which had taken over the stage by her debut, was not all there was to art, no matter what the morons at the *New York Times* said. *Verismo* (verism, or realism) was the predecessor of today's "rap." It rejected the idea that music should elevate the soul, and sought to deliberately "get ugly," to represent "the ugliness of real life," with adultery and murder galore.

Callas went on a campaign in the 1950s to rescue the lyrical scores of the 1810-40 bel canto operas by Donizetti, Bellini, Rossini, and Verdi. She recognized the deep humanity in the bel canto works, which had been thrown into disuse as superficial and "too idealistic" to be "relevant" or politically correct. In performance, Callas was willing to go the extra emotional mile and bring out the profundity of this music poetically for the audience.

EMI's "Five Heroines" contains an hour each of Callas' best three bel canto roles, a 1954 Bellini *Norma*, a 1954 Donizetti *Lucia di Lammermoor*, and a 1955 Verdi *La Traviata*, with Puccini's *Madame Butterfly* and *Tosca*. While the last two are *Verismo* items, in which not only knives, but forks no less, are used to murderous

effect, the first three are magnificent. "Rarities," another Callas release on EMI (CDC 54437), also gives a us chance to hear her since Mozart, Beethoven, and other roles she rarely performed.

The importance of elevating the voice

It must be said, however, as these discs also show, that Callas was one of the first victims of what today is the rule: bad 20th-century vocal training. She was never taught the technology of *elevating* the voice in the head, as it was done in bel canto from the high 16th through 19th centuries. "As a dramatist she was unmatched," an old Italian school teacher once told me, "but when she sings, especially in the higher registers, if you listen carefully you will hear that it is just a pretty little scream. Her voice is in the throat."

Something closer to original bel canto is heard on the 1920s recordings of Amelita Galli-Curci and Tito Schipa, for example. Comparison of Callas's "mad scene" from *Lucia di Lammermoor* with that of Galli-Curci makes this clear. The gargly throat "wobble" which made an early end to Callas's career is painful, heard next to Galli-Curci's effortless, floating head tone.

Callas could never quite overcome this obstacle. When the voice catches in the throat, there are certain forms of "long line" which cannot be executed musically, no matter how hard the mind tries.

Purists need not be smug, however, because whatever her limitations, Callas, unlike most audiences today, could at least tell beautiful from ugly. At least she knew what art is. Her dramatic interpretations should be heard and learnt from.

Will there be justice under Bill Clinton?

by Nancy Spannaus

January 27, 1993 was the fourth anniversary of the jailing of prominent American statesman Lyndon LaRouche, a man known internationally to have been the political prisoner of a vindictive President George Bush. Over 150 people demonstrated near the White House, and scores more held symbolic candlelight vigils in cities around the United States, Europe, and Ibero-America in order to demand: President Clinton: Restore Justice, Free LaRouche.

While Bush has been kicked out of office, the innocent 70-year-old LaRouche remains in the Rochester, Minnesota Federal Medical Center. What are the prospects for the incoming Clinton administration to reverse this injustice? The answer to this question will define whether the United States returns to being a constitutional democratic republic, or whether it is consolidated as a fascist state.

It is in this light that one should view the battle over the attorney general's position in the Clinton administration, and the other fights which are being waged in the Department of Justice. The DOJ is leaderless and is in total disarray. The old, corrupt Republican "dirty tricks" apparatus has been destabilized, but much of it is still in place. There is a vacuum, and a bitter fight in which no "good guys" have emerged.

The appearance of justice

The fight over the shape of the Justice Department began in the final months of the Bush administration, when exposés of the coverups in various banking scandals began to hit the press. All of a sudden, the FBI was attacking the CIA, the DOJ was contradicting the FBI, and everyone who had been in a position of power during the Reagan-Bush years started scrambling to protect himself.

Then, on Jan. 3, the *Washington Post* began a six-part series under the title "The Appearance of Justice." In its own

overblown style, the paper put its spotlight on some of the most egregious abuses of power by the Department of Justice. Spotting particularly the roles of former Attorney General Richard Thornburgh and former Assistant Attorney General Robert Mueller, the article dissected case after case of high-handed tactics, including: 1) government failure to disclose evidence favorable to a suspect; 2) government interference between a defendant and a client; 3) government intimidation of witnesses; and 4) blitzkrieg indictments, intended to force plea-bargains or otherwise overwhelm the target.

If anything, the review vastly understated the politicization and aggrandizement of the Justice Department. Starting with Thornburgh's tenure there in the 1970s, the department had shifted heavily into literally organizing crime, through setting up "sting" operations against political targets in unions and government, among other places. The philosophy was increasingly blatant: Might makes right. Combined with the decisions of the U.S. Supreme Court in favor of prosecutorial power, and against the rights of the defendant, the shift has been toward an all-out police state.

Particularly striking to those following these matters, however, was that the article did not include the most celebrated political case of the Bush Justice Department—the LaRouche case. All of the abuses which the series reviewed, and then some, had been carried out in the LaRouche case, which has become a subject of human rights investigations in various international fora. The *Washington Post*, a major political enemy of LaRouche, apparently wants "reform," but not too much.

The Baird case

Into this political environment walked President Clinton's nominee for attorney general, Zoe Baird.

The issue with Baird, as LaRouche himself has stressed, had little or nothing to do with her having hired "illegal aliens" to do housework. Rather, that scandal was played up in the press with the aid of forces in the Reagan-Bush Justice Department who wanted to prevent her from getting the job. Given the populist environment in the United States, it worked like a charm.

Why did the "old boys" in the DOJ want to prevent Baird's accession to power? It's not fully clear, of course, but there is some indication from the discussion at the committee hearings on the nomination. For example, in her back and forth with Sen. Strom Thurmond (R-S.C.), the quintessential representative of Confederate police-state justice, Baird balked on a number of points of the Reagan-Bush-Rehnquist criminal justice agenda. She testified that she was in favor of the exclusionary rule, and that she wanted to ensure that defendants charged with capital crimes got adequate counsel at any early stage. She stressed that the emphasis should be on crime prevention rather than just locking people up as it had been under the Reagan and Bush administrations. Although Baird declared her support for the federal death penalty and the like, her outlook was clearly disturbing to the likes of Thurmond.

In an *EIR* interview given on Jan. 27, LaRouche put it this way: "So these fellows wanted to get Baird. Why? I don't think it was because of Baird herself, but rather because she represented, as the discussion before the congressional committee indicated, an attempt to clean up and reform the Justice Department system, along the lines indicated in the six-part series recently run in the *Washington Post*."

Clinton was caught off-guard, as reflected in the fact that he has not yet offered a new nominee for attorney general. The department is now being run by Webster L. Hubbell, a law partner from Hillary Clinton's law firm who has moved into the attorney general's office, even though officially the man in charge is Stuart Gerson, an assistant attorney general held over from the Bush administration.

The Sessions fight

The other major indication of the fight over the shape of the justice system under the Clinton administration is evident in the fight between FBI Director William Sessions and the Department of Justice bureaucracy. It is particularly telling that Sessions has been publicly denounced by Oliver "Buck" Revell, a collaborator with Oliver North in the Iran-Contra operation, a personal enemy of LaRouche, and a former top official in the FBI.

The public attacks on Sessions emerged at the time that the FBI, DOJ, and CIA went to war with each other over the Banca Nazionale del Lavoro (BNL) scandal (pre-war aid to Iraq). Bush Attorney General Barr's last act in office was to release the report of an Office of Professional Responsibility (OPR) investigation of Sessions, which had turned up numerous "improprieties." These included such infractions as

allowing his wife to ride in an official vehicle; taking personal trips at government expense (by sponsoring some government business in the same location); and having a security fence built around his residence.

The OPR has determined that these are serious breaches of ethics. What that means is that President Clinton can use them as "cause" for removing Sessions, if he so wishes. (Sessions had announced prior to the election that he intended to remain in his post as FBI director until his term expired in 1997.)

Why would the FBI and DOJ bureaucracy want to get rid of Sessions? Sessions has prided himself upon being a "reformer" of the FBI, particularly in race relations. As such, he has raised the hackles of many in the bureau, including FBI Deputy Director Floyd Clarke and Hooverite John Otto. He may also be seen as an ally by the incoming administration, which wants to see "reform," at least insofar as it will serve their political interests.

The "old-boy" apparatus wants to end the reign of "outsiders" that has run the FBI since J. Edgar Hoover's death in 1972. One name being floated for Sessions's replacement is that of William Lee Colwell. Colwell, now a professor at the University of Arkansas, spent 25 years in the FBI, and is a personal friend of Clinton. He seems to be the favorite of those who want to go back to the "good old days."

The basis for justice

As is becoming increasingly evident to thinking people around the world, there is no way that justice could be reformed in the United States if the government's unjust imprisonment of LaRouche and his associates is not reversed. Cosmetic changes, or politically motivated adjustments as to who gets targeted, might be made, but that would not alter the consolidation of fascist irrationalist law.

