

# EIR

Executive Intelligence Review

July 16, 1993 • Vol. 20 No. 27

\$10.00

Russian spree shows LaRouche was right in '83  
Britain's 'Greater China' plan to control Asia  
Court slaps down FEC on 1992 campaign funds

**No simple route to  
South African unity**



# Do you want scientific evidence instead of scientific hoaxes?

## Subscribe to 21<sup>st</sup> CENTURY SCIENCE & TECHNOLOGY

### In the Spring 1993 issue:

The danger is *NOT* going nuclear  
The inside story on Japan's cold fusion program  
Are soap bubbles smarter than you?  
Julia Child on safe food  
The Danish astronomer who discovered the  
finite speed of light  
Plus much more

One-year subscription (4 issues) \$20 \_\_\_\_\_  
Two-year subscription (8 issues) \$38 \_\_\_\_\_  
Single copy (Spring 1993) \$5 \_\_\_\_\_

Send check or money order (U.S. currency only) to:

**21<sup>st</sup> CENTURY**

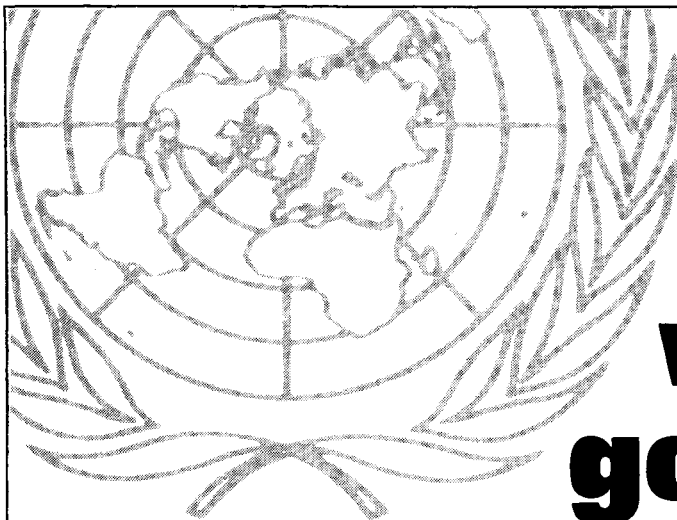
Dept. E, P.O. Box 16285, Washington, D.C. 20041

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Gift cards are available.



# Why U.N. plans for world government must be stopped

a new special report from *Executive Intelligence Review*

**\$250**

with authoritative case studies of  
Iraq, Cambodia, El Salvador, Somalia,  
and the former Yugoslavia

- 240 pages
- maps
- charts
- illustrations

Make checks payable to:

**EIR News Service, Inc.**  
P.O. Box 17390 Washington, D.C. 20041-0390

# EIR

Founder and Contributing Editor:

*Lyndon H. LaRouche, Jr.*

Editor: *Nora Hamerman*

Managing Editors: *John Sigerson, Susan Welsh*

Assistant Managing Editor: *Ronald Kokinda*

Editorial Board: *Warren Hamerman, Melvin*

*Klenetsky, Antony Papert, Gerald Rose, Edward*

*Spannaus, Nancy Spannaus, Webster Tarpley,*

*Carol White, Christopher White*

Science and Technology: *Carol White*

Special Services: *Richard Freeman*

Book Editor: *Katherine Notley*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS:

Agriculture: *Marcia Merry*

Asia: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg,*

*Paul Goldstein*

Economics: *Christopher White*

European Economics: *William Engdahl*

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Medicine: *John Grauerholz, M.D.*

Russia and Eastern Europe:

*Rachel Douglas, Konstantin George*

Special Projects: *Mark Burdman*

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bangkok: *Pakdee Tanapura, Sophie Tanapura*

Bogotá: *José Restrepo*

Bonn: *George Gregory, Rainer Apel*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Melbourne: *Don Veitch*

Mexico City: *Hugo López Ochoa*

Milan: *Leonardo Servadio*

New Delhi: *Susan Maitra*

Paris: *Christine Bierle*

Rio de Janeiro: *Silvia Palacios*

Stockholm: *Michael Ericson*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

*EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 333 1/2 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451.*

**European Headquarters:** Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-6200 Wiesbaden, Otto von Guericke Ring 3, D-6200 Wiesbaden-Nordenstadt, Federal Republic of Germany Tel: (6122) 9160. Executive Directors: Anno Hellenbroich, Michael Liebig

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

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

**Japan subscription sales:** O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

Copyright © 1993 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional mailing offices. Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

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

## From the Editor

The most important occurrence in Philadelphia over the weekend of July 4, 1993, was the Declaration of Independence Co-Signers' Convention (DICC), which was organized to reaffirm this nation's moral purpose. And the highpoint of an extraordinary weekend of events, was the July 2 concert honoring the memory of African-American contralto Marian Anderson, held at the Tindley Temple United Methodist Church, and organized by the Schiller Institute.

Partly because we don't have all the texts in hand, and partly due to the need to "catch up" on many world events since our summer recess during Independence week, *EIR* is giving only one page of coverage to the Co-Signers Convention this week, but we promise to report on this historic turning-point in greater depth in coming issues.

Meanwhile, allow me to point to the irony that the news media in the United States were focused on a different spectacle in Philadelphia that weekend—the presentation of the Freedom Award jointly to African National Congress president Nelson Mandela and South African President F.W. de Klerk, and the frenzied mobilization by some militant "anti-apartheid" groups to protest de Klerk's inclusion in the honor.

This week's *Feature* demonstrates, by juxtaposing the views of three South Africans and an American civil rights leader, that the issues at stake in that nation are far more complex than is believed by most of those who wave the flag of freedom and democracy. *EIR* recently sent a team of correspondents to South Africa, and although our 16-page package is still partial, we are confident that it is the most authoritative coverage available in English.

In *International*, I especially draw your attention to the strategic theme of the week, the resurgence of the dangerous "Third Rome" faction in Moscow and the validation of Lyndon LaRouche's warnings of a decade ago. In *National*, we report on a news development with major implications for increasing LaRouche's ability to correct the strategic drift in the United States: the ruling by the U.S. Circuit Court of Appeals for the District of Columbia that the Federal Election Commission had no right to deny Lyndon LaRouche's 1992 presidential campaign federal matching funds. This happened on July 2.

*Nora Hamerman*

# EIRContents

## Interviews

### 29 Tienie Groenewald

Major General Groenewald is the former head of the Department of Military Intelligence of the South African Defense Forces, and is a founder of the "Committee of Generals" playing a key role in the negotiations toward a new constitution for South Africa.

### 34 Mwezi Twala

A former African National Congress commissar, Mr. Twala is now chairman of the Returned Exiles Coordinating Committee in South Africa, and a regional organizer for the Inkatha Freedom Party.

### 49 Zvonimir Separovic

The former Croatian foreign minister was president of the International Victimological Society, and is a member of its international executive council, accredited to the United Nations.

**Photo credits:** Cover, EIRNS/Guggenbuehl Archive. Page 23, Varian Associates. Page 47, Hong Kong Trade Development Council. Pages 25, 37 EIRNS/Stuart Lewis. Page 28, EIRNS/Douglas DeGroot. Page 35, EIRNS. Page 64, Philip Ulanowsky.

## Science & Technology

### 16 Nuclear power in the East: cause for fear, or for hope?

In many countries in eastern Europe, nuclear energy is the critical edge between going forward and going down. Western cooperation in upgrading safety and expanding capacity is the key. Emmanuel Grenier reports.

## Departments

### 54 Dateline Mexico

A blow to Freemasonry.

### 55 Report from Rio

Ethnic offensive reactivated.

### 56 Andean Report

Peru stalls on ADL's education reform.

### 57 Report from Bonn

Who's afraid of unmasking 2,000 spies?

### 72 Editorial

The wrong signal.

## Economics

### 4 NAFTA crisis threatens U.S. 'free trade' hoax

A Washington, D.C. judge's ruling against the North American Free Trade Agreement has created an obstacle to passage of a pact that has grown increasingly unpopular in Congress, and among the U.S. electorate.

### 6 LaRouche on the G-7 summit: World leaders don't know which end is up

### 7 U.S. Unemployment Coverup

### 8 Economic crisis threatens demise of Chinese Communist Party

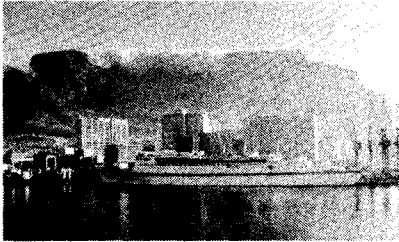
### 10 World Bank takes wrong tack on controlling Bangladesh floods

### 11 Currency Rates

### 12 Bankers' boy CAP in Venezuela feels the heat, as battle rages over economy

### 14 Business Briefs

## Feature



A view of the harbor of Capetown, South Africa.

### 24 Can South Africa achieve unity to build a nation?

### 26 'It is time to unify people,' said Hani

An interview with Chris Hani, the secretary general of the South African Communist Party, published in the French Communist Party's newspaper three days before his mysterious assassination.

### 29 A new colonialism is being fostered

An interview with Maj. Gen. Tienie Groenewald.

### 34 We should not rely on the IMF, World Bank

An interview with Mwezi Twala.

### 36 The road toward a constitutional republic in South Africa

Speeches by Rev. James Bevel during and after visits to South Africa in 1988-89.

## International

### 40 Russia moves in Caucasus to reconquer its empire

Western policy blunders are giving free rein to the imperial Russian forces that want to make Moscow the "Third Rome," capital of a new empire.

### 42 LaRouche warned about 'Third Rome' in 1983

### 43 Russian paper: U.S. nixed joint SDI plan

Excerpts from *Nezavisimaya Gazeta*, and a comment by Lyndon LaRouche.

### 44 The 'Greater' China plan: Britain's 'Venetian' policy to control Asia

### 49 'Mankind has a right to peace,' asserts former Croatian minister

An interview with Zvonimir Separovic.

### 51 Movement launched to save Italy

### 52 Argentina to be U.S. policeman?

### 53 OAS hammers at Argentine military

### 58 International Intelligence

## National

### 60 Clinton Bush-leaguers hit Iraq, predict Islamic terror

The U.S. bombing of Baghdad has demonstrated U.S. weakness, not strength, and was met with ridicule around the world.

### 62 Thousands in Philadelphia co-sign U.S. Declaration of Independence

### 63 Court overrules FEC on LaRouche's right to matching funds

### 64 'A peek at the possibility of justice'

Lyndon LaRouche responds to the appeals court ruling against the Federal Election Commission.

### 65 Heads begin to roll in ADL's networks

### 66 Special Master finds Demjanjuk was not 'Ivan the Terrible'

### 68 Congressional Closeup

### 70 National News

# NAFTA crisis threatens U.S. 'free trade' hoax

by Peter Rush

Four years ago, some flim-flam called the "Brady Plan" was put together to create the illusion that Mexico's foreign debt crisis was under control, in order to set the stage for ramming through the U.S. Congress a "free trade" agreement with Mexico that has been the agenda of leading U.S. financial circles for over a decade. One year ago, President George Bush finally produced a draft of the North American Free Trade Agreement (NAFTA) that seemed certain of passage by no later than last spring. Now, a Washington, D.C. judge's ruling has created yet another obstacle to easy passage of a pact that has grown increasingly unpopular in Congress, and among the U.S. electorate, over the past year.

On June 29, Judge Charles Richey, ruling on a suit brought by several environmentalist organizations, ordered that an Environmental Impact Statement (EIS) had to be prepared on the likely effects of passage of NAFTA on the environment. Citing studies showing that the explosion of trade across the U.S.-Mexico border in the last ten years has already turned certain areas into "a cesspool and breeding ground for infectious diseases," Judge Richey said that a treaty mandating even more, and freer, trade clearly would have environmental consequences, and therefore fell under the purview of the laws that require an EIS on any large domestic project that affects the environment. Since even a simple EIS can take months or even years on a project as enormous as NAFTA, the requirement to prepare an EIS could stall it for years, effectively killing it.

Judge Richey's ruling set off a firestorm of reaction from NAFTA's backers, as might well be expected. Even before Richey's ruling late last month, it was becoming clear that a large number of congressmen had reservations about NAFTA, were outright opposed to it, or were at least undecided and might vote against it. Even if Richey's ruling is overturned by the appeals court, as the Clinton administration

boldly predicts, great damage will have been done to the cause, because opposition legislators and private groups will nonetheless be able to use his ruling as ammunition against the treaty.

For political reasons, NAFTA's backers are operating within a very short time frame. NAFTA must be introduced into Congress by sometime in August to be voted on this year. If the treaty is held over until next year, it runs up against U.S. congressional election campaigns (and U.S. politicians are less likely to vote for it in an election year), and a Mexican presidential election. Since the President of Mexico cannot succeed himself, the failure to pass NAFTA in the U.S. could well influence who will become the next President of Mexico.

## Gambling on gullibility

From the beginning, the decision to ram NAFTA through was a high-risk gamble. Since the 1977 publication of *The Consequences of Monetary Disorder* by Fred Hirsch, for the New York Council on Foreign Relations, the leading ideologues of the "free market" in the Reagan-Bush administrations and within U.S. and European financial circles have staked all on a program of forcing the rest of the world to tear down protective tariff barriers, sell off state-owned industries, and open their countries to the unrestricted activities of foreign companies, banks, and financial institutions. Their gameplan for Ibero-America was simple: Use the debt crisis that blew up in 1982 to force these countries to adopt these programs, and to bring to the forefront of politics those forces prepared to do the International Monetary Fund's bidding. The result today is compliant heads of state fitting this bill in Mexico, Argentina, Colombia, and most of the smaller countries, and, until overthrown for corruption less than a year ago, also in Brazil and Venezuela. In all of these coun-

tries, major IMF-style “structural adjustments” and free-market economic reforms have been implemented over the last few years, in order to maintain their debt payments.

NAFTA is the intended centerpiece of this entire strategy, since it would set in cement these IMF-dictated changes, making them part of international treaty obligations that presumably no subsequent government would be able to reverse.

Already, many of Ibero-America’s governments are clamoring to be included in NAFTA as soon as possible after it goes into force. Heading the list is Argentina, whose President, Carlos Menem, recently stated that he wanted to join NAFTA immediately.

So, if NAFTA doesn’t pass the U.S. Congress, the political careers of over a dozen pro-free trade Ibero-American Presidents are in deep trouble. In almost every country in the hemisphere south of the Rio Grande, people are seething at more than a decade of economic decline and unemployment, brought upon them by the debt crisis and economic “reform” programs. The worst nightmare of the free trade crowd is that this inchoate popular sentiment will find political expression and overthrow a decade and a half of carefully laid plans to return Ibero-America to a U.S. “sphere of influence.”

### **‘If we can’t do Mexico, who can we do?’**

Thus remarked Michael Aho of the Council on Foreign Relations, commenting July 1 on Judge Richey’s decision. Who, indeed? The *Washington Post*, ardently pro-free trade, warned that “the consequences for Mexico may be severe,” because the ruling may harm investor confidence and halt the inflow of money to Mexico, “a country whose courageous and vigorous government there is transforming the country with a sweeping series of reforms.”

The *Wall Street Journal* was even more strident, calling the ruling a virtual “death sentence” for NAFTA, and saying that the impact on Mexico could be “profound.” A delay in NAFTA “could strengthen the hand of Mexican leftists, who have opposed the pact with Mexico’s historic nemesis.” If the inflow of capital to Mexico stops, the *Journal* warned, “the stability of the peso would be placed in jeopardy. A peso devaluation would wreck the President’s economic reform package and greatly diminish his popularity.” The *Christian Science Monitor* moaned that “a loss by NAFTA later this year, which is now a strong possibility, would humiliate the White House and send shockwaves through the international community.”

The day before the Richey ruling, discussing the prospects if NAFTA fails, top Massachusetts Institute of Technology economist and specialist on Ibero-America Rudiger Dornbusch, addressing a forum at the Georgetown Center for Strategic and International Studies (CSIS), used even stronger language: “If NAFTA is defeated, the reforms and Mexican financial stability will collapse. . . . Without NAFTA, the Mexican economy will collapse and the country will return to the nationalism of the past.” Addressing the same

forum, Bill Richardson (D-N.M.) gave Clinton a deadline of Aug. 31 to present NAFTA to Congress or else face an indefinite delay. CSIS director of Mexican affairs M. Delal Baer told the audience that they should recall the bloody Mexican Revolution of 1912, implying that if NAFTA fails Mexico could fall into anarchy again.

The *Baltimore Sun* drew out the estimated consequences for U.S. policy globally. In a July 2 editorial, the *Sun* asserted: “The mischievous Richey edict gives organized labor and environmental groups much greater leverage to carry the load for open and closet protectionists on Capitol Hill. In foreign policy terms, it is hard to exaggerate the damage to good relationships throughout Latin America that would be caused by the death of NAFTA. . . . On a global scale, U.S. plans to include agriculture, service industries and intellectual property under GATT rules—developments of immense importance for the U.S. economy—are now at risk. What a mess!”

Indeed, the General Agreement on Tariffs and Trade (GATT), the international trade organization that strives to smash down trade barriers, is in trouble. The United States is still at loggerheads with Europe and Japan on many issues now under negotiation that have bogged down for the past several years, with each country trying to retain certain protectionist clauses for its own industries, while battering down all barriers within other countries. A defeat for NAFTA would, as the *Sun* notes, hurt prospects for reaching a GATT accord this year.

### **Cheap U.S. imports flood Mexico**

The basic reason why NAFTA is in trouble in the U.S. Congress is that the U.S. economy remains moribund, and NAFTA is correctly seen as threatening to steal hundreds of thousands of U.S. jobs as more companies flock southward to take advantage of cheap labor.

In Mexico, even without NAFTA, tariff barriers have been drastically lowered, which has resulted in a lopsided flood of exports from the United States into Mexico, decimating tens of thousands of Mexican manufacturers who have been unable to compete with the cheap imports. As a result, decent-paying jobs in the manufacturing sector have dried up and millions of Mexicans have been thrown into the “informal sector” of street vendors, taxi drivers, and drug pushers.

This has required a huge inflow of speculative dollars seeking high returns, both to keep paying Mexico’s giant foreign debt as well as to pay for the flood of imports. The fear of the free trade proponents is that if their confidence game in Mexico collapses, and this hot money leaves, Mexico will unravel much as Dornbusch and others specify. Suddenly, Mexico will, among other things, be unable to make its foreign debt service payments, and even the debt crisis swept under the rug with the 1989 Brady Plan will reemerge with a vengeance, and all bets will be off on which political forces will rise to power in Ibero-America.

# World leaders don't know which end is up

*Political prisoner Lyndon LaRouche gave this analysis of the ongoing Group of Seven summit meeting in Tokyo, in his weekly radio interview "EIR Talks with LaRouche" on July 7. He was interviewed by Mel Klenetsky.*

**EIR:** Mr. LaRouche, there is a summit of the G-7 going on in Tokyo at this point, and commentators are indicating that they have never seen such a gathering of leaders who are so unpopular in their countries. Miyazawa has a 9% popularity rating; Major has a 19% popularity rating; Mitterrand and Kohl 20% and 30% respectively. Clinton is the front-runner on popularity at 46%. With this kind of popularity, would you say that these leaders can get something accomplished at this summit?

**LaRouche:** They will do something which they would call an accomplishment, and so far it appears that the Clinton team is doing some Japanese-bashing on trade and tariff agreements at this point, trying to say they kept the GATT process alive for another six months or so—in other words a superficial, technical goal.

It's like somebody playing football, and they've got goalposts at either end of the field, and nobody can score at the main goalposts. So someone sets up a little tiny goalpost at the side of the 50-yard line, and they play a little different game in between and somebody gets a goal on this third, surrogate goalpost, and says, "Well, at least we won something." That's what you're going to get out of the summit, at best.

It is being lampooned, ridiculed, in most of the press around the world, the U.S. press less so, because the U.S. press is somewhat less aware of reality than most of the other world's press. But every government, with few exceptions—every nation of the world, at least every major nation—is collapsing. It's losing power.

The leader who is best off (even though Clinton has this ephemeral kind of popularity at the moment), is Chancellor Kohl of Germany. He is in the strongest position, relatively speaking, although he's weakened by the fact that Germany is under such attack.

So it's the kind of situation out of which nothing of any durable value in addressing the mounting problems of the world—and they are very severe problems—is going to come. The summit, in short, will be a catastrophic failure, despite any claims for any victories, scores, at the third goalpost.

**EIR:** Clinton and others are hoping and putting forward the concept that GATT- and NAFTA-style solutions are going to bail the world economy and the U.S. economy out of its current state of crisis.

**LaRouche:** It's not going to work. It's a catastrophic failure. These are people who have discovered that the boat is filling up with water. They are afraid it's going to sink; and someone has come up with the ingenious idea of draining the boat by opening the seacocks. It's absolutely not going to work.

**EIR:** What about the former East bloc? We are looking at a worsening crisis. Will some of these nations be looking at what is happening in the former Soviet Union, and try to come up with some solutions to that?

**LaRouche:** No, they are not going to.

For example: The United States will use often what is called democracy, which goes by such names as free trade, shock therapy, things of that sort. They will keep their third goalpost in Washington. . . . They are going to insist on this "democracy," "democratization," free trade agreements, submission to International Monetary Fund conditionalities to some degree or other; another \$50-100 million in aid, so called, from someplace. All of which will mean absolutely nothing—less than nothing. . . .

**EIR:** If we go back to the G-7 Summit for a moment, and think of Miyazawa, Mitterrand, Major, and Kohl and Clinton discussing the problems of world economics: Not too long ago, the Mitsubishi Corporation had some policies which called for the development of Great Projects. You have indicated an approach of developing Great Projects as a way out of the world financial and economic crisis. Is there any hope whatsoever that these political leaders who are gathered at a summit in Tokyo, can come up with this kind of policy solution?

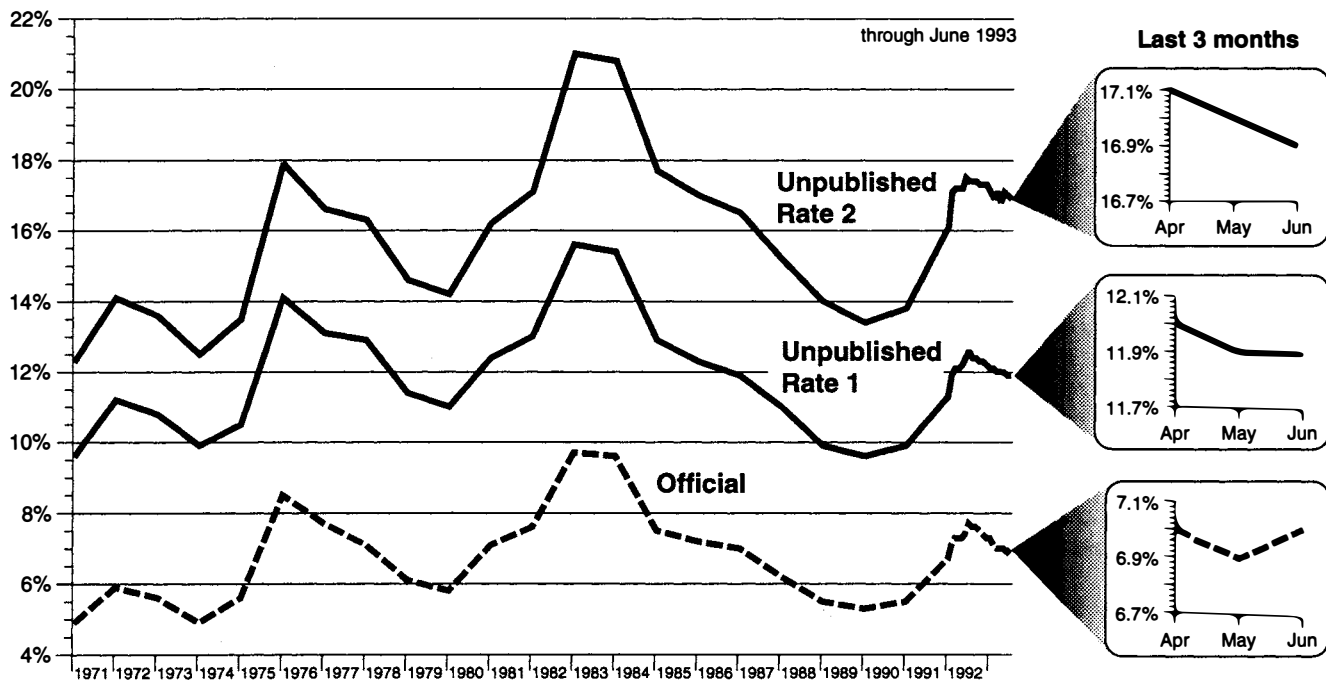
**LaRouche:** No. Not at all. None of those governments, with the possible exception of Kohl and some government to succeed the already endangered Miyazawa in Japan, is capable of addressing this.

There is no political group in Britain, no section of the current government of France, not since [Jean-Pierre] Chevènement was ushered out of the Mitterrand government, which is capable of it; there are some people around Kohl who are capable of remobilizing in Germany, but not initiating anything. In the U.S. Congress, except to the extent that there are some people who are listening to me around the Congress, at least listening to the ideas we are presenting, there is no one in the United States who has any idea of which end is up.

So I would say in general, with those qualifications, there is no possibility that that group of leadership represented by the G-7 summit in Tokyo, could come up with anything any good, or that those governments at present could come up with anything of any use to the human race.



# U.S. Unemployment Coverup



**Data used for unpublished unemployment rates**  
(thousands)

Year	Civilian labor force (a)	Official unemployed (b)	Want a job now (c)	Part-time, economic reasons (d)	Total unemployed and underemployed (b+c+d)	Official U-5b rate (b/a)	Unpublished Rate 1 (b+c)/a	Unpublished Rate 2 (b+c+d)/a
1971	84,382	5,016	4,423	2,452	11,891	5.9%	11.2%	14.1%
1972	87,034	4,882	4,493	2,430	11,805	5.6%	10.8%	13.6%
1973	89,429	4,365	4,510	2,343	11,218	4.9%	9.9%	12.5%
1974	91,949	5,156	4,514	2,751	12,421	5.6%	10.5%	13.5%
1975	93,775	7,929	5,271	3,541	16,741	8.5%	14.1%	17.9%
1976	96,158	7,406	5,233	3,334	15,973	7.7%	13.1%	16.6%
1977	99,009	6,991	5,775	3,368	16,134	7.1%	12.9%	16.3%
1978	102,251	6,202	5,446	3,298	14,946	6.1%	11.4%	14.6%
1979	104,962	6,137	5,427	3,372	14,936	5.8%	11.0%	14.2%
1980	106,940	7,637	5,675	4,064	17,376	7.1%	12.4%	16.2%
1981	108,670	8,273	5,835	4,499	18,607	7.6%	13.0%	17.1%
1982	110,204	10,678	6,559	5,852	23,089	9.7%	15.6%	21.0%
1983	111,550	10,717	6,503	5,997	23,217	9.6%	15.4%	20.8%
1984	113,544	8,539	6,070	5,512	20,121	7.5%	12.9%	17.7%
1985	115,461	8,312	5,933	5,334	19,579	7.2%	12.3%	17.0%
1986	117,834	8,237	5,825	5,345	19,407	7.0%	11.9%	16.5%
1987	119,865	7,425	5,714	5,122	18,261	6.2%	11.0%	15.2%
1988	121,669	6,701	5,373	4,965	17,039	5.5%	9.9%	14.0%
1989	123,869	6,528	5,395	4,656	16,579	5.3%	9.6%	13.4%
1990	124,787	6,874	5,473	4,860	17,207	5.5%	9.9%	13.8%
1991	125,303	8,426	5,736	6,046	20,208	6.7%	11.3%	16.1%
1992	126,982	9,384	6,181	6,385	21,950	7.4%	12.3%	17.3%
<b>Monthly data (seasonally adjusted)</b>								
<b>1992</b>								
June	127,298	9,788	6,291 <sup>1</sup>	6,100	22,179	7.7%	12.6%	17.4%
July	127,350	9,628	6,147 <sup>1</sup>	6,342	22,117	7.6%	12.4%	17.4%
August	127,404	9,624	6,147 <sup>1</sup>	6,352	22,123	7.6%	12.4%	17.4%
September	127,274	9,550	6,147 <sup>1</sup>	6,362	22,059	7.5%	12.3%	17.3%
October	127,066	9,379	6,209 <sup>1</sup>	6,434	22,022	7.4%	12.3%	17.3%
November	127,365	9,301	6,209 <sup>1</sup>	6,493	22,003	7.3%	12.2%	17.3%
December	127,591	9,280	6,209 <sup>1</sup>	6,349	21,838	7.3%	12.1%	17.1%
<b>1993</b>								
January	127,083	9,013	6,378 <sup>1</sup>	6,113	21,504	7.1%	12.1%	16.9%
February	127,327	8,876	6,378 <sup>1</sup>	6,461	21,715	7.0%	12.0%	17.1%
March	127,429	8,864	6,378 <sup>1</sup>	6,194	21,436	7.0%	12.0%	16.8%
April	127,341	8,925	6,399 <sup>1</sup>	6,458	21,782	7.0%	12.0%	17.1%
May	128,131	8,858	6,399 <sup>1</sup>	6,580	21,837	6.9%	11.9%	17.0%
June	128,127	8,908	6,399 <sup>1</sup>	6,322	21,629	7.0%	11.9%	16.9%

<sup>1</sup> The *want a job now* figure is compiled quarterly. The figure used for monthly calculation of the Unpublished Rate 1 is that from the most recent available quarter.

## Explanatory Note

In June, over 6.4 million jobless and 6.3 million more semi-employed people were ignored by the U.S. government's Bureau of Labor Statistics in its calculation of the official (U-5b) unemployment rate. To bring out the truth, EIR is publishing the rates you would see if the government didn't cover up.

The widely publicized official unemployment rate is based on a monthly statistical sampling of approximately 57,000 households. But in order for someone to be counted as *unemployed*, the respondent member of the household (often not the person who is out of work) must be able to state what specific effort that person made in the last four weeks to find a job. If no specific effort can be cited, the jobless person is classified as "not in the labor force" and ignored in the official unemployment count.

But over 6 million of these discarded people are also reported on the monthly survey indicating that they "want a regular job now." EIR's *Unpublished Rate 1* is calculated by adding these discarded jobless to the officially "unemployed." The *Unpublished Rate 2* includes, in addition, over 6 million more people forced into part-time work for economic reasons such as slack work or inability to find a full-time job. These people show up as *employed* in the official statistics even if they worked only *one hour* during the survey week.

For comparability with the official rate, the EIR rates are calculated on the same base figure, the BLS defined *civilian labor force*. This figure comprises all civilians classified as either *employed* or *unemployed*. For a number of reasons the *civilian labor force* can be considered as a bloated figure. Its use as the divisor in unemployment rate calculations thus further masks the depth of the unemployment problem. Large segments of the population, who might not under healthy economic conditions be forced to seek work, have become a part of the *civilian labor force* over the past 25 years of "post-industrial society" economy. This includes young mothers, the elderly, and many college students.

# Economic crisis threatens demise of Chinese Communist Party

by Mary Burdman

In recent weeks, Beijing has been the scene of one high-level purge, crisis meeting, and Communist Party brawl after another. China's Communist Party government is caught in the trap of its own making, and the harsh economic policies imposed on July 3 are a mark of desperation. Like their Russian predecessor Yuri Andropov, whose "reforms" imposed in 1983 ultimately brought down the communist government, China's rulers are damned if they do, and damned if they don't.