Many in the Democratic Party apparatus now taking power were intimately involved in the railroading of LaRouche, of course. They worked with sections of the Bush and Reagan administrations, the Anti-Defamation League, and state governments to try to eliminate a movement which threatened their political corruption.

Thus, while it seems that President Clinton does not have a personal animus against LaRouche, as Bush did, there is no visible move within his circle to reverse the LaRouche conviction. Only massive political pressure could convince the President that it were more costly to keep LaRouche in prison, than to admit the government's breaches of law and let him out.

As LaRouche said on Jan. 27: "There is nothing left of the case, in terms of evidence. The problem is, that the federal courts in the Fourth Circuit are doing everything to try to jam up and to refuse to face the simple fact, that the whole set of charges against me and my associates, was now proven to be, and to have been, nothing but a pack of lies and perjury."

High court approves execution of innocent

by Anita Gallagher

Any nation which accepts the fiction that the United States is the world's leading defender of human rights after the U.S. Supreme Court's decision on the case of Leonel Torres Herrera, should check whether its leaders' brains have been fried. For on Jan. 25, the highest court ruled that innocent persons who have been convicted of murder may be executed without violating the U.S. Constitution.

Justice Harry Blackmun, joined by Justices John Paul Stevens and David Souter, blasted the Rehnquist majority's reasoning as "perverse." In the final portion of his dissent, unjoined by any other justice, Blackmun warned: "The execution of a person who can show that he is innocent comes perilously close to simple murder."

The Supreme Court's ruling was authored by Chief Justice William Rehnquist, who supports the Constitution of the Confederacy, not that of the U.S. Founding Fathers. Rehnquist, and his "majority," have severed "law" from the principles of justice and equity, which have their basis in what the Declaration of Independence calls "the law of Nature and Nature's God." The majority's reasoning is like that of Shakespeare's villain Shylock in *The Merchant of Venice*: "The pound of flesh. . . 'Tis mine and I will have it. If you deny me, fie upon your law." Like Shylock, the Rehnquist majority uses "case law" to violate justice.

The practical effect of the court's ruling is to allow U.S. Circuit Courts of Appeal to continue to send to their deaths capital defendants who have evidence (a "colorable claim") of innocence.

Rehnquist's 'figleaf'

Of course, the 6-3 majority, and two justices (Sandra Day O'Connor and Anthony Kennedy) in a separate concurrence, claimed that the court was not ruling that an innocent man could be executed without violating the Constitution. Rehnquist cleverly inserted the sentence in the majority's opinion: "We may assume, for the sake of argument in deciding this case, that in a capital case a truly persuasive demonstration of 'actual innocence' made after trial would render the execution of a defendant unconstitutional."

Justices Kennedy and O'Connor explicitly state that executing an innocent person would be unconstitutional, but maintain that Herrera's proofs of innocence are simply not good enough. However, none of the majority's opinions makes any attempt to set a standard for what a "truly persuasive" demonstration would be. Herrera's proofs—which in-

cluded a sworn statement from the actual murderer's trial attorney, who is now a judge; and an eyewitness's sworn statement, among other evidence—are the normal types of proof a defendant would be able to offer. What proof would be good enough to get a hearing? Perhaps the situation Justice Kennedy hypothesized at the Oct. 7, 1992 argument: If the defendant had a videotape which showed another person committing the murder!

Justice Blackmun, with Stevens and Souter concurring, exposes how the Rehnquist majority has connived to destroy protections to those with colorable claims of innocence, calling the majority's decision "even more perverse, when viewed in the light of this court's recent *habeas* jurisprudence." Blackmun recounts how, with a trio of decisions in 1986, the court shifted the standard of review away from *whether a defendant's constitutional rights were violated*, to *whether he was guilty or innocent*. Having made a showing of "actual innocence" necessary for successive *habeas* review, the Rehnquist majority now turns around and says that executing an innocent man is not a constitutional violation, but instead a "truly persuasive" showing of innocence has now become merely the necessary threshold from which a constitutional violation must be raised.

"The only principle that would appear to reconcile these two positions is the principle that *habeas* relief should be denied wherever possible," Blackmun comments acidly.

The most vicious aspect of the majority decision, perhaps, is its hype of executive clemency, and claim that this is the proper avenue of relief for Herrera. Across the United States, Lilliputians win office by "tough on crime" campaigns that manipulate the rage of the voters. Clemency, "an act of grace," has become virtually extinct. The Texas Board of Pardons and Parole, for example, to which the court directed Herrera, has *never* granted a commutation in a capital case—except to block a court-ordered new trial.

"If the exercise of a legal right turns on 'an act of grace,' then we no longer live under a government of laws," warns Blackmun. When will the American people realize where their support of elected officials who demand "an end to appeals" has gotten them?

Documentation

Excerpts from the case of 'Herrera v. Collins'

Justices Antonin Scalia and Clarence Thomas, on conscience and law: "There is no basis in text, tradition, or even in contemporary practice (if that were enough) for finding in the Constitution a right to demand judicial consideration of

newly discovered evidence of innocence brought forward after conviction. In saying that such a right exists, the dissenters apply nothing but their personal opinions to invalidate rules of more than two-thirds of the States, and a Federal Rule of Criminal Procedure for which this Court itself is responsible. If the system that has been in place for 200 years (and remains widely approved) 'shocks' the dissenters' consciences (citing dissenters' opinion), perhaps they should doubt the calibration of their consciences, or, better still, the usefulness of 'conscience-shocking' as a legal test."

Why Justices Scalia and Thomas concurred with Rehnquist's opinion, despite its arguendo assumption that innocence would bar execution: "[I] can understand, or at least am accustomed to, the reluctance of the present Court to admit publicly that Our Perfect Constitution lets stand any injustice, much less the execution of an innocent man. . . . With any luck, we shall avoid ever having to face this embarrassing question again, since it is improbable that evidence of innocence as convincing as today's opinion requires would fail to produce an executive pardon."

Justice Harry Blackmun's dissent, alone: "I have voiced disappointment over this Court's obvious eagerness to do away with any restriction on the States' power to execute whomever and however they please (citing case of Roger Coleman of Virginia, 1991). I have also expressed doubts about whether, in the absence of such restrictions, capital punishment remains constitutional at all. . . . Of one thing, however, I am certain. Just as an execution without adequate safeguards [the reason capital punishment was temporarily declared unconstitutional in 1972—ed.] is unacceptable, so too is an execution when the condemned prisoner can prove that he is innocent. The execution of a person who can show that he is innocent comes perilously close to simple murder."

Justices Blackmun, Stevens, and Souter, on the Eighth Amendment, which prohibits "cruel and unusual" punishment: "The protection of the Eighth Amendment does not end once a defendant has been validly convicted and sentenced. . . . [C]apital defendants may be entitled to further proceedings because of an intervening development even though they have been validly convicted and sentenced to death. . . . [Texas] and the United States would impose a clear line between guilt and punishment. . . . [S]uch a division is far too facile. What [Texas] and the United States fail to recognize is that the legitimacy of punishment is inextricably intertwined with guilt."

Justices Blackmun, Stevens, and Souter, on executive clemency: "'The government of the United States has been emphatically termed a government of laws, and not of men. It will certainly cease to deserve this high appellation, if the laws furnish no remedy for the violation of a vested legal right.' (*Marbury v. Madison* [1803]). If the exercise of a legal right turns on 'an act of grace' [the majority's definition of clemency—ed.] then we no longer live under a government of laws."

Clinton expands death penalty for unborn

by Warren A.J. Hamerman

In his first act in office, on the 20th anniversary of the Supreme Court's anti-life ruling, President Bill Clinton kept one campaign promise: With the stroke of a pen he ordered one of the most sweeping packages of pro-abortion measures in history.

One year ago, then-Governor Clinton, as *EIR* readers will recall, rushed home from campaigning in New Hampshire in order to oversee the execution of a lobotomized prisoner in Arkansas. He has now begun his presidency by extending the application of the death penalty to the unborn.

The day after Clinton's actions, the Vatican responded in an unprecedentedly swift and sharp statement to a new President's first actions. An editorial in the Vatican newspaper *L'Osservatore Romano* on Jan. 23 commented: "Believing that he is keeping faith with electoral promises, President Bill Clinton has already changed the rules of his predecessors. . . . that favored the right to life of the unborn child. Those who were hoping that Clinton's first acts would promote a 'renewal' involving first of all the protection of human rights have had a big disappointment. With the recent measures, the declared 'renewal' has embarked on the paths of death and violence against innocent beings. This is not progress for the United States, nor for humanity, which, once again, is forced to accept the humiliating defeat of life. 'Spring' is not synonymous with death," the editorial concludes, noting that Clinton had used the metaphor of spring as a time of renewal in his Inaugural Address.

What did Clinton do to merit this response? On Jan. 22, he signed several executive orders that would further liberalize abortion. Clinton overturned:

1) The 1988 ban on abortions performed in military hospitals, "if paid for entirely" with non-Department of Defense funds.

2) The 1984 ban on using Agency for International Development (AID) funds to finance organizations that promote abortion overseas.

3) The ban on fetal tissue experimentation. Tissue, glands, and organs are cut out or "scooped out" of live fetuses, sold and used as implants. It takes the glands of several fetuses for each brain implant for patients with Parkinson's disease. There are no studies indicating lasting positive results from such implants, although Clinton's order claims that research into major diseases has been "hampered" by the ban.

4) The so-called Gag Rule which prohibited federal dol-

lars from going to clinics in which physicians or other staff provided “nondirective counseling” to patients about abortion. This affected *only* clinics receiving tax dollars. To Planned Parenthood’s 923 clinics nationwide and other facilities, the term “counselor” means any staff member available. In the past, the clinics have used teenage “counselors” to sell abortion to pregnant teens and boast of their own repeated abortions.

In a fifth memorandum, directed to the secretary of health and human services, Clinton asked that the Food and Drug Administration promptly be instructed to review the ban on importing RU-486, the abortion pill, for personal use, and assess initiatives to promote its “testing, licensing, and manufacturing in the United States.” The abortion lobby has said it wants to use RU-486 as the once-a-month pill in schools. Despite publicity about its being cheaper than surgical abortion, and allowing a woman to have an abortion in the “privacy of her home,” the fact is, the French Health Ministry warns the procedure must be done in a hospital or clinic prepared for interventions. Feminists are themselves critical of the chemical abortion’s health hazards.

Malthusians pleased

In contrast to the response of the Vatican, U.N. officials see the U.S. as resuming its international leadership in cutting back Third World populations. Nafis Sadik, executive director of the United Nations Population Fund, told the *New York Times* that Clinton’s repeal of the ban on aid to international family-planning programs involving abortion, was a major step toward Washington’s re-joining the U.N. program. As a result of this decision, she said, it will “probably mean that the United Nations would receive money to expand the number of clinics in Nigeria, Ghana, and a half-dozen other African countries.”

What Clinton has wiped out is the 1984 “Mexico City Policy” of President Ronald Reagan. This had expanded on a limitation in AID funding which is written into law as the Foreign Assistance Act of 1961. The law bans non-governmental organizations that receive U.S. funds from using those funds “to pay for the performance of abortions as a method of family planning, or to motivate or coerce any person to practice abortions.” Before 1984, organizations like Planned Parenthood could benefit from U.S. government largesse for their overseas population control programs as long as they could show that they had “other” funds to bankroll their abortion activities. While the Reagan-Bush “pro-life” curbs were largely hypocritical, especially under the convinced malthusian Bush, and all too easy to circumvent, Clinton is signaling moves toward massive increases in funding for radical population-control measures against the world’s poor.

“Moreover,” he continues, in a sentence that suggests new legislation may be on the way to reverse even the toothless anti-abortion protections of the 1961 law, “they have undermined efforts to promote safe and efficacious family

planning programs in foreign nations.”

Clinton’s memorandum on the Gag Rule says that it “endangers women’s lives and health . . . and interferes with the doctor-patient relationship by prohibiting information that medical professionals are otherwise ethically and legally required to provide to their patients.” This amounts to an endorsement of the queer view of the late Margaret Sanger and other eugenics fanatics, that pregnancy is a disease—especially, of course, when it occurs to poor women.

Civil rights and right to life

The *New York Times*, long an apologist for the U.N.’s depopulation programs, had a concerned comment on the meaning of the Vatican editorial rebuking Clinton’s actions. The quick response, they wrote, may mean that Pope John Paul II is preparing for a direct challenge to Clinton.

On the eve of Clinton’s inauguration, Cardinal John O’Connor, the former head of the National Conference of Catholic Bishops Life Committee, articulated a major policy stand for the Catholic Church on the occasion of a Life Mass at St. Patrick’s Cathedral in New York. O’Connor, in effect, called for an alliance of the civil rights and pro-life movements as he compared the way in which the *Dred Scott* decision of 1854 denied that slaves were persons just as the 1973 *Roe v. Wade* decision denied that the unborn were persons under the law. O’Connor said that two great Americans—Abraham Lincoln and Martin Luther King—were martyred for their devotion to the principles of Christian love and the sacredness of life, and they would have opposed the growing death culture in America today. Other Catholic spokesmen have said that since the Vatican was criticized for not having spoken out enough against the Nazis, it cannot make the mistake of failing to attack the death lobby today.

Documentation

‘Dr. King, and the cause of life, will prevail’

What follows are excerpts from the homily of Cardinal John O’Connor, archbishop of New York, on Jan. 17, St. Patrick’s Cathedral in New York, commemorating the 20th anniversary of Roe v. Wade:

It seems to me appropriate that during this Mass, before all else, we should remind ourselves that within a handful of hours we will have a new President and vice president of the United States. Regardless of whatever differences anyone here may have with the philosophical, political, ideological, moral, spiritual, or religious convictions of our new President

and vice president, it is surely incumbent upon us, as citizens who love our land, as Christians who love all, to commit ourselves to prayer, to ask that our President and vice president be inspired with the Holy Spirit to govern wisely, justly, compassionately. It is incumbent on us, as well, to pray in a special way that the cause of human life will be enhanced during the years ahead, that everyone will be treated with dignity, and the sacredness of every human person will be recognized in law and in fact, whether that human person is still in the womb of its mother, is dying of cancer, is in a wheelchair, is retarded, blind, or crippled. We will pray consistently in the years ahead that every human person will be recognized as made in the image and likeness of Almighty God and supported by the government, which, as Thomas Jefferson never tired of reminding us, exists *only* for the defense of the people.

Today's gospel once again focuses on John the Baptist. . . . Probably that which is best known about John the Baptist is that when Herod Antipas, who was the son of Herod the Great who slaughtered the Innocents in an effort to put the Christ Child to death, took as his wife his own sister-in-law, and lived with her incestuously, John the Baptist, totally unafraid, singled out Herod, a man of immense power, and said it was not lawful for him to do this. To John the Baptist that was basic. He didn't care what happened to him. It was his responsibility to articulate the truth, to distinguish between good and evil and to preach what he believed he had been sent to preach.

On the contrary, Herod was terrified to be so singled out. He saw John the Baptist as a major political threat. . . . Herod was . . . concerned that there would be a revolution, an insurrection and he would be overthrown. This is why Herod cast John the Baptist into prison and this is why, on the pretext of having made a promise to his unlawful wife, he had John beheaded.

It is particularly appropriate, I think, for us to reflect on this on a day when we, in a very special way, remind ourselves of the sadness ushered into our society by that tragic decision of the 22nd of January, 1973 that we refer to, often casually, as the *Roe v. Wade* decision of the Supreme Court.

There is another reason for reflecting on the difference between those who are fearful and those who are fearless. Tomorrow we officially celebrate the birthday of the Rev. Dr. Martin Luther King, Jr., who was born on the 15th of January and assassinated on the 4th of April. In thinking about the increasing meaning of Dr. King to American life, in reading more and more of his life, of his sayings, of his philosophy, of his theology, in coming to have a deeper and deeper admiration for what this man really was, I re-read some things with which I have been familiar for some time. The first of these was Jim Bishop's book *The Day Lincoln Was Shot*. . . .

Abraham Lincoln was killed out of fear that he was going to revolutionize this country in ways that many detested. He was killed out of fear, and then in turn there was great fear,



Cardinal John O'Connor: "We will pray consistently in the years ahead that every human person will be recognized as made in the image and likeness of Almighty God. . . ."

legitimate fear, understandable fear, on the part of blacks in the United States, that now they would be hunted down. . . . James Farmer, the founder of the Congress of Racial Equality . . . talks vividly about what happened on the day that the Rev. Dr. Martin Luther King, Jr. was shot and how he and many others were instantly rushed to cover. Fear swept the land and, as a result, violence. Within days 43 people were killed subsequent to the death of the Rev. Dr. Martin Luther King. Violence always begets fear and fear always begets violence. . . .

This is a terrible equation and it is particularly terrible when we recognize that those places which were once so free from fear have now lost their security. I've told various groups of people, for example, about one of our finest hospitals. It is a Catholic hospital that takes care of those who are terminally ill with cancer. . . . How would you feel if you or a loved one were en route to that facility and learned what its medical director recently told me—that the major insurance carrier for this terminal cancer facility has told him, "You're keeping people alive too long. If you continue doing this, you will lose your insurance and you won't be able to get it anywhere else."

What security one used to have in a hospital! One went to a hospital to be treated with gentleness, to be treated as a patient, one suffering, to be treated with love, to be cured if a cure was possible, to be maintained in dignity if cure was not possible. Now must we fear the potential of legislation for euthanasia or assisted-suicide?

. . . Why this haste on the part of the media, or anyone else, to introduce and then to hammer on this concept of the right-to-die? Why, in state after state, is legislation being introduced that would bring about assisted-suicide? Why is such a prestigious journal as the *New England Journal of*

Medicine suggesting that doctors take a new look at their responsibilities, from which one could infer that doctors are supposed to act not as agents of life but as agents of death? Why all of this?