The "Chinese Model" could not possibly work, because of its systematic *disinvestment* in vital transportation and energy-generation infrastructure, which meant that the economy physically cannot grow. This was imposed on top of the years of looting of agriculture—the mainstay of the Chinese economy—and heavy industry. The "reforms" have set off a peasant revolt, and made the Communist Party an object of universal hatred, as its own leaders admit. But any economic crackdown will lead to another 1989-style rebellion, as the CP leaders also know, which maybe even tanks will not be able to quell.

Railway capacity is falling, energy output is shrinking compared to need, and top officials warn of new flood disasters. The official press is full of quotations of China's leaders, warning of the urgent need to build infrastructure. Finance Minister Liu Zhongli told the German daily *Handelsblatt* on June 22, in his first interview with a western paper, that "shock therapy" was "not desirable for China" and that "the financial authorities must support the reforms, to provide for the infrastructure projects and agricultural subsidies. There are no changes in our plans to build railroads, the road network, and air and seaports." Yet only two weeks later, Beijing announced that infrastructure projects would be curtailed.

Mass demonstrations of peasants, taxed to death and paid in worthless IOUs, have sprouted over China. The number of the *manilu*, the "blind wave" of unemployed, is estimated to be 200 million. In the biggest student demonstrations since 1989, groups of 1-2,000 students marched in the interior city of Xian in Shaanxi province for several weeks in June. Although the protests were "unpolitical," provoked by local authorities' attempts to build a highway through their cam-

pus, the dispute was only defused after the State Council, China's cabinet, ordered the Xian authorities to compromise.

The "boom" side of the Chinese Model is doing no better. Public corruption scandals are erupting all over. In Beijing, police patrolled the streets at the end of June to prevent demonstrations by some of the tens of thousands of Chinese cheated in the "Great Wall" 1 billion yuan (\$175 million) bond scandal. The owners of the Great Wall Corp. attempted to abscond with funds lured from investors with promises of 24% interest rates, but were arrested. At least 100 senior officials have been arrested in the case, including at least one vice-minister, and a former deputy chairman of Parliament has been reprimanded. On June 16, the Agricultural Bank of China announced another "major fraud case" in the *China Daily*. Over 200 falsified letters of credit, with a face value of \$10 billion, had been issued on April 1 in the name of the nonexistent "International Financial Department" of the bank in favor of "Sherwood Investments Ltd of the Bahamas."

China's cheap-export drive, the core of the Chinese Model, is slowing, while the backwardness of the economy is forcing a burst of imports. Exports rose only 4.4% in the first half of 1993, while imports, including equipment for foreign-funded enterprises, steel, machinery, and aircraft, soared 23% overall, leaving a trade deficit of \$3.54 billion. Moreover, at least \$5 billion worth of foreign goods is probably being smuggled in each year. But imports of China's most urgent needs, including fertilizer and raw materials, fell. The government's inability to collect taxes has created a budget deficit equal to \$4 billion last year, \$500 million more than expected. Total revenue in China was only \$71.6 billion. Finance Minister Liu Zhongli stated June 25 that many localities had run up deficits, totaling \$510 million.

## Communist Party a 'heap of sand'

The Communist Party came to power on the basis of peasant revolt, and the peasant revolt in China's vast hinterlands could throw them out again. Beijing's leaders have watched events in Russia and eastern Europe with growing fear since 1989, one reason they have rejected the "shock therapy" formula. There was far greater unrest in China in 1989, set off by Prime Minister Li Peng's austerity program,

than there ever was in Russia in 1991.

The CP leadership is splintered, and the central government and provinces are deeply divided, as party Secretary-General and State President Jiang Zemin admits. The official *Peoples Daily* July 6 quoted Jiang: "If we lack a correct guiding theory and a strong spiritual pillar based on that theory, then it is impossible to imagine what our party, state, and nation will become. . . . We will become a heap of loose sand and be unable even to begin to talk about cohesion, fighting capacity, and creativity, and there will be no bright future."

In October 1992, a new Communist Party leadership was installed; in November, there was the biggest reshuffle and purge of the military leadership since 1989. In the months that followed, there were high-level leadership changes in every Chinese province. In March, the entire national central government leadership was changed with the retirement of the last of the old revolutionaries. In late June, the State Council was revamped.

Purges continue, at the highest level. On June 29, the governor of the central bank, the Peoples Bank of China, Liu Guixian, was replaced by Executive Vice-Premier Zhu Rongji. Liu is being scapegoated for the financial chaos. His ouster is another signal of the eclipse of his sponsor, Li Peng, who installed him as central bank head in April 1988. Li Peng has been "politically" ill since late April, and although he has emerged for political functions, on June 25 he confessed to visiting Australian Prime Minister Paul Keating that "the doctors still advise me not to attend too many activities."

Even Deng Xiaoping, China's ancient revolutionary leader, may face eclipse. It was Deng who set off the reforms in 1978, and enforced them with the proclamation that "to be rich is glorious." Deng's famous "Southern Expedition" in January 1992 gave his official blessing to the cheap-labor Special Economic Zones, and the orgy of wild speculation and greed which is now threatening the CP's survival. In early May, Wan Li, the former chairman of the National Peoples Congress and one of the few surviving "Ancients" in China, berated the CP for its corruption and attacked Li Peng and his cohorts for the Tiananmen Square massacre in Beijing in June 1989. Wan asserted that Li Peng and others first provoked and then crushed the protesting students, to exploit the situation for their own political power. Wan went on to warn of sweeping unrest in China. Corruption, blackmail, bribery, illegal business operations, and decadence are relatively widespread in the CP, Wan said. The population is enraged; it is natural to air their grievances, and the party has no right to stop it. Those who are repudiating the law, are not the masses of people, but those "degenerate creatures" within the party, even at the leadership level, who dominate policy, Wan warned.

Deng was pointedly referred to in the past tense in an article published in the official English language *China Daily* on June 17, quoting a high-level CP official: "Deng was an outstanding representative and brilliant model of safe-

guarding, adhering to and developing Marxism, Leninism, and Mao Zedong Thought. And he had made historically important contributions to the creation of the theory of building socialism with Chinese characteristics."

### Urgent meetings

On July 1, China's top leaders met in Zhongnanhai, their "Forbidden City," in Beijing. The meeting—unusual for secretive China—was publicized with a front-page photo in the *China Daily*. On the same day, the official Chinese press published Jiang Zemin's June 25 speech on the 72nd anniversary of the Communist Party's founding. Jiang Zemin spoke of the "profound economic and social problems" which had emerged under China's "reforms." He warned of "slackening of discipline" in the party, and of its members' money-worship, hedonism, and greed. Deep divisions in China's leadership could mean they would fail at the "historical tasks" at this "turning point of historic development." Regional needs must be subordinated to the center, he said, and the divisions between party and people "cannot be underestimated."

The result of these meetings was the announcement (in the Beijing-controlled Hong Kong press) on July 3 of a 16-point plan to attempt to bring the economy under control. The plan is schizophrenic. The reported measures include calling in loans diverted to speculative schemes; forbidding the issuing of new IOUs to farmers; controlling real estate speculation; raising interest rates to cut uncontrolled investment; attempting to eliminate internal debt; imposing a 20% cut in government spending—the Chinese bureaucracy *doubled* under Deng's reforms; and suspending new price reform rises. But the measures will also force workers to buy up an unsold issue of government bonds in the next two weeks, and reduce the scale of infrastructure projects. Freight prices were hiked 40% for the collapsing rail system. Earlier measures had demanded that all local taxes on the farmers be cut—but this means that vital education, water purification, and other rural development programs will be eliminated.

China's regional leaders have also been summoned to Beijing, where they met with Jiang Zemin and Zhu Rongji on the July 4 weekend. The autumn CP Central Committee plenum was moved up to the beginning of July and provincial governors were also summoned.

Vice Premier Zhu Rongji, the new economic czar, presided over a national finance meeting at which he acknowledged liquidity problems in the banking system. This emergency meeting was also given full publicity, on the television news. Yet the *Peoples Daily* confessed in a front-page editorial July 5 that no one has any idea what to do. "The market economy works by the same rules all over the world, yet it is still rather alien to us. We want to build a market economy on the foundation of the socialist system. This is a new creation never before seen in human history. . . . When it comes to the socialist market economy, we are still only primary school students."

# World Bank takes wrong tack on controlling Bangladesh floods

by Ramtanu Maitra

As the fast-flowing eastern rivers of Bangladesh have begun to overflow with the first monsoon rains in the area, the much-touted Flood Action Plan (FAP), a \$15 billion high-technology flood prevention scheme coordinated by the World Bank, has come under severe attack from the European parliamentarians, many European non-governmental organizations (NGOs), academics, and local NGOs. The International Flood Action Campaign Committee, which is spearheading the attack from its Brussels headquarters, says that the project does not adequately take into account the environmental aspects of the program, and warns that it will probably cause the resettlement of thousands of area residents. The committee is also demanding full environmental impact studies before the work goes ahead.

The Flood Action Plan was formulated at the behest of Bangladesh's foreign aid donors, following an unusually excessive flooding in 1987. It is a brainchild of Danièle Mitterrand, wife of the French President François Mitterrand, and got under way when President Mitterrand appointed a team of 30 engineers to find a permanent solution to recurring flood damage in Bangladesh. Simultaneously, Japan, the United Nations Development Program (UNDP), and the United States also engaged their own experts to devise measures for flood prevention and flood control schemes. These various efforts eventually became coordinated under the umbrella of the World Bank, and through pressures from the Group of Seven industrialized countries, the FAP was born.

## A flawed project

Putting aside its trimmings, the FAP envisaged that in order to provide adequate drainage and control flooding, the major water-carriers of Bangladesh—the Brahmaputra and Meghna rivers in the east and northeast, and the Ganga and Padma rivers flowing in from the west—must be harnessed simply by constructing high embankments. Proposed by the French, these embankments would average 4.5 meters in height, rising to a maximum of 7.4 meters, and would have a total length of 3,350-4,000 kilometers. Although the French are credited with this flawed concept, the World Bank has made it clear in its report that the overriding objective of the FAP is to control the major rivers in this way.

The FAP came under criticism from its very inception. Experts pointed out that because of the huge amount of water flow involved, the building of embankments will defeat the very purpose of flood prevention, and that even though some immediate relief may be obtained, in fact such dikes will create even more devastating floods in the future.

Flood control and flood prevention is not new in Bangladesh. When the British East India Company came to this part of India, they found miles and miles of dikes of modest nature along the riverbanks. These dikes were built in the 17th and 18th century, not to stop flooding, but to reduce the damage caused by severe floods. The dikes provided adequate latitude to these mighty rivers to overflow wherever the population density was low and the land was available for the water to spread.

The FAP, however, ignoring all these basic requirements, promotes a concept which, besides being highly cost-ineffective, would endanger a larger population. Experts point out that when rivers, which carry large amount of silt and sand, are constricted by embankments, silt and sand deposits on the riverbed increase, causing a hydrodynamic effect which cannot be ignored. In the case of the Brahmaputra, Meghna, Padma, and Ganga—all major rivers carrying large amounts of silty clay from the Himalaya Mountains and huge delta through which they flow—the riverbed deposit of silty clay will increase once they are straitjacketed through embankments. Over the years, this will raise the riverbed, and eventually the river will overflow, making breaches in the expensive embankments and then washing them away.

## Delta population endangered

The second factor which the FAP has chosen to ignore, as pointed out by experts in Bangladesh, is that the surface velocity of flowing water will increase significantly when these larger rivers are controlled through embankments. The resulting faster flow of the massive amount of monsoon water from almost all of the southern face of the Himalayas over a length of more than 1,000 kilometers, and the water carried by the Brahmaputra from the northern face of the Himalayas and the Tibetan plateau, would inundate the delta areas of these rivers along the Bay of Bengal, where a large section

of the Bangladesh population resides.

In response to these criticisms, the World Bank claims that the FAP has not been finalized, and that it is still in the planning stages. The World Bank also assures the critics that the future design of the program should surface early next year, following the completion of some of the 26 assessment projects.

Over the first five years of the FAP (1990-95) \$150 million has been earmarked for studies in small experimental projects. Andrew Steer, deputy director of the bank's environment department, told the media that "donors will move on to the next stage of the FAP only after a thorough public review of all the environmental and other studies undertaken under the first stage." But there are indications that the FAP has already run into trouble with the donor countries: Out of the proposed \$15 billion, not more than \$1 billion has been pledged so far.

### Environmentalists' game

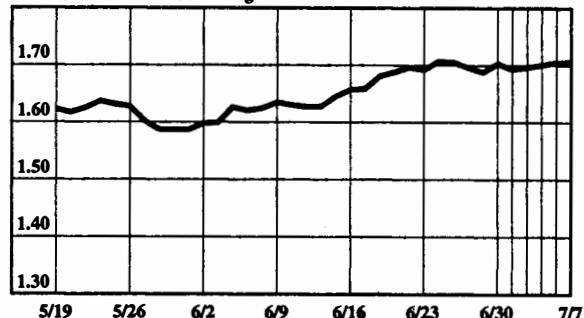
The FAP may be a flawed project, but there is no question that Bangladesh's mighty rivers can be channelled judiciously for the betterment of the land and its people. If no water-control projects are undertaken, we will see bigger and bigger floods in the years to come, causing more and more damage, including loss of human lives and cattle. Water spreading, flood channels, modest diking, dredging of silts in some rivers or parts of rivers, etc., would help to reduce flood damage significantly and enrich the soil with rich silts. All these, however, require a more comprehensive understanding of the river flow, lay of the land, and general land-water interrelations.

But instead of finding a solution to the devastating floods, the environmentalists are attacking those aspects of the FAP which are in any way associated with projects which might actually help to control flooding. For example, the Brussels-based mother environmental organization, the International Flood Action Campaign Committee, is opposing the project not on its merits, but because it would displace thousands, with landless families being forced to resettle due to the construction of embankments. It also attacked the plan, embedded in the FAP, to promote the spread of high-yield varieties of rice. The committee argues that the previous plan to do so (i.e., the "Green Revolution"), although it increased Bangladesh's food production and provided food to the poor, has resulted in major environmental dangers. These environmentalists also claim that if the FAP goes through, it would inflict serious damage on the diversity of the region's flora and fauna. Already, the World Bank has responded to the pressure tactics adopted by the NGOs and environmentalists, and, instead of pursuing a comprehensive plan for better management of river waters, has started negotiating with the protesters for a series of local projects which will not be effective in controlling the floods, but which would dislocate fewer people.

## Currency Rates

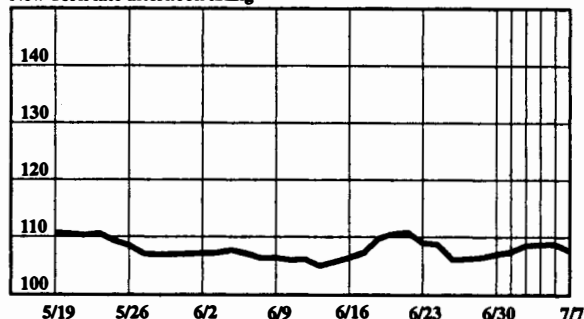
### The dollar in deutschemarks

New York late afternoon fixing



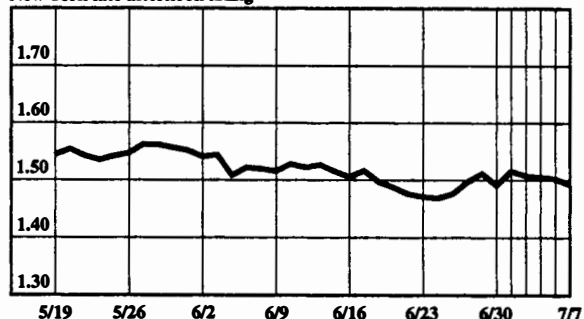
### The dollar in yen

New York late afternoon fixing



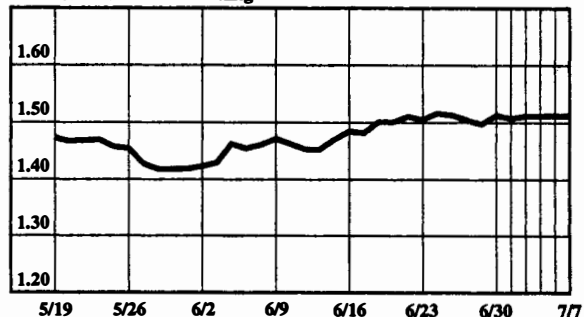
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Bankers' boy CAP in Venezuela feels the heat, as battle rages over economy

by Alfonso Rodríguez

More evidence and new charges could be added to the case the Venezuelan Supreme Court is pursuing against former President Carlos Andrés Pérez. CAP, as he is known, was forced to step down from the presidency on May 21, to face trial on charges of corruption. He was Ibero-America's most faithful enforcer of the International Monetary Fund's austerity demands, and his economic policies left his nation a shambles. As the new evidence of his misdeeds comes to light, the real policy fight raging in the corridors of power is over the economy.

Sen. Cristobal Fernández Dalo, president of the Senate subcommittee investigating drug money-laundering, presented the prosecutor's office with abundant documentation, including bank account deposits in Republic National Bank in New York and the National Bank of Paris in Geneva, Switzerland, in the names of Pérez and Mrs. Cecilia Matos, with whom the former President has maintained "close relations" for years.

A year ago, Matos was investigated for "unaccountable profit-making," but the judge found insufficient cause to charge her, given that she was not a public official. At the time, her lawyer said that it would be more appropriate to investigate who gave Matos her vast fortune. Precisely such an investigation might be launched in the next weeks.

The investigations are also tied into reports from the U.S. Congress, to the effect that the Bank of Credit and Commerce International (BCCI), the so-called "drug bank," had financed Pérez's electoral campaign in 1988-89. Among the documents presented by Senator Fernández Dalo were checks written to the notorious arms trafficker Anthony Perosch. Perosch had already been investigated during the Jaime Lusinchi government, after he was accused of overpricing by \$23 million a contract to sell munitions to the Venezuelan Armed Forces.

The documentation also includes a payment to Venezuelan clothing merchant Carlos Sultan, who is currently being sued over millions of dollars' worth of imports of questionable origin. Then there are checks written by Matos and made out to fashion designer Carolina Herrera, a fact which has drawn much attention, because when Herrera gave testimony in the earlier investigation of Matos, she assured the court that Matos was *her* employee, which is how Matos obtained her U.S. residence.

One day after the news came out, an enraged Pérez claimed that the documents "were possibly forged," as he claimed to have no bank accounts abroad. "I don't care to speak of this and you know why," he told reporters who asked about his relations with Matos. However, to Senator Fernández, the relationship between Pérez and Matos is no longer a personal question, but a possible "partnership in crime" against the state.

It is not only Pérez who must now face the music. Air Force Gen. Eutimio Fuguett Borregales, who had to face two separate military rebellions last year as general commander of the Venezuelan Air Force, was forced to abruptly resign his post on June 5 to face a court martial on embezzlement charges.

## Economic crisis hasn't gone away

But while the war against corruption is being waged in the courts, a more decisive battle is under way inside the cabinet recently formed by President Ramón J. Velásquez, around the economic crisis that Pérez left behind. An immediate problem concerns a \$1 billion payment due for servicing the foreign debt. The Pérez government had not saved sufficient funds to make the debt payment, despite the fact that the public budget did not cover the payroll for teachers, nor such basic services as the public hospitals. As commentator Román Rojas Cabot wrote in the June 12 *El Diario de Caracas*, Pérez "religiously dedicated one-third of public monies to the creditors." The \$1 billion debt payment was due on June 18, and no one yet knows what the government decision was.

According to the new finance minister, Carlos Rafael Silva, "the genesis of our problems" is the foreign indebtedness unleashed upon the country by the IMF. However, the new planning minister, Hernán Anzola, thinks that "if the [IMF] packet had not existed, we would have had to invent it." It was necessary for President Velásquez himself to intervene, confirming that the head of the economic cabinet was Minister Silva.

But such an intervention is proving insufficient. The agricultural producers and the small and medium-sized industries, in particular the shoe, clothing, and textile manufacturers, are pushing hard for a total revamping of the policy of "opening up" to foreign trade as dictated by the World Bank.

At the same time, they are appealing for a refinancing of their debts contracted with the national banking system, as well as for a new financial policy that will enable them to continue producing. In response, Miguel Rodríguez Mendoza, director of the Foreign Trade Institute (ICE), which has just been elevated to a cabinet-level ministry, is militantly opposed to any changes in the tariff regimen set up by Pérez.

Rodríguez Mendoza was Pérez's negotiator for the General Agreement on Tariffs and Trade (GATT) talks, and was also the main negotiator involved in the push to transform the Andean Pact into a free-trade zone. Rodríguez is currently in a pitched battle with Agriculture Minister Hiram Gaviria, an agricultural leader committed to restoring a sovereign economic policy.

"As a result of the adjustment measures implemented by the [Pérez] government since 1989, the internal agricultural output has been in steady decline for four years," declared Gaviria in his first meeting with the Agrarian Advisory Council, formed by various former agriculture ministers and all the leaders of the agricultural producers' associations. Because the producers are reducing their cultivation, it is expected that this year will see a continued decline in agricultural production in virtually every sector.

For example, in 1991, some 1.24 million tons of corn were harvested; in 1982, that fell to 852,000 tons, and this year it is estimated to reach only 700,000 tons. In 1988, an historic high was reached in sorghum, which came in at 819,000 tons. Last year, that fell to 513,000 tons and this year is expected to be half that figure. In food oils, dependency on foreign imports has gone from 65% in 1988 to 92% in 1992. According to Gaviria, the national problem is that "one cannot keep one's food in a neighbor's refrigerator since, in case of a fight, we will simply be left without food."

Apart from the credit shortage and the elimination of subsidies for fertilizer, the trade opening has inundated the national market with imported grains at prices far below the national cost of production. It is even suspected that in some cases, these imports are being used to launder drug money, at least in the judgment of several agricultural leaders. Take the case of the tomatoes brought from Chile, which in Caracas are priced at the equivalent of their transport cost, that is, as if the product cost nothing at all.

To halt these practices, Gaviria has resorted to using sanitary regulations to prevent the dumping of chicken, pork, and some grains that were competing unfairly with national production. These measures, according to Gaviria, do not go beyond the framework of GATT, and, more importantly, succeed in protecting national production in the same way as the industrialized countries. This has provoked the fury of ICE director Miguel Rodríguez, who is demanding that measures which endanger existing trade agreements immediately cease.

Zeilah Carrasco, the president of the National Cattle-men's Federation, has published an ad in all the Venezuelan

newspapers, calling on the government to use those deposits which the Venezuelan Central Bank has "dammed up" through the reserve ratio and zero-coupon bonds, to refinance the \$1.5 billion worth of agricultural debt. Until now, the Velásquez government has promised to issue a decree seeking some means of financing that debt, but it has thus far given no signal that it will implement any practical measures—such as exchange controls—to lower interest rates.

### **A united front of business and labor**

The president of the Federation of Small and Medium Industry (Fedeindustria), Angel Gutiérrez, announced on June 23 that, along with the Venezuelan Labor Federation (CTV), "we have decided to join in a single voice to present the national Executive with a picture of the critical state of the productive sector." He explained that "there are more than 400 companies which have shut their doors and more than 20,000 workers out of jobs or in the process of being laid off, because the companies have no way of keeping up a cash flow while simultaneously paying the high interest rates on their loans." Angel Zerpa Mirabal, acting president of the CTV, left open the possibility of "a united front" between sectors.

This potential for unity has already revealed itself in the actions of the business and labor federations of the shoe and textile industries, whose spokesmen have made clear the urgency of cutting off imports of these goods. According to the unions, the "open skies policy" Venezuela has with the Andean Pact, coupled with longstanding corruption in the customs houses, allows imports to come in at declared values lower than their real worth, which has facilitated drug money-laundering and other illegal practices.

There is little doubt inside Venezuela that the entire anti-corruption drive and generalized rejection of Pérez's economic measures on the part of both business and labor—as well as the trial of Pérez himself—would not have been possible were it not for last year's military rebellions of Feb. 4 and Nov. 27. "The release of the previous government's political prisoners will be the first step toward achieving the atmosphere of calm and harmony for which the nation clamors. [It would be] a pertinent and valid initiative, especially if one considers that the Supreme Court ruling in favor of trying Carlos Andrés Pérez gives grounds to the arguments of the rebel officers," read a declaration issued by a group from the Venezuelan Academy of Sciences on July 3.

The declaration, signed by economist Domingo Maza Zavala and former central bank director Tomás Enrique Carrillo Batalla, among others, proposes measures for confronting the economic crisis. The statement stresses the urgency of establishing appropriate administration of foreign reserves to allow price controls and a reduction in interest rates. Issuing a new series of bonds is proposed, to replace bonds of the renegotiated foreign debt, an action which could reduce the current debt service burden.

# Business Briefs

## Infrastructure

### Electricity grid will link Mideast

Energy and electricity ministers of Jordan, Syria, Iraq, Egypt, and Turkey met in Amman, Jordan on June 12 to push ahead with a \$384 million project to link their countries in a unified electricity grid, according to an Amman TV report.

The five nations are expected to sign a general trading accord drafted by a joint technical committee. A meeting of electricity board chiefs in October is expected to endorse the project, and the Arab Fund for Economic and Social Development and the Islamic Development Bank are expected to finance it.

Iraqi Minister of Industry and Minerals Amir Hammudi al-Sadi has called for isolating all phases and details of the electricity grid project from foreign influence. "We view this project as a major, positive step that will help our people overcome some of the difficulties hampering their aspirations for prosperity, stability, and close multilateral relations," the minister said, according to Baghdad radio.

## Technology

### Agencies push use of food irradiation

The World Health Organization (WHO) is asking governments to authorize food irradiation and to assist its commercialization, according to reports from Paris in early July. A joint meeting of WHO, the International Atomic Energy Agency (IAEA), and the U.N. Food and Agriculture Organization in France in March confirmed that irradiation was feasible and cost-effective in both industrialized and developing countries.

Food irradiation could help reduce the tremendous post-harvest losses of food products and lower the number of food-borne diseases. According to a U.S. Department of Agriculture study, the savings on the costs of food-borne illnesses would be three times the cost of irradiation processing. The cost of salmonellosis alone in the United States is estimated

to be \$2.5 billion.

The board of governors of the IAEA recently released a plan for expanding the use of food irradiation in developing nations. Four countries, Chile, China, Mexico, and Morocco, have been selected for introducing commercial scale irradiation programs. The latter two countries have already carried out feasibility studies with assistance from the IAEA.

An irradiator facility is planned for San Luis Potosí in central Mexico. IAEA experts are concerned that the coming ban on the pesticide methyl bromide will hurt Mexican agriculture and lower the quality of domestically consumed food. The ban "will almost certainly increase the food industry's interest in the alternative and in many ways more effective, or unique, technology for some products, i.e., irradiation," according to an IAEA document.

Food irradiation is authorized in 38 countries worldwide for many products, including fresh produce, spices, grains, meats, and poultry.

## Trade

### Ibero-American banana industry threatened

The decision of the European Community, strongly pushed by Germany, to place a punitive tax on bananas originating in the Western Hemisphere (supposedly to favor bananas from African producers), is expected to decimate what is a crucial industry for at least eight countries, including some of the poorest in the continent, including Nicaragua, Costa Rica, Honduras, Panama, the Dominican Republic, and Ecuador. At least \$1 billion annually is expected to be lost, and with it, the jobs of at least 600,000 banana growers—a catastrophe of major proportions.

According to sources in Europe, this will have, among other consequences, the very specific result of causing an explosion of drug production, especially poppy cultivation, which will facilitate major heroin production in the region for the first time. These sources note that this drug production will largely be exported to Europe, including Germany, France, and the former East bloc.

## Investment

### Taiwan readies major trade zone development

Taiwan plans to spend about \$11 billion over 25 years to develop a strip of 26,150 acres of land along the island's western coast in Yunlin county into an industrial and trade zone, the Industrial Development Bureau said on July 1. Some 4,940 acres would be developed into Taiwan's first free trade zone, where import tariffs would be waived to promote warehousing, shipping, and other transport industries, bureau director Chang Chuan-tsuan said, Reuters reported.

The plan is part of an economic stimulus package announced by the government in June and formally approved by the cabinet. Vincent Siew, chairman of the cabinet's Council for Economic Planning and Development, told reporters that Taiwan hoped to lure multinational companies to establish centers for their regional operations inside the zone.

"We want to liberalize and internationalize Taiwan's economy," Siew said. He added that the government would complete detailed plans for the zone within two years.

## Space

### Russia and Kazakhstan discuss cooperation

A high-level delegation of Russian space scientists and administrators has been at the Baikonur Cosmodrome in Kazakhstan to try to come to some agreement on the status of this launch facility, according to reports on Moscow News television in early July. It is the only complex from which Russia can launch manned space missions and other non-military payloads. The delegation was there for the launch of a Soyuz spacecraft carrying a crew of two and a French astronaut.

For the past two years, the Cosmodrome has been in a chaotic state. With the collapse of the Soviet Union, Russia pulled out the military specialists who had run the facility. Remaining military troops have rioted and threatened to go on strike over the deteriorating



conditions, typical of the state of the entire former-Soviet space program. Moscow News showed the state of the facilities, with buildings in disrepair and equipment lying idle. Neither Russia nor Kazakhstan has come up with the 4 billion or so rubles it is estimated is required to rehabilitate the complex.

## Public Health

### Some AIDS carriers quarantined in Australia

Some AIDS carriers are being quarantined by the government of the Australian state of Victoria. According to a report in the July 2 Melbourne *Herald-Sun*, the Health Department is already understood to have isolated a number of AIDS carriers in their homes.

Health Minister Marie Tehan said that her department had the power to protect the community from AIDS patients who are seen as a risk to the community. If AIDS carriers who are deemed to be dangerous fail to respond to counseling, then they will be confined to public institutions, she indicated. Civil liberties organizations oppose the measures.

## Oil

### Azerbaijan breaks deals with western companies

The new government in Azerbaijan has torn up a three-week-old basic agreement on oil exploration and production negotiated on June 11 with a number of U.S. oil companies, including Amoco and Pennzoil, as well as oil companies from England, Norway, and Turkey, the June 30 *Houston Chronicle* reported. The deal had combined three separate oil field development projects (Shirag, Azeri, and Guneshli offshore fields) into one huge project in the Caspian Sea.

The head of Azerbaijan's state oil company, Sabit Bagirov, "has little power left," the *Chronicle* said. Bagirov is a member of the Popular Front of ousted President Abulfaz Elchibey. Diplomats told Associated Press that an

oil refinery boss who is an ally of new Azeri leader and former Azerbaijan KGB head Gaidar Aliyev, now controls the Azeri oil industry.

The *Chronicle* also reported that negotiations with Turkey's state-run pipeline company, BOTAS, to build an oil pipeline for exports from the Caspian Sea across Turkey to the Mediterranean are also on hold. "We were supposed to hold talks on the route of the pipeline on June 29, but we have postponed them indefinitely," Mete Goknel, the head of BOTAS, told Reuters.

## Speculation

### Derivatives market protected by U.S.

The United States is pressuring the Japanese government to open derivatives markets, the June 28 *Wall Street Journal* reported. Treasury Undersecretary for International Affairs Lawrence Summers and other U.S. officials met on June 25 with officials of the Japanese Ministry of Finance "in an unusual instance of U.S. regulators' making a preemptive strike against Japan's policymaking," to prevent the Japanese government from cracking down on financial derivatives.

The derivatives market is the largest speculative bubble in history. A recent Bank for International Settlements study estimated derivatives contracts at the end of 1991 at a "colossal \$10 trillion." American economist Lyndon LaRouche has proposed a one-tenth of 1% tax on such transactions to get an idea of how big the bubble is and bring it under control.

The *Journal* reported that "a few savvy U.S. companies, including Morgan Stanley Group, Inc., Salomon, Inc., and Goldman Sachs & Co., have focused much of their energy in Tokyo on this part of the financial market. . . . Some Japanese securities companies, along with the Tokyo Stock Exchange, want to curb derivatives, which they think hurt the traditional business of trading ordinary stock. The exchange has proposed rules allowing it to shut down derivatives business when it wants and to limit the business a company may conduct for its own account."

# Briefly

● **LLOYD'S** of London revealed a record \$4.33 billion loss for 1990, the third successive annual deficit for the 306-year-old insurance market, Reuters reported on June 22. Lloyd's lost \$3 billion in 1989 and nearly \$1 billion in 1988. Leading members of Lloyds say the run of unprecedented losses could jeopardize Lloyd's itself.

● **UKRAINE'S** economic catastrophe can be traced back to the role of the International Monetary Fund and the advisers sent in by Harvard University, Friedrich W. Christians, the former chairman of Deutsche Bank, said on July 2. Christians asserted that most of the problems that the Ukrainians now face could have been avoided.

● **THE WALL STREET** stock market boom is so volatile that it can collapse in another 1987-style crash, the June 21 German weekly *Der Spiegel* mooted. Investors have begun pulling out of New York stocks, seeking their fortune in booming Asian stock markets instead. "The risk of a crash is increasing," the weekly warned.

● **COLLEGE STUDENT** jobs doubled in the United States over the last 30 years. Some 48% of U.S. college students held jobs in 1991, as opposed to 23% in 1961, according to the Bureau of Labor Statistics. Most are working to pay tuition costs.

● **JACQUES ATTALI**, who has been under attack by the British-controlled press for alleged lavish spending, resigned as president of the European Bank for Reconstruction and Development June 26. Former French Foreign Minister Roland Dumas charged that the criticism of him reflected the lack of enthusiasm that the "Anglo-Saxon financial establishment showed for the bank."

● **MALAYSIAN** Defense Minister Najib Abdul Razak announced that the country will buy 19 MiG-29s from Russia and eight F/A-18s from the United States in a \$1 billion deal, the June 30 London *Financial Times* reported.

---

## Nuclear power in the East: cause for fear, or for hope?

---

*In eastern Europe, nuclear energy is the critical edge between going forward and going down. Western cooperation in upgrading safety and expanding capacity is key. Emmanuel Grenier reports.*

---

*The following article was translated from the French journal Fusion, No. 46.*

On April 6, in the “secret town” of Tomsk-7 in Siberia, a stockpile containing nitroacetic solutions of uranium and of fission wastes from the treatment of nuclear fuel, exploded. Fortunately, the incident, classed as level three, did not destroy the building, and there were no injuries. Nonetheless, the immediate environment was contaminated by radioactive materials. Russian authorities say it was “the most serious accident since Chernobyl” (class 3 out of a scale of 7). Installations of this type pose a very worrisome problem in the former U.S.S.R.: Unlike nuclear plants, which are inspected when they are on line and are stable when they are not, these chemically explosive stockpiles are becoming dangerous as maintenance becomes lax, often because funds are lacking. By contrast, the East’s nuclear plants are not the potential bombs they have been described as, even though they do require serious upgrading.

“Sixteen Chernobyls Are Operating!” “The East on the Verge of a New Nuclear Catastrophe”; “Kozloduy, A Potential Bomb”; these are the kinds of sensational headlines one can regularly read in the western press or in the press releases of certain ecologist organizations. The interest in the nuclear plants in the former Comecon countries was greatly increased after the fall of the Berlin Wall in 1989, which allowed a much greater opening toward the West and made it easier to visit nuclear sites. Moreover, movements for national liberation and independence, such as Ukraine’s Rukh, became mobilized around defending the environment and health; when they came to power, these themes came with them. It can never be understated how fundamental a role Chernobyl played in the collapse of the U.S.S.R. Nuclear power in the

East is therefore in the spotlight.

The Chernobyl accident poses several fundamental questions: What type of aid should be provided to Russia and its former satellites? What is the future of nuclear power in the world? One may well ask whether the panic-mongering sparked by these “cursed” plants is based on fact. Is the competence of Russia’s scientists and engineers as mediocre as some have claimed? What are the true energy needs? How can France and Germany use their far-reaching cooperation to make a positive intervention in the field of nuclear energy? These are the questions raised in this report.

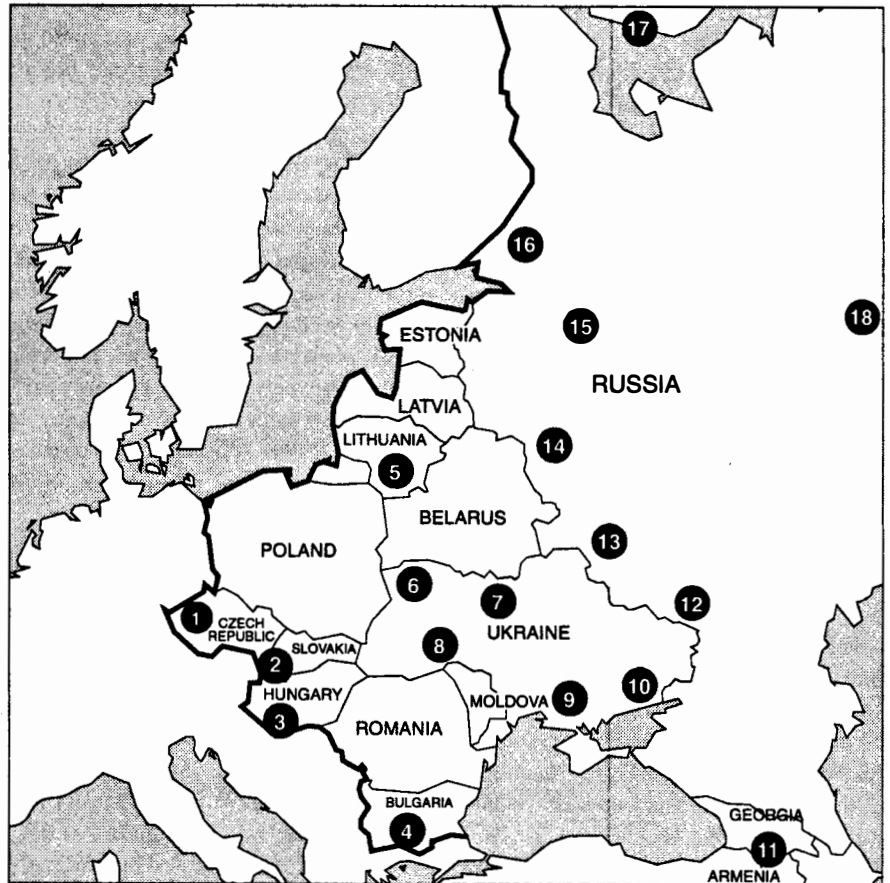
Before its dissolution, the U.S.S.R. was the third largest civilian nuclear power, in terms of installed power, at 35,000 MWe—behind the United States (102,000 MWe) and France (56,000 MWe). In 1990, its 42 reactors produced 211.5 billion kwh, constituting 12.2% of total electricity production.

The breakup of the Comecon [the socialist bloc’s trading organization, the Council for Mutual Economic Assistance] and the collapse of the U.S.S.R. have produced different results in the nuclear community, depending on the rapport each nation had with Moscow. Thus, in Hungary, where the separation process was already well under way, the authorities for operations and safety had already acquired a certain independence. The four VVER power stations (pressurized water-type reactors) function there under relatively satisfactory conditions. The situation is similar with the plant in the former Czechoslovakia, which played, along with Skoda, an important role in the manufacturing components for nuclear plants. On the other hand, in countries such as Bulgaria or Lithuania, the departure of Russian technicians has brought about disorganization and dependence, with respect to both operations and safety. Western aid, mostly from Sweden in

FIGURE 1

## Nuclear plants in eastern Europe

1. Dukovany: VVER 440-213 (2)
2. Bohunice: VVER 440-213 (2) and VVER 440-230 (2)
3. Paks: VVER 440-213 (4)
4. Kozloduy: VVER 440-230 (4) and VVER 1000-320 (2)
5. Ignalina: RBMK 1500 (2)
6. Rovno: VVER 1000-320 (1) and VVER 440-213 (2)
7. Chernobyl: RBMK 1000 (3)
8. Khmel'nitski: VVER 440-213 (1)
9. Nikolaev: VVER 1000-320 (3)
10. Zaporozhe: VVER 1000-320 (5)
11. Oktemberyan: VVER 440-230 (2)
12. Novovoronezh: VVER 440-230 (2) and VVER 1000-320 (1)
13. Kursk: RBMK 1000 (4)
14. Smolensk: RBMK 1000 (3)
15. Kalinin: VVER 1000-320 (2)
16. Sosnovy-Bor: RBMK 1000 (4)
17. Kola: VVER 440-230 (2) and VVER 440-213 (2)
18. Balakovo: VVER 1000-320 (3)



the case of Lithuania, is therefore vital to preventing a new accident.

### What type of reactors?

The reactors of Soviet design represented about 11% of nuclear reactors in use in the world (see **Figure 1**). The VVER reactors are the only ones that were exported outside the U.S.S.R. There are three generations: in chronological order, the 440 MWe model 230, the 440 MWe model 213, and the 1,000 MWe. Otherwise, there is the famous RBMK graphite-water reactor, one of whose models, Unit 4 at Chernobyl, exploded on April 26, 1986.

The generic problem in all Soviet reactors, with the exception of the VVER 1000, is that they do not incorporate the design of "defense in depth" utilized in the West. This principle consists of minimizing risk by intervening at three possible levels:

- 1) to prevent accidents by the quality of design and construction;
- 2) to inspect the installation and control it in order to permanently prevent its going outside the range of normal functioning (safety systems);
- 3) to design safeguard systems in the eventuality of an accident, and thereby limit the consequences.

Another generic problem is organization. In contrast to what exists in France, where each person's role is codified according to written procedures, generally no one knows who is doing what. Communication of instructions generally takes place orally. Insofar as they exist, procedures are limited to the operation and do not include maintenance or unforeseen situations, whereas in France, everything that is done during the course of maintenance operations is carefully noted down. Finally, the training of personnel is incomplete, for lack of resources.

### The human factor

This problem of organization is reflected at the level of the role of safety agencies, whose authority over operators is not nearly as well established as in the West: Often enough, the imperative for production supersedes the imperative for safety. The "culture of safety," the glue that holds together all elements of nuclear safety, does not exist. The Three Mile Island accident in 1979 in the United States proved the security and viability of the concept of defense in depth: Despite an incredible combination of human errors, the containment structure kept all radioactive products within the building. This accident was useful in prompting the western countries to completely review their approach to this culture

of safety, at all levels. Drawing lessons from the accident, they took note of the importance of this culture and developed it. But, in the East, they were unable or unwilling to change their attitude. The Russians in particular neglected the importance of the human factor, and only began to take it into account after the catastrophe at Chernobyl.

This latter has amply shown that there was a lack of safety organization at all levels. Recall that the accident did not take place under normal conditions, but during an experiment in nuclear physics. In the wake of various circumstances, this experiment, planned to be carried out under half-power, had been conducted under low power—in other words, in the most unstable area of the reactor. In order to conduct the experiment, the plant operators straightforwardly took the reactor safety mechanisms off line—an unthinkable act in France. When the experiment went ahead at 1 a.m., the catastrophe occurred: The chain reaction was unleashed, the power was multiplied by a factor of 100 in a few seconds, causing the fuel elements to split. The overheated fuel, coming into contact with the water, split it into oxygen-hydrogen, which caused the explosion and the release of radioactive particles. Note that, all the same, this explosion, equivalent to 60 tons of TNT, bore no resemblance to a nuclear explosion: Reactor No. 3, back-to-back with the disabled reactor No. 4, continued to function, despite the terrific fires that were so near. “The entire main cause of the accident” is tied to “an unimaginable accumulation of transgressions of the rules and procedures for operation of plant by the operations personnel,” concluded the first official Soviet report on the accident.

What is reassuring for the future is that, after the breakup of the U.S.S.R., an agency for control of nuclear safety and radio-protection, Gosatomnadzor, was created in Russia. This seems to have some authority over the Atomic Energy Ministry, which was pretty much omnipotent before 1986 and which gave little notice to anything safety inspectors said. After three accidents—still unknown in the West—at the RBMK plant at Sosnovy Bor, the first in the RBMK series, in 1974-75, the inspectors had recommended “developing a more rapid backup emergency shutdown system in order to compensate for the effects of a positive void should a fuel element rupture.” (See below for an explanation of the fuel element.) As the report on the Chernobyl accident remarked, “Alas, these recommendations were not followed.” Thus, over two and a half years before the accident, Soviet safety inspectors had pointed out the faulty design of this emergency shutdown. According to the same report, “the agency drew attention to the extreme danger represented” by this system, and proposed corrective measures which, if applied, would have prevented the accident. But the measures apparently were not applied. In 1986, the operations director for nuclear plants was a Mr. Veretenikov, a good Communist, but a man who knew absolutely nothing about reactor technology. He had just spent 15 years at Gosplan.

Today the situation is quite different: As in the West,

safety engineers stay on site at the power plants, and they have unlimited authority to shut down a nuclear unit. And this is not theoretical: According to Aleksandr Grigorov, deputy director for this office, in 1992, Gosatomnadzor required the complete shutdown of two unsafe units, and the sidelining of three others until they are modernized. Therefore, there is reason to hope.

### **The problems with the RBMK reactor**

However, aside from these human problems, linked to the absence of a safety culture and to the Soviet system itself, there are definitely problems in design. The RBMK reactor operates only in the former Soviet Union. The Soviet technology was looked into by both France and Great Britain when they considered replacing their own national graphite gas procedures. Both rejected it, feeling that it was not safe enough. This type of reactor operates with boiling water: The cooling pipes are permanently filled with a mix of water and steam. But the latter does not transfer heat as well as the former; hence, when there is an excess of steam, the temperature rises. This effect is called “the positive void coefficient”: when the power of the reactor increases, its reactivity also increases. It is precisely the opposite with the French pressurized water plants: The more the power increases, the more difficult it becomes to increase it further. This characteristic makes the RBMK reactor far easier to handle, but far more dangerous to run, than western reactors.

The other major problem of the RBMK from the standpoint of safety lies in the emergency shutdown system. The control rods, which slow down the nuclear reaction by inserting neutron-absorbing materials (in this case boron carbide), move far too slowly. Worse yet, they include a particularly serious design error, because they begin by increasing the power before stopping the reactor. The “fuel elements” must be mentioned again, which are completely peculiar to the RBMK: these fuel elements are made of zirconium alloy which cross the graphite pile. They contain both the nuclear fuel and circulate the liquid coolant. When subjected to strong radiation, they are quite fragile and break as soon as the temperature, normally at 284°C, reaches 550°C. There have already been two accidents of this sort: at Chernobyl 1 in September 1982, and at Sosnovy Bor, near St. Petersburg, as recently as March 1992.

Finally, a major failing is the total absence of containment for the six old RBMK reactors, constructed between 1954 and 1967, and the mediocrity of the containment for the 10 others, built since 1968. In none of these cases has a sealed structure been employed, as in the West, to prevent radioactive products from spreading into the environment.

### **Positive changes**

Since the accident at Chernobyl, and in collaboration with the International Atomic Energy Agency (IAEA), the Russians have taken measures in the areas of design and

monitoring of the core, and in protection of the reactor, allowing, in part, a remediation of the problems: They essentially aim at reducing the positive void coefficient and improving the efficiency of shutdown systems. These measures have been largely implemented at RBMK reactors still on line. Other improvements are planned, including the development of an ultra-rapid shutdown system by the injection of helium-3, a better cooling system for the control rods, and the decrease of the volume of graphite in the reactor core, which will reduce the ratio between volume of moderator and fuel and a hence reduce the void coefficient. The analyses of the scenario of the Chernobyl accident that were undertaken by the Kurchatov and Entek institutes (the latter is responsible for modernization measures to improve RBMK safety) established that "the accident could have been avoided if only one of the following improvements had already been operational" at the time: a change in design of control elements (no positive effect in the case of emergency shutdown), incorporation of absorption rods of reduced length in the shutdown system, or a larger minimum reserve of operational reactivity. "Since then, all three measures have been taken at all RBMK plants."

During the IAEA meeting in Vienna from Oct. 27-Nov. 5, 1992, western safety experts were able to quite freely and openly discuss with their Russian, Ukrainian, and Lithuanian colleagues the entirety of these measures, whether in place or projected. They arrived at the conclusion "that an immediate shutdown of the power stations, as sometimes demanded by certain people in the West, is not justified." Moreover, they made 16 recommendations and underscored that the operator's personal for activating the safety functions still played too important a role. While still objecting that the role of Russian safety authorities is sufficiently visible and independent, the western experts nonetheless applauded the fact that the states that utilize the RBMK are openly willing to discuss safety problems and objectively examine their critical conclusions.

### **The VVER 440 reactors**

But the RBMKs only make up only a minority of the reactors of Soviet design. In fact, all new construction of RBMKs was definitively halted after the Chernobyl accident, and thus the risk they represent will be diminished, with most of the reactors finishing their lifespan within the next decade. The essential questions have to be raised about the VVER reactors: Are they as dangerous as the RBMKs? Should all reactor construction be stopped, or should operation of already-built ones perhaps be interrupted as soon as possible? These are the questions being legitimately raised by neighbors of those countries operating the VVERs. In order to attempt a response, we must first examine the three very different types of VVER reactors.

The first, designed at the end of the 1950s, the VVER 440 MW model 230, poses the most worrisome prob-

lems. The containment is inadequate, insufficient consideration of seismic risks (the two reactors sited in Armenia were shut down after the earthquake, although they suffered no damage, but today, given the dramatic situation in the country, their restarting is being considered), the vessel is overly sensitive to radiation because the water between the core and the lining of the vessel is too shallow, and it has inadequate fire protection; all this adds up to a large negative balance for safety. The VVER 440-230 nonetheless possesses several strong points: a large mass of water in the primary circuit permits a greater time lag before intervention, should there be an anomaly (this time lag is even greater than, for example, those available in French equipment). Again, in the primary circuit, the gates allow isolation of each circuit, of which there are six altogether, each outfitted with a submerged rotary pump.

The VVER 440 model 213 corrects some of the drawbacks of the 230 model: It has a redundant safety injection system for the primary circuit, comprised of four accumulators, three high-pressure pumps, and three low-pressure pumps, in principle making it possible to cope with a break in the piping. The reactor vessel is fitted with stainless steel, and the primary pumps are equipped with a flywheel which keeps them circulating longer in case of an accident. What remain are the problems of containment and the sensitivity of the lining to radiation. Notwithstanding, the level of security is a net improvement over the model 230.

### **The VVER 1000**

The design dates from the beginning of the 1970s, and the first unit of this model came into service in 1980 in Novovoronezh. It is very similar to the 900 MWe units of Electricité de France (EDF): This is a reactor with four primary circuits, housed inside a concrete containment structure. The safety systems have a third order redundancy (this means that two breakdowns can take place simultaneously without putting the security in danger, since the third system is available to ensure safeguards).

The western nations have generally chosen to intervene on the VVER, and consider the RBMKs to be ultimately doomed. They think it were better to complete the VVERs under construction rather than stop, and to let the RBMKs continue operations. With the modifications contributed by western countries and the rapid progress in the mode of operation achieved by eastern European authorities, operating the VVER 1000 no longer poses any generic problems.

### **The intervention of EDF**

Under the aegis of the World Association of Nuclear Operators (WANO), Electricité de France (EDF) has worked at several nuclear sites in eastern and central Europe. We will take the example of Kozloduy, since it is the most indicative of what can be done (see box). EDF in general limits itself to technical interventions in the operational security. It cannot,

of course, change the design and quality of the equipment— aspects of safety that we have cited above in describing the “defense in depth.” Financing for the interventions can be found in three ways. Credits for studies are generally provided by the European Community (EC); those earmarked for large equipment come from the World Bank or the European Bank for Reconstruction and Development (EBRD). Finally, for emergency undertakings, EDF can even unblock its own funds: In the case of Kozloduy, EDF offered the operators a truck, environment similar to those used around French plants, for inspecting the environment.

In general the interventions were extremely well received, especially since they usually occurred as part of a pairing process: A small handful of engineers in a French plant (one or two full-time engineers and others on a part-time basis) permanently follow the progress of the power plant with which it is paired. Kozloduy is paired with the power plant at Bugey, Nogent-sur-Seine with Bohunice in Slovakia, and Saint-Alban with Dukovany in the Czech Republic. Two other pairs are planned for Russia—Paluel with

Balakovo and Penly with Novovoronezh—and two for Ukraine—Golfech with Rovno and again Bugey with Zaporozhe. There is even talk of pairing supergenerators, which would link Creys-Malville with Beloyarsk. Finally, EDF and Cogema have set up the first two information centers on nuclear energy in Russia.

These pairings include not only engineers, although they are the pivots for the operation. Regular exchanges, very frank discussions on documentation, methods of operation, training, and procedures, brings two technical cultures, as well as both peoples, closer together—indispensable for a healthy cooperation.

Of course, problems are not limited to management or transformations in defective power plants. They also touch on supply of fuel and uncertainty with respect to personnel. As with all skilled personnel, those who work in the nuclear industry are tempted to emigrate to the extent their incomes continue to drop. For the moment, this problem is not so critical, but may well become so if the disorganization of the country continues. Another source of uncertainty remains with the organization of the electrical system itself: While the Thatcher model—complete privatization—seems to be on the back burner since the beginning of 1993, numerous countries are still considering an option consistent with full-tilt liberalizing of their electricity production. Only Hungary and Romania have stabilized, opting for a system closer to that of France, with a national company.

## Kozloduy, a success story

The case of the Kozloduy No. 2 nuclear plant in Bulgaria demonstrates the effectiveness of international cooperation in nuclear safety. In May 1991, the International Atomic Energy Agency demanded an emergency shutdown of the plant. But this was out of the question, in an economic situation already at the limit of what could be tolerated. The Bulgarians nonetheless agreed to shut down the two most dangerous reactors, those in Units 1 and 2, which are VVER 440-230 types. EDF has undertaken the work, under the aegis of WANO, beginning with Unit 2. Thirteen months later, “the international authorities do not recognize the power plant they had seen 18 months earlier,” said Henri Guimbail, international nuclear safety expert attached to the Production Transport Service at EDF. According to him, “The nuclear plant itself is sturdy and viable. The margins of autonomy are quite large. There still exists an intrinsic safety factor, since they possess a far greater stock of re-cooling water than we use. But their regulations are not ours. That is where we have to intervene.”

In September 1992, two small fires broke out at Reactors 5 and 6, affecting the electrical systems. But they were quickly repaired, and today five out of the six units are functioning in a completely acceptable manner.—*Emmanuel Grenier*

## Franco-German cooperation

Franco-German cooperation is doing well in the area of safety, since, after the July 19, 1989 accord, already-existing ties between the Institute for Nuclear Protection and Safety (IPSN) and its German counterpart, GRS, had already been expanded. This expansion took the form of a common structure, called Riskaudit-IPSN/GRS International. The main motivation for creating Riskaudit was to facilitate cooperation of the two countries in eastern Europe, a desire explicitly stated by their heads of state at the May 1991 summit in Lille. Riskaudit then came into being in October 1992, as a European Grouping for Economic Involvement, with equal participation by IPSN and GRS. It is based at Fontenay-aux-Roses, at the headquarters of IPSN. It is not meant to be redundant, but rather to act as a light structure for direction and coordination between the two institutes.

Riskaudit is thus very oriented toward the East, as seen in the creation of two offices, one in Moscow and the other in Kiev, intended to assure a more on-the-scene presence and to facilitate setting up different programs for evaluating safety: Joint safety evaluations have already been carried out in Greifswald in the former German Democratic Republic, in Stendal. Others will undoubtedly take place at Temelin (Czech Republic) and at Rovno (Ukraine). On Feb. 23, 1993, the Moscow branch was inaugurated to great fanfare; Mr. Teske, a German, will direct it. The branch in Kiev does not

yet have offices, but its director, Igor Golicheff of France, has already been named and is active. While awaiting the ability to intervene directly, he is actively preparing himself, and is studying the Russian language in Paris. The office is expected to open in the summer or by October at the latest.

If, with Riskaudit, Franco-German cooperation gains a foothold in the East, cooperation on nuclear safety matters will be the imperative first step. The accords signed between Framatome and Siemens led to the establishment of NPI, a firm whose goal is to export a jointly built reactor, and later, to construct a European pressurized water reactor. A prototype will be started up in 1995 and will begin commercial operations toward 1997. IPSN and GRS have begun examining the European NPI project. This provides a quite original solution to re-cooling the core in case of meltdown: A large slab of cement, somewhat slanted, installed beneath the reactor vessel allows the melting fuel to be spread out in order to be more easily cooled. A reserve of 150 cubic meters of water with added boron (to slow the neutrons) is placed where the fuel would end up in case of an accident. According to Riskaudit, what is needed is a "convergence of approaches in the French and German safety techniques, beneficial to the joint development of concepts for new reactors by the industry of both countries. In the long run, this convergence will favor harmonization of the safety approaches of EC countries."

The relations of Riskaudit with scientific and engineering experts in Ukraine and Russia are generally excellent. French and German mission specialists in safety are not effectively cut off from their area; they spend a great deal of time in discussions with their eastern European colleagues. The latter are all the more receptive, since they take place on equal footing. This openness toward western aid may be strained when they see the experts named under the EC procedural regulations arrive from Italy, since that country officially renounced nuclear energy after it was voted on in a referendum. To be given advice by people who have less experience than you do, is often too much for Russian pride!

### **Responsible specialists**

After the accident at Chernobyl, and in the context of the general collapse of communism, it was commonplace to think that everything that came from Russia was primitive and archaic, or even that Russian technology and science were for the most part behind their western equivalents. This thinking doesn't cohere with reality, and in fact can impede good East-West collaboration. For example, the plant operators at Kozloduy have denounced the incredible number of visits which they have had from experts (bearing no relationship whatever to the real material needs they have) and the condescension with which they are treated. However "competent the operators are, they simply lack a culture of safety," confirms IPSN's Igor Golicheff. A cultural change is in the process of taking hold, under the twin pressures of public

opinion and necessity. Everyone today is well aware, given the still fragile state of the new-found democracy in these countries, that a continuation of nuclear power demands this cultural change as well as more transparency.

### **The Green ostriches**

Not everyone is hoping for these changes. Some do-gooders have effectively demanded an immediate halt to nuclear energy in the East. The Green caucus in the European Parliament sponsored a resolution in 1992 demanding that the European Community interrupt all technical and financial aid for upgrading eastern European power plants. Then they formed a European organization, Contratom, which accused the nuclear industry of seeking "to use this situation [in the East] to reverse its own economic decline, by proposing costly modernization of old reactors or their replacement by western models." Contratom demanded: "Let's stop puttering around! Let's campaign to stop the western nuclear lobby in the East!" Their solution? Gas turbines, for \$6 billion, could replace all the western plants—at a cost, according to them, "ten times less than the cost of repairing nuclear plants." The extremism of their figures is astounding. The estimate of the G-7 is only \$700 million over four years, which is far from the \$6 billion declared by the Greens. But above all, they take no account of a fundamental point: There is not enough gas production in today's Russia. Exports have been massively increased in order to earn desperately needed foreign exchange. An increase in production in order to replace nuclear plants presupposes expenditures for infrastructure (gas pipelines, etc.) far more significant than the \$6 billion they mentioned—infrastructure which in any case would not be built in a day.

Others, like ultra-malthusian Jacques Cousteau, rely on the conclusions drawn by two notoriously anti-nuclear activists, Raymond Sené (GSIEN) and Robert Pollard of the Union of Concerned Scientists, to demand the "definitive shutdown" of Units 1 through 4 of Kozloduy. Let's quote the catastrophic prose of the Cousteau team, which visibly seeks to play on fear: "The entirety of Europe is being held hostage by the fist of the 'nucleocrats.' Everything must be done to halt the most dangerous plants, whether they are the RBMK type like Chernobyl or VVER like Kozloduy. This goes to the heart of security for all Europeans." The Cousteau team acknowledges the need to put alternative measures into place if they want to close Kozloduy, but it proposes nothing more than "definition of a long-term energy policy, based on energy efficiency and nuclear non-proliferation."

If energy savings are certainly necessary in countries where "temperature is often adjusted by opening a window," they are nonetheless insufficient to supply the need. Gas? None of the countries have access to it in great volume except Russia. To propose it for Bulgaria, as Ségolène Royal has, verges on ignoring the financial and economic situation in these countries. Coal? Just look at the situation in Poland and

TABLE 1

### Profile of nuclear energy in some former communist countries

Country	Installed nuclear power	Percentage of electricity from nuclear power	Reference year
Russia	18,000MW	11%	1990
Ukraine	12,000MW	23%	1989
Lithuania	2,500MW	56%	1989
Bulgaria	3,760MW	35%	1989
Czech and Slovak Federated Republic	3,520 MW	28%	1990
Hungary	1,760MW	48%	1990

former Czechoslovakia to realize what this proposal means for the health of the men, women, and children of these countries. Never mind the forests, so dear to our ecologists.

### The nuclear imperative

Therefore, it is necessary to continue, and indeed to increase exploitation of nuclear energy. As we have already said at the beginning of this article, in the former Soviet Union as a whole, nuclear made up no more than 12% of electricity production (see **Table 1**). But this average figure does not take regional factors into account. Within this vast territory, which has never had the interconnection we enjoy in western Europe, we must reason along regional lines. And at this level, in those places where they have been installed, nuclear power plants hold a preponderant place in the electrical equation. In other words, it is not possible to do without nuclear power, without causing damage. The case of Kozloduy is again exemplary: In order to go ahead with modifications deemed indispensable on the two first units, it was necessary to close them in May 1991. For the local population, this shutdown translated into rolling electricity blackouts three hours each day, over the course of two winters.

That said, we should absolutely not minimize the major impact of the Chernobyl accident throughout all the countries in the East. To take Bulgaria again, this impact was translated into a massive growth in the anti-nuclear movement, to the point that 54% wanted the construction site for the second Bulgarian nuclear plant at B el en e to be shut down. In 1991, the government resolved to do so.

In Ukraine, the situation is even worse: Parliament, pushed by the fact that over 90% of the population is anti-nuclear, voted a resolution declaring a moratorium on all construction of new nuclear plants, including those nearing completion. The government issued a decree aimed at the cessation of operation of the three remaining units at Chernobyl for 1993. But nothing is simple! Since the meeting of the

Group of 24 at Brussels in March, the representative of the state committee for nuclear energy allowed the shutdown dates for the three units to be postponed to 1995, 1997, and 2005. In the meantime, they will still build a small electrical power plant in order to continue feeding the primary circuit pumps, so the reactor can continue to be cooled after its shutdown. Whatever the case may be, the shutdown cannot come before 1994.

As for the Parliament decree, it has been openly violated. Construction of the power plant at Zaporozhe is 99% completed. At Rovno (where the fourth unit is 80% complete) and at Nicolaev, they have also opted for the politics of the *fait accompli*. The state committee has elsewhere stated its desire to "reverse the moratorium." A sign of this reversal is the global accord signed in February 1993 between the prime ministers of Russia and Ukraine on the matter of pursuing development of nuclear energy. It encompasses both development and construction of nuclear plants as well as reactor components, the fuel cycle, research reactors, planning operation, training personnel, dismantling of old installations, and finally radiation protection and safety.

Meanwhile, the Czech Republic has decided to complete construction of the two units of the new nuclear complex at Temelin, despite opposition to the project. The ministers responsible for economic, industrial, and ecology questions took the decision "for economic and ecological reasons." These installations will act to decrease energy dependence and the environmental pollution in the north of Bohemia, which came from coal-fired plants that were terribly polluting.