Mother Teresa and others would tell us that much of this began on the 22nd of January, 1973 when the Supreme Court rendered vulnerable those who had previously been in, what . . . we thought, was the safest place in the whole world, even safer than in the hospital—the mother's womb. The Supreme Court decided that they were no longer safe because they weren't people. They were tissues; they were blobs;

When people like the Rev. Dr. Martin Luther King lay down their lives for a cause, God doesn't abandon that cause. I believe with equal fervor that the cause of human life itself will prevail, that the Catholic Church's teaching will be vindicated.

they were unidentifiable, undefinable. How can that be? That for all of those years in our country we accepted the reality that the unborn has the right to life and then suddenly by a stroke of the pen they are declared "non-persons," as by the *Dred Scott* decision blacks were declared non-persons. That's the watershed. That's when death began to assault our land. That's when we began to develop a contempt for human life. That's when we began to develop an ethic of death, rather than of life. Why? Out of fear. . . .

I have never in my life, nor will I ever, denounce, condemn, or even criticize a woman who has permitted her unborn baby to be put to death, because I know how many women are motivated by fear. . . . This is why I announced . . . in 1984 . . . and I will keep saying it: Any woman, of any color, of any age, of any religion who is pregnant and in need can come to the Archdiocese of New York, can come to me personally. . . . We will take care of her. We will help her to keep her baby if she wishes to keep the baby. We will help her to have the baby adopted if that's what she wishes. We will provide medical and hospital care. We will give her the support and encouragement she needs to take away her fear.

. . . Fear leads to violence—the death of an unborn baby. This is why we offer the facilities we offer. . . .

. . . Last year, on this same day, I said that in my judgment, and it's only my judgment, had abortion been legalized in his day the Rev. Dr. Martin Luther King, Jr., would have taken the same attitude toward it that he took toward the taking of any human life. I was severely criticized within the next few days for putting words into Dr. King's mouth,

which I didn't do. But the part that seems to me shocking is that it should be considered an insult to suggest that the best known civil rights leader that we have had in the United States, and in my judgment one of the most admirable, had he been familiar with the problem of abortion as we are today and the growing problems of euthanasia and assisted-suicide, would have come down on the side of life! I think that's a compliment. . . . I think one needs only turn to things that the Rev. Dr. King had to say, and some may argue that I'm taking him out of context, but I don't know that there is a sacred Biblical interpretation of Dr. King's mind. . . .

Dr. King says, for example, "Racism is a philosophy based on a contempt for life." He says, and to me this is a marvelous quotation, "I am convinced that if we succumb to the temptation to use violence in our struggle for freedom, unborn generations will be the recipients of a long and desolate night of bitterness and our chief legacy to them will be a never-ending reign of chaos."

Many women struggle to be free. That's a perfectly legitimate struggle. They fear being restricted. They fear being oppressed, and with good reason. But if we succumb to the temptation to use violence in our struggle for freedom, the violence of putting to death an infant that seemed to be restricting or oppressing or burdening us, then all we're going to do is to introduce chaos for our children and for the generations yet unborn.

I believe what Dr. Martin Luther King, Jr. preached so powerfully and with no fear. The night before he was killed he gave a remarkable address, in which, apparently, he had a premonition of his death. He openly said, "I'm not afraid of what's going to happen to me. I've been on a top of the mountain and I've looked across into paradise." I don't think there's any question but that the day will come that Dr. Martin Luther King's dream will come true—that every human person will be treated precisely as that, nothing more, nothing else; not as a black, not as a white, not as a brown, not as a yellow, not as a Jew, not as a Protestant, not as a Catholic, not as a Hottentot, but as a human person. I believe that that will happen because when people like the Rev. Dr. Martin Luther King lay down their lives for a cause, God doesn't abandon that cause. I believe with equal fervor that the cause of human life itself will prevail, that the Catholic Church's teaching will be vindicated, that all of those who have joined in the struggle to preserve, to protect human life, to enhance human life, to remind us all of the worth and dignity and the sacredness of every human life—that they will prevail, that they will overcome, as Dr. Martin Luther King, Jr. will one day overcome despite the assassin's bullet.

I am very deeply grateful to all of you who are committed to the cause of human life. This, to me, is to be committed to the cause of citizenship, to the cause of the goodness of our land, to the cause of the very creation of what we call America, and surely it is to be committed to the cause of driving fear from the human heart.

The 'October Surprise' scandal: anatomy of a coverup

by Edward Spannaus

In our last issue (*EIR*, Jan. 29), we reported that the final report recently issued by the October Surprise Task Force of the U.S. House of Representatives was a detailed and thorough effort to discredit the "October Surprise" thesis, in the form that that thesis has been presented in the popular media.

We also told you that the House report did not lay a glove on the thesis presented by *EIR* in the *EIR Special Report* entitled "Treason in Washington."

This week, we will show you exactly how the coverup was carried out in the task force's final report. That includes lying about and ignoring evidence contained in FBI files which the task force refuses to publish on the grounds they are "classified," even though many of those same documents have already published by *EIR*, after having been declassified and obtained under the Freedom of Information Act.

The overall method of the House Task Force was as follows:

- 1) create a standard of proof which results in most of the evidence being thrown out or discredited;
- 2) concentrate most of the investigation's resources on a few highly publicized "straw men" types of allegations, such as whether George Bush was in Paris in October 1980, while side-stepping other, more important issues; and
- 3) when caught in a bind, simply lie about the evidence, in the hopes that most people will never see the actual documents.

Standard of proof

The House report reached the overall conclusions that there is "no credible evidence" of any effort to delay the release of the American hostages held by Iran by persons associated with the 1980 Reagan-Bush campaign, and that there is "wholly insufficient credible evidence" even of communications between the campaign and Iranian officials during the presidential race.

The operative phrase here is "credible evidence." If federal prosecutors were put to this standard of proof, there would be few inmates in federal prisons today. The task force simply threw much of the evidence out, on the grounds that a source was not deemed credible, or that the evidence was not independently corroborated, or that it was contradicted by other evidence.

In federal courts throughout the land, defendants are indicted and convicted on far less than this every day. Circumstantial evidence, hearsay, and testimony from unreliable witnesses and even from convicted felons is used in court all the time[—especially in conspiracy cases]. It is usually left up to a jury to sort out the contradictions between witnesses, and to determine the credibility of witnesses and evidence. But here, by means of the bipartisan agreement which set up such a rigid standard of proof, it was virtually guaranteed that the October Surprise allegations would remain "unproven."

It is important to realize that every clandestine operation generates its own official "cover story." In fact, "cover and deception" is a built-in part of covert operations, sometimes going under the name of "operational security."

The adoption of such a rigid standard of proof as used by the House Task Force, in which statements by government officials are taken at face value while statements by outside witnesses are almost automatically discredited, *guarantees* that the "cover and deception" version will win out.

Let us look at some examples:

- Regarding Jamshid Hashemi's story that he was in Madrid the summer of 1980 for meetings with Reagan-Bush campaign official William Casey and Iranian officials: The report first concludes that his allegations are "fabrications," because "Jamshid has no documentary evidence to support his allegations, such as a passport, diaries, calendars, or receipts."

Then, once having said that there is no credible evidence that Jamshid was in Madrid, the report goes on to say that the task force has evidence "which tends to prove that Jamshid went to Madrid for an entirely different purpose."

- On the issue of the timing of the release of the hostages, i.e., virtually at the moment of Reagan's inauguration in January 1981, the report blithely accepts at face value the reasons which provide a benign explanation for this, and ignores any explanation which would provide evidence of a conspiracy to delay the actual release until the inauguration.

- There was the problem created by a statement made by Cyrus Hashemi's one-time lawyer Elliot Richardson to CIA officials eight years ago, in which Richardson described a 1979 real estate transaction involving the Iranian arms dealer and Casey (who later became CIA chief under Reagan). The significance is that that would show a prior relationship

House Task Force lies about the evidence

The House Task Force, in its final report, cites a teletype from the FBI New York office to the FBI director dated Jan. 22, 1981. The final report states: "On January 22, 1981, two days after the hostages were released, the New York FBI office again requested authority from the FBI director to discontinue the surveillance because it was believed that, in light of the release of the hostages, no further investigative purpose would be served by continuing the surveillance."

What the FBI said

But the teletype, obtained by *EIR* under the Freedom of Information Act, read as follows:

0 2205Z Jan 81 [receipt stamped 23 JAN 81]
F[ro]m New York
To Director
Secret
Cyrus Hashemi; [deleted]

Authority for the court approved electronic surveillance in captioned matter expires on February 26, 1981. As the bureau is aware, captioned matter involves electronic surveillance including Misur, Tesur [microphone and telephone surveillance] and [deleted] which is both a positive and a counter intelligence collection. With the return of the hostages, the NYO [FBI New York office] desires a ruling from FBIHQ as to whether this surveillance should continue. This determination should appropriately be made after contact with those agencies requesting the positive intelligence collection initially to determine if those agencies still have [an] interest to be secured by continued surveillance.