### Strong necessity in Russia

Similarly, the Russian Ministry for Atomic Energy has quite clearly shown its desire to continue with nuclear development. It has just signed an accord with the French Atomic Energy Commission (CEA) confirming their collaboration on all major issues of civilian nuclear uses. In addition, it has signed a contract with the American firm General Atomics for initiating a joint venture aimed at developing a modular high-temperature helium-cooled reactor. This type of reactor has the advantage of being able to burn plutonium from military sources, which Russia has great access to following the strategic arms accords signed with the United States. "If we utilize plutonium, we can destroy about 95% in operation. The Russian scientists have been very active in the development of plutonium-based fuel, and they are working at this very moment with us on the issue," said a spokesman for General Atomics, based in San Diego, California.

But this represents future activity. Let's come back to the inevitable decision by the eastern countries to continue to operate their nuclear plants. Does this run the risk of an incident? Yes, like any human activity, and this risk is certainly greater than those we would find acceptable in western Europe. Speaking fairly, does this decision pose a risk to western Europe? One can reasonably assert, no. The cloud



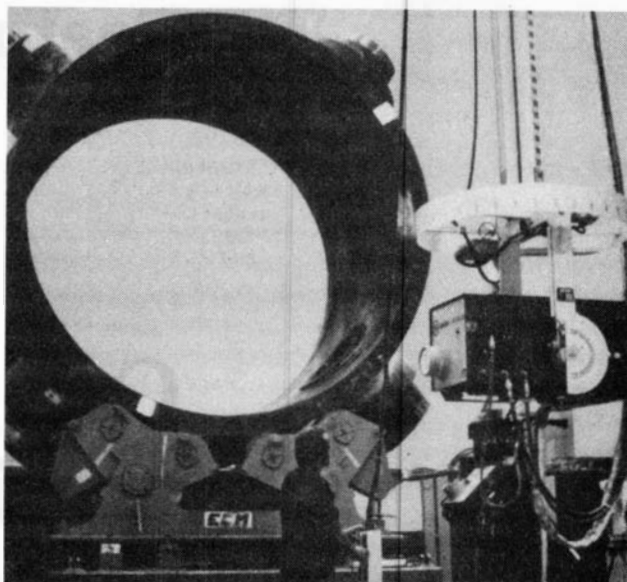
from Chernobyl, which was so much talked about, corresponded to no more than the equivalent or less irradiation one would get during a plane trip to the United States. But above all, we must evaluate the risk represented by the shutdown of nuclear plants, without a viable alternative solution: The lack of electricity would be translated immediately into a general decrease in living standards and hence ultimately into an increase in mortality. This decision therefore seems reasonably acceptable to us, and it is in no case an act of thoughtless folly, as some have been saying.

We have seen that the reactors of the East are rustic, that is, both simple and sturdy. They have serious safety failings which can be partly remedied. Nonetheless, the accumulated experience corresponds to over 1,000 years of reactor operation. This experience has been laced with incidents, the most serious having, of course, been Chernobyl. But we must not forget that, if the operators had not disconnected the safety systems, their other errors would have only led to a reactor shutdown. Paradoxically, one can say that, with the opening to the West, the goodwill in cooperation on both sides (understood to be in their mutual interests), and the progressive improvement in the VVER plants, the nuclear situation has never been better. Certainly, risks are still far too significant. But they were all the more so when we had little or no information about them. It is in this sense that nuclear energy can be a hope for the East—hope for a better environment, and most particularly for better air quality; hope for a more reasonable kind of technological development, because it takes man above all into account.

### **A duty to provide aid**

Now that we have access to information on these risks and hopes, we in the West must not panic, but must take action. We have seen that there is no dearth of goodwill. The French and Germans have been able to put competition to one side in order to act together where it is necessary. International organizations are redoubling their appeals for help. The EC quite easily released funds in order to intervene. That was when the problems started: Sir Leon Brittan, then commissioner for competition—defying critics who were saying that “when there is a fire, you don’t endlessly discuss which firefighters are least expensive”—decided to take the usual step of calling for bids. The result: months of added delay, and a bid that ultimately fell to Westinghouse.

Still, all hopes rested on the EBRD, which was commissioned by the Group of Seven to manage a fund earmarked for the improvement of nuclear safety in central and eastern Europe. The objective is to respond to immediate safety needs of the oldest power plants. Jacques Attali, EBRD chairman, stated: “I have very happy that, as we requested eight months ago, the G-7 has finally decided to set up this fund. We are now able to move quickly to provide eagerly awaited equipment in order to repair those reactors that can be repaired, and close the ones that are most dangerous. We



*X-ray inspection of part of a nuclear reactor vessel at a Framatome factory in France. The western European nuclear industry has a longstanding safety policy of “defense in depth,” and can make major contributions to improving conditions in eastern Europe’s nuclear systems.*

are beginning by improving fire prevention in the RBMK models and the VVER 440-230 models.” The special EBRD funds, as opposed to the EC credits that support research studies, strongly center around financing equipment. The EBRD, which has already received promises for ECU 40 million from Germany, France, and Britain, estimates it will be able to receive “several hundreds of millions of ECUs over three years,” which is roughly the higher amount estimated by the G-7 for completion of emergency work.

Whatever the figure, if aid is to be effective, we must reject the ultra-liberal philosophy that has prevailed so far and which is prejudicial to both the real economy in general and to nuclear safety in particular. The center for observation and planning at the French Ministry of Foreign Trade, in a note on economic relations with Russia, acknowledges this in clear but diplomatic terms: “It is obvious that aid is suffering from unrealistic conditions placed on it by the International Monetary Fund (IMF) under color of economic reforms: macroeconomic objectives that are impossible to attain (balancing the budget) or premature (total price liberalization, ruble convertibility) in the absence of indispensable structural conditions.” The official French agency thus calls into question the IMF policy, “whose doctrines are currently unclear and are even becoming the object of much discussion, above all internally.”

The problem of nuclear energy in the East therefore represents a microcosm which fairly reflects all the problems posed by the collapse of the U.S.S.R. and the liberation of its peoples, as well as what action the West should take on site.

## Can South Africa achieve unity to build a nation?

by Linda de Hoyos

On July 2, a multi-party negotiating forum in Johannesburg, South Africa announced, after hours of debate, that national elections for a 400-member constituent assembly will be held on April 27, 1994, the first elections in which black citizens will have full voting rights, after 350 years of white-minority rule.

The following day, Nelson Mandela, president of the African National Congress, and South African President Frederik W. de Klerk, were in Washington, D.C., meeting (separately) with U.S. President William Clinton. President De Klerk told U.S. Secretary of State Warren Christopher that the requirements set by the international community for the lifting of sanctions against South Africa would soon be met, and that South Africa would soon join the global community of nations. De Klerk also happily noted that the lifting of sanctions would give the green light to the International Monetary Fund to extend loans to South Africa.

On July 4, Mandela, De Klerk, and Clinton traveled to Philadelphia, where the two South African leaders were given the Freedom Award by the American President.

But the celebrations for new-found democracy in South Africa were belied by the events on the ground. After the announcement of the April 27 date for national elections, the black townships outside Johannesburg and in Natal province burst into the worst violence of the year. Over 100 people were killed in the space of six days, although according to Reuters, "residents speak of hundreds" dead in Katlehong township. In the townships, mobs were reportedly seeking to murder anyone who could speak Zulu, as they were presumed to be supporters of the Inkatha Freedom Party (IFP), which rejected the April 27 election date.

The killing spree, which ANC leaders admitted had been sparked by their supporters, also ended hopes that the nine-hour meeting between IFP leader Mangosuthu Buthelezi and the ANC's Nelson Mandela on June 25 would lead to unity of these two major representatives of South Africa's black citizenry.

To resolve the crisis in South Africa today and to avert full-scale civil war



*African National Congress President Nelson Mandela (above); South African President F. W. de Klerk (below). Right, a demonstration in Washington, D.C. in 1986. Sanctions are about to be lifted, but averting civil war in South Africa will require attention to several points which many in the anti-apartheid movement have never considered.*

requires attention to several points of conflict:

1) To what extent has the violence been sparked by a “third force”? On June 21, hours before the announcement of the Buthelezi-Mandela meeting was made, unidentified masked gunmen broke in to houses in Natal, killing 13 people, most of them members of the ANC. The killings were “clearly designed to destabilize the peace process,” commented BBC. And in the townships, during the slaughters, the police abandon the townships during the night, making no attempt to maintain law and order.

Even more to the point, a Briton who was formerly with the British SAS is one of the five most wanted suspects sought in connection with the June 18 storming of the multi-party negotiations by the Afrikaner Resistance Movement (AWB) in Johannesburg. According to the British *Daily Telegraph*, Keith Conroy, a former SAS member, had trained the AWB’s Ystergarde, the group’s “iron guard.” Conroy is believed to have been the leader of the AWB attack on the World Trade Center in Johannesburg, where the talks were held.

2) Both the IFP and the Conservative Party, representing many Afrikaners, are concerned that the current road to “democracy” is based on a secret deal between De Klerk’s National Party, and the ANC, which is dominated by the South African Communist Party and is also the beneficiary of funds and support from such British corporations as Tiny Rowland’s Lonrho. Such a deal would lead to the effective disenfranchisement of the Zulu-based IFP and the Afrikaners. Both these groups rejected the April 27 date, stating that

constitutional issues, including the relationship between states and the central government, must be resolved before any elections are held.

3) There will be no peace in South Africa without a reversal of the country’s current economic depression. Official unemployment in South Africa is 40%. Placing the economy under the domination of the IMF is a sure prescription for economic disintegration and the perpetuation of the slave-labor system known as apartheid. And how can there be regional or state autonomy and sovereignty in a country which is held hostage to the IMF?

Can unity be achieved in South Africa, a unity forged on a common vision for building the South African nation? *EIR* here presents four different views of the South African crisis—interviews and papers from murdered ANC leader Chris Hani; former head of military intelligence of the South African Defense Forces, Maj. Gen. Tienie Groenewald; IFP leader Mwezi Twala; and American civil rights leader Rev. James Bevel. The totality of these views proves that the crisis confronting South Africa is far more complicated and difficult than a simplistic drive toward “democracy” portrayed in the western liberal press. What emerges in views expressed below are very clear differences in viewpoint, but also the possibility of unity, as each leader voices his concern that South Africa achieve economic progress. This must be the starting point for negotiations seeking true unity for the South African nation, and unleashing that nation’s great potential for all of Africa.

# 'It is time to unify people,' said Hani

*At the time of his death on April 10, Chris Hani was the secretary general of the South African Communist Party and head of the "Stalinist" wing within the African National Congress (ANC). Before that, as the longtime head of the ANC's armed wing (MK), he oversaw the establishment of detention and torture camps for ANC "dissidents" in Angola and elsewhere. Three days before his assassination (see EIR, May 14, "Did British Intelligence Kill Hani?") he gave the following interview to journalist Gisela Albrecht. It was published in the French Communist Party paper L'Humanité. The following translation is from the German newspaper Unsere Zeit, published on May 14, 1993.*

**Q:** South Africa's blacks, who have struggled so long against apartheid, dreamed of a "magical day of liberation," as some of them put it. Mandela is free. Compromises are being worked out at the negotiating table, and the former enemies are extending a hand to each other. But there has been no "day of liberation." Now they are heading toward the projecting of a "government of national unity," a coalition between the liberation movement, the ANC, and the National Party, which was responsible for apartheid for 40 years. How are the young blacks, the township dwellers, whose lives have hardly changed, reacting?

**Hani:** That's right. In 1976 and the following period, people had this vision of liberation; they imagined that one day this white rule would come to an end. But there was no precise concept of the ways and means, and of the timing. I think that they reckoned with a long struggle. A great deal has been accomplished with the lifting of the ban on the ANC. It has become obvious that negotiations are also a means of struggle for a democratic South Africa. The government has grasped that it must take them seriously with regard to a new political structure. Of course they have their own concept of this new form. But it is clear that their program is no longer apartheid, whose time has definitely run out. We are moving in the direction of elections, and everyone can participate in them. That is, measured by the South African yardstick, very radical. Millions of people in this country have never voted yet.

**Q:** And yourself: When you were living in exile as the chief of the illegal ANC army, how did you imagine your return? Had you thought about a negotiated agreement with Pretoria?

**Hani:** No, no, and no! I never would have been able to imagine that this government would be seriously prepared

for negotiations. I was convinced that it would fight to the end, until the complete destruction of the country. We were prepared for a struggle that would last a long time. We were really surprised when Pretoria in 1991 indicated its readiness to negotiate. We then realized that we had brought the apartheid regime into a serious crisis. When I say "we," I am not just talking about the ANC, but also about the people in South Africa and in the international community who have supported us.

**Q:** Are you unhappy about having worked out a compromise with the National Party which is in power? Surely you had hoped for a radical transformation of South African society. . . .

**Hani:** No. I am glad that we have come so far. I am fully aware of how things stand and I am happy about the current situation. We have—this is my feeling—achieved a position of strength. We have justice on our side, which has also become recognized. Just think: We will soon—in less than a year—have achieved a large part of what we have fought for. No, we will not have achieved everything, but enough, in order to go further forward, in order to move into a new phase of the struggle, among other conditions, in a changed climate. The elections do not mark the end of the fight.

**Q:** How do you figure on being able to realize the transformation of South African society, including in the economic domain, in an eventual ruling coalition with the National Party? How will you be able to carry out your aims against this party in a government of national unity?

**Hani:** The apartheid policy is in its death throes. The National Party—as the party of apartheid—finds itself in the same situation. It is desperately trying to keep its head above water. Perhaps it will still be able to for a few years. But it will also need to submit to the new reality, in the sense that it cannot any longer prevent a real and full democracy in this country. So we are realists. Revolutionaries have to be realists. We are dealing with a government, which we have not defeated. They control the state, the police, and the security forces. The economy is overwhelmingly in the hands of whites. What we will achieve is political power only. We will enter into the parliament, which gives us power in political decisions and a forum for further advancing our struggle for social justice. We are at the point of making it happen that the party which has the largest number of votes will also be the one which takes over the presidency of the state. And naturally we will be striving, through the mobilization of our fellow combatants, to achieve the needed majority. We will not yet have a complete democracy at this moment, but we will have taken a step forward. The new national unity government cannot leave the state in its current situation. This will have to be systematically rebuilt. Apartheid will no longer be able to be tolerated. Under its rule, blacks were shut out of high offices in the state, which

was ruled by the whites. That will have to change. That of course presupposes the education of people, which concerns millions of blacks, whom we have to move to stand up very tall, high, so that our state will finally begin to be the reflection of a society in which racial differences can no longer play any role at all.

**Q:** How long will such a government of national unity be able to last?

**Hani:** Its most pressing task will be to launch the process of rebuilding the new state and the security forces. There are already numerous blacks in the Army. But there are also members of Umkhonto, our own army, the fighting forces of Transkei, Venda, Ciskei, and Bophuthatswana. Our aim, in three or four years, is to achieve a non-racial army. Therefore, we have proposed a time-span of five years, no more, for the transitional government. We need this period for the education of people, for perceptible improvement in the life of the ghettos, the building of housing, the provision of drinking water, electrification, and land redistribution.

**Q:** On this last topic, you have stated that it is a question of distribution and not of confiscation. What do you understand by this?

**Hani:** First of all there are millions of hectares of land which were seized by the state. They must be redistributed. We need to set up a new court, where land claims can be presented. You know that in the framework of the apartheid laws, millions of blacks had their property confiscated and were driven off it, and it was divided up among whites. We will therefore begin to set up courts everywhere, so that the communities can present their rights and get them recognized. The Army also possesses huge territories, where it carries out exercises and trains its troops. These lands must be reintegrated into the property of the state and undergo an eventual redistribution. We must discuss the future order of magnitude of individual land holdings. I, for my part, think that a piece of land which does not serve production must be subjected to taxation. Numerous farmers possess millions of hectares which they let lie fallow. The tax will perhaps lead to the sale of these lands, and then they could be used by new owners.

**Q:** I see no difference there between the policy of your party and the ANC's. What do you say on that?

**Hani:** What we say as the Communist Party can just as well be said by the ANC. We work together in the framework of an alliance. We have fought together for a long time and we have worked out a political program which is the result of mutual discussions among communists, the ANC, and the Cosatu trade union confederation. In the ANC's policy there are many elements which one can evaluate as socialist, because the ANC is influenced by the participation of socialists and trade unionists in the struggle. As communists we support this program, because as members of the ANC we have

taken part in its drafting. For us it is a question of implementing a national democracy as the first phase of the revolution. We find it important that people learn to make their democratic power conscious in the course of this phase. It is a question of building up independent and democratic structures of society. We are convinced that a democracy which functions exclusively on the parliamentary and governmental level, is not yet a democracy.

**Q:** Has the breakdown of the communist states in eastern Europe influenced you?

**Hani:** Yes, of course. We have seen where it leads when democracy is confiscated. People must be able to participate in the solution of their problems, in the building of schools, in nursery schools, in educational centers, and in economic development projects. And this must take place in the framework of organizations which the people themselves control.

**Q:** You mentioned the first phase of the revolution, democratization. What is the end-phase? Does the Communist Party maintain its drive toward a monopoly of power?

**Hani:** No, we have no ambition for this monopoly. We are against the claim to exclusive power for the Communist Party. We want to run as a party in democratic elections and would like to win sympathy and influence through the elections. And we go even further: So that the wealth of the country is used in the right way, a process must be set into motion, in which the state is no longer controlled by individual politicians, but by the majority of the population. That requires time and a lot of work. We also have rejected the idea that nationalization is the ideological priority for economic policy. Nationalization is no formula, thanks to which economic problems can be quickly and automatically solved. That was also established in the U.S.S.R. and eastern Europe. We think that there are areas in which nationalization is decisive, such as, for example, electricity, water, and transportation. That does not mean that all the means of transportation have to be nationalized. But that the structures used by everybody, such as schools and health care facilities, should not be in private but in public hands, in such a way that efficiency and competence are guaranteed. We are thinking also about new forms of ownership such as cooperative ventures or partnerships between the public and private sector. I see no grounds for thinking that such partnerships could not work, especially in the exploitation of natural resources. A state whose government is democratically elected would have to have its say in this area. In that case the employees would have to have their say as well. In no case would we want a situation such as in the former U.S.S.R., where bureaucrats exercised control in the name of the workers and where the workers themselves had nothing to say.

**Q:** I would like to come back to the youth in the townships, who have risked their lives in the anti-apartheid struggle. Did



*An old gold mine outside Johannesburg. Anglo-American Corp., which dominates South Africa's gold and diamond output, is the chief financier of the ANC. An Anglo executive said recently: "Let the blacks rule. We'll make a lot more money out of a black government than out of a white one because they would be a lot easier to manipulate."*

they, as they were doing this, having nothing in their heads except that the ANC would join in a government of national unity with the National Party?

**Hani:** You know, we all had a lot of dreams in our heads when we were fighting. We were very romantic. We believed that the U.S.S.R. had solved all its economic problems once and for all. We imagined that we could put things in order with nationalization in the twinkling of an eye. And we were fighting in a bipolar world. The world is now unipolar and has shriveled down to the scale of a village. A strong feeling of enmity toward everything that looks like socialism is coming out of its power centers. It is clear to us that a revolution, if it wants to be further supported by the people, must bring them something in many areas. Certainly we could let ourselves fall into revolutionary rhetoric, in the style of: "We are going to deal the whites a blow, we are going to nationalize, we are going to do this and that." But must not we rather be much more concerned about acting in such a way that the people finally retain the image of what they are striving for? Must we not dedicate ourselves to the creation of jobs in the face of the terrible unemployment and numerous layoffs? Must we not strive to improve our health care system, which is constantly getting worse? And must not something be done, so that the people in the rural areas and poor neighborhoods get electricity? Today, on the crest of the breakthrough to a democratic society, we must answer all these questions very honestly. We cannot deceive the people, by disguising things to them. Our policy must be transparent. We must go back to our young militants, in the remotest corners of our country, and say to them, "This is our vision!"

**Q:** And will they understand you?

**Hani:** Yes. And they are discussing this. They are afraid that we could let ourselves be bought. They are afraid of a deformed democracy. We tell them: We have won nothing. Compromises are inevitable, if you discuss with an adversary

whom you have not defeated. We will not achieve our victory at one stroke; we must carry out many strokes, thousands. But at each moment we have to ask ourselves: Are we bringing the people with us? Are we giving them something, even if it is not everything, but perhaps 10, 20 or 50%? For us it is a question of shaping situations in which we have the power to do something for them, to give them other kinds of employment, financial support. That is what we must try to make comprehensible.

**Q:** And the amnesty question?

**Hani:** I am of the opinion that everything which has happened, will have to be brought into the light of day. The ANC has acted in this sense, when it set up an investigation commission, which was concerned with what we did in Angola in our struggle to protect ourselves against South African agents, and with the circumstance that we—this is our feeling today—often lost the sense of the right proportion. Likewise on the part of the regime people who participated in death squads, who murdered our comrades, they must confess their crimes. We have to know who did that. I know that it is not very pretty. On the other hand, I believe that we should not conduct any Nuremberg Trials. That could reopen so many wounds, arouse so many tensions, and polarize our society. There are already so many rifts in this society, and it is time to finally unify people.

**Q:** How do you want to unite them? The whites have lived in isolation for so long with their power and privileges. . . .

**Hani:** It is possible. I have an unlimited trust in people. I know that they can be corrupted, if the circumstances are thus. They can be corrupted by indoctrination, by training, by requirements, to defend their privileges. But if we finally achieve an opening in this society, the walls will have to be torn down—there are already schools where white and black children learn together—if all the schools are opened and our

children, black or white, get together, from the nurseries to the universities, in sports and cultural associations, then we can make it so that the next generation—if not already our own—begin to truly be South Africans, and stop organizing themselves on the basis of their racial or ethnic groups.

**Q:** You have said of yourself and your party, that you are realists. Would you agree with me when I say that the South African Communist Party still has an unrealistic and idealistic image of man?

**Hani:** I am, we are idealists. And I believe that we all have to be idealists. I believe that we must all strive toward a perfect society even if the perfect society, no doubt, can never be realized.

Why should we not be inspired and animated by that which the Christians dream about, arriving in Paradise, in Heaven, where there is no place for suffering? I remember that as a child I used to observe the Catholic priests. They went through the villages to convince the people to go to church and to school. They cared about the poor. In our area there was nothing, no hospital, no doctors, none of the structures which make up a modern society. And we were poor. My father, for example, was a miner, we only saw him once a year. And every day I had to go on foot to school, which was 10 kilometers away. In the winter it was frightful, because in Transkei it can get terribly cold, and we had no shoes. That was a hard life, but we made it anyway. The church was our tie to the city. The parish priests even brought the mail to the villagers. They worked hard and made an effort to lighten the burdens of the people. I told myself that these are people who unselfishly stand up in their own person for others and fight for justice. That made a big impression on me. I believe that influenced my whole life. I even wanted to be a priest myself, but my father did not want me to.

I know that it is hard to act like those priests in this world. But why should we not have for humanity a vision of a society in which there is no exploitation? The progress of technological development and scientific discoveries is such that we have the potential to achieve a society of surplus, in which no one any longer needs to go hungry. I believe that as communists we must not allow this idealism to be taken away from us. So we should make a crusade for it. It should not be any arrogant or presumptuous crusade as a group or party, which thinks it should stand above the others. Rather I think, on the contrary, that the whole society should wrack its brains—and also fight—to find out how we can spread the wealth around in a reasonable way, such that we have a society in which people no longer have to suffer from curable diseases and malnutrition. A society in which there are no more illiterates and every house has electricity, in which no one has to fight hopelessly for his simple survival. I have this idealism anchored in myself, and I believe that we should all hold to it with determination.

---

## Interview: Tienie Groenewald

---

# A new colonialism is being fostered

*Major General Tienie Groenewald is the former head of the Department of Military Intelligence of the South African Defense Forces, and is a founder of the "Committee of Generals" currently playing a key role in the negotiations toward a new constitution for South Africa. He was interviewed in Johannesburg on April 28.*

**EIR:** There are currently multi-party negotiations which restarted again on Friday, April 23, toward what the new South Africa will look like. Could you tell us, as opposed to the news reports, what actually is going on inside those negotiations?

**Groenewald:** In the forum, you have basically three main political groups that participate. The Nationalist Party is the ruling party at the moment, significant because it is in control of the structures of the state. Secondly, the African National Congress, the South African Communist Party, and the Congress of South African Trade Unions—this alliance between the three. These two groupings, the African National Congress alliance and the Nationalist Party, basically control 14 of the 27 votes in the multi-party congress. The third grouping is the COSAG grouping, which stands for Concerned South Africans Group. It consists of two independent states, the governments of Bophuthatswana and Ciskei, and the semi-independent state of KwaZulu, headed by Chief Minister [Mangosuthu] Buthelezi, forms the third important leg of the black groupings within the COSAG movement. And then most of the major conservative right-wing parties, such as the Conservative Party, the Afrikaner Volksunie, the Volkswacht of Prof. Karl Boschoff, and the Afrikaner Unity Committee. This grouping is more representative of the people in South Africa than either the ANC or the Nationalist Party. To give you an idea: The ANC professes to be a multi-racial or non-racial party, but 99% of the members are black, and then there are a few whites, Indians, and colored members. The Nationalist Party professes to be multi-racial, but 95% of the Nationalist Party are white, and the rest basically are coloreds. But within the COSAG grouping, approximately 50% of the blacks are controlled by these governments, of COSAG, and more than 50% of the whites in actual fact support the concept of nation-states. So it's a much more representative group.

In the current phase in the negotiation process of the Multi-Party Congress, the ANC wants, and in this the Nationalist Party supports them, the transitional executive councils, which would be a form of interim government, to be appointed immediately. This should lead to elections, and the introduction of a transitional government, or as they call it, a constitution-writing government, and then somewhere in the next five to nine years to have another election that will then appoint the final government of South Africa. And the ANC alliance has specifically used the Chris Hani [head of the South African Communist Party] assassination as an instrument to now say that the only way in which we can stop the bloodshed and the economic chaos is by introducing a transitional government.

Most people don't realize that the people who *could* stop the bloodshed and chaos are the ANC alliance, because they *cause* it. They are the people who use intimidation and violence for political purposes. So on Friday, the ANC, supported by the government, tried to push the meeting to accept changes in the agenda whereby they would discuss the introduction of the transitional executive councils, and push the important issues which could be deal-breakers aside. The COSAG grouping says, look, before we can talk about a constitution, and before we can talk about transition, and before we can talk about setting a date for the election, we must first decide what form of state are we negotiating for.

Let me illustrate this more clearly. The ANC basically believes that we should have a unitary state with a strong centralized government. The COSAG grouping believes that we should have a federal or even a confederal system of government, where power resides primarily with the different states; and should this be the case, should this form of state be accepted, it means that the whole negotiation process would move to regional multi-party discussions. And these regions, once they've determined their boundaries and the power which they would want for themselves, would then send representatives to the multi-party forum. This would change the whole nature of the negotiation process, and if you do this, there is no necessity for a transitional process. You have your multi-party regional conferences, they decide on the boundaries and on the power which these states should have, they send their representatives to a newly constituted multi-party conference, they approve it, you have elections on a regional basis, and this leads us to federal or a confederal type of government—no interim government is necessary and the process can be completed by the end of the year.

But this, the ANC wants to avoid at all costs. They want to avoid talking about the form of the state, because this is really the critical issue at the moment. The important thing to realize is that the transition executive council which they want is an interim government to the degree that you will then have joint ANC control over our security forces. They will jointly control the budget. They will control the whole constitutional process. They have even agreed to the appoint-

ment of a commission which would decide on the boundaries and of the power of these regions—this commission would only report back to the constitution-writing body after the election. So what it basically means is that the ANC, which cannot control Umkhonto we Sizwe [the ANC's armed wing (MK)], and which cannot control the self-defense units—this they have admitted openly—now wants to share control over the security forces. So what happens? The government gets partial control over the SDUs and MK which cannot be controlled, and the ANC gets dual control over South Africa—at least a defense force which can be controlled. So who wins in this deal? It's quite obvious.

And the parties which do not have private armies, such as Inkatha and the Conservative Party and those governments, lose complete control over the situation. In other words, the playing field becomes very, very uneven. It becomes such that the whole weight shifts toward the ANC. This is not what negotiations are all about.

The second point is that once you appoint or determine the date for an election, the whole atmosphere in the country changes toward fighting an election. You know what happens in the states: When the presidential election starts, everything comes to a stop, people fight at the election. And this basically means that the whole negotiation is around the election; it's not about critical constitutional issues. That's why it's the most wrong thing you can imagine to decide upon a date for elections until you've sorted out the principles which will apply in a future constitution—at least the principles as far as regional dispensations are concerned. It's so important.

So those are the three critical demands which they want to discuss: the appointment of the transitional executive councils, the date for the election, and dual control over the security forces. And COSAG, from the other side, says, no; the first issue is the form of state. That is the critical issue. That is the one issue which we cannot avoid any longer.

**EIR:** The ANC and also the U.S. ambassador to South Africa have indicated that there was foot-dragging, although these are not their words, by irresponsible people who were trying to slow down the negotiations. You have 27 parties in the multi-party negotiations. Could you shed some light on whether it's just one or two irresponsible people throwing sand in the wheels?

**Groenewald:** Gentlemen, what they expect these parties to do (for example, Ciskei and Bophuthatswana are independent states) is to subject themselves to a transitional executive council that will have control over their destiny without having decided on the form of state. In the case of Bophuthatswana, *de jure* an independent country, its point of view is, you tell us what kind of a constitutional dispensation South Africa will have *before* we decide whether or not we want to become part of it. That's basically what they say. The Ciskei is saying the same thing. The government of KwaZulu, which is semi-independent at this stage, is now expected to agree to a transi-



tional executive council and give up its independence and its control over its police forces and its financial matters, without having the faintest idea of what the form of state will be in the future. The Conservative Party and the other right-wing parties, who basically are the people who are supported by the Afrikaner nation—which had two independent republics recognized by the world, the Transvaal republic and the Free State republic—in this country, are now expected to become part of a dispensation where they, approximately 18% of the population, will be completely dominated by people of different races and cultures. It's like expecting a country like France or Britain to just disband their parliaments and their independence at this stage and subject themselves to European decisions. It's like expecting U.N. Security Council members to give up their veto and subject themselves to the decisions of the General Assembly. This is what we're talking about.

So, the form of state is a very critical issue. And if we are talking about negotiations, then I think it's very irresponsible to go for a temporary settlement which will not last months, just to get a transitional government. This is the most ridiculous point of view I've ever heard in my life, and I think that the representatives within the COSAG grouping are acting very responsibly indeed in saying, first of all gentlemen, let's decide on the form of state, because then we have the basis upon which we can decide how the negotiation process should progress further. Let's have control over the MK and APLA commandos, and other private armies such as the AWB's armed force, so that we can have peace in this country. How can you have an election when thousands of people are being killed in political intimidation? So let's look at the critical issues, and *solve* these critical issues before we simply hand all the authority of government and all the power which we currently have to an organization like the South African Communist Party, because that is basically what is being asked of us.

Now what bothers us in this process is that the tendency in the past has been, on the side of the ANC, if they run into a difficult matter at the negotiation process, as the one at present or as happened at Codesa 2 [Congress for a Democratic South Africa—the earlier name for the Multi-Party Congress], they withdraw from the negotiations and start conducting mass action, which is nothing else but violence. Mass action which leads to the death of thousands of people and the destruction of property to the value of billions of dollars. In other words, their attitude is, either you do as we say or else we stop negotiating and we turn to violence, which is a classic communist technique, of course.

The second thing that worries us at the moment is the fact that the South African government has apparently made a deal with the ANC, and in the negotiation process they might just as well not have been there. They did not fulfill their obligations as the government of this country. They try and pass the responsibility for law and order, for peace, and even

for the economy, on to people who do not have the authority or the ability to control the situation. This is a very, very worrying factor.

The third worrying factor is that the press tries to create the perception that the people who really want to deal with the critical issues, are being branded as spoilers in the process. But if we go back we find that all the delays in the process have been caused by the ANC. The ANC walked out from Codesa and delayed the process for a whole year. Why not spend two or three weeks at this stage on discussing critical issues which will lead to a constitution which will last us for scores of years, a constitution which will really be a final solution and not a temporary solution. That's what the ANC and the South African government want at the moment.

**EIR:** There are 27 parties to these negotiations. How does that break down when it comes to voting?

**Groenewald:** Well, let's look at the result of the voting on Friday in the planning committee. Of the 27 parties, the government and the ANC control 14, so 14 voted that the agenda should be changed and that the transitional executive council election date and so on and so forth should be put to the top of the agenda. The people who opposed it and the people who asked that we talk about the form of state, the COSAG members mainly, are 9 votes out of the 27. And 4 parties abstained at this stage. These parties are moderate parties, which will in the long run possibly also add their vote to the COSAG grouping.

So you can see it is really a substantial number of parties that are now accused of spoiling tactics.

**EIR:** Potentially then we're talking about 14 to 13.

**Groenewald:** It's 14 to 9; without abstentions it could be 14 to 13, yes.

**EIR:** If you do reach a deadlock in this negotiating process, what are your expectations about what might happen?

**Groenewald:** I think first of all it would lead to intensive bilateral negotiations. In other words, the government and the ANC will get together to decide how to act, the COSAG members will bilaterally talk to each other, so there'll be a lot of bilateral negotiations. But the first decisive action would be that the ANC will immediately step up their campaign of violence. So you'll have mass actions, you'll have strikes, you'll have stay-aways. This is to intimidate the people to basically accept the ANC's way. The increase in violence could lead the government to basically take two steps. The first would be to declare an immediate referendum. Such a referendum could be held within five days. And because the government and the ANC control all the mass media, television and all the major newspapers, they could in the short term influence the people enormously to support their initiatives. In this way, you could have a one-man, one-vote sort of a referendum which gives the government the

---

---

*South Africa was the powerhouse of Africa. We seriously threatened the export markets of the major powers, and it was therefore in their interest to break the power of South Africa, so that South Africa could become one of the most important keys to the establishment of the new world order.*

---

---

authority to go ahead *without* the other members.

Second, they could introduce a junta—the government and the ANC between them could introduce the transitional executive councils without the approval of the other parties. They could give it a very nice name, like a government of national unity, but in actual fact it would be a typical South American junta. This would immediately lead to violent reactions on the side of the independent states and also of the Afrikaner community. And the result would be that such a junta, introduced even before or after a referendum or an election, could not survive unless they declare a state of emergency and impose security legislation very much equivalent to martial law. And this is when at least 5,000 people would be locked up without trial, not because they're necessarily planning something, but because they have the capability or they are a potential threat. . . .

**EIR:** Does such a list of 5,000 people exist?

**Groenewald:** Oh, yes. The list is actually 5,590 the last time I saw it.

**EIR:** You've actually seen this list yourself?

**Groenewald:** I have seen a copy of such a list, yes.

**EIR:** The nation has recently been rocked by the assassination of Chris Hani. News media reports and leads from police sources all seem to point toward the Polish immigrant Janusz Walus, now in police custody. Yet there are many unanswered questions about the assassination. Do you think Walus did it, and if so, is it conceivable that he acted alone?

**Groenewald:** It's a difficult question. Most assassinations always provide enormous problems. I think you could just look at the assassination and assassination attempts on people like President Kennedy, and even your previous President. In South Africa, for example, there were the two assassination attempts against Dr. Verwoerd, the first by a man by the name of Pratt, and secondly, the successful assassination of Dr. Verwoerd in Parliament, when a messenger stabbed him, right in the House of Parliament. In both cases, it was just attributed to the actions of a madman. And like the assassination of a Member of Parliament—Smits—when you start picking up the tracks you find that there have been coverups in most of these attempts.

The assassination of Chris Hani, where you had a man

who's a Polish immigrant, who fled from Poland because of his hatred for Marxism and now suddenly gets involved in the most stupid assassination attempt imaginable—it sounds just too pat to be true. It's just too obvious. He's an intelligent man. How he could simply walk up, shoot a man, climb into his car, drive away, and be picked up half an hour later in the same car that's been identified, with the pistol in the car, no attempts whatsoever made to get rid of the weapon, to get rid of the powder burns on his hands, even to disguise himself in any way whatsoever. The fact that, although it was a public holiday, just about every important member of the national executive of the ANC was present within a matter minutes; and, of course, most important of all, was the fact that no single incident could have benefitted the ANC more than the assassination of Chris Hani.

I think we should also remember that Hani was one of the leaders who was fighting a very important struggle for leadership within the ANC. He was actually a key figure in the ANC; just before the assassination, the alliance between the ANC and the South African Communist Party was an issue which was very embarrassing to the ANC, and there is no way in which they could explain the control exerted by the South African Communist Party over the ANC. And with an election to be held shortly, the contamination of Hani in the ANC was a very important factor. But they couldn't fire him, because the black youths supported Hani. Somehow or other, Hani had to be removed from the scene.

Now, I don't have any proof that the ANC was involved in it, but what has become obvious from the investigation of the South African police at this stage, is that there appear to be extensive links between certain organizations and Walus, which also seem to link up with foreign intelligence agencies. I don't want to make accusations that I cannot prove, but the hand of MI-6 seems to be quite clear in this whole effort.

But these, gentlemen, are rumors at this stage. I cannot prove it, and I think in the investigation, eventually, probably the finding will be that this Pole, this immigrant, acted on his own, that it wasn't linked to any other organization, and that the police are even using the Hani death to investigate organizations that previously they would not have any access into and to interrogate people that previously they would not have the right to interrogate. For example, the prominent member of the Conservative Party, Clive Derby-Lewis, who has been in detention for 10 days for questioning. Under

current security legislation, he can be held for 10 days without trial, and then he must be charged or released. But the minister of justice can provide an extension of his detention when requested by the South African police. And this is what has happened. They have now asked to extend the period of detention of Derby-Lewis, which indicates that they simply do not have enough information to charge him for complicity in this assassination. And in the meantime, the press is using the arrest of Derby-Lewis to make a serious attack against the Conservative Party, which is a very important member of the COSAG grouping. And once again, this ties up with other actions, about delaying tactics, spoiling tactics, within the multi-party conference.

**EIR:** General Groenewald, you have signed, as have a number of other prominent South Africans, an open letter to President Bill Clinton to free Lyndon LaRouche. Could you comment on how you see the importance of Mr. LaRouche?  
**Groenewald:** I look at Mr. LaRouche in the African context, not in the American context. Mr. LaRouche has exerted some very important influence, specifically as far of the economic development of Africa is concerned. This influence has been directed against neo-colonialism in Africa. Africa is at present being exploited by the major corporations, and in the meantime the country is in dire straits. We believe that the influence Mr. LaRouche could exert in American politics and in America as a superpower could possibly determine the economic future of Africa, which is very very important to us.

**EIR:** The U.S. and British governments, as well as others, have been intervening heavily into South Africa's politics for years. How would you characterize their role?

**Groenewald:** I think the first question we should ask is, why do they intervene in South African politics? I don't believe this is for humanitarian reasons, or because they really care for the people of Africa. If they did they would act entirely differently from the way they are acting at the moment. What they are interested in is how Africa can support the industrial complexes of these nations. South Africa has become a very important regional power within the African context. We are one of the major trading organizations in the world. We are located in a very strategic position. We are, in African terms, a regional power. To give you an idea: We produce about 70% of all the electricity generated in Africa. We have more motor cars in South Africa than in the rest of Africa put together. It gives you an idea to what extent we are, or were, a regional power in Africa. Even with economic sanctions being applied against South Africa, we have the industrial capacity to develop the most advanced mining technology. We did the first heart transplant. We developed a very unique uranium enrichment process. We even developed a nuclear capability—I'm talking about a weapon capability. This puts South Africa, whether we want it or not, in the big league.



*Paul Kruger, President of the South African Republic and leader of the Afrikaners in the Anglo-Boer War of 1899-1902. Kruger had proposed that pass laws and other British-established apartheid measures be lifted. The British wanted not only to seize South Africa's raw materials, but, playing the imperial game of divide and conquer, to prevent the emergence of a viable multicultural republic in Africa.*

But the most important thing of all was, this was the powerhouse of Africa. And we became the dominant trading and economic power in Africa, and in this way we seriously threatened the export markets of the major powers—of the United States, and the European countries. It was therefore in their interest to break the power of South Africa in such a way that it could not threaten the United States or the European powers in the economic field, and certainly as a country that could dominate the economic process and economic development within Africa. The result was that they simply had to break the power of the present government. They had to introduce a new system of colonialism, whereby South Africa would be controlled by major corporations. South Africa could become one of the most important keys to the establishment of the new world order.

**EIR:** Are you talking about a new world order characterized by civil wars, genocide, that sort of thing?

**Groenewald:** Oh yes, very much so. Gentlemen, what's happening in Africa at the moment is nothing other than genocide and civil war—if we look at what's happening in Ethiopia and Somalia, if we look at what's happening in Angola, if we look at what's happening in Mozambique. In the last two years, 250 leaders of Inkatha were murdered, assassinated; 35,000 people were killed in so-called political unrest, without the government even establishing a state of emergency as we did in 1986 when we had the situation under control within six months.

## We should not rely on the IMF, World Bank

*Mwezi Twala is a former African National Congress (ANC) commissar, and now the chairman of the Returned Exiles Coordinating Committee, comprising many former ANC members who were put through ANC torture and detention camps in Angola and elsewhere. He is also the regional organizer for the Vaal Triangle region (south of Johannesburg) for the Inkatha Freedom Party. He was interviewed on June 28.*

**EIR:** Could you comment on Terre Blanche, whose AWB [Afrikaner Resistance Movement] party led a violent action against the Multi-Party Conference negotiations on June 25? Do you think he is an agent of some intelligence services, either directly, or in a manipulated way?

**Twala:** I think that is true. Although I think that he might not be working for any intelligence service, people around him, his lieutenants, might be. I think Terre Blanche is just an ignorant orator. He is quite an orator, but he is not that clever. Some people are just using his prejudices and his fears and his ignorance to push him in a certain direction.

This right-wing group of Terre Blanche is not really a Nazi or neo-Nazi type of organization. But it is just that it is composed of the most illiterate amongst the Afrikaners. And they have these fears. They have lived a privileged life during the years of apartheid, because of the color of their skin. And now it is very, very difficult for them in this new type of setup, because the skin color is not going to give them privileges any more.

So they have those fears. And I think that if we address their rights as a group, and assure them through constitutional dispensations, they will be quite satisfied. And I think on the other hand, also, the racist slogans that are being pronounced by members of the African National Congress, as well as their racist actions of killing isolated farmers in their backyards, this exacerbates their fears. It's not just that their fears are baseless, as Mandela would like to portray it, but, practically, they have been slaughtered in the countryside, on their isolated farms.

And this is a deliberate destabilization by the ANC to try to move them out of their farms, because according to the ANC, they would like to nationalize farms whose owners are absent. This is the problem. They are trying to force these farmers off their land so that in the near future, if they become the government, they can nationalize most of these farms.

**EIR:** Do you think that it is the ANC that is doing the killings, or is it perhaps some third force which wants to exacerbate tensions and cause civil war?

**Twala:** No, the ANC is involved in this, because most of the people who have been arrested for committing such crimes have been found to be members of the ANC. All their propaganda machinery—they have been trying to put the blame on APLA [Azanian People's Liberation Army, the armed wing of the Pan-African Congress, PAC]. And I think that the De Klerk government is also making a lot of noise about APLA and the PAC. And yet the people actually involved in these killings are ANC members.

Recently, the president of the PAC requested a meeting with the farmers to settle this problem once and for all—that they are not involved in these killings. Most, in fact almost all, of the key suspects who have been arrested for causing these killings have been ANC members, or some of them are Cosatu-affiliated people [Cosatu, the Congress of South African Trade Unions, is the ANC-affiliated trade union federation].

Because that is how they recruit and organize farm workers for Cosatu. And then, through that Cosatu organization on the farms, they are able to get exact information, reconnaissance information, about the location of the farm, the routine of the farmer, his defenses, and so on. And they are able then, using that reconnaissance information, to attack these farms. So the PAC is not aligned to Cosatu.

It is a policy to destabilize farmers so that they move out, so that they can implement their policy, when they are in government in the near future, or in power-sharing with the National Party. And they, according to the ANC, would like to settle the land question. And they say the land question has to be solved by nationalizing some of the farmlands, especially those with absentee landlords. So that is how they are already trying to prepare for that.

**EIR:** How does the Inkatha Freedom Party see the future?

**Twala:** Well, I would say that the IFP is the only party in South Africa currently which has the correct policies for a future for all, a peaceful future for all, which can bring about an improvement of the economy, as well as address the problems of the impoverished blacks who have suffered during the apartheid era. It is the only such organization, and I think a lot of moderates realize this and are coming in. We are winning a lot of Afrikaners into our party, throughout the country. At the moment, besides the Afrikaners, English-speaking whites are also coming in droves into our party.

The track record of the IFP speaks for itself, since its inception. Our leaders have always been advocates for dialogue, for negotiations for the resolution of the problems of South Africa. They have never wavered from that even at the time when the ANC was mounting a lot of pressure on the IFP leadership, especially on Chief [Mangosuthu] Buthelezi, that he should endorse the necessity for armed struggle. That



*Chief Minister of KwaZulu Mangosuthu Buthelezi addresses 80,000 people at a stadium in Durban at the founding of the United Workers Union on May 1, 1986. Buthelezi's Inkatha Freedom Party has 1.3 million members.*

was in 1979. And his predictions, when they were pressuring him to support their call for sanctions against South Africa, that the sanctions against the economy of this country would affect the blacks mostly, has been vindicated. This is really what is happening. And violence is consuming the country. Because, he said, he didn't care whether it is liberation violence, violence will consume our people, and this is happening. All his predictions have been vindicated.

**EIR:** On this question of the economy, clearly there have been intense discussions between the ANC and the International Monetary Fund and the World Bank. What sort of role are the IMF and the World Bank playing right now in South Africa?

**Twala:** It is not only the ANC. The National Party government is also looking forward to loans from the IMF and the World Bank.

We feel that we don't need loans from the IMF and the World Bank! If we really need funds for the government, we can tighten our belts and loan out from our own savings, from our own pension funds. Loan out to the government to embark upon projects without tying this country to an IMF debt which has ruined almost all African countries and developing countries of the world. Because they are debt-ridden and they can no longer pay them anything and their economies are under the hands of the IMF. They are being controlled from there, their resources and *everything*. They are just paying endless debts. So I feel these people are leading us toward the cliff, where we will not be able to recover.

**EIR:** You are perhaps familiar to some extent with the programs of American economist Lyndon LaRouche for a sovereign national banking system and the development of the physical economy, with emphasis upon building great infrastructure projects and so forth. What do you think of this approach as the basis for sovereignty for everyone, of all

colors in South Africa, as opposed to the IMF policy?

**Twala:** I haven't studied that a lot, but as I scanned through them, his economic policies seemed to be sound to me. They seemed to be pointing a way forward for us developing countries. But this has to be done with the cooperation of the developed countries who will provide the technology and the necessary science that will be required for such development.

But then I think you need these developed countries, particularly the United States, to have a change of heart. Instead of looking at us from the point of view of subjugating us to their economies, they should understand that the development of our economies, of Third World countries, will also bring about more progress in the United States. It would be beneficial to all mankind as such. That would make us leap forward, to advance in all fields on our planet—space technology, everything. We will advance, we will surge forward toward the future, because all the brains of the world will have the potential and opportunity to be developed. And we won't have these conflicts which are currently consuming most continents of our planets, like in Bosnia, like in Africa here, the problems faced by Somalia, the perpetual famine and starvation that is occurring in Africa. These would come to an end and people would pursue useful lives throughout the world.

**EIR:** Chris Hani, the secretary general of the South African Communist Party and former leader of Umkhonto we Sizwe, was killed not long ago. Do you have any idea who was responsible for his death, or why he was killed?

**Twala:** I think that the Chris Hani death has benefitted only the ANC and no one else. So I really do not know. I think the ANC has benefitted from it, though it might also be in the interest of some foreign powers who are interested in promoting conflicts in our country and making South Africa very poor, to destroy its infrastructure and everything. And also to destroy our traditions and values.

# The road toward a constitutional republic in South Africa

*In 1988 and 1989, Rev. James Bevel, the vice presidential running-mate of Lyndon LaRouche in 1992, visited South Africa. As the director of Mass Action for the Southern Christian Leadership Conference (SCLC) and a close associate of Dr. Martin Luther King, Reverend Bevel approached the South African apartheid problem from the same philosophical standpoint that King and others had used to develop the theory of nonviolence for the civil rights movement in the United States. During that movement, after the 1963 bombing of the Sixteenth Street Baptist Church in Birmingham, Alabama, Bevel proposed, developed, and executed the Alabama Right to Vote Movement, which culminated in the Selma campaign and the famous march on Montgomery in 1965. These actions directly led to the passage of the 1965 federal Civil Rights Voting Act.*

*Below are excerpts from two of Reverend Bevel's statements on South African apartheid.*

---

## **'I cannot engage in armed struggle'**

---

*From a speech delivered in Durban, South Africa on April 17, 1989:*

This paper is a response to an agonizing request from a black pastor in Soweto. How do I as a Christian assume responsibility for the freedom of my people and at the same time maintain my eternal commitment to Christ? As a Christian pastor I am compelled to answer. And my answer is dedicated to the health, interests, rights, and needs of all the people of South Africa.

Let us begin with the issue of freedom. Freedom is the right and responsibility of exercising the definition and the purpose for which one was created. How is this freedom attained? You shall know the truth and the truth shall set you free.

Let us context our discussion so as to clarify our authority, because a freedom-fighter must have absolute authority and must assume a superior position so that freedom is guaranteed.

The earth is the Lord's and the fullness thereof, the world and those who dwell therein. So God created man in his own image. Male and female he created them and blessed them and named them man when they were created.

And God said to them, be fruitful and multiply, and fill the earth and subdue it, and have dominion over the whole earth. Every man has this responsibility. Every man has the

right to assume this responsibility. This responsibility is given to man by God. And the right to assume the responsibility is also given by God. Thus our rights are not privileges granted by the state. Our rights are gifts from God. . . .

With the knowledge of God and the right to govern the self and the knowledge of how to govern the self, man is in fact the image and likeness of God. This is the self-evident truth—that all men are created equal, and are endowed by the Creator with inalienable rights, that among these rights are life, liberty, and knowledge.

As one who has an eternal commitment to Christ, I cannot engage in armed struggle, because I would be violating a God-given right of another. . . .

So we know that freedom is attained by the knowledge of the truth, and not by any other means. . . .

## **How to end apartheid**

How do we end apartheid? Not by murder, not by sanctions, but by confessing our errors. In the first place, those who erected apartheid obviously didn't know the truth, and those who obeyed the rules and regulations of apartheid obviously didn't know the truth either. For freedom is a two-way street. We should never allow ourselves to be lifted up in pride, and put our privileges, advantages, wants, and desires above the health, interests, rights, and needs of others. On the other hand, we should neither demean ourselves and allow others to put their privileges, advantages, wants, and desires above our health, interests, rights, and needs.

Apartheid was an agreement between two parties who didn't know the truth or who knew it and didn't live it. However, it cannot be eradicated by punishment, pressure, or murder. The attempt to eradicate it by punishment, pressure, and murder is to secretly deny our party to the crime. To pretend that the other party is 100% responsible for the problem is to create a worse problem than apartheid. It is this lie told by the blacks that caused them to ask the enemies of South Africa to bring sanctions, to disinvest, and to give arms for murder.

And no solution can come because we will have gone from one lie (obeying the rules and regulations of apartheid), to another lie (harming, injuring, and murdering our brothers). For the same God who gave us the right to assume the responsibility for the definition and purpose of man (which apartheid denies), is the same God who told us to love our

neighbors and not to injure or murder our neighbors (which armed struggle, sanctions, and disinvestments also deny).

If we are honest and look carefully, we can see that apartheid came about not because of the white man's evilness, but because we did not assume God's definition and purpose of man. And because we didn't, we got into something less than God's definition and purpose with the white man. So I challenge every black man of South Africa not to ever get involved with any person or anything that is less than God's definition and purpose of man.

So if we say to our white brothers of South Africa, we will not engage in apartheid, which is less than God's definition and purpose of man, but then become engaged with the Russian white man in the murdering of our white African brothers, and engaged with the American white man in sanctions and disinvestment against our white South African brothers, are we not still engaging ourselves with white men in something that is less than God's definition and purpose of man, so that in time murder, sanctions, and disinvestment will cause us injury because they too are less than God's definition and purpose of man?

We end apartheid by confessing our error and then assuming responsibility. We begin to pray, study, and work, and God and all people of good will will join us. . . .

The disenfranchisement of black people in America was not totally the fault of the white man. We felt that we should take at least 50% of the responsibility. So instead of calling for punishment, we assumed responsibility and God joined us, and thousands of our fellow citizens joined us, from all races and all walks of life. And the President of the United States joined us, and put his life and political career on the line for God's definition and purpose of man. And Congress passed the law and the rest is history.

Is the white man in Russia interested in the freedom of black South Africans? Or is he interested in the strategic minerals that he wants in order to attain military dominance over the world?

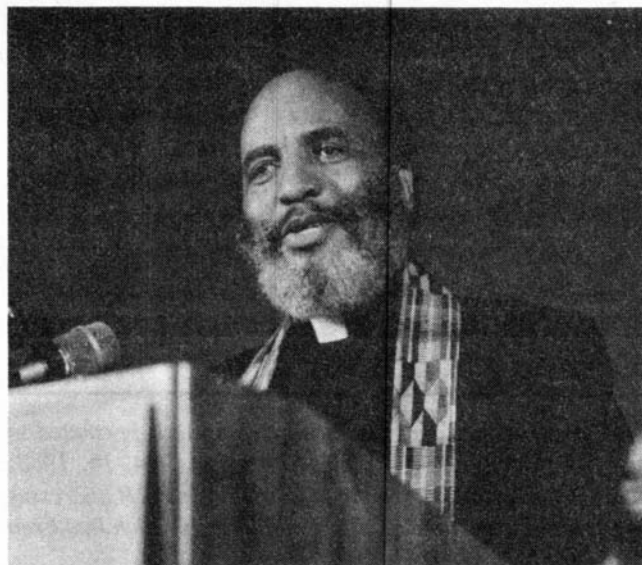
Is the white man in America interested in the freedom of black South Africans? Or is he interested in appeasing ignorant black American voters so he can stay in office? Or his ignorant American black consumers so he can make money?

When someone helps you to do something that is less than God's definition and purpose of man, you can be assured that they have ill motives, and if you accept their help, in time you will become a slave of their ill motive.

### **Pray, study, and work**

So I say, in order to end apartheid, let's come together and pray, study, and work. And the power to change will come from within. And when we get our freedom this way, we will not be obligated to the Russians or the Americans. We will be obligated to God. We know that God has impeccable integrity and total commitment to our definitions and purpose, and to our freedom. . . .

Government is the act of joining God in making man in



*The Rev. James Bevel, speaking at a Schiller Institute conference in September 1992. "Government is the act of joining God in making man in the image and likeness of God." Bevel visited South Africa in 1988 and 1989.*

the image and likeness of God. . . .

All just, constitutional democratic republics are established in the definition and purpose of man. Constitutional democratic republics do not give preference, privileges, advantages, or deference to anyone, but are designed to allow each citizen to develop his fullest potential, and to protect the health, interests, rights, and needs of all.

This is why no government can match a constitutional democratic republic if the people are diligent about their own freedom. This form of government protects and promotes everyone's educational rights. This guarantees the greatest amount of creativity, inventiveness, production, free trade, and free enterprise, which maximizes the health, strength, courage, and confidence in all the people, and it is this fact that makes for peace and justice. . . .

If we only move the social deformity of apartheid and do not uproot violence and tyranny from our characters, and put education principles and procedures in place to guarantee everyone's economic rights, and put constitutional democratic councils at the disposal of every citizen, then violence and tyranny will reappear, maybe not as apartheid, but as something as bad or worse.

In America we moved the deformities of segregation and disenfranchisement, but we didn't uproot the violence and tyranny from the characters of the people, and we didn't put the education principles and procedures in place, and we didn't put the self-governing precinct councils in place. Now new and worse social deformities are appearing in the form of drug abuse, and drug wars, homosexuality as a right, and AIDS; no prayer and education in schools, lotteries as substitutes for economic development, and sanctions as punishment against our allies and neighbors.

It will be necessary for all of us to pray and work to get every political point of view, and every grievance and abuse, in the negotiations, and we must get everyone who is a party to the South African problem to the negotiations so that everyone can give the piece of the problem that God has given them to help bring about a total solution.

---

## Sanctions and disinvestment are harming South Africa

---

*From a paper, "From Selma to Soweto," presented to the U.S. Congressional Black Caucus on Sept. 16, 1988, after Reverend Bevel's first trip to South Africa. It addresses the issue of sanctions against South Africa which had been instituted by Congress in 1986.*

My visit to South Africa revealed to me a serious error that our nation is making in its present course in relation to South Africa.

Much of my ministry has been in the area of nonviolence, as it relates to purifying, protecting, and promulgating constitutional democratic republics. As an American who for 30 years has stood in the vanguard of the American Freedom Movement, I stand firmly against apartheid and all other forms of oppression. Today I see my nation, the United States of America, acting in violation of the people of South Africa.

Our policies of sanctions and disinvestment function as acts of war, not peace.

Why is this so? The South African people are enjoined in a sacred process. Like our founding fathers, and like our freedom movement of the 1960s, the South African people are involved in dealing with the revolutionary question, "How should we, as God's people, collectively and individually govern ourselves?" As I visited every segment of the South African community, this was the underlying question I heard again and again. Despite the multitude of problems, contradictions, and paradoxes, the diversity of cultures, traditions, and opinions, my heart was made glad because I experienced from all sides a sincerity, honesty, seriousness of commitment, and dedication to a just democratic government far beyond that which I experienced in America in the 1960s. Yet, while this internal deliberation is going on, the exaggerated fears of some white inhabitants are manifested as disruptive forces that loom as political and physical threats to both the blacks and whites who search for a constitutional democratic solution. The exaggerated aspirations of some black inhabitants are manifested as political and physical threats against them also.

How do our sanctions and disinvestment violate the people of South Africa? 1) By attempting to coerce a democratic action that by its very nature must be voluntary; 2) by feeding the fears of the white inhabitants and thus threatening the political base of those who are committed to freedom for all;

3) by strengthening the hand of the whites who believe in racism and tyranny; 4) by increasing the suffering among the black masses, and therefore weakening the influence of the black leaders who are committed to a democratic, bi-racial, multi-cultural South Africa; 5) by increasing the power of those who seek to violently overthrow the present government and who seek to exploit racial animosity in blacks in order to set up a communist dictatorship under the guise of black liberation.

As an African-American who helped plan and execute the positive social changes that took place in the 1960s, I speak as one who knows the need of all parties to be free from threat or violation when organized social change is in process.

### In the light of day

On this matter, let history speak. In Tracy Sugarman's book, *Stranger at the Gate: A Summer in Mississippi*, the testimony of Charles McLauren is recorded: "Some white guys had hurt a 10-year-old girl, she was the niece of a buddy of mine. They had looped wire around her neck and had dragged her down the street. . . . We were trying to map some strategy about what we were going to do to retaliate, and that's when Reverend Bevel came and stood upon the car to speak to us. He said that we were brave in the dark, we were going to shoot somebody in the dark, or hit somebody on the head in the dark. And he challenged us to do something in the light if we had the guts. He said we could take that energy and go to the bus station and buy tickets in the main waiting room which was on the white side. That was in 1961, when the Freedom Riders were just coming into Mississippi. I went with my buddies downtown and right up to the bus station and I have been in the movement ever since."

While a quite constructive, constitutional dialogue was in process, we asked blacks not to injure whites and each other, but we instructed them to join the constructive process.

If I had remained neutral in that matter and turned my head, and if I had shown no love and concern for the lives of white people, these young people would have never joined the movement for the political enfranchisement of themselves and their people. Not only that, but their negative conduct would have undermined the process that was taking place.

Those who favor sanctions have not fully considered the delicate nature of democratic social change. . . .

Those who ask for sanctions and disinvestment are not assuming the responsibility that is theirs. They are insisting that an outside force punish those they fear and hate. . . .

Some African and American blacks, and their misinformed white supporters, are demanding injurious action from our government aimed at the white people of South Africa. Not understanding the process that leads to democratic social change, the people making these demands are unaware that they are working against their own cause.

It would be wise to study the motives and goals of those who seek sanctions against South Africa. Can you imagine



those of us who brought social change in the '60s in this country calling for sanctions and disinvestment against our own economy and nation?

We didn't call for these things, and one of the brightest spots of our history is that we as Americans struggled to, and did in fact bring about social change without depending on others. . . .

### **'What is man?'**

South Africa is not blessed—as was America in the '60s—with a widespread, loving, creative, and principled church that is unequivocally taking the lead in bringing about social change. Make no mistake: Without the American church, there would have been no American civil rights movement. Although there are many devout Christians in South Africa, the church there is not motivating people, and especially the politically active young people, by continually asking the primary question, "What is man?"

Thus an essential element to ensure a successful democratic revolution is missing: many young organizers who are focused on and committed to Christianity and the nonviolent principles that flow from it. This church-based Christian democratic youth movement is the missing element that is most badly needed in South Africa. In visiting South Africa, I found all the elements in the South African situation that existed in the American civil rights revolution except this one element. From a strong Christian movement in South Africa with energetic organizers, a successful, nonviolent mass movement could grow. . . .

When people pretend that the problem is caused and can be solved solely by whites, they call for and advocate punitive action against whites rather than working to bring courage, confidence, good will, and knowledge to the oppressed, thus aiding in a constructive dialogue.

Those who advocate sanctions should work to build these qualities. When our government brings sanctions and our businesses divest, these actions keep us from being able to contribute to the positive direction of the democratic revolution, while they aid the enemies of the democratic process and strengthen their hand.

Can we afford to betray our founding fathers and the struggling founding fathers of the new Republic of South Africa? Will history record that America refused to be the midwife and refused to help give birth to a new democratic republic? . . .

We understand that when people highly value social freedom and have assumed responsibility for it and then experience demands from others for freedom and shared power but do not experience from these people an equal demand on themselves for discipline and responsibility, they should and will be reluctant and cautious. . . .

Here in America we demanded shared power, but did we not go and organize citizenship education classes, mock elections, the Mississippi Summer Project, and the Selma Right to Vote Movement? Did we not educate people to have

a sense of personal and social responsibility and a knowledge of how to apply it in the realm of government?

You must ask those South Africans who call for sanctions to tell you how many citizenship classes they have set up.

Those who say "punish South African whites," but have not helped to increase the understanding of how the government should operate among the vast majority of blacks, must surely question their own motives.

Our sanctions are the expression of reverse racism. The blacks in America and Africa who call for sanctions assert that the political, social, and economic oppression of blacks is the result of actions taken by white people alone. That assumption is racist.