The NYO desires to continue the electronic surveillance from a counter standpoint until the expiration of the current authority. This would allow us to obtain information regarding subject's continued dealings in the US to obtain weapons and military supplies for Iran which may be in violation of US laws.

between Casey and Hashemi. The task force, anxious to disprove the existence of such a prior relationship, said it "found no evidence to corroborate" the statement by Richardson, a former U.S. Attorney General, and therefore simply decided to disregard it.

Most of the task force's efforts were spent trying to prove or disprove the allegations made by various sources and journalists, many of already dubious credibility, about meetings alleged to have taken place in Madrid or Paris during 1980. *EIR* has pointed out repeatedly, that these highly publicized allegations of meetings involving Bush, Casey, and others involve much deliberate disinformation designed to discredit the entire October Surprise story. Nevertheless, the task force reached one of its principal conclusions, namely, that there was no attempt to delay the release of the hostages, *solely* on the basis of disproving the existence of any meeting in Paris in October 1980.

Cheating on the evidence

EIR's Special Report presented ground-breaking work on what we regard as some of the most compelling evidence of an October Surprise plot; this pertained to the systematic and repeated obstruction efforts by the Reagan-Bush administration to block the prosecution of Cyrus Hashemi and his attorney and business partner J. Stanley Pottinger.

While the final report spends over 100 pages on the alleged Paris and Madrid meetings, it devotes a scant five pages to the charges that actions by the Reagan administration were either compensation to Hashemi for his role in delaying the release of the hostages, or that they constituted a "coverup" of Hashemi's role.

Significantly, while the final report devotes a few pages to the Hashemi case, it never once mentions the fact that Pottinger, a Republican and a former Justice Department official, was also under investigation and was almost indicted. The much more limited Senate Foreign Relations Committee October Surprise report issued in November did manage to discuss the fact that prosecution of Pottinger was being contemplated, and that the FBI had lost the "Pottinger tapes." (It was the timely loss of these surveillance tapes which enabled Pottinger to escape indictment in June 1984.) But these facts are omitted from the much more "thorough" House report.

EIR's Special Report documented the obstruction of justice around the Hashemi and Pottinger cases step-by-step, and also revealed for the first time that Pottinger and Hashemi were involved in shipping extremely lethal military equipment to Iran in the early months of the Reagan-Bush administration, including mortars, bombs, machine guns, and C-4 plastic explosives capable of terrorist utilization. All of this is totally suppressed in the House report.

The first two allegations which the report does take up concerning the Hashemi case are issues highlighted by *EIR*.

Shutting down the wiretaps

The first allegation is posed this way: "It has been suggested that electronic surveillance of Cyrus Hashemi by the FBI was prematurely terminated by the Reagan administration to prevent Hashemi's assistance to the Reagan campaign

in delaying the release of the hostages from becoming known by 'killing the case against him.' ” (The footnote to this statement cites the *EIR Special Report*, p. 60, and Gary Sick's *October Surprise* book.)

The House report reviews the background to the surveillance: “The surveillance of Cyrus Hashemi was authorized under the Foreign Intelligence Surveillance Act (FISA) for purposes of investigating Cyrus Hashemi's role in Iranian intelligence activities and the assassination of Ali Akbar Tabatabai, a former Iranian diplomat.” While the surveillance did not reveal any evidence related to the Tabatabai assassination, the report goes on, “it had revealed that Hashemi was involved in other foreign intelligence activities, particularly military parts procurement on behalf of Iran.”

The report then says that two days after the hostages were released, the New York FBI office asked that the surveillance be discontinued because “no further investigative purpose would be served by continuing the surveillance” (see box). Thus the surveillance was discontinued 11 days prior to its scheduled expiration on Feb. 23, 1981.

After running through some other plausible explanations, the report concludes that the termination of the wiretaps had nothing to do with efforts to “kill the case.”

The statement that the New York FBI wanted to end the surveillance is footnoted as follows: “Teletype from FBI New York to FBI Director (Jan. 22, 1981),” and refers to pages 1,000-1,001 of the report's appendix. But turning to the appendix, it states that this document is located in the “classified appendix.”

However, *EIR* is in possession of an FBI teletype from either Jan. 22 or 23, 1981. What it says is exactly the opposite of what the House report asserts! It shows that the New York FBI office wanted to *continue* the surveillance because it would allow them to continue to gather evidence about Hashemi's illegal arms dealings (see box).

The FBI was getting good stuff at this time. A later FBI prosecutive report (unmentioned in the House report) stated:

“During January and early February [deleted] and Cyrus Hashemi engaged in telephonic negotiations, as well as conferences in their office, with [deleted]. These conversations related to walkie-talkies, bazookas, machine guns, anti-tank rockets, and Howitzer cannons. Quantities of purchase, locations for inspection, price, effort and manner of shipment, federal stock numbers, all were discussed in late January and up to February 13, 1981, with the conversations later confirmed by telex.”

You can bet that somebody wanted the wiretaps shut down. But, it was *not* the New York FBI office, which by all appearances was diligently and aggressively pursuing the Hashemi investigation.

The tip-off

The second allegation along this line which the House report takes up is the alleged “tip-off” to Cyrus Hashemi

which enabled him to avoid returning to the United States and being arrested in May 1984. It was *EIR* which first published the evidence of the tip-off, which is contained in an FBI teletype dated May 16, 1984.

On May 16, the New York FBI sent a “priority” teletype to HQ, saying that Hashemi had canceled his May 16 Concorde flight to New York. According to the FBI teletype, this occurred after Deputy Attorney General Lowell Jensen ordered the U.S. Attorney in New York to call Hashemi's attorneys and to discuss the evidence and the indictment, “because he made such a commitment to Hashemi's attorney, former AG Elliot Richardson, who obviously has Cyrus Hashemi notified.”

The May 16, 1984 FBI teletype continues in a rather bitter vein:

“[Deleted—Pottinger?] will also receive the above DOJ [Department of Justice] sponsored courtesy then will be indicted with all subjects on May 29, 1984 with US, SDNY [United States Attorney, Southern District of New York] holding press conference same date to announce indictments. Obviously the arrests will not be announced if they do not occur which in final analysis is not likely. For information FBIHQ, this case began on July 18, 1980 and because of above, results of a positive nature do not appear forthcoming despite the mammoth investigative effort put forth thus far.”

This FBI message is unmentioned in the House report.

Hustled out of the country

There is more. *EIR*'s Special Report charged that both Cyrus and Jamshid Hashemi “were tipped off about the impending arrests.” The House report makes no reference at all to the tip-off to Jamshid. However, a State Department document just recently received by *EIR*—and obviously available as well to the House Task Force—shows how Jamshid was not only tipped off by the CIA, but hustled out of the country to avoid arrest!

The U.S. State Department memorandum summarizes a June 11, 1984 meeting with “lawyers for Cyrus and Reza Hashemi and Stanley Pottinger.” (Cyrus Hashemi's lawyer handling “greymail” negotiations at that time was Elliot Richardson.)

The memorandum includes the following statement:

“—Jamshid Hashemi—Cyrus's brother—has ‘dealings’ with CIA operatives. One of his CIA contacts told him, several weeks ago, that he had to leave the U.S. immediately. When he demurred, the CIA representative took him to Dulles airport, where Hashemi bought a plane ticket, and put him on a plane to Europe. Soon thereafter, Reza Hashemi—a third brother—was ‘tricked’ into returning to the States and was picked up in an elaborate sting operation organized by Customs. The lawyers implied that the CIA knew Customs and Justice were planning to arrest Reza, and therefore spirited Jamshid out of the country before he could be arrested as well.”

Senators 'soft' on Clinton nominees, says Armev

Rep. Richard Armev (R-Tex.), chairman of the House Republican Conference, admonished Republican senators for letting Clinton nominees for cabinet posts slip by without a critical look, in comments at a luncheon with editors at the *Washington Times*. The reason they treated them with kid gloves, Armev said, was that "a lot of these senators are so afraid of the press labeling them as mean-spirited and obstructionist."

Armev is calling for a more aggressive posture toward the Clinton administration, and he urged Republicans to work together on economic issues.

Return to Hamiltonian policies, says Gonzalez

Speaking on the floor of the House on Jan. 25, House Banking Committee Chairman Henry Gonzalez (D-Tex.) called for a return to Hamiltonian credit policies, pin-pointing the "independent" nature of the Federal Reserve as the source of the country's fiscal problems.

In formulating the Bank of the United States, Gonzalez said, "Alexander Hamilton did brilliant work. He took a country that was in extreme debt. He took a government that said, 'We will assume the debts of the states in the Revolutionary War,' and had no money. And he worked out a beautiful system that did work. In fact, it enabled us to proceed fairly successfully until the late 20th century."

Gonzalez referred to Lincoln's attempts to regain control over monetary policy. "He could see the forces that were coming in and taking over, as they always are," said Gonzalez. The problem, he indicated, was the control of credit. "A banker creates money.