Many black people do not understand the principle of economic freedom. People who succeed economically do so because they practice 1) religious principles: obedience to God, and love and respect for other people—for their health, interests, rights, and needs; 2) the pursuit of truth, and education in it; 3) industrial research and development and the maintenance of a free market system; and 4) democratic self-government. To the degree that people practice these principles, they will succeed; to the degree that they fail to do so, they will fail.

Many blacks have been led to believe that white people are successful because they are white, or because they exploit blacks. These two racist attitudes in blacks cause envy and fear toward whites and a sense of disrespect and hatred for themselves.

The speeches we hear these days coming from many black leaders refer to economic violence, while at the same time demanding preferential treatment. This kind of approach not only reveals a lack of knowledge about what leads to economic success, it reveals reverse racism.

This form of racism produces resentment that is used by communists to help achieve communist dictatorships. The communists, out of a perverse misunderstanding of man, seek to rule over people with terror, fear, and a military dictatorship. Neither racists nor communists know the principles behind the success of western democracy.

Democracy must be protected, and when our friends abroad are working to establish it, we must not compromise our own democratic principles in an attempt to correct the errors of others.

Let us help our friends. Let us expose the motives of the black racist, the white racist, and the communist. Let us work to help give birth to a constitutional democratic republic. Let us work to liberate blacks, whites, and communists from hate and ignorance. Let us help the South African churches to lead as they should. Let us stop working for sanctions against South Africa. . . .

If we violate, betray, and compromise the constructive, constitutional democratic revolution in South Africa, then surely the American revolution will be violated, betrayed, and compromised.

## Russia moves in Caucasus to reconquer its empire

by Konstantin George

The western world is beginning to pay dearly for its foolish policies toward Russia and its capitulation in the Balkans to Serbian aggression, which have encouraged the emergence of a Moscow policy aimed at restoration of the Russian Empire, grabbing or dominating for starters as much as possible of the territory of the former Soviet Union. In the Caucasus, the former Russian position of dominance has been restored through Russian-backed separatist movements in the Georgian region of Abkhazia and elsewhere; the nation of Georgia is on the verge of being dismembered; and a Russian-launched coup in Azerbaijan has returned to power Haidar Aliyev, the former Soviet Communist Party Politburo member and ruler of Azerbaijan during the regime of Leonid Brezhnev.

It is not accidental that the reconquest of the Caucasus was pushed into a decisive phase after the United States had rejected the Russian offer for cooperation with the United States on ballistic missile defense, at the Vancouver summit in April. For Moscow, this was proof that no reasonable cooperation projects were feasible with the West, giving the upper hand in Moscow to those imperial currents of the "Moscow is the Third Rome" ideological matrix. Their thrust is to counter the insane western geopolitical attempt to destabilize the Eurasian "heartland" with equally insane Russian geopolitics, which aims at the conquest of this "heartland" as the core of a new Russian Empire.

Ten years after Lyndon LaRouche and *EIR* magazine argued that a failure of LaRouche's Strategic Defense Initiative policy would bring the revival of the Russian "Third Rome" imperial outlook, that imperial thrust is beginning to aggressively make itself felt. In June 1983, LaRouche wrote a series of articles (see *Documentation*, following this article) exposing the treachery of anti-SDI forces in the West, around Henry Kissinger and others, in facilitating the rebirth of Rus-

sian imperialism. The attempt of Kissingerian forces to pull together a new "world empire," LaRouche argued, would strengthen the forces in what was then the Soviet Union around the Third Rome faction. The dramatic events of recent weeks in the former Soviet empire prove how right LaRouche was then—and how disastrously wrong were his opponents, who appeased the Andropov-Gorbachov clique in Moscow by unjustly trying LaRouche in 1988 and condemning him to federal prison, where he remains today.

### Careful advance preparation

The logistical capability for carrying out the policy shift now under way has been carefully built up ever since the collapse of the U.S.S.R. in August 1991. In the Caucasus, the armed formations, which, knowingly or not, are serving as tools for Moscow's new empire, are, without exception, very well armed. This was accomplished through various means, including withdrawals of Russian combat forces, who always left behind huge stocks of weapons and munitions. Where required, there has been direct Russian participation, in the form of well-organized dispatch of "volunteers" to the separatist forces, as in the case of the breakaway Georgian region of Abkhazia. The "Abkhazian" forces are much better armed than their Georgian Army opponents.

In Azerbaijan, a similar mode of operation brought Haidar Aliyev back to power. The June 5 revolt by "Col." Suret Huseinov (in reality he never was an officer, having served as an enlisted paratrooper in the Soviet Army, 1977-79), which began the Aliyev comeback through the revolt's capture of Azerbaijan's second largest city, Gyandzha, and Huseinov's subsequent march on Baku, was made possible by the largesse of the Russian Army. Right before the revolt began, the Russian Airborne Division based in Azerbaijan

completed its withdrawal back to Russia. By arrangement, the division turned over the large stocks of arms, vehicles, and munitions it had left behind, not to the regular army of Azerbaijan, but to the private army that Huseinov, a multi-millionaire "businessman" already in Soviet days, had created. Overnight, his units became the best armed in Azerbaijan, and swelled in numbers. Presto! The coup was on.

This Russian pattern of securing in advance the military predominance of the forces working as their tools for reconquest was a dominant theme of an article in the London daily *Independent* on July 6 by Dr. Jonathan Eyal, research director of the London Royal United Services Institute. Eyal correctly charged that "western governments are encouraging Moscow's aspirations," telling the non-Russian republics in effect that they are "at Moscow's mercy." "Since no western government is willing to police the old empire, better leave it to the Russians who are willing and able to do so."

Eyal emphasized that many of the "ethnic conflicts" in the former Soviet Union have strikingly "similar characteristics: rebel movements suddenly spring up, either to effect a change of government, or to defend an ethnic minority and gain 'autonomy' for it. Miraculously the rebels are often better armed than the governments they confront; and as if by magic, Moscow steps in, either to protect minorities or to act as benevolent arbiter."

## The war in Abkhazia

The Russian-backed assault that began July 2 by "Abkhazian" separatist forces to complete the conquest of that region and detach it from Georgia, came as no surprise to readers of *EIR*. In June, we gave exclusive coverage to two precedent-setting moves by Moscow which foretold the coming attack. The first was a mid-June landing of Russian troops behind the Georgian lines to evacuate some 3,000 Russian civilians trapped in a town surrounded by Georgian forces. Russia never asked permission of Georgia, an independent state and not a member of the Community of Independent States (CIS). This meant that under the banner of rescuing "Russians"—or, to use the precise words of Moscow, "Russian speakers"—Russian troops could march at any time into the Baltic republics, which, like Georgia, are non-CIS states. The second precedent was a Russian government ultimatum to Georgia that it grant all Georgian regions with minorities, i.e., Abkhazia and Southern Ossetia, which both border on Russia, and Adzharia on the Black Sea coast bordering Turkey, "real autonomy," and agree to Russia serving as the "guarantor power" to ensure the "real autonomy" of these regions.

It is only a matter of time before such demands are extended all over the former Soviet Union, and beyond, for example into the Balkans. On July 5, Russian Foreign Minister Andrei Kozyrev repeated the ultimatum that Georgia grant "real autonomy" to Abkhazia and agree to Russia becoming the "guarantor power" for the region. Kozyrev, trying to appear unbiased, added a warning that failure to end the fighting

would lead to "the toughest measures" from Moscow, allegedly against "both" sides, including "economic sanctions." His attempt at "balance" fooled no one. His sole target was Georgia. Russia could "stop the fighting" in two minutes, if it wished to, as it controls the "Abkhazian" side.

## The military situation

By July 7, the "Abkhazian" forces were on the verge of taking the entire region. Outgunned Georgian forces were thrown back to a pocket around the region's capital, Sukhumi, parts of the coastal strip running southeast from Sukhumi, and the coastal town of Ochamchira to the southeast, the only other town of significance in Abkhazia still in Georgian hands. In the massive fighting, from July 2 to July 7, some 1,000 were killed. The Georgian situation was desperate.

On July 6, Georgian President Eduard Shevardnadze proclaimed a state of martial law over Abkhazia, citing the "worsening military-political situation" as the reason. The decree also contained harsh measures against desertions by Georgian troops, measures taken in light of the first group of defections by Georgian soldiers predominantly from western Georgia, the regional base of supporters of ex-Georgian President Zviad Gamsakhurdia, ousted in January 1992.

Shevardnadze, the former Soviet foreign minister and Communist Party Politburo member, has all along been fostering Moscow's aims. To do this in a way that will allow him to retain his power, which is not solid, he has had to wear a "Georgian patriotic" mask. His conduct following the "Abkhazian" general offensive provides the most recent illustration of this. He immediately went to Sukhumi to visit front positions, narrowly escaping death during an "Abkhazian" shelling attack (the incident was a masterstroke of "luck" for Moscow, because their asset emerged uninjured, but with the mantle of the "patriotic" President who nearly died for his country). On July 5, Shevardnadze announced his agreement in principle with the Russian Foreign Ministry's "real autonomy" formula for ending the war in Abkhazia.

The little that Georgia still holds in Abkhazia is threatened by the war's next Moscow-steered escalation. The first level of that escalation was already visible in the fighting July 2-7, where the "Abkhazians" suddenly threw into the battle their "own" unit of at least eight attack helicopters, and produced their "own" amphibious capability, in landings on the southern coast of Abkhazia. The second level of the escalation occurred in calls on July 4 and 5 for thousands of fresh non-Abkhazian "volunteers."

On July 4, the ethnic Russian Abkhazian Cossacks called on all Cossack groups throughout Russia to send armed "volunteers" to "defend the just cause of defending the honor, life, and dignity of the people of Abkhazia." A day later, the Confederation of Caucasian Tribes, representing the tribes of the Russian-ruled North Caucasus and the breakaway republic of Chechenya, announced a "mobilization of volunteers" to fight against Georgia. The organization was formed

last year, formally through General Dudayev, the ex-Russian Air Force general who seized power in the North Caucasus republic of Chechnya, and seceded from Russia. In reality, however, it is steered by Russia as an ideal tool for stripping away territories from Georgia, thus allowing Russia to reconquer the Caucasus with most of the casualties occurring among the “natives.” The Dudayev operation has tapped the reservoir of Afghan war veterans among ethnic groups like the Chechens, Ossetians, Cherkessians, and Kabardiners, who, outfitted with weapons and hard currency, have become the main cannon fodder in the war against Georgia.

---

## Documentation

---

### LaRouche warned about ‘Third Rome’ in 1983

In a recent radio interview, imprisoned U.S. statesman Lyndon LaRouche warned that an imperial policy is returning in the former Soviet Union, and harkened back to his forecasts of ten years ago. Recalling the spring of 1983, “in our study of the way in which the Soviet reactions to the Reagan announcement of SDI had come,” LaRouche said: “We assumed that what was in process in Russia, was a process of a breakdown of the Soviet system, the bolshevik system, and that all the indications showed culturally a medium- to long-term trend in progress toward a Great Russian revival.” The Soviet Union would cease to be a bolshevik state, and would become a “Dostoevskyan Third Rome state centered around the ideology of the Russian Orthodox Church (not the church as such, but its ideology), as a replacement for the Communist Party for defining a new kind of Russian imperium,” he recalled.

LaRouche underlined in his recent comments, “We were not forecasting or predicting in any astrological sense, but that was what was going to happen unless the United States and other states did something to make the SDI work.” Instead, “The Russians, first Andropov and then Gorbachov, rejected President Reagan’s offer” to share the SDI technologies.

Later, “once the 1989-90 breaking of the Wall had occurred, when the United States, led by filthy, dirty carpetbaggers like this George Soros of derivatives notoriety, had gotten his four feet in the trough over there in Moscow, and the United States began to back him with things like Soros’s pet from Harvard Jeffrey Sachs, the policy in Russia shifted away from a momentary turn toward affection and trust in the United States, back toward rage against the United States and others.”

Thus, in the past 12 months or so, LaRouche observed, Russia rapidly has been moving in the direction of the “Third Rome” model, based on the Russian Orthodox Church as an

ideological reference point, to replace communism. The Third Rome was the self-description of Moscow as capital of the “third and final” Roman empire, which was coined in the 16th century to justify the Muscovites’ intransigent rejection of western ideals of the necessity of progress, coming out of the Golden Renaissance. Today, this trend “is accelerated by the cowardice of the United States in backing down before Britain and France” on the murders of Bosnians by Milosevic’s fascist Serb party.

LaRouche’s first in-depth analyses of the “Third Rome” danger were printed in the June 7 and 14, 1983 issues of *EIR*. In the June 14, 1983 issue, in a feature-length article titled “Yuri Andropov: ‘Czar of Holy Mother Russia,’ ” LaRouche described the situation thus: “The variety of ‘Russian soul’ which these scholarly gentlemen have brought to the surface in Soviet foreign policy, is of the stuff of which a Czar Ivan the Terrible or Rasputin was made in the past. It is a sly, dissimulating, religious-fanatical beast. It can be clever, intelligent in matters of technique, and to that extent appear urbane and civilized. It is at the same time a monster obsessed, beyond all reach of reason, with mystical faith in the magical powers of the Holy Russian Soil and People. . . .

“There is only one way to deal with such a beast, to offer it peace and Russian survival from a standpoint of overwhelming raw power and manifest determination to use that power if necessary. As long as we refuse to present Moscow such a clear set of alternatives of this exact type, [the Russian leader] will alternately hiss and smile—like a cobra—until he strikes.”

Already, as LaRouche put it in 1983, “Over the middle 1960s, recognizably ‘Marxist’ philosophy lost efficient grip in the shaping of Soviet policies, except as part of institutions left over from preceding periods. . . . By 1972, the drift toward a Third Rome policy-paradigm in Soviet foreign policy was sufficiently evident, that the author and his associates elaborated and published a review of these features of ‘detente’ which we entitled ‘The New Constantinople’ hypothesis.”

For issuing this analysis in 1983, LaRouche recalled, “We were attacked for that from many quarters; we discussed that extensively with the National Security Council, the CIA, and other people in the United States in particular; they acknowledged some of this material, but they disagreed. They saw no danger of this sort. They didn’t agree with us on this, and here we are, and all those in the world who disagreed with us, or who took policies in a direction which ignored our warning, have now failed rather miserably.”

He concluded: “We are now at the point where, unfortunately, what I warned against back in 1983, is now all coming true. And we want to see how many people are honest enough to admit that we were right, not just for the purpose of admitting we were right, but to admit that our *method* of policy outlook was correct, whereas their contrary methods of policy outlook, have been discredited by reality.”

# Russian paper: U.S. nixed joint SDI plan

by Rachel Douglas

Russian disappointment in the U.S. posture on cooperation for anti-missile defense was expressed in a June 19 article in the Moscow daily *Nezavisimaya Gazeta*, titled "Bill Clinton Has Shut Down 'Star Wars': How This Could Threaten Conversion of the Military-Industrial Complex in Russia." Author Andrei Vaganov reported that at the Vancouver summit of April 1993, Russian President Boris Yeltsin handed President Bill Clinton a proposal for joint work on an anti-missile "plasma weapon," but there was no positive response to the idea.

Meanwhile, wrote Vaganov, "the current U.S. administration adopted a decision to give up further work on the 'Star Wars' program. The argument given is, in my view, completely unconvincing: With the disappearance of the U.S.S.R., supposedly the necessity for a global system of strategic defense has also disappeared." Vaganov argued that such thinking ignored the deteriorating security situation in Russia and the threatened exit of countries like North Korea from the Nuclear Non-Proliferation Treaty. He queried: "What made the Americans give up not simply some class of weapons, but a program, which had been put forward as nothing less than an object of national pride, as a national challenge to the rest of the world (practically analogous to the program for landing American astronauts on the Moon)?"

## Save Russia's scientific capabilities

Vaganov went on to cite Russian economists who say it would be crazy to fritter away the accumulated capacities of the Russian military-industrial complex (MIC). The way to put those capacities to work, he wrote, "paradoxical as it may be, lies in the internationalization of defense industry efforts and, to an even greater degree, defense-linked science; in posing for them a qualitatively new, single super-task. Many analysts in recent years have leaned towards the view, that a variant of the well-known Strategic Defense Initiative (SDI), which acquired the unofficial name of the 'Star Wars' program, could be such a super-task."

According to Vaganov, "The civilian economy and the MIC are Siamese twins: two individuals, united by a single circulatory system. The main economic interest of the MIC (under both socialism and capitalism) consists in guaranteed subsidies for the production of technologically complex

products. . . . The creation of a global system of strategic defense . . . would automatically presume the creation of a channel of guaranteed financing, without which MICs cannot live, among nations." He said that an international supervisory agency was envisioned, which would have overseen "the gradual reorientation of 'Star Wars' from military-political tasks to the tasks of the civilian economy, those of pure science, and the tasks of civil society."

While Russian military technology is "fully competitive on the world market," western powers have shied away from investing in its development, and the State Department instructed U.S. firms, "Don't sink your capital into conversion of [military] production in Russia," wrote Vaganov.

Demoralization and dissipation of Russia's skilled scientists, a prominent theme of discussion in Moscow lately, was highlighted by Vaganov, in relation to conversion of the defense industry to civilian use. Vaganov wrote: "Whether deliberately or not, the American administration in giving up the 'Star Wars' program is threatening the process of conversion of the Russian military-industrial complex, and above all of its high-technology, science-intensive branches. The participation of the Russian side in 'Star Wars' gave us a chance to carry out the conversion process in the least wasteful way. And the most important thing was preserved—the high scientific and technological potential of the defense industry, engaged in solving tasks appropriate for its level."

He pointed out that the Russian proposal for joint Russian-American experiments on deflecting missiles by creation of plasmoids in the atmosphere was the work of leading military research institutes in Russia.

Vaganov concluded with a suggestion: "The way out? There's only one, if you will: to try nevertheless to bring to life the slogan, 'Military-Industrial Complexes of All Countries, Unite!' This is a difficult task, an often thankless one, but we are left with no other choice."

---

## Commentary: Lyndon LaRouche

---

*Lyndon LaRouche made these remarks about the Nezavisimaya Gazeta article, in his weekly radio interview "EIR Talks with LaRouche," on June 30:*

Remember that one of the principal resources for President Reagan's March 23, 1983 address [inaugurating the SDI], was my back-channel discussion with Moscow over the 11 or 13 months preceding the President's announcement; and that was the chief resource which the National Security Council was able to use in late 1982 and in early 1983 to judge

how to advise the President on proceeding with what we had called then, strategic ballistic missile defense based on new physical principles.

I would date most of this, not from the President's address, but from the message which I received for the Reagan administration from Moscow, in a discussion we had in Washington [with Soviet representatives] in February of 1983, a little more than a month and a half before the President's announcement. I outlined again, and we discussed afresh—as we had discussed several times before—exactly what President Reagan would offer, *if* he decided to do it, and the question was, how would the Russians (or the Soviets at that time), respond to the President's offer, if he made it? There was always this big "*if* he makes it, how would you people respond?"

The response was, of course, that they accepted the conception which I offered, number one, based on new physical principles—not Danny Graham's silly "High Frontier" nonsense, but a real laser-based, etc., system. They recognized that, as we have seen recently, with their offer of this "Trust" offer, made to Clinton on the plasmoid defense system; that's new physical principles, not this High Frontier fast rocket junk.

Secondly, they agreed very much, as the article indicates, with the principle of spinning off high-technology military technology in the SDI field through the machine-tool sector into the civilian sector.

But thirdly, they disagreed, and said they would reject the thing at that time, because they thought the United States would do a better job and would move faster with these spin-offs than Russia and therefore we would win the race, and therefore they said that they would not cooperate with the United States, they would not share technology with the United States, but they would develop their own system.

I indicated at that time, that their economy would break down within about five years if they tried to do it that way, whereas if they did it the way we proposed, we would work our way toward a war-avoidance situation which would be more durable. And so that's what Reagan offered.

What you see in this article, is that Russian circles which are tied to the high-tech section of the military-industrial complex, and others, are offering *exactly what I offered* tentatively on behalf of the Reagan administration back during 1982 through February 1983, and what the President offered actually in his address on March 23, 1983. And they have come around to that. It is very interesting.

But then there is a faction in Russia which is going the other way, which is going toward a hard line. . . . These people are going toward an Asiatic hard-line Russian thermo-nuclear confrontation very rapidly. And over the period from this fall, I would say—even the summer—but by September of this year, September of next year, unless there is a change in the U.S. government posture on many questions, we are going to see the rapid emergence of a very hardline Great Russian, or Russian imperial impulse, out of Moscow. . . .

# The 'Greater' China 'Venetian' policy to

by Michael O. Billington

Henry Kissinger's syndicated article published in several leading press organs around the world in mid-June advanced his proposals for Anglo-American domination of Asia in the coming decade. Befitting his professed status as the spokesman for 19th-century British "balance of power" politics, Kissinger compared modern Asia to 19th-century Europe: "There are three 'Great Powers' of comparable potential—Japan, China and Russia. . . . There is even a balancer—the United States—which [is] like 19th-century Britain." Also in keeping with his oft-stated defense of Deng Xiaoping's bloody dictatorship in Beijing, Kissinger insisted that such Anglo-American support is "needed to balance Japan and a possibly re-emerging Russia."

On the other hand, Kissinger is also the leading proponent (and one of the primary beneficiaries) of the massive looting of the Chinese labor force through the devastating free trade "reforms" under Deng, which have brought China's vast interior to a state of collapse.

This geopolitical policy, to build up communist China's influence in Asia while actually destroying its population and economy, has recently been enhanced by the pursuit of a "Greater China" alliance, linking the four primarily Chinese states of Asia—the China mainland, Taiwan, Hongkong, and Singapore. A major step in this direction was the creation of the "New China Hongkong Group, Ltd.," discussed further below, which brought together business and political leaders from the Chinese diaspora, based on the current disastrous policy of grinding up mainland peasants as coolie labor in free trade zone sweatshops. While this policy is proving itself to be the cause of the destruction of the already meager means of subsistence of the majority of Chinese, the "geopoliticians" foresee at least three "advantages" to this approach. First, the vast, virtual slave-labor pool of desperate unemployed Chinese peasants—approaching 200 million out of an estimated labor force of 513 million—provides not only a source of exploitation for quick profit by depression-racked western corporations, but also serves as a means of preventing the successful development of the labor power of China and the other developing Asian nations, which must compete with the near-zero labor costs of the mainland. In fact, several Southeast Asian nations with large Chinese nationalities are being drawn into semi-membership in "Greater China," through the large banking and business conglomerates that are run by Chinese-descent nationals (see map).

# plan: Britain's control Asia

Secondly, the policy assures that China will remain a backward, impoverished nation, making unlikely any potential alliance with Europe for the development of the entire Eurasian landmass. This has historically been the primary objective of British "geopolitics": control of the "rim" nations and sabotage of any continental alliances. This is precisely the content of Kissinger's balance-of-power strategy to pit China, Russia, and Japan against each other.

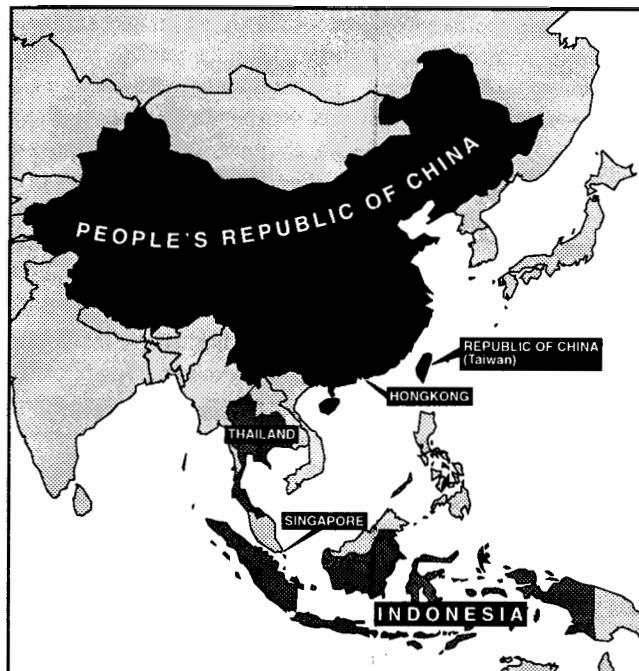
Thirdly, although the actual Chinese economy and the Chinese labor force are collapsing, the Chinese military potential against its neighbors (as well as against its own citizens) is rapidly expanding. Despite this potential threat, and despite the near-term potential for war in Cambodia and North Korea (both due to a significant Chinese connection), the U.S.-U.N. apparatus is deeply involved in drastic destabilizations and forced cutbacks in the military institutions of South Korea, Taiwan, Thailand, Indonesia, and India. The weakening of these nations would leave them generally incapable of resisting any Chinese adventures.

## Singapore, the Venice of Asia

While the negotiations proceed in preparation for the 1997 "return" of the British colony Hongkong to China, the role of the other island government, ex-British colony Singapore, has taken on a new importance. Lee Kuan Yew, Singapore's senior statesman, who served as prime minister from before independence in 1959 until his semi-retirement in 1991, has emerged as the sponsor and stage-manager of the Greater China strategy. While a significant portion of British operations for Asia are moving from Hongkong to Singapore in preparation for 1997, Lee Kuan Yew has also brought Singapore in as a partner to the massive "merging" process between Hongkong and the "new Hongkongs" in the mainland—the expanding development zones where the cheap labor, low-technology processing industries are proliferating in tandem with the massive drug and crime apparatus that is Hongkong's trademark.

Equally important, Lee Kuan Yew has sponsored the negotiations between Taiwan and the mainland, aimed at ending Taiwan's historic commitment to liberating China from communist rule. This is being accomplished in league with the new, corrupt leadership of Taiwan's Nationalist Party, under Prime Minister Lee Teng Hui, which has chosen to join the Anglo-Americans in making blood-money from

## "Greater China" and its junior partners, Thailand and Indonesia



the cheap labor on the mainland, kept docile by the Red Army tanks. (See "Taiwan Is Joining Beijing in the Destruction of China," *EIR*, May 21, 1993.) The first face-to-face talks between Taipei and Beijing towards realizing this sell-out of the Chinese people took place in Singapore April 27-29 under Lee Kuan Yew's guidance.

Singapore's character as a nation was aptly expressed in an interview by Reuters news service with Lee Kuan Yew's leading henchman, Goh Keng Swee. Goh served as Lee's deputy and economic czar throughout his career, and has been hired by Beijing as an adviser since his retirement from office in 1984. Explaining why Singapore has retained dictatorial security laws, including detention without trial, and "why we will need it almost for all time," Goh said: "The model was Venice, forerunner of the Renaissance. Being a small city-state is being exposed to all kinds of skulduggery from rival states working through the intelligence apparatus." Such dangers justify "preemptive arrests," Goh said.

The reference to Venice is anything but gratuitous. Venice was the center of the oligarchical efforts to destroy the Renaissance and its spreading influence in Europe and worldwide through the evangelization. The "Venetian Party" in 17th-century England, built by Venetians who moved north to extend their influence, shaped the Rosicrucian and Freemasonic apparatus that was to run the British Empire—in-

cluding in particular the horror of British policy in China.

Singapore and Hongkong have always shared the responsibilities as headquarters for British policy in Asia. Although Singapore has officially been an independent nation since 1964, Lee Kuan Yew's role as an agent for British policy made the island serve like a colony. Prime Minister Lee Kuan Yew, who received his law degree from Cambridge and was admitted to the English bar in 1950, had become allied with the Cambridge socialists who were to run British intelligence and foreign policy for the next half-century. In close alliance with the communists, he led a Singapore-based Chinese party which participated in the Malay independence struggle, only to break Singapore out of the Federation of Malaya in 1964 after race riots threatened to tear the nation apart—a classic form of British intelligence input.

Since the early 1980s discussions that led to the agreement to return Hongkong to China's control, Singapore's role has taken on an added significance. Lee has made clear that Goh Keng Swee's policy of Venetian tyranny is the necessary policy for all of Greater China.

In an interview published in the Winter 1992 *New Perspectives Quarterly*, Lee extended Goh's disdain for the rights of citizens to include unflinching support for Beijing's approach to crime and dissent: "Today in China one still sees televised executions. In a large stadium, the person is placed in the 'take-off-flying' position with their hands tied behind their backs. A revolver is pressed to the neck and they are polished off. Because the country is so vast and densely populated, there can't possibly be a policeman for each city block, so one must depend on the mass impact of this kind of retribution to bring about a semblance of order. It is probably the only way for the death threat to be effective. So, our values are different, as they always have been."

Lee not only defends this form of barbarism, but he defines this disregard for the sacredness of human life as an ingrained cultural value of the Chinese race. He defends the 1989 massacre of unarmed protesters at Tiananmen Square in the same way: "So, when one talks to Deng and the other leaders about human rights and about Tiananmen, where perhaps 1,000 students or workers were killed, let it be against this background. . . . Who gives him the right? He gave himself the right. That is part of Chinese culture. It's in the folk saying, 'I conquer the world, I rule the world.' "

Anyone who has even the slightest familiarity with Chinese culture knows that such an immoral Darwinian view of man and society is the antithesis of the fundamental tenets of Confucianism. In Confucianism, a ruler is granted the "Mandate of Heaven" only so long as he successfully guides the nation to provide for the needs of a developing society. Confucius quoted a sage king instructing his successor: "If there is want among the people, the Mandate of Heaven shall be taken from you forever."

To Confucius, Mencius and the 12th-century Confucian scholar-statesman Chu Hsi, who led a Renaissance of Confucian culture, man is defined by his unique capacity to cre-

atively investigate the lawful ordering of the universe (*Chung Yung*, Doctrine of the Mean), and to reflect the divine love (*jen*) of the Creator towards His creation. It was this world view, so in keeping with the Christian Platonism of the European Renaissance, which was recognized by the 16th- and 17th-century Jesuit missionaries, and their collaborator in Europe, Gottfried Wilhelm Leibniz, as the basis upon which the highly advanced culture and scientific development of China had taken place. Only with such a knowledge of man's true nature in the image of the Creator (*imago Dei*), wrote Leibniz, could China have achieved such a level of culture and population density with correspondingly high living standards. (See "Toward the Ecumenical Unity of East and West," by Michael Billington in *Fidelio*, Summer 1993.)

When Lee Kuan Yew refers to "folk sayings" that reduce the laws of society to the laws of the jungle, he is speaking not of the humanist Confucian tradition, but of the opposite Taoist and Legalist tradition, which has been the cause of every period of disaster in Chinese history. The British, of course, found their ideological allies precisely in this Taoist-Legalist world view, which denies man the innate divine spark of reason, viewing man instead as an animal of bestial passions who can only be controlled by leaders willing to restrict knowledge among the people, and control all social action through severe punishment and reward. Mao Zedong correctly identified this tendency as the precursor of Chinese communism.

### Lee Kuan Yew's Taoist 'Confucianism'

However, Lee Kuan Yew is also a leading spokesman for the notion that the bestial image of man he ascribes to Chinese culture is the essence of Confucianism! (Indeed, in the 1980s he was instrumental in establishing a Confucian institute in Singapore, which drew scholars from all Chinese societies, including the mainland.) This fraud is justified by an appeal to the school of pseudo-Confucianism that developed during the decline of the Ming Dynasty in the 15th and 16th centuries, led by Wang Yang-ming. Wang essentially took Taoist and Zen Buddhist notions and ascribed them to Confucianism. Man need not consider causality in the universe, but can find all that is necessary to know through self-meditation, turning the concept of Mencius (that the mind reflects the entire universe) on its head. This school has functioned in a manner parallel to that of the Enlightenment in Europe, providing philosophical justifications for the oligarchical imposition of libertinism and tyranny.