He creates credit and that was the issue from the very first. Who is going to control the allocation of credit in our society? That is the whole question."

The Federal Reserve was supposed to be the fiscal agent of the U.S. Treasury. "But it is the other way around now. It [the Fed] is the one that is coining and printing our bills, not the Treasury," he said.

U.S. dollar bills used to say "U.S. Treasury note," Gonzalez pointed out, but now there are only Federal Reserve notes. And the Federal Reserve "is a creature of the commercial banks who compose it. And it has gotten so almighty and powerful—independent is the word they use—that the Congress that created it has no control over it." Gonzalez warned that, unless the situation were changed quickly, the country would be "doomed."

Opposition to 'gays' in military is strong

There is little support in Congress for Clinton's promise to overturn a ban against homosexuals in the military, Defense Secretary Les Aspin indicated in an interview on "Face the Nation" on Jan. 24. In a memo to Clinton leaked to news agencies, Aspin proposed a six-month period in which lifting the ban would be worked out with the Joint Chiefs of Staff. He warned that if Clinton signed an executive order lifting the ban, Congress would likely vote to restore the ban.

"The point you've got to understand," said Aspin, "is that as a practical matter we are not going to be able to force this down the throat of the Congress. If the Congress doesn't like it, it isn't going to happen." He added, "The votes in the Congress, if it comes to it, are overwhelmingly against it."

Senate Majority Leader George

Mitchell (D-Me.) has indicated to Clinton that there are no more than 30 senators in favor of removing the ban. There is even less support in the House, although few members want this to come to a vote, putting them on record. "Congress would rather let the Executive branch and the Joint Chiefs of Staff work it out, if at all possible, said Rep. George "Buddy" Darden (D-Ga.), a member of the House Armed Services Committee.

Aspin has been trying to get the military to agree to some plan, warning that the courts could end the ban. On Jan. 25, Clinton met with the Joint Chiefs for "consultations," which were described as "respectful, frank, cordial, honest."

Senate Armed Services Committee Chairman Sam Nunn (D-Ga.) is also concerned about the Clinton policy. "If there is a strategy there," said Nunn, "it hasn't been explained to me. . . . I think something is fundamentally flawed when the men and women in the military have an issue that is vital to them, that affects them, and they never have been heard from." Nunn has scheduled hearings on the issue in March. Senate Republicans are preparing a bill which would keep the ban in place.

Gonzalez urges Clinton to release BNL documents

House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) called on President Clinton to facilitate release of documents requested by the committee from the White House and several federal agencies concerning government involvement in the scandal surrounding the Banca Nazionale del Lavoro, in a letter to Clinton on Jan. 22. The BNL, among other charges, allegedly funneled credits to

Iraq before the Persian Gulf war.

At the behest of the Bush White House, these agencies had refused to turn over classified documents to his committee on the pretext that Gonzalez had harmed national security by placing some classified documents related to the Bush administration's pre-war policy toward Iraq into the *Congressional Record*.

In comments on the House floor on Jan. 25, Gonzalez indicated that the campaign against FBI chief William Sessions launched by the outgoing Attorney General William Barr was partially due to the cooperation Sessions had given his committee in its investigation.

Clinton's proposed energy tax creates uproar

Interviewed on "Meet The Press" on Jan. 24, Treasury Secretary Lloyd Bentsen indicated that the Clinton administration is considering a "broad-based energy tax." If applied throughout the energy industry, as Bentsen suggested, such a tax would include the oil and gas, natural gas, electric utility, coal, and nuclear power industries. On Jan. 26, Clinton hedged, saying that "no decision has been made" on the tax.

Reactions from Capitol Hill were immediate. "These taxes are inherently unpopular," warned Sen. Sam Nunn (D-Ga.) "I think there are a whole lot of questions to be addressed, and only the President can make that case."

Republicans attacked Clinton for breaking his campaign pledge for a middle-class tax cut. "It took less than one week in office for the Democrats to abandon a middle-class tax cut and replace their campaign pledge with a tax increase on everyone—for the

poor, the middle class, and the wealthy," charged House Minority Whip Newt Gingrich (R-Ga.)

The Republicans want, instead, concrete budget cuts. "From a standpoint of getting our cooperation on the Republican side, to come out first boldly for tax increases without any kind of talk about how we're going to reduce the expenditure side, gee, that just drives our people up the wall," commented House Minority Leader Bob Michel (R-Ill.).

An energy tax will face an uphill fight. "The lobbying community would probably eat it alive," warned Rep. Robert Matsui (D-Calif.), a member of the House Ways and Means Committee.

Outrage against Serbian genocide is growing

Rep. Steny Hoyer (D-Md.), the outgoing chairman of the congressional Commission on Security and Cooperation in Europe, introduced on Jan. 21 a House Resolution calling for measures to stop Serbian genocide. It calls for lifting the arms embargo on Bosnia and seeks enforcement of the U.N. no-fly zone by a multinational coalition. It demands that irregular forces in Bosnia either withdraw or be subject to the authority of the government of Bosnia-Herzegovina, or be disbanded and disarmed with their weapons placed under effective international monitoring. The resolution also calls for the use of military force, if required, to effect the delivery of humanitarian aid; to ensure unimpeded access to camps, prisons, and detention centers in Bosnia-Herzegovina; and the establishment of an international war crimes tribunal to bring to trial those responsible for war crimes.

"I believe that we can not remain

on the sidelines while brutality of such unspeakable proportions ravages a people in our own backyard," said Hoyer. The resolution has over 90 sponsors in the House. A similar resolution has been introduced in the Senate by Sen. Dennis DeConcini (D-Ariz.).

At hearings on Jan. 26, Rep. Frank McCloskey (D-Ind.) blasted the Vance-Owen negotiations with the Serbians in Geneva as worse than Neville Chamberlain's appeasement of Hitler. Calling U.N. negotiations, sanctions, and peacekeeping "not adequate to deal with genocidal Serb aggression," McCloskey said that the aggression both "defies the will and conscience of the world," and "threatens our national security, which remains tied to the well-being of Europe and to the credibility of the U.N., NATO, and the CSCE.

"Genocidal Serb aggression cannot be stopped by diplomacy," McCloskey warned. "It is fueled by a virulent nationalism that has much in common with Nazism, that has about as much in common with legitimate Serb interests as Nazism did to German interests, and that responds to diplomacy much as Nazism did." The negotiations have given Serb nationalists "18 more months to murder and rape. . . . Geneva offers only the illusion of a peace process. This illusion plays into the hands of the Serb aggressors, betrays their victims, lulls western publics into a false sense of hope and security, and fuels further Serb aggression." In fact, McCloskey explained, Vance and Owen were worse than Chamberlain, since he appeased Hitler before the war and the Holocaust, not after it had become known.

Witnesses at the hearings reported on systematic mass executions and use of rape by the Serbians to demoralize and brutalize the Muslim population and to force them to abandon their territory.

National News

Mary Sue Terry resigns to run for Va. governor

Virginia Attorney General Mary Sue Terry resigned Jan. 27 in order to run for the Democratic nomination for governor this year. Her leading opponent for the nomination, LaRouche Democrat Nancy Spannaus, whom *EIR* interviewed last week, issued a statement on Jan. 28: "Terry is the modern day equivalent of Ilse Koch, the wife of a Nazi concentration camp guard who collected the skins of murdered prisoners and made them into lampshades. Terry's pride is in her efficiency in killing death row prisoners, even those with substantial claims to innocence. . . . A creature who embraces such bestiality, embraces all forms of corruption, and turns its back on justice in all areas. This explains her attitude toward federal pensioners, and workers who strike for their rights, or might lose their jobs due to environmental lunacy.

"Terry's corruption in the LaRouche case also stands out. We see her working with the 'Gordon Liddy of Loudoun County,' Don Moore, against LaRouche . . . [and] permitting, if not encouraging, perjury on the part of her assistant John Russell, on Moore's behalf. And perhaps most outrageous, we see her sending her political enemies in the LaRouche movement to prison for outrageous sentences—including Michael Billington, for 77 years. Once again, the sadism of an Ilse Koch."

ABC pushes animal rights; CBS exposes fraud

The Jan. 22 broadcast of ABC News's 20/20 program featured a lying account from an animal rights group depicting a hunt for pilot whales in the Faroe Islands in the North Atlantic as anti-animal and endangering the pilot whale species. For centuries, the 47,000 inhabitants of the Faroe Islands have used pilot whales for food. "This is a shameful example of the media being taken in by propaganda from an opportunistic animal rights group," Kathleen Marquardt, chairman of Putting People First told the press.

The group in question is the Environmental Investigation Agency (EIA), a private animal rights group in Washington, D.C. that wants a U.S. boycott of Faroese fish and other imports.

EIA had doctored videos of Faroe whaling, such as adding blood-looking dye to the water and falsifying whale screams—duplicity that had been exposed by the Icelandic filmmaker Magnus Gudmundsson. Putting People First presented ABC with evidence of EIA's fakery before the broadcast, to no avail.