Wang Yang-ming rejected the Confucian notion that man seeks atonement with God through the unending investigation of the efficient laws of creation imbedded in all things and processes of the creation, as had been most fully developed by Chu Hsi in the 12th-century Sung Renaissance. Instead, Wang substituted the irrationalist Taoist notion that the laws of nature are unknowable, that man can at best accommodate himself, through pragmatic, empirical activity, to a world which cannot be made intelligible to man. A



mystical “sudden enlightenment,” through self-examination, like that of Zen Buddhism, replaced the scientific investigation of the universe.

Wang degraded knowledge itself to the level of bestial instinct by equating knowledge with action. Naturally, authoritarian regimes preferred such an ideology, which justified the unquestioned acceptance of the authority of the ruler, and limited man to a role of relative insignificance. The fact that such societies lead inevitably to chaos and breakdown, as shown repeatedly in history, is of no interest to those who are only concerned with maintaining their own temporal power in the immediate future.

The communist regime, while primarily adopting the virulently anti-Confucian views of the Legalists, acknowledge Wang Yang-ming’s form of pseudo-Confucianism as a “progressive advance” on “idealistic” Confucianism. With the fall of Mao Zedong (known to some as “Tao” Zedong), there has been a broad revival of Confucian studies both on the mainland and worldwide. Those who desire the continuation of authoritarian regimes and materialist dogma have attempted to steer this revival towards the degenerate school.

That is how Lee Kuan Yew seeks to justify his claim—which is endorsed by most western scholars and political pundits—that Confucianism is in fact “communitarian” and lacks a positive sense of the worth and purpose of the individual outside of the collective. Such statements are not only false, but represent policy judgments, intended to prevent the reemergence of a renaissance Confucian movement based on the works of Chu Hsi and his followers through the past 800 years, up to and including Dr. Sun Yat-sen.

Lee Kuan Yew’s hatred for China’s true culture is most clearly revealed in his “explanation” for the prosperity of Hongkong and Taiwan as compared to the mainland. Hongkong, he says, owes its wealth to “100-odd years of British rule,” which “moderated” its “Confucian ways.” This is, of course, true in a perverted sense, since Hongkong’s wealth has always been centered on its role as headquarters for Britain’s international Dope, Inc. As to Taiwan, Lee totally ignores the fact that the Kuomintang under Chiang Kai-shek applied, perhaps imperfectly, the Confucian and Christian principles of Dr. Sun Yat-sen, including the Hamiltonian economic policies developed by Dr. Sun, to create the Taiwan “economic miracle.” Instead, he credits Taiwan’s distinction from the mainland to “50 years of Japanese rule”!

The British design for the rule of China after 1997 is to extend the corporatist colonial structure government of Hongkong to cover all of China, a process which requires little change in the dictatorial bureaucracy that already exists under the Chinese Communist Party. To that end, the New China Hongkong Group, Ltd. was created in February. Just as Hongkong’s ruling Executive Council is comprised of appointed representatives of the leading banks and trading companies, so the NCHKG combines a number of these same Hongkong corporate-political leaders together with representatives of the People’s Republic of China’s (P.R.C.) leading



*Workers in an assembly line at one of Hongkong's leading radio manufacturing concerns. Lee Kuan Yew and friends want to reduce their wages to starvation levels by adding China's 200 million desperate unemployed to a "Greater Chinese" slave labor force.*

industrial corporations, all of which, of course, are run by the governing State Council or one of the ministries. Singapore also owns a piece, as do Taiwan and representatives of ethnic Chinese business communities in Indonesia and Thailand. The only non-Chinese membership is the Kissinger-linked Goldman Sachs. Altogether, 13 mainland firms own 32.5%, two Singapore government-linked companies hold 12.5%, and Hongkong firms, which include the Taiwan, Thai, and Indonesian holdings, have 55%.

When various voices were raised about the “conflict of interest” of the mainland government directly participating in this “capitalist” venture, the primary director of the venture, Hongkong real estate mogul T.T. Tsui, acknowledged that this was no different than the Hongkong model: “When you talk about fairness about doing business,” he told the *Far Eastern Economic Review* May 27, “there isn’t any fairness about doing business in Hongkong. The Executive Council, as you know, formulates plans and policies for H.K. In the past, the Executive Council has always had members from Swire, Jardine, and Hongkong Bank. Can you say this setup is fair for H.K. people?”

Prominent among the founders of the NCHKG is Li Ka-shing, who is the Hongkong connection to Kissinger’s Hollinger Corp. internationally, and is otherwise linked to the Dope, Inc. apparatus historically run through the Hongkong banking structure. Both Li Ka-shing and T.T. Tsui were

prominent members of the “advisers” group in Hongkong set up by Beijing last year to coordinate the transfer of power.

T. T. Tsui was chosen to build this new corporatist structure after 20 years of doing business with the mainland, including strong ties to the People’s Liberation Army and their massive arms industry. According to *Far Eastern Economic Review*, in 1981, Tsui established a trading company which facilitated China’s sales of arms to both sides of the Iran-Iraq War then raging. Tsui became the “darling of the Bank of China, receiving generous loans in the 1980s with which he leveraged himself to the hilt to acquire property,” said the *Review*. He bragged: “It was not Lu Ping [the head of Beijing’s Hongkong and Macao Affairs Office] whom I spoke with the first time. It was Li Peng and Li Lianqing,” China’s premier and minister of foreign economics and trade, respectively.

Not surprisingly, the first project of NCHKG is a \$70 million New China Hongkong Center, an office block in Beijing.

One of the leading mainland members of the NCHKG is Zhou Bei-sang, chairman of Shougang Holdings (H.K.), Ltd. Zhou is the son of the chairman of Shougang Corp., one of China’s biggest conglomerates. Zhou personally arranged for Deng Xiaoping’s son, Deng Zhi-sang, to join forces with Li Ka-shing in the purchase of several Hongkong firms. The most recent of these is Kader Investments, Ltd., the holding company of a toy factory in Thailand, which recently burned to the ground as a result of 19th-century sweatshop conditions. With no fire escapes or alarm systems, hundreds of workers were burned to death, including 100 high school-age girls. Apparently such working conditions meet the approval of this new business association, since the purchase took place within days of the fire.

### The drive to break Taiwan

To the Anglo-American interests involved in the Greater China project, a primary goal is to break the historic commitment of the Republic of China in Taiwan to dirigist, infrastructure-oriented development policies—what was once known as American System or Hamiltonian policies. Dr. Sun Yat-sen, the founder of the Chinese Republic, had elaborated extensive development plans for China, emphasizing rail and water development for the vast interior. Taiwan’s Kuomintang government was historically dedicated to eventual reunification with the mainland based on realizing these plans. Over the past three years, under the new direction of Taiwan’s President Lee Teng-hui, Taiwanese businessmen have been lured by the fast money to be earned in the mainland development zones, based on dirt-cheap labor (which results from the collapse of the interior, which Sun Yat-sen had insisted must be developed), and on tyrannical repression of the population (which Sun had insisted must be free and educated).

One avenue for subverting Taiwan into participating in the destruction of China has been the Asia-Pacific Economic

Cooperation forum (APEC), an organization set up to run Asia on the basis of Anglo-American policy. The U.S. and Canada, along with Australia and New Zealand, are members of this “Asian” alliance. Its current director is C. Fred Bergsten, previously in the U.S. Carter administration’s Treasury Department and now head of a Washington-based think tank, the Institute for International Economics. Bergsten and APEC, whose headquarters is in Singapore, have made the passage of the Uruguay Round of General Agreement on Tariffs and Trade free-trade laws a first priority, and are encouraging the acceptance of Taiwan and the P.R.C. into the GATT net.

Bergsten revealed his intentions earlier this year when he called for the extension of the North American Free Trade Agreement (NAFTA) into Asia, to be called the Pacific-American Free Trade Agreement (PAFTA). NAFTA has served as a forum for creating the slave-labor zones called *maquiladoras* along the U.S.-Mexico border, which function in a manner very similar to China’s free trade zones. While the national economy of Mexico has been utterly destroyed by International Monetary Fund (IMF) demands for debt payments and privatization, the resulting vast unemployed army provides cheap labor to U.S. runaway plants in the border areas—benefitting neither the United States nor Mexico, while feeding the cancerous debt bubble in the Anglo-American financial institutions. PAFTA would extend this to Asia, linking up with the Chinese cheap labor pool.

A stumbling block to this looting process is the potential of the advanced economies of Asia, especially Japan, South Korea, and Taiwan, linking up with the developing sector nations of the Association of Southeast Asian Nations (ASEAN) to the purpose of developing the industrial and agricultural infrastructure in the region as a whole, and in opposition to the exclusive emphasis on low-technology, cheap-labor processing industries for export, as demanded by the IMF. The U.S. has attempted to undermine just such an alliance, proposed by Malaysia’s Premier Dr. Mahatir Mohamad, the East Asia Economic Group (EAEG).

The purpose of “Greater China” is the same: to prevent the development of China. The extensive support extended from the West for this scheme is perhaps best explained by the outlook towards China in the current bestseller in Europe and America by Yale University historian Paul Kennedy, *Preparing for the Twenty-First Century* (see review in *EIR*, June 11, 1993). Based on the malthusian quackery that the greatest threat to the world is demographic growth, and making full use of the environmental hoaxes of global warming, etc., Kennedy concludes that China (and India) must at all costs be kept in a state of low energy use and primitive existence. Were China and India to really develop, he writes, this would have “appalling consequences for their environments,” and would “also threaten the earth’s overall atmosphere.” He quotes another “expert”: “China’s industrial ambitions . . . pose a threat to the planet.”

## ‘Mankind has a right to peace,’ asserts former Croatian minister

*Elke Fimmen spoke with former Croatian Foreign Minister Prof. Zvonimir Separovic at the beginning of the United Nations Human Rights Conference on June 17 in Vienna. Professor Separovic was at the meeting as a guest of the Austrian government, whose foreign minister, Dr. Alois Mock, served as president of the U.N. conference. Separovic was president of the International Victimological Society, and is a member of its international executive council as well as chairman of the Croatian section. As representative of this organization, he is accredited as the permanent representative to the United Nations.*

**EIR:** What will be your appeal to the international society gathered here?

**Separovic:** The International Victimological Society is concerned with victims, their fates, and their rights. I come from a war area in which terrible things are happening. We see infinite human suffering, the victimization of the whole population and especially the civilian population. It is a war against the entire people and culture, a war that is deliberately conducted against those who are most vulnerable. I am of the conviction that war was and is the worst thing in human history. In this war [in the Balkans], men without moral convictions are impregnated with wild, unacceptable ideologies, but also otherwise decent people are becoming real criminals. Here can be seen the power of persuasion that books, the media, and the word have. Human nature has the potential for good or evil. With the spread of this aggressive war of conquest, the evil side of human beings was appealed to. In such a situation, the media have a far greater influence than otherwise. What is lacking is the cultivation of an ethical conviction, a positive way of thinking.

Today, we see the worst crisis in human history in Europe, comparable with what Pol Pot did [in Cambodia]. We must act to stop the aggression and to eliminate war as an instrument of policy, as a way of thinking and acting. We must build peace on another level. That is my most serious and important demand to the world society, the United Nations: to create peace, for the individual, for groups, peoples, and mankind. Mankind has a right to peace.

When the U.N. was created approximately 50 years ago,

with the expectation of maintaining peace, human rights were proclaimed for all: the right to life, freedom of thought. What was lacking, and this I say as a victimologist, is the right to peace and security. *Jus contra bellum*—we must raise the law against war to the level of international law, as the human right to peace. That is the most important thing; everything else is detail.

**EIR:** What do you say about the battles between Croats and Muslims in Bosnia?

**Separovic:** These battles are a sheer catastrophe for Bosnia-Herzegovina as a state and also for Croatia. They are the consequence of the geopolitics of the major powers, especially France and England. The Vance-Owen plan was a plan to destroy Bosnia-Herzegovina; it is murderous. The aggressor is and continues to be Serbia.

In this situation, in which we are still in battle, people easily take up arms, everyone feels insecure and threatened. Croats feel themselves to be the ruler of provinces that were “given” them by the Vance-Owen plan, although there was no legal foundation for that. The Muslims did not sign. Travnik and Mostar are not Croatian cities; they were typically mixed cities. The Vance-Owen plan spread uncertainty. A feeling of superiority is developing on the Croatian side, which began to rule “its” areas. There are extremists on both sides who are guilty and responsible for the victims. The policy of Mate Boban [leader of the extremist faction among Croats in Bosnia] in “Herzegovina” [the self-proclaimed state in Herzegovina] is going too far. Even the conversations he held in Graz with [Bosnian Serb leader Radovan] Karadzic were a completely wrong and dangerous step. The meeting in Geneva at which [Serbian dictator Slobodan] Milosevic and [Croatian President Franjo] Tudjman reached an agreement came as a climax—a completely wrong solution.

Croatia cannot enrich itself at the expense of Bosnia. Both, Croats and Muslims, are victims in this war of aggression. Tudjman cannot erase the memory of what the Serbs did to the Croats. Just this week, the Serbs in Biograd near Zadar killed seven people, including two children; there were more than 100 wounded. For that reason, I sent an open letter to the president of the conference, Mr.

Mock, in which I demanded that he do something to stop massacres as in Gorazde, where 60,000 people are now threatened, and in Biograd. We need actions, not words. This mammoth conference is full of words that produce nothing.

**EIR:** What do you say about the attacks on Croatia?

**Separovic:** You can't just attack Croatia, as, for example, Tilman Zuelch [of the Society for Endangered Peoples], formerly a friend of Croatians, did at a meeting in which I was with him on the podium. To attack Tudjman as a dictator is one thing, but to go against Croatia as a nation is going too far. I have apologized for Croatian transgressions. The president of the Croatian parliament, Stipe Mesic, has also publicly spoken out against Boban. There is strong opposition to Tudjman, as shown by, for example, the so-called Democratic Initiative. There are some dozen intellectuals abroad including, among others, Professor Banac at Yale University, who have turned against Tudjman's policy in Bosnia and predicted catastrophe. I have appeared many times with Bosnians, and have expressed my solidarity with and my understanding for the position of Muslim victims. We need a common basis for cooperation, for the solution of problems.

Serbia wants a Greater Serbia; Croatia should not want to become a Greater Croatia. We need a neighbor state, Bosnia-Herzegovina. Otherwise, the Serbian boundary will be quite close to Zagreb. Tudjman is naive when he now bargains with Milosevic and thinks that the territorial conflict between Serbia and Croatia will then be easier to solve. Serbia is behaving in a byzantine fashion in this war. Those who deal with Milosevic under the table are in danger of betraying the interests of their own people. Even if they should be doing that with good intentions, history shows that the way to hell is paved with good intentions.

**EIR:** What is the role of the U.N. in this war?

**Separovic:** The West has completely failed. Clinton promised something and did practically nothing. Europe and Russia were supposed to solve problems, but Europe is not ready to become engaged. That helped Milosevic; there is little that Serbia has not yet gained—one-third of Croatia and two-thirds of Bosnia-Herzegovina are occupied.

The role of the U.N. in the war in the Balkans is in no way positive or efficient. It is quite obviously lacking in determination. Behind the U.N. decision are different hidden interests. In first place in this regard are to be mentioned the interests of France and England, which have their own geopolitical interests in Europe, but especially since the reunification of Germany. For them, the Balkans and the former Yugoslavia are the touchstone for relations to Germany. The Balkans are, just as earlier, a French-British zone of interest. We are seeing a revival of the Entente Cordiale. Both had done everything in the war in the former Yugoslavia to maintain Yugoslavia, and they still believe themselves to

be able to reestablish Yugoslavia in some form or other. They believe themselves still able to arrive at an overall Yugoslavian solution, this time with Slovenia. The Serbians will leave Slovenia in Europe. What then remains for them is Macedonia, Sandjak, Kosova, a weak Bosnia-Herzegovina, and a bankrupt Croatia. Serbia will never forget what their friends from the West have made possible.

**EIR:** You spoke of the necessity of moral change. American statesman Lyndon LaRouche also put the necessity of a cultural Renaissance at the center of a speech prepared for a recent conference in Bonn.

**Separovic:** Mr. LaRouche did not expound that merely at the conference in Bonn. His written predictions of current developments have become very current for all thinking human beings. He is present in our thoughts. As a victimologist, I would like very much to help in his case. I was deeply impressed when I was informed of the background of his case. I believe that he is an innocent victim of political decisions and that he must be released immediately. To this end, we have written an important resolution for his release and hope the new President in the United States is more open in this case.

I also hope for change with regard to the death penalty. This must still be endured by two-thirds of the world's population, including in the United States and in China, India, and Pakistan. We must change that. I am a convinced opponent of the death penalty. At the conference in Vienna, an appeal of more than 120 prominent individuals, including Nobel Prize holders and leading cultural figures, with more than 10,000 signatures, was given to the general secretary of the conference, Ibrahim Falle. In that, we demanded abolition of the death penalty before the end of this century.

I am against the death penalty even though this perhaps appears to be a paradox for someone who comes from a country in which war is prevalent. I cannot accept the death penalty as a means of punishment. Recently, capital penalties were imposed in Sarajevo against Serbian soldiers who had committed crimes. At first, this seems logical, but it helps nothing. The state and the judiciary are giving a bad example through that. The state has the task of defending and protecting life. For that reason, I am opposed to the possible reintroduction of the death penalty in Croatia. We need an international war crimes tribunal for the former Yugoslavia, but not the death penalty. The principle of the sanctity of life must be respected by the state and society.

I would like at this point to refer to the fact that there are still more than 10 Croatian freedom fighters in American prisons who, in the 1970s and at the beginning of the 1980s, took action for a free Croatia. Unfortunately, they used illicit means such as airplane hijacking and violence. They were sentenced justly, but it would also now be time to reconsider all these cases. The Croatian Society for Victimology is working for the release of all these people.

# Movement launched to save Italy

In Milan in northern Italy, the first public conference of the recently founded Italian "Solidarity Movement," co-sponsored by *Executive Intelligence Review* and attended by leading Italian parliamentarians and other decisionmakers, has focused nationwide attention on the importance of adopting the economic policy proposals of American economist Lyndon LaRouche.

Opening speeches were given by *EIR*'s Claudio Celani, on the destabilization of Italy since the meeting held last January on the *Britannia*, Queen Elizabeth's private yacht, to discuss Italian privatization; by *EIR* European Economics Director William Engdahl, on the financial derivatives danger and how to stop it; and by Paolo Raimondi, president of the Solidarity Movement, on the economic program of Lyndon LaRouche and the urgent need to adopt his proposal to tax financial derivatives.

Among the 50 dignitaries attending the conference were two members of the Italian Senate: Democratic Left Sen. Augusto Graziani and International Socialist Sen. Alma Agata Cappiello. Also present were two members of the Italian Chamber of Deputies: Christian Democratic Rep. Raffaele Tiscar, who has presented one of three requests for parliamentary investigation of the conspiracy to destabilize Italy as documented in an *EIR* report; and Rep. Irene Pivetti of the Northern League, which just won the municipal elections in Milan.

Other participants included economic experts from various universities in Milan, including Bocconi and Catholic, which are two of the most important; representatives from San Donato Milanese, an industrial center dominated by ENI, the national petroleum company; a group of Milanese Socialists; and journalists. Another member of the Italian Senate, Edda Fagni of the Rifondazione party, could not attend, but submitted her speech in writing to the conference, while a telegram of support came from Gerardo Bianco, chairman of the Christian Democratic caucus in the Chamber of Deputies.

## National economic policy needed

Following the speeches, the parliamentarians were asked to comment. The first to speak was Senator Graziani of the Democratic Left Party (former Communist Party), who is an economics professor from Naples who had already been covered in the party's daily *L'Unità* opposing privatization

of government-owned industry and supporting the industrialization of southern Italy. Referring to the brief introduction made by conference chair Paolo Vitali on the geopolitical aspects of the attack against Italy, he said that "Italy is certainly at the center of international conflicts, particularly since the center of world conflicts moved from East-West to North-South, as indicated by the recent U.S. attacks against Somalia and Iraq. . . . Italy can either ally itself with the Franco-German axis, or with the United States, or keep on being a terrain of domination from all powers." As did all other speakers, Graziani called urgently for a national economic policy, and for political unity, since "our economy is being progressively disintegrated."

Northern League parliamentarian Pivetti spoke in opposition to Graziani's plea. Pivetti said that, in regard to legislation to stop derivatives, "privatization is not necessarily bad." Her opposition was not surprising, given that the Northern League's major program plank is to not pay taxes—the main reason why they received almost 40% of all votes cast in northern Italy, mostly from shopkeepers and small businessmen who feel desperate and impotent about the economic depression.

Christian Democrat Raffaele Tiscar, who is very close to the Catholic youth group Communion and Liberation, spoke next, thanking *EIR* for the "precious intelligence which it had supplied" and demanding a policy of national banking and credit, as well as controls over speculation, particularly derivatives. But he expressed doubt that a tax alone could do the job.

Two economic journalists, Giano Accame of the Catholic weekly *Il Sabato* and Gaudenzi of the Social Democratic daily *Umanità*, spoke next. Accame said, "It's a scandal that the present foreign minister of the Ciampi government, Beniamino Andreatta [a strong supporter of privatization and of British military proposals] attended a conspiratorial meeting on the *Britannia* against the Italian economy, and that nobody inside the government and Parliament has thrown this into his face yet."

Massimo Pini, who advised former Prime Minister Giuliano Amato on privatization, thanked *EIR* for "the incredible amount of figures and intelligence brought to the conference, which I hope will find its way into our press," and said he fully agrees that there is an Anglo-American plot against Italy. He emphasized the absurdity of a privatization policy in which the state takes over all debts of state holdings, and then, when they are debt free, sells them cheaply to foreign investors. Pini endorsed *EIR*'s call for a national banking policy for Italy.

In a brief statement, Sen. Alma Agata Cappiello said she thinks that "what is happening today in Italy is not a unique case, including the massacre in Florence at the Uffizi [art gallery], with more terrorist attacks to come, which can be seen in the context of the attempt to destroy our country, economically and politically, and sell out its economy."

# Argentina to be U.S. policeman?

by Cynthia R. Rush

When Argentine President Carlos Menem traveled to Washington, D.C. to meet with President Bill Clinton June 29, he came prepared to make any concessions the U.S. President wanted, in exchange for Clinton's recognition of him as "an important regional leader." As one local analyst put it, he was willing to give "more than the boss asked for."

Menem hoped that by proving that he enjoys a close relationship with the new American President, he would be able to confront an increasingly difficult political situation at home. Uppermost in his mind is the desire to seek reelection in 1995, which he can only do if he obtains congressional approval for an amendment to eliminate the constitutional prohibition of two-term presidencies. This means winning key political battles and doing very well in congressional elections in October.

President Clinton lived up to Menem's expectations, and praised him effusively. "Under President Menem's administration," he said on June 29, "Argentina has become an international leader on the great issues of the post-Cold War period, a leader in this hemisphere in defense of democracy and human rights, a trusted and valued partner and friend of the United States."

Pointing to the participation of Argentine troops in U.N. peacekeeping efforts, Clinton emphasized that the Menem government "has consistently taken a strong stand in favor of collective defenses of democracy. . . . With Argentina's support, the Organization of American States has worked to defend democratic institutions in Peru, reverse the coup in Guatemala, and I am confident together we can restore democracy in Haiti."

In terms of substantive results, Menem didn't return home with much to offer those Argentine producers and businessmen who are worried about such issues as U.S. agricultural subsidies and what they perceive as unfair U.S. trading practices and sharp pressures for policy changes that will hurt Argentina. One example of this is the intellectual property law which the United States has been demanding. Members of Menem's entourage promised that the law would definitely be approved this year in Congress, but U.S. National Security Council official Richard Feinberg threatened in an interview with *Somos* magazine that the U.S. would not hesitate to impose sanctions, authorized by the Super 301 legislation, if the Argentine Congress fails to act as the U.S. desires.

## Anglo-American strategic goals

The treatment accorded Menem in Washington might help Menem's electoral aspirations, which is of secondary importance to the Clinton administration at this point. More importantly, it will guarantee Argentina's continuing support for Anglo-American strategic policy goals in the region: suppressing national sovereignty and ensuring application of the International Monetary Fund's brand of "democracy" in order to pay the foreign debt. If multinational military force is required to achieve these goals, the Clinton administration is prepared to deploy it.

To prove his willingness to collaborate with the Anglo-American establishment, Menem proposed on June 29 that Clinton consider a United Nations-led military intervention into Haiti in the event that U.N.-brokered negotiations between deposed Haitian President Jean-Bertrand Aristide and military commander Gen. Raoul Cedras failed to produce results.

Just a day earlier, Argentine Defense Minister Oscar Camilion had announced from Buenos Aires that Menem would propose to Clinton that Argentina should become the headquarters of a base to train United Nations peacekeeping forces. Its purpose, according to the June 29 issue of *El Cronista*, would be to ensure "enforcement of U.N. resolutions in the region within the framework of an unprecedented plan to create a global military intervention network which the United States would propose to the U.N. Security Council."

As reported in the daily *Clarín* July 1, a high-level State Department official remarked that "after Mexico, Argentina could be the one to bring our vision to Latin America." This perception is causing alarm among Argentina's Southern Cone neighbors, especially Brazil. Brazil's military leadership has been firm in its defense of national sovereignty, and has also resisted the Anglo-American policy of technological apartheid, which denies developing nations access to advanced technology and scientific capabilities. This has not endeared the country to Washington policymakers.

According to the July 2 issue of the Buenos Aires intelligence weekly *El Informador Público*, Brazilian military and civilian leaders fear that, following the Clinton-Menem meeting, Argentina will embark on a policy to destabilize Brazil on behalf of the United States. Brazilian military leaders are particularly concerned about international designs on the Amazon region, following U.S. military maneuvers in neighboring Guyana a few months ago. Some warn of a "Somalia"-style intervention.

*El Informador* correctly points out, however, that the unstable situation in Ibero-America, and the reluctance on the part of several governments and national institutions such as the armed forces to embrace Anglo-American policies, could backfire on Menem. "Brazil is not Panama," the weekly warns, and Menem might want to think twice about serving as a U.S. policeman against its neighbors.

# OAS hammers at Argentine military

by Cynthia R. Rush

In its annual report published early this year, the Inter-American Commission for Human Rights, an entity which functions under the aegis of the Organization of American States (OAS), virtually demanded that the government of Argentina revoke amnesties granted in the late 1980s to military personnel accused of human rights violations in the 1970s war against communist subversion. Amnesties approved during the government of Raul Alfonsín (1983-89) and of his successor Carlos Saul Menem were "incompatible" with human rights conventions signed by Argentina's government, the Commission asserted. It made a similar point regarding amnesties approved by the Uruguayan and El Salvadoran governments.

The OAS-sponsored Commission has no authority to enforce such a demand, but the weight of its recommendation has already borne fruit in the June decision of two Argentine judges to annul the "due obedience" law for two former Army captains accused of kidnapping businessman Osvaldo Sivak in 1979. Although that law states that officers accused of human rights violations could not be prosecuted because they were following their superiors' orders, two federal judges ruled that it was not applicable in this case, and issued arrest warrants for former officers Rafael López Fader and Roberto Guillermo Fossa.

The court ruling is important because it takes the Anglo-American establishment a step closer to a wholesale assault on the *institution* of the Armed Forces. Last March, discussing the case of El Salvador, U.S. Secretary of State Warren Christopher implied that his country would attempt to try El Salvadoran officers in international courts for alleged war crimes, adding that it would be necessary to find a way around the amnesty which has been approved by the El Salvadoran National Assembly.

The Argentine judges' ruling sets a precedent for a broader revocation of amnesties in cases where "new evidence" of human rights violations is discovered. The two will be prosecuted in Argentine courts, but the Anglo-American goal is ultimately to establish the jurisdiction of international courts in these cases as a means of limiting national sovereignty and imposing the rule of non-governmental organizations under the guise of defending human rights.

In Chile, for example, the Pinochet government approved

an amnesty law in 1978; but today several hundred older, unresolved human rights cases involving military officers are still pending in the courts. The Aylwin government's policy of "reinterpreting" the 1978 amnesty law, thus opening the door to human rights lobbyists who want new prosecutions of military personnel, has caused considerable unrest among the Armed Forces. This was one of the reasons for the public show of military force in downtown Santiago on May 29.

Groups such as the Family Members of Detained and Disappeared are threatening to take cases to international courts if their grievances aren't redressed at home. Magdalena Navarrete, a Chilean activist whose son belonged to the terrorist MIR group and was arrested and killed in 1974, told the daily *El Mercurio*, "if impunity is established in Chile, we are prepared to go to all international agencies to press our cause."

## Terrorists demand 'rights'

Over the last six months, the international human rights lobby and its network of terrorist supporters have sounded the drumbeat for the anti-military offensive, particularly in the nations of the Southern Cone. The December 1992 discovery of secret police files in Asunción, Paraguay, which reportedly include evidence of how military and police services in five countries collaborated to combat terrorism under the code-name Operation Condor, provided the impetus for an international media campaign which carped about the existence of a "Nazi-like" network of "state-sponsored terrorism" and publicized demands for new trials of military officers.

It is instructive to examine the pedigrees of those individuals who have been most vociferous in their accusations against the Armed Forces. In early June in Argentina, Socialist deputy Alfredo Bravo joined with six other deputies to demand a congressional investigation of visitors to the Magdalena prison where Army nationalist Col. Mohamed Alí Seineldín is jailed. The deputies charged that Seineldín was organizing a political movement which threatened democracy, and complained that he and other military prisoners enjoyed excessive privileges. Bravo, who works closely with the U.S. embassy, also retailed slanders from the Anti-Defamation League of B'nai B'rith claiming that U.S. political prisoner Lyndon H. LaRouche was financing Seineldín's new movement.

The deputies' alleged concern for "democracy" is belied by a report in the July 2 *El Informador Público*, which reveals that Bravo and his cohorts are demanding amnesty for jailed members of the All for the Fatherland Movement (MTP), the terrorist group which assaulted the La Tablada Army base in January 1989. With foreign assistance, the deputies have succeeded in obtaining unprecedented jail privileges for the MTPers, many of whom once belonged to the People's Revolutionary Army (ERP), one of the armed terrorist groups active during the 1970s.

## **A blow to Freemasonry**

*The town of Gómez Farías is changing its name and demanding the removal of the Pike statue in Washington.*

**T**he town council of Gómez Farías in the state of Jalisco held an extraordinary session June 14, at which it resolved to "call upon the Honorable President of the United States William J. Clinton, to order the removal of the statue of Albert Pike, located in Judiciary Square in Washington, D.C."

This is the first Ibero-American town council to join Lyndon LaRouche's call for removing the memorial to a person who, as head of the Southern Jurisdiction of the U.S. Scottish Rite of Freemasonry from 1859 to 1891, led repeated efforts to territorially annex Mexico and the Caribbean countries as a means of extending Confederate slavery.

In four points announcing their decision, the authorities of Gómez Farías township explain the reasons for their action:

"1) Mr. Albert Pike, in his capacity as Confederate Army general, committed atrocities and war crimes.

"2) There is sufficient documentation confirming that Albert Pike was the founder of the infamous and racist Ku Klux Klan.

"3) Albert Pike's co-thinkers in Mexico are guilty for the backwardness and misery in which our country is submerged.

"4) Our regard for the sanctity of the human being, the living image of God, will not allow us to hide the truth."

The Pike resolution in Gómez Farías occurs at the same time that official explanations for the May 24 assassination of Guadalajara (Jalisco) Archbishop, Cardinal Juan Jesús Po-

sadas Ocampo are totally discredited. The government has argued that the cardinal was killed by drug traffickers who "confused" him with a rival drug lord, but the majority of Mexicans are convinced it was a "masonic crime."