On Jan. 24, the CBS News broadcast "60 Minutes" ran an exposé on animal rights movement terrorism. The segment was about Dr. Michael Carey, a researcher at Louisiana State University whose painless research with cats to develop ways to heal head injuries was shut down by an animal rights smear campaign.

Anchor Mike Wallace exposed Neal Barnard of the People for the Ethical Treatment of Animals (PeTA) as a quack, and animal rights activists were denounced on the program as anti-science "zealots" who had issued death threats to Carey's wife. Some material for the exposé was supplied by Putting People First, which is urging people to flood CBS with support letters.

FBI agent aims to stop Peltier retrial

FBI agent for North Dakota and Minnesota Nicholas O'Hara is at the center of controversy concerning a retrial for Indian leader Leonard Peltier. The Minneapolis press has had extensive coverage of the Peltier case in the last month, because O'Hara led a controversial demonstration at the Minneapolis City Council of 60 FBI agents and sheriffs opposing a motion for a new trial for Peltier who is serving two consecutive life sentences for the shooting deaths of two FBI agents at Pine Ridge Reservation in South Dakota in 1975. This is not O'Hara's first brush with controversy: He is known to have been involved in the coverup of an Omaha, Nebraska-based national pedophile ring associated with the scandal around the Franklin Credit Union.

The evidence for a new trial is compelling and the FBI has been charged over the years with fabricating the evidence against

Peltier and provoking a shootout at the reservation. His lawyer, William Kunstler, denounced O'Hara's demonstration as unprecedented and amounting to intimidation. O'Hara replied in a newspaper commentary and has launched an unusual public relations effort, including interviews and coordinating lobbying and letter-writing.

Clinton holds firm on 'gays' in the military

President Bill Clinton reiterated his intention on Jan. 25 to issue an Executive Order permitting homosexuals to serve in the military according to press reports.

Earlier, according to National Public Radio, the Joint Chiefs of Staff met with Secretary of Defense Les Aspin to voice their objections, and the Jan. 21 issue of the *New York Times* reported that Clinton planned to direct Aspin to prepare an executive order that would lift the ban on homosexuals in the military sometime in the next few months.

In the meantime, the military will be directed less formally to stop asking recruits about their sexual orientation and discharging people from the armed services when they are found to be homosexuals. These would be two of the points in the executive order, once it were in practice.

Pedophile police chief gets CAN's support

Robert Wadman, the Omaha, Nebraska police chief who was nationally exposed as a key conspirator in the Omaha, Nebraska pedophile ring in the *The Franklin Coverup* by attorney John W. DeCamp, is now under renewed scrutiny in his current job as police chief of Wilmington, North Carolina. Wadman left Omaha under a cloud from the scandal and was police chief of Aurora, Illinois when the book exposing him was published. Now he is again denying the child molestation charges, which, the Wilmington *Morning Star* reports, a "growing faction" in the Wilmington Police Department believes may be true. The paper reports "internal discontent" in the department.

Unlike in the past, Wadman is now publicly blaming his troubles on Lyndon LaRouche's movement and saying that everyone who accuses him is part of the LaRouche movement, which widely publicized efforts of investigators to uncover the truth about the ring. The *Morning Star* quotes extensively in Wadman's defense from the Cult Awareness Network's Cynthia Kisser, who, according to the *Star*, claims that "LaRouche followers typically search for satanic rings, drug running among prominent citizens and business conspiracies among Jews . . . [to drum] up more support." Kisser gets particularly exercised about churches which might work with LaRouche.

Interestingly, the *Star's* coverage includes the fact that the Wilmington City Council hired Wadman in 1991, in spite of the charges, after receiving correspondence from the Department of Justice.

Richmond paper blasts ADL 'thoughtcrime' laws

In an editorial, "Thoughtcrime," the Jan. 20 issue of the *Richmond Times-Dispatch* declared that the "hate crime" laws, which have been promoted nationally by the Anti-Defamation League (ADL) of B'nai B'rith, should be overturned by the U.S. Supreme Court. The U.S. Supreme Court has agreed to hear a challenge to the Wisconsin law, which exists in some form in about 30 states. The law enhances the penalties and sentences for existing crimes that are committed out of "hate."

"Opinions do not leave fingerprints. A judge or jury frequently would have to rely, not even on hearsay, but on 'hear-thought'—testimony by someone else who professed to know what was going through the defendant's mind during a crime, often on the basis of disparaging general remarks made in the past. . . . The law already punishes assault, because laws exist to punish those who violate the rights of others. . . . The right to hold opinions, no matter how repugnant they may be, is a fundamental . . . human right. A community should be able to express outrage at despicable attacks—and defend the citizens from them—without tramping" over the Constitution.

LaRouche attorneys cite prosecutor's dishonesty

Ramsey Clark and Odin Anderson, attorneys for political prisoner Lyndon LaRouche, filed papers in mid-January with the Fourth Circuit Court of Appeals in Richmond, Virginia, strongly challenging prosecutor Kent Robinson's attempts to censor new evidence of LaRouche's innocence obtained from the federal government investigation of "Kidnappers, Inc." case and other sources.

Clark and Anderson argue that the government first exploited its systematic non-production of exculpatory evidence to obtain convictions of the LaRouche defendants four years ago, then it fought tooth and nail to prevent evidentiary hearings on the 2255 motion to set aside LaRouche's conviction, and now they want to take further advantage by sanitizing the appeals record of vital facts which forces the defendants to fight in a piecemeal fashion.

The papers state that "it is the government which has been dishonest and has flagrantly violated its constitutional obligations during the entire course of this criminal prosecution. The government attorney litigating this motion and appeal was the trial prosecutor who knowingly failed to produce *Brady* material and denied government agents were involved in any 'politically motivated' assault against the appellants. . . . The spontaneous and unguarded remarks" of former Loudoun Sheriff's Lt. Donald Moore, a principal in the federal-state effort to jail LaRouche and former defendant in a kidnapping-deprogramming trial, "who was not aware that his conversations were being recorded by the government, shred the fabric of misrepresentations woven by Mr. Robinson and his co-prosecutors. Mr. Robinson's self-serving desire to keep the new and relevant evidence, derived from the government's own wiretaps and consensual monitorings, out of this appeal is not a legally valid reason to oppose judicial notice in this case. The frank statements by Donald Moore revealing illegal and improper activities directed against the appellants during the time period relevant to this case . . . powerfully support the appellants' arguments advanced in this appeal."

Briefly

● **THOMAS PICKERING** has been tapped by President Clinton to become the U.S. ambassador to Russia. Pickering, a Republican, was ambassador to the U.N. during the Gulf war and is presently ambassador to India. His predecessor in Moscow was Democrat Robert Strauss.

● **THE NEW YORK Times** editorialized that Jack ("Dr. Death") Kevoorkian fills a gap in patient care, that can only be "solved" by the wider use of suicide, on Jan. 25. "Legislators, the courts, and ethicists have already supported Americans' right to make that decision. Tragically, that right—and the information to supplement it—is still very far from the bedside."

● **THE CIA** came under attack by a gunman outside the Langley, Virginia headquarters on Jan. 25. The unidentified man opened rifle fire during the morning rush hour traffic, killing two CIA employees and wounding three. He was not apprehended and, despite many witnesses, descriptions are sketchy at best.

● **GOV. LOWELL WEICKER** of Connecticut signed an agreement with the Pequot Indians to allow video slot machines on their reservation. The Pequot Indian side of the deal will be to pay \$100 million a year to the state or 25% of the casino's annual gross, whichever is greater.

● **WILLIAM REILLY**, outgoing Environmental Protection Agency administrator, ordered the U.S. to phase out methyl bromide, a widely used pesticide and fumigant, by the year 2000 because it allegedly contributes "between 5 and 10% of ozone depletion." There is no immediately available alternative for most of the uses of methyl bromide. There is also no evidence of ozone depletion.

● **THE U.S. CONFERENCE** of Mayors has redistributed to the Clinton administration its compendium of over 7,000 public works projects that are all designed and approved, but which lack funding. The projects are estimated to require \$27 billion, and will create 400,000 jobs.

Nationalize the Federal Reserve

As the new Clinton administration tries to figure out how to get the personal computers in the White House working, and fumbles to come up with a policy to deal with the economic crisis—which, the President avers, is rather “worse” than he had thought—the demands for a trade war “solution” are growing.

The Commerce Department has already levied punitive tariffs of up to 109% on steel imports from 19 countries. The Big Three automakers are said to be preparing a sweeping “dumping” suit against Japan, which would lead to import duties on all Japanese passenger cars. The Treasury Department has begun a policy review that could lead to a tenfold increase (from 2.5% to 25%) in the tariff paid on foreign minivans and sport utility vehicles.

This is no solution to the problems facing America's economy; it is the road to depression and world war, just as it was in the 1930s. The only viable solution is that proposed by jailed economist Lyndon LaRouche: Revive the American System of political economy. That means, as the first item on the agenda, nationalizing the Federal Reserve.

Ironically, today's “protectionist” measures are being pushed by the same forces who proclaim themselves the advocates of “free trade”—for *other* countries, that is. The ugly calls for trade war have nothing to do with the American System of political economy, the system of Alexander Hamilton and Henry Carey, which made the United States a great industrial and agricultural power. Hamilton and Carey sought to protect domestic industry, to be sure; but they did so within an overall policy conception that would further economic development worldwide:

1) *Government promotion of large-scale infrastructure projects.* Today, this means investment to rebuild collapsing roads, rails, bridges, waterways, and to develop the infrastructure of the 21st century, such as maglev trains and state-of-the-art water management.

2) *Encouraging a rising scientific and technological level of the economy, and rising productivity of the labor force.* This must include a crash effort to restore

Classical education, and to repair the damage caused by 20 years of the counterculture.

3) *Generation of state credit for the purpose of productive investment (not speculation).* Contrary to widely held belief, such credit generation is not inflationary. Astronomical debt service is currently being paid to prop up hyperinflated real estate values and other economic fictions; but under a Hamiltonian policy, credit is prioritized for productive purposes. It pays for itself, as the unemployed are put back to work at productive jobs, restoring the tax base.

4) *Forging alliances among sovereign nation-states committed to the same conceptions, in the interests of all.* This is the critical component in war avoidance today. The nations of the former Soviet bloc, and of the Third World, must be drawn into such a community of nations, to defuse the conflicts that are spiralling out of control.

The Federal Reserve stands squarely in the way of these necessary reforms. Answerable to no elected officials, but only to the commercial banks and the gnomes of international finance, it is inimical to the American System.

Yet during the televised debates of last fall's presidential election campaign, Bill Clinton, George Bush, and Ross Perot all vowed that they would do nothing to change its “independent” status. Of the presidential candidates, only Lyndon LaRouche called for its nationalization.

As we report in this issue, Rep. Henry Gonzalez (D-Tex.) addressed the House of Representatives on Jan. 25, calling for a restoration of Hamiltonian policies, and for congressional control over the Fed. “It has gotten so almighty and powerful—‘independent’ is the word they use—that Congress that created it has no control over it,” he said.

We heartily concur. President Clinton has got to take on the Federal Reserve, if he wants to make his domestic reforms work. As long as he insists that the Fed is in the vital interests of the United States, this country will head deeper and deeper into depression and the threat of world war.

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The LaRouche Connection
Wed., Feb. 10—10 p.m.
Wed., Feb. 24—10 p.m.

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- ATLANTA—People TV Ch. 12
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- MOSCOW—CableVision Ch. 37
The LaRouche Connection
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Masonic Racism, Part 1
Tues., Feb. 16—10 p.m.

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- MINNEAPOLIS—Paragon Ch. 32
EIR World News
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EIR World News
Mondays—8 p.m.

NEW YORK

- BROCKPORT—Cable West Ch. 12
The LaRouche Connection
Thursdays—7 p.m.
- BRONX—Riverdale Cable CATV-3
The LaRouche Connection
Saturdays—10 p.m.
- BROOKHAVEN—TCI Cable of Brookhaven Community Programming Ch. 6
The LaRouche Connection
Wednesdays—3:30 p.m.
- BUFFALO—BCAM Ch. 32
The LaRouche Connection
Tuesdays—6 p.m.

- MANHATTAN (Upper & Lower)—MNN Ch. 69
The LaRouche Connection
Saturdays—12 Noon
- ROCHESTER—GRC Ch. 19
The LaRouche Connection
Fridays—10:30 p.m.
Saturdays—11 a.m.
- STATEN ISLAND—SIC-TV Ch. 24
The LaRouche Connection
Wednesdays—11 p.m.
Saturdays—8 a.m.
- WESTCHESTER—Mt. Vernon Public Access Ch. 18
The LaRouche Connection
Fridays—5 p.m. or 6 p.m.

OREGON

- CORVALLIS—TCI CableVision Ch. 11
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Wednesdays—1 p.m.
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Tues., Feb. 23—4:30 p.m.
Wed., Feb. 24—4:30 p.m.
Thurs., Feb. 25—11 p.m.

VIRGINIA

- ARLINGTON—ACT Ch. 33
The LaRouche Connection
Sundays—1 p.m.
Mondays—6:30 p.m.
Wednesdays—12 noon
- CHESAPEAKE—ACC Ch. 40
The LaRouche Connection
Thursdays—8 p.m.
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The Schiller Institute Show
Tuesdays—9 a.m.
- FAIRFAX COUNTY—Media General Ch. 10
The LaRouche Connection
Wednesdays—6:30 p.m.
Thursdays—9 a.m.
Fridays—2 p.m.
- LEESBURG—MultiVision Ch. 6
The LaRouche Connection
Mondays—7 p.m.
- RICHMOND & HENRICO COUNTY—Continental Cable Ch. 38
The Schiller Institute Show
Mondays—8 p.m.
- WASHINGTON
- SEATTLE—Seattle Public Access Ch. 29
The LaRouche Connection
Sundays—11:30 p.m.
- SPOKANE—Cox Cable Ch. 20
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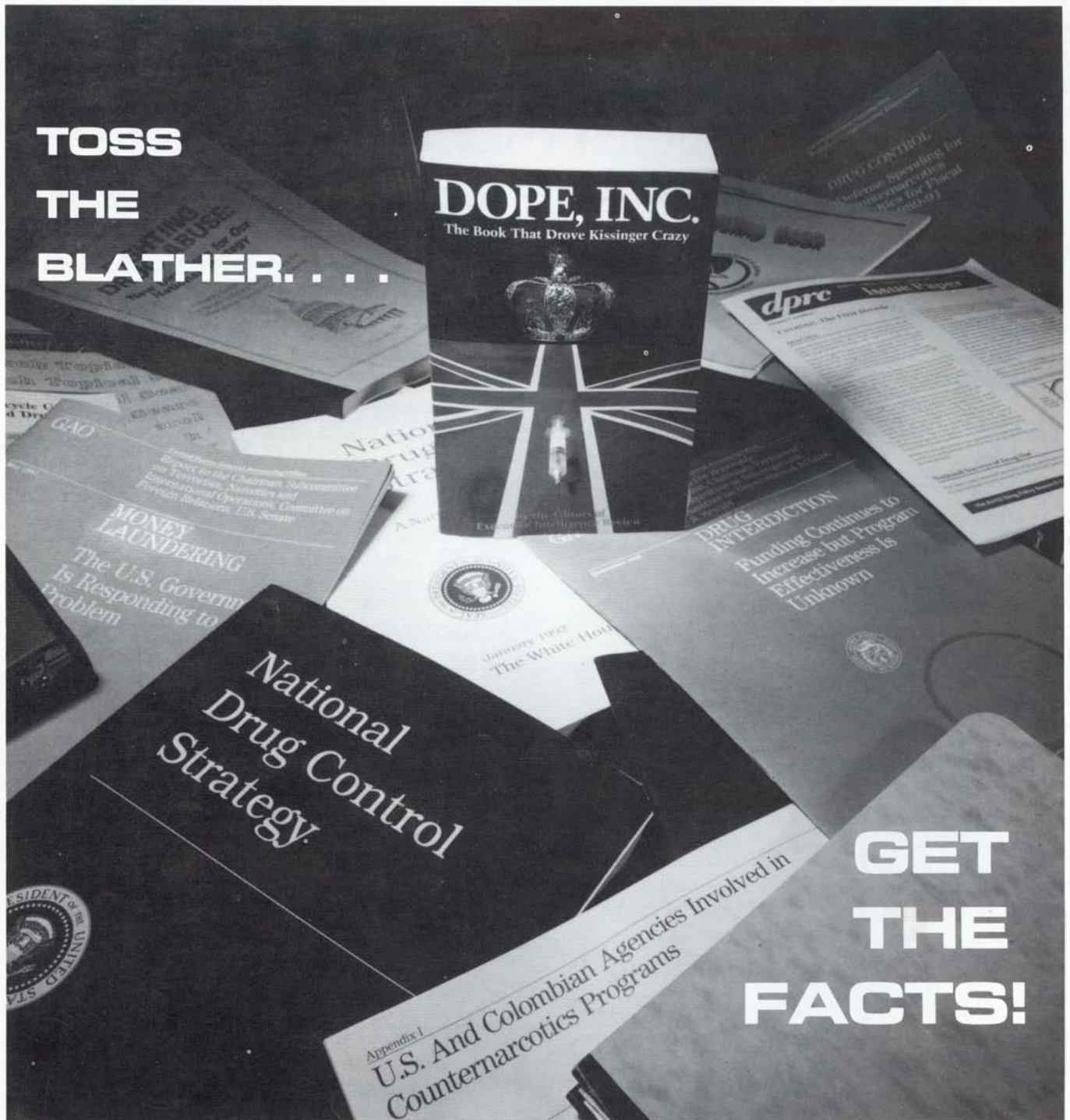
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