Jalisco is a traditionally Catholic state. When masonic President Plutarco Elías Calles unleashed religious persecution in 1926-29, he triggered a civil war known as "The Cristero War," and Jalisco was the state where the greatest resistance was offered. Some 80,000 people demonstrated on June 6 in Guadalajara, capital of Jalisco, to demand that the "intellectual authors" of the cardinal's assassination be investigated. Signs at the rally read, "Has Calles Returned?"

The Ibero-American Solidarity Movement (MSIA) distributed a leaflet at the rally reviewing the history of treason of Mexican Masonry and of Pike's colleagues, to which many responded, "This leaflet is the absolute truth."

In a second resolution linked to the Pike statue issue, the Gómez Farías council also resolved "to change the name of our town to its original, San Sebastián del Sur, given that Valentín Gómez Farías was no national hero, but shared the same line of thinking as Albert Pike. As an example, we will remove the statue of Valentín Gómez Farías that sits in the main plaza of our township."

Valentín Gómez Farías (1781-1858) was one of the masonic politicians of Mexico ideologically trained by J.R. Poinsett, the U.S. ambassador (1825-29) who founded the masonic

York Rite in Mexico for use as a fifth column of pro-slavery Confederates under Andrew Jackson. Like Poinsett, Gómez Farías was a free-trade fanatic, opposed to the American System of political economy founded by Alexander Hamilton, who had many important followers in Mexico, including the Catholic industrialist Estebán de Antuñano.

As Mexico's President in 1834, and again in 1846-47, Gómez Farías declared usury legal and took the first steps to eradicate Hispanic-Catholic culture from Mexico through a series of "reforms" against the church, using indigenist demagoguery. Gómez Farías further supported each and every effort by the Confederacy to territorially dismember Mexico, as with the separation of Texas in 1836, and of Yucatán in 1836 and 1845-46. He headed the so-called pure democrats who, during the 1846-47 U.S. invasion of Mexico, proposed the country's annexation to the United States, or its conversion into a U.S. protectorate.

Gómez Farías died in the same year that Albert Pike took over the leadership of the U.S. Scottish Rite, but his successors in the Yorkist party were on the verge of fulfilling their annexationist dream when the McLane-Ocampo treaty was signed in 1859, under President Benito Juárez. U.S. President James Buchanan viewed that military and commercial treaty as the first step toward the annexation of Mexico, according to the memoirs of Robert M. McLane, Buchanan's minister in Mexico. The leading promoters of that treaty were Pike's associates, John Slidell and Judah Benjamin.

As has been documented in *EIR's* May 28 issue, Judah Benjamin was one of the conspirators behind Abraham Lincoln's assassination. It was the Lincoln faction in the Senate which voted against the McLane-Ocampo treaty.



## Ethnic offensive reactivated

*Brazil's military fears that ethnic conflicts may prove the new pretext for international intervention.*

High-level representatives of the Brazilian Armed Forces and allied political leaders are warning that a new weapon of Anglo-American geopolitics aimed at limiting Brazilian sovereignty over the rich Amazon region is being readied. A new "ethnic offensive," they say, will be a fundamental aspect of the ecological assault first mounted five years ago.

It was recently learned that the United States will again be holding military maneuvers in Guyana, the first of which already occurred in May of this year. Diplomatic circles in Brazil suggest that the real U.S. interest is to have a permanent military base in that country, located along the Brazilian border. Guyanese President Cheddi Jagan is not expected to be able to resist U.S. pressures. This has awakened great concern in Brazil, given that this could mean having a foreign army plundering the Amazon region.

It is in this context that former Brazilian President José Sarney, today a senator, issued a cry of alarm in a June 20 article in *O Globo* newspaper regarding the interventionist potential hidden behind the reactivation of "indigenist" forces. Sarney, who is known to reflect the concerns of the Armed Forces on occasion, was referring to the Yanomami reserve—a territory about the size of Portugal, but containing no more than 10,000 nomadic Indians—created by President Ferdinand Collor de Mello before he was impeached.

Sarney charged the Clinton ad-

ministration with involvement in this destabilization scenario, which employs phony "ethnic" pretexts for intervention. In particular, he named U.S. Secretary of State Warren Christopher, Defense Secretary Les Aspin, and their mouthpieces at the *New York Times*. He also mentioned U.N. Secretary General Boutros Boutros-Ghali being league with the U.S. officials.

Today, in the aftermath of the Cold War, said Sarney, the great problems regarding survival are environmental and demographic matters, drug trafficking, migrations, etc. But, he says, "the Big Word is ethnic conflicts. The U.S. secretary of state, now in Vienna at the Conference on Human Rights, renewed his argument for the need to create an international tribunal to accept and judge denunciations of ethnic complaints. In his testimony before the U.S. Senate, [Christopher] spoke of 'new techniques of conflict-solving,' and heard from Democratic Senator Moynihan that the next decade will be one of ethnic conflicts. Nearly 50 nations will emerge, 'many of them through a bloodbath,' " Sarney reported.

The former Brazilian President continued: "Secretary Boutros-Ghali defends a separate and permanent military force to put an end to conflicts among states. U.S. Defense Secretary Les Aspin says that his country is studying three hypotheses: 1) a permanent force; 2) a multinational force; and 3) volunteer forces, a kind of foreign legion. There is also some thought being given to reactivating

the concept of trusteeships. All of these considerations affect three fundamental institutions of international law: sovereignty, self-determination, and the inviolability of borders."

Sarney added that *New York Times* journalist David Binder, "citing Defense Department sources, mentions those countries of the world that will demand action, among them Brazil, for problems that will emerge among the Yanomami."

As if to corroborate Sarney's charges, American Vice President Al Gore, known for his strong defense of the green lobby, has launched a new offensive. In a *Jornal do Brasil* article of June 20, Gore was quoted saying that the Clinton administration is committed to fulfilling all of the recommendations and the philosophy discussed at the U.N. Conference on Environment and Development (Eco-92), held last year in Rio de Janeiro. Gore focused on the malthusian aspects discussed at that conference: "Of the vast range of problems about which it is possible to be pessimistic, I would like to give priority to population growth. . . . Lowering population growth is in the profound interest of every government."

In view of this collection of pressures, the Brazilian Armed Forces have responded with a desperate appeal for more resources, to revive the Calha Norte project which would protect Brazil's northern border.

The comments of the newsletter *Relatorio Reservado* are suggestive in this regard:

"The concern over strengthening the Amazon borders is growing, because Armed Forces strategists are convinced that the United States Department of Defense is only awaiting a good pretext—and this could be an ethnic conflict among the Indians—to justify their international intervention in the region."

## Peru stalls on ADL's education reform

*The government will not decentralize education because this would favor terrorist infiltration. B'nai B'rith protests.*

The president of the masonic B'nai B'rith in Peru, León Trahtemberg, is furious because President Alberto Fujimori has pulled the plug on his own plan to decentralize education in the country and hand it over to the townships. Fujimori's reason is that the ranks of Peru's teaching profession are already heavily infiltrated by the narco-terrorist Shining Path. "The risk of politicization [i.e., infiltration] is much greater than originally thought when we proposed Law 260111," which would transfer the public schools to local control, said Education Minister Alberto Varillas to the magazine *Semana*.

Varillas explained that Shining Path infiltration among teachers "is slightly decreasing. . . . It has taken a lot of work to eradicate such an acute problem, but the achievements . . . are extremely important, which inspires one to insist on eradicating this infiltration completely."

The decision has caused hysteria among the leftists and non-governmental organizations (NGOs) which had the most to gain from the abandoned "reform," but most hysterical of all is B'nai B'rith President Trahtemberg, who demands what purports to be a "non-authoritarian," "non-dogmatic," and "non-discriminatory" curriculum reform. According to Trahtemberg, the current model of Peruvian schooling, "rather than training for democracy, is training for dictatorship and for admiration of dictators, be they civil, military or subversive."

The Anti-Defamation League of B'nai B'rith (ADL), whose "World of Difference" curriculum is now infiltrating school districts across the United States, has launched a campaign to reform education not only in Peru, but also in Argentina and other countries of Ibero-America. For example, in mid-May the ADL cosponsored a conference in Buenos Aires with the U.S. Information Service, whose star was ADL's International Affairs director Rabbi Morton Rosenthal. The theme of the conference was getting rid of "discrimination," and Rosenthal's other activities were concentrated on encouraging educational reform in Argentina.

A few days before the Fujimori government reversed its education reform plans, the newspaper of the Ibero-American Solidarity Movement, *Solidaridad Iberoamericana*, had warned that "the Anti-Defamation League of B'nai B'rith is trying to bring the New Age into the schools. 'Education in Human Rights' helps Shining Path."

The hysteria of the local B'nai B'rith chief comes as no surprise, given that his viewpoint coincides with that of Shining Path on a number of points. Like Shining Path, Trahtemberg violently attacks the evangelization of America by Catholic Spain: "In Peru . . . entire generations have been educated without knowing or reflecting upon the racist burden our history bears since the arrival of the Spaniards. The mistreatment and discrimination against the Peruvian Indi-

ans has been taken as an unquestioned historic fact—at times justified—which is only beginning to be treated seriously nearly 500 years later, thanks to the contributions of students of Andean (indigenous) culture, as well as of Shining Path harassment," wrote Trahtemberg in the daily *Expreso* of Oct. 19, 1992.

According to Trahtemberg, "goals and curriculum appropriate to indigenous culture and reality as a function . . . of their values, beliefs, habits, and philosophy of life, should be presented" (*Expreso*, Sept. 19, 1992). "To Peruvianize national education requires that it be 'peasantized' and 'Indianized,' in recognition of their values and identity" (*Expreso*, Oct. 17, 1992).

On June 20, at a forum organized by the Lima daily *La República*, Trahtemberg emphasized that one of the "great absurdities of Peruvian education" is "the creation of educational programs on a national level, as if Peru were a homogeneous country without pluricultural problems." He insisted that the "municipalization [of education] is inevitable, because the state has lost the capacity to run the education sector."

Why Trahtemberg insists that each town handle its own education services is clear enough. In an article published in *Expreso* of June 19, he argues the need to "re-educate" the teachers and to change "the obsolete curriculum" with "the help of international entities and the many technical teams that abound in the think tanks, universities, and NGOs." Educational reform, he insists, should not be merely administrative but, above all, "curricular." Such reform should not be carried out by the Education Ministry, with national criteria, but by an "independent" commission made up of Peruvian NGOs, the majority of whom are defenders of Shining Path.

### Who's afraid of unmasking 2,000 spies?

*Leaks about a secret KGB dossier with names of spies in the West are paralyzing the German political elites.*

On July 4, Domestic Security Minister Rudolf Seiters resigned from office, saying that he wanted to take personal responsibility for the political damage suffered by the country's security after an unfortunate operation a week before to arrest two terrorists, which ended in a shootout that left one terrorist and one policeman dead.

Certain missing details in the police report about the circumstances that led to the death of the terrorist Wolfgang Grams triggered media charges that the anti-terror forces had executed him. The "Bloodbath Affair" was the term that the media coined for the incident, within a few hours after it occurred on the afternoon of June 27.

The promptness with which Seiters, one of a few senior Christian Democrats with close contact to Chancellor Helmut Kohl, took the public blame for this action, came as a surprise to people who have inside knowledge about how damage control is usually handled in Bonn. Indeed, the daily *Frankfurter Allgemeine Zeitung* made the cryptic hint in an editorial on July 5 that the Seiters resignation was "just the beginning phase of an earthquake."

What earthquake? Well, the same newspaper had dedicated several articles before to yet another affair that posed a much bigger threat to German security.

The government ostensibly has been in possession for some time of a secret KGB dossier with 2,000 names of heretofore undetected highly placed informants, spies, and other agents for the former Soviet Union

and the East German regime. The dossier reportedly includes names from across the entire political spectrum, as Bernd Schmidbauer, the chief cabinet coordinator of secret intelligence affairs, testified in a parliamentary hearing in Bonn on July 2.

Leaks, though rather vague, about the existence of such a dossier had made it into the media again and again since late autumn 1992, when high-level talks were conducted on the subject between the German and Russian governments.

The sudden release of the former East German communist regime's leader Erich Honecker from jail in January 1993, and the fact that all charges against him were dropped on the "humanitarian" grounds that he was "too sick" to make it through his trial, had triggered a flood of speculation about a deal. It was suggested that Honecker was given his freedom and instant transfer, at the expense of the German government, to political exile in Chile, in return for his silence on "certain things" that, as close associates of his never tired of warning, could turn "very, very inconvenient for many a top politician in Bonn."

The fact that the trial of Markus Wolf, the former spy chief of East Germany, was not opened before May 5 this year—three and a half years after the collapse of the East German regime and more than two and a half years after German reunification—poses questions about why Bonn is hesitant to go ahead with that trial.

In newspaper interviews, Wolf repeatedly intimated what "delicate" things he could tell, if he really wanted

to, and there was also his strange opening declaration to the court in Düsseldorf, which contained the thinly veiled message: Either put me on trial because you accuse me as a head of a foreign intelligence service, and sentence me right away—in which case, I will feel free to talk about certain things—or put me on trial for something else, and be prepared for a lot of trouble. In other words, Wolf said: Let me go, and I shall leave you unharmed.

Another aspect of this secret intelligence warfare on German soil came into the picture with an interview given on July 6 by Klaus Kuron, a former leading official of West Germany's Federal Agency for the Protection of the Constitution, who is now serving a jail sentence of 12 years for working as a spy for East Germany. Kuron, who did not name any names, stated that he had definite evidence about the existence of at least 30 eastern spies in the German parliament, enough to form a parliamentary caucus by themselves, if they wanted.

Markus Wolf himself told Kuron about this Bonn underground network in 1984, which was strong enough even at that time to have an impact on crucial policymaking decisions.

These are but a few hints that suggest what skeletons are really hidden in the closets these days, including a dossier of at least 2,000 prominent names subject to blackmail. This may explain why there has been such a deep paralysis among the elites of Germany over the past few weeks. A tectonic shock, a "big earthquake" is certain, indeed, as soon as the first names from that dossier are published.

As for Rudolf Seiters: He certainly was in a position to know about the explosive character of the KGB dossier. His resignation may be the first of many.

# International Intelligence

---

## ***Orthodox arc to span Balkans and Russia***

The formation of an "Orthodox arc from Cyprus to Russia, passing through Albania," is the main foreign policy plank of the new Political Spring party in Greece, formed by former Foreign Minister Antonis Samaras on June 30, according to the Paris daily *Le Monde* of July 3-4. Samaras, who was fired in April 1992 by Prime Minister Constantin Mitsotakis, portrays this "arc" as necessary to combat the threat from Turkey. He says that accomplishing this aim must be linked to "reinforcing the leading role of the Greek Orthodox Church."

Samaras identifies his "supreme priorities" as the Cyprus question, the Macedonian question, and the protection of the Greek minority in Albania, which has just been subjected to mass expulsions. To achieve such ends, he wants Greece to strengthen ties with Serbia, Iran, Syria, and the Kurds.

Samaras portrays his Political Spring as the third party in Greece, to break the "bipolarization" of politics defined by Mitsotakis's New Democracy and Andreas Papandreou's PASOK. He says his party appeals not only to the 10 million Greeks who live inside Greece, but to Greeks worldwide, who number some 20 million.

*Le Monde* also reviewed the results of Russian President Boris Yeltsin's June 30-July 1 visit to Greece, quoting his statement that Russia and Greece will cooperate more closely in the Balkans in the future, especially as the two countries are "united by the Christian Orthodox religion."

---

## ***Vatican critical of U.S. policy in Somalia***

The Vatican daily *Osservatore Romano* commented on the "vile assassination" of three Italian soldiers in Somalia, in an article on July 4, suggesting that the bloodshed was due in part to the actions of the multinational U.N. forces themselves. "Directives on actions to be taken by the Blue Helmets do not seem to come from the U.N., but from the

American command," the paper wrote. "Interferences therefore take place, that prejudice military action."

In a related development, African analyst Rodolfo Casadei wrote in the Catholic monthly *30 Days* that Somalia's General Aideed "has everything to gain from the bombings that feed the anti-western feeling in the population." Casadei wrote that seemingly, the strategy of the multinational forces is not to capture Aideed. "If the general were to be captured, it would be easier to negotiate a non-violent disarmament of his faction, with softer Habr-gedir leaders, and other would-be Aideeds would get an unmistakable signal."

---

## ***Attack on Iraq 'violates international law'***

The U.S. missile attack on Baghdad is a gross violation of international law, Prof. Ulrich Fastenrath of the University of Cologne wrote in the daily *Frankfurter Allgemeine Zeitung* on June 29. He makes the following points:

1) The attack was blatant aggression against another state; it could perhaps have been justified by the U.N. under Article 51 of the U.N. Charter, but Clinton did not even ask the United Nations. Even with U.N. approval, it would still be aggression and a violation of international law; in any case, it violates Article 2 of the U.N. Charter, which bans the use of force against the sovereign territory of another state.

2) If Clinton said he had to act because of an assassination plot against George Bush by Iraq, it has to be clearly stated that Bush at that time was a private citizen, and there is no such clause in international law that would permit any state to attack another state because one of its private citizens was attacked.

3) The right to use military force against another state is fairly restricted: The International Court at The Hague ruled in the case of U.S. actions against Nicaragua several years ago that not even the slightest border incident would justify such actions. What happened in this case is even less than that.

---

## ***Croatia tells the U.N. to go home***

The Croatian Defense and National Security Council voted on June 25 to reject a request by United Nations Secretary General Boutros Boutros-Ghali to extend for three months the mandate of the so-called U.N. peacekeeping forces, Unprofor. The mandate expired on June 30.

According to the report of the meeting given by Radio Croatia: "Taking into consideration the overall situation concerning the international position of Croatia . . . and considering the resolutions of the Croatian parliament and the justified negative mood among the Croatian people concerning the Unprofor role so far—due to the untenable fragmentation and the total block of communication inside the Croatian territory and the impossibility of Croatian refugees returning to their homes—the Council concluded that Croatia cannot accept the extension of the Unprofor mandate with the same powers."

U.N. mediator Cyrus Vance had forced Croatia to sign an agreement with the occupying Serbian forces that guaranteed the Serbian conquest of those territories.

The Defense and National Security Council proposed that the mandate could be extended for one month as a "trial period" during which U.N. promises must be implemented and the Serbs withdrawn. At the end of the trial period, Croatia will deal only with the U.N.—and not with Unprofor—and only if the Serbs have respected the promise to withdraw. Otherwise the U.N. will be officially told to get out and stay out.

---

## ***Journal sees 'horrible' threat to all of Europe***

The threat exists of a "destabilization of the entire continent" of Europe, as a result of western failure to intervene in former Yugoslavia, according to the influential Swiss daily *Neue Zürcher Zeitung* in a front-page commentary on June 30:

"What was allowed to happen in the Balkans can and will be seen as an example.

## Briefly

And there are signs that this could have horrible dimensions in East Europe. This is not only because the insanity in Belgrade is not yet exhausted, as long as the Muslims of the Sandjak, the Kosova Albanians, and the Hungarians of Vojvodina undermine the Serbian concept of a unitary ethnic state. Nor for the reason that a renewed Serbian-Croatian fight for the delimitation of territories is coming. Much more: It can be forecast with certainty, that the fact that the most brutal violence has been carried out with impunity, or worse, has even been rewarded, will not fail to have its effect on those obsessed with nationalism in other places. By which logic, what has played itself out in Bosnia, could give any government the idea of expelling any minority that is considered a thorn in the flesh. The opposite is, however, just as true. Radicals in the ranks of minorities are henceforth exposed to the temptation to refer to the example of Serbian Krajina in Croatia, and to call for their own republic within the area of settlement of their own ethnic group."

The paper concludes that the situation holds within it the potential for "destabilizing the entire continent."

### ***Red-brown alliance being forged in France***

A "red-brown" alliance of pro-fascists and communists is being fashioned in France, in cooperation with counterparts in Russia, in order to create a Eurasian-wide "national bolshevik" movement, which portrays itself as a "third way" between communism and capitalism, the French daily *Le Monde* reported on June 26.

First, there is the case of Edward Limonov, a Russian writer who has lived in exile in France since 1974, and who is today the representative in France of Russian national-chauvinist Vladimir Zhirinovskiy. Last summer, Limonov said in an interview: "If we can speak of a 'flirtation' between nationalists and communists in France, in Russia this is already an alliance inscribed in political reality and daily life. . . . We are living in an epoch of radical changes of alli-

ances, with new barricades being constructed everywhere, and we will defend them, these barricades, with new brothers-in-arms."

Second, there is the case of the March 1992 meeting in Moscow that brought together Russian communist Yegor Ligachov, French New Right guru Alain de Benoist, and others, under the auspices of Russian National Salvation Front influential Aleksander Dugyn. Dugyn has praised de Benoist for "reviving the theses enunciated in the 1920s by German geopoliticians, who were often Russophiles," among them the "national bolsheviks" of the Weimar period. In response, de Benoist called for the creation of a "Eurasian alliance" and "Eurasian unification." He praised the alliance in Russia between monarchists and communists, and said the global inspiration for a "third way" alternative to communism and capitalism, would come not from the West but from the East.

### ***Nigeria denounces Britain and U.S.***

The Nigerian military government charged on June 24 that there was a plot by Britain and the United States against Nigeria, and pledged "necessary action" against any country that sought to intervene in Nigeria's internal affairs.

Following attacks on Nigeria from Washington and London about the annulment of the June 12 elections in the country, a harshly worded official statement referred to Britain and the United States as "the enemy," and proclaimed: "The federal military government has noticed the dangerous trend which certain foreign countries have embarked upon in their response to the current crisis of the transition program. Specifically, the government has unearthed a plot by the governments of the United States and Britain, not only to mobilize their European allies against Nigeria but also to incite peace-loving Nigerians against themselves and their government, or to incite sections of the armed forces against the government."

● **POPE JOHN PAUL II** will visit the three Baltic republics of Latvia, Lithuania, and Estonia on Sept. 4-10, on his first trip to countries of the former Soviet Union. The Baltic nations are coming under increasing political, economic, and military pressure from Russia.

● **THE VATICAN'S** envoy presented his credentials to the Bosnian government on July 2, becoming one of the few ambassadors to be named to the country since its independence. Bosnia President Alija Izetbegovic welcomed Papal Nuncio Francesco Montarisi as proof of Bosnia's legitimacy as a sovereign state. "Any seizure of territory by force is an illegal one," declared Montarisi.

● **A MYSTERIOUS BLAST** destroyed the Florida home of King Hussein of Jordan at the end of June. The incident may have been caused by a bomb, but FBI investigations are not conclusive. The house was a favorite holiday resort of the Jordanian monarch during his visits to the United States. He was scheduled to use it soon.

● **A DEMONSTRATION** of more than 20,000 Catholics marched in León, Mexico on June 27 to protest the murder of Cardinal Jesús Posadas Ocampo, which the Mexican government claims was the result of drug lords mistaking him for a rival. The marchers were led by the bishop of Guanajuato, Rafael García González, who demanded a real investigation into the killing.

● **INDONESIANS** demonstrated outside the British Embassy in Jakarta on July 4, denouncing British policy toward Bosnia and urging an end to the embargo on arms sales to Bosnian Muslims. "The British are responsible for the killing of Bosnian Muslims," read one banner. The demonstrators, numbering about 100, accused Britain of doing little to stop "ethnic cleansing" in the former Yugoslavian republic.

## Clinton Bush-leaguers hit Iraq, predict Islamic terror

by Joseph Brewda

Ever since President Bill Clinton capitulated on May 22 to British and French demands that he do nothing to prevent their ally Serbia from completing its conquest of Bosnia-Herzegovina, the White House has seemed desperate to find some pretext to reassert U.S. power. This, and little else, is the reason for the U.S. bombing of Somalia beginning on June 12 and the cruise missile attack on Baghdad, Iraq on June 27. The FBI bust of an "Islamic terrorist ring" on June 23, that was allegedly intending to blow up U.N. headquarters, is part of the same effort, especially as U.S. government sources are pointing the finger at Sudan as responsible for the plot.

But rather than projecting U.S. power, this effort has demonstrated U.S. weakness, and has earned the ridicule or gleeful agreement on the part of those European governments that would like to encourage the U.S. decline; it has generated hatred throughout the rest of the world. For example, Russia praised Clinton's attack on Baghdad, claiming it was justified by the doctrine of "self-defense." Russia, now dramatically reemerging as a world power, and threatening a military intervention into Estonia, intends to justify its own intervention on the same pretext.

Addressing this situation on June 30, American statesman Lyndon LaRouche stressed in a radio interview that he had repeatedly warned last spring that Clinton had to move against Serbia, not only to stop the Balkan war but to prevent the destabilization of Europe. "The failure to move into Bosnia in April," he analyzed, "with lifting the arms embargo and . . . an air assault on some of these artillery positions of the Serb fascists, and then postponing that into May, and then backing down in May, changed the geometry of the situation, where the Clinton administration lost its entire dynamic. In that situation, the Bush-leaguers around Washing-

ton were able to say, in effect, you've got to do it like Bush. You've got to get your popularity back by hitting Iraq. So the Bush-leaguers got a go-ahead to hit Iraq."

### But the sideshow flopped

On June 27, U.S. warships fired 23 cruise missiles at Iraqi intelligence headquarters in Baghdad, using the excuse that the United States had "compelling evidence" that the Iraqi government had attempted to kill former President George Bush while he toured Kuwait in April. Speaking before a meeting of the U.N. Security Council the next day, U.S. Ambassador Madeleine Albright claimed that the attack was legally justified under Article 51 of the U.N. Charter, which provides for "self-defense." Yet, U.S. representatives have consistently claimed that Bosnia does not have the right, under the same article, to arm itself against Serbian aggression.

Labeling the assassination story a "fabrication," Iraqi U.N. Ambassador Nizar Hamdoun challenged any government to provide evidence substantiating the plot. The story, he told the Security Council, was simply cooked up by Kuwait and the United States "to justify its [U.S.] aggression."

While the British, French, and Russian governments have all strongly praised the attack on Baghdad, even such staunch U.S. allies as Turkey and Egypt have been forced to distance themselves from the action, given the horrifying contrast to U.S. behavior vis-à-vis Bosnia. The new Turkish prime minister, Tansu Ciller, characterized the cruise missile attack as being solely a matter between Iraq and the United States that "does not directly relate to Turkey." Turkey would back international coordination against terrorism, "but," she emphasized, "an example of this should be given in Bosnia as well." Similarly, Egyptian Foreign Minister Amr Moussa stated, "I hope U.S. policy positions will be as firm toward the crimes

the Serbs of Bosnia-Herzegovina are committing.”

As one might expect, the Kuwaiti government endorsed the action, but other Persian Gulf states evaded official comment. Some, through their semi-official press organs, even denounced it. “Nobody has kind thoughts to offer on the obvious double standards employed by the United States. A couple of Tomahawks—in fact, probably the threat alone—would have sufficed to break the siege of Sarajevo,” commented the *Khaleej Times* of Dubai. Bahrain’s *Akhbar al Khaleej* noted that the United States was “harming its relations with Arab governments by arbitrary behavior toward the Arabs.” The reaction of the rest of the Islamic world was harsh, as typified by the Arab League, which expressed its “extreme regret at the military strike.”

States subject to possible Russian aggression were also quick to denounce the attack. “It would be very bad if someone assumed he was a world policeman,” said Polish President Lech Walesa. The Ukrainian Foreign Ministry said that “this action goes beyond the range of measures of punishment for terrorism.”

In a lame effort to explain away the difference in the U.S. responses on Bosnia and Iraq, Deputy Secretary of State Clifton Wharton said on June 27 that there is “a difference between a direct attack upon the United States and its international interests and a situation in which there is a collective approach to the situation in Bosnia. . . . In the Bosnian case,” he explained, “it has been an issue before the United Nations in which all of those nations are involved in decisionmaking. In this particular case it was a specific incident with regard to the United States alone.” Wharton’s statement followed his meeting with Indonesian President Suharto, who had harshly condemned the action.

Also on June 27, the U.S. Navy announced that it had redeployed the aircraft carrier *Theodore Roosevelt* from the Adriatic, where it had been stationed for possible action against Serbia, to the Persian Gulf. The implications of that further retreat was not lost on Moscow, either.

### **Islam, the new enemy image**

The White House is, as if by default, adopting Islam as the new enemy image, now that the Russian threat is supposedly dead. This replacement of the Russian enemy image with that of the Muslim enemy image, is also the work of Britain, France, and the British puppet-state of Israel.

So, on June 23, the Clinton Justice Department announced that it had “smashed” a supposed Muslim fundamentalist plot to blow up U.N. headquarters and assassinate various figures such as U.N. Secretary General Boutros Boutros-Ghali and Egyptian President Hosni Mubarak. A triumphant FBI told press that it had decided to make the arrests, after a five-month investigation, because “the subjects were actually mixing the witches’ brew,” that is, the explosives. The eight people arrested were alleged followers

of exiled Egyptian cleric Sheikh Omar Abdel Rahman who were said to also be implicated in the World Trade Center bombing of Feb. 26. The sheikh will be extradited to Egypt; the “Islamic Group” of Egypt has already threatened “reprisals” against U.S. interests worldwide.

To enhance the environment, the ABC News program “Nightline” on June 24 said that the conspirators, most of whom are Sudanese nationals, were aided by the Sudanese mission to the U.N. Citing government sources, news anchorman Ted Koppel said that Sudan has now become a “surrogate” for four other Mideastern alleged “state sponsors of terrorism”—Iran, Iraq, Syria, and Libya. As with the World Trade Center bombing, the specifics of the plot were not credible—for example, using a Sudanese government car to carry explosives into the U.N. The Sudanese government has denied the claims.

Preparations to make the Islamic enemy image a dominant theme of the Clinton administration were publicly launched on Feb. 24, when Israeli President Chaim Herzog traveled to Britain to expound on the threat. Herzog told BBC that Israel was engaged in a “major battle against Iranian-controlled Islamic fundamentalism. . . . It’s true that there’s no Soviet Union now threatening,” he explained, “but there are all sorts of lunatic states like Iran and Iraq and so forth, which could upset the balance in the world.” Two days later, the World Trade Center was bombed. Around that time, more attention was paid to the shootings of CIA officials in Langley, Virginia on Jan. 25, attributed to a Pakistani Muslim. Naturally, most of the experts interviewed on this threat, such as Cable News Network’s Wolf Blitzer, are closely tied to Israel.

Israeli Prime Minister Yitzhak Rabin has now emerged as another promoter of the Islamic threat. Fundamentalists, backed by Iran, are establishing a worldwide “infrastructure of terror,” Rabin told reporters on a visit to France on July 2. “Have no illusion. They will not hesitate, whenever needed outside the Middle East, to use terror,” he warned. “We are seeing now a unique phenomenon—the rise of Khomeinism without Khomeini throughout the Middle East and North Africa.” Fundamentalists have also taken over Sudan, and have made it “a springboard for spreading and assisting all other movements” around the world, he added.

Seconding Rabin is Yossef Bodansky, director of the House Republican Task Force on Terrorism. The former editor of the Israeli Air Force magazine, Bodansky’s new book, *Target America: Terrorism in the U.S. Today* (New York: Shapolsky Publishers), put out in April, had the same line. “The World Trade Center bombing was only the beginning,” the dust jacket reads, “the terrorists are coming—and no Americans will be safe!” Bodansky, who the Israeli press has cited as implicated in the Jonathan Pollard-Mossad spy scandal of 1985, is part of the same circuit as Martin Indyk, who left his post as head of the research arm of the American-Israel Public Affairs Committee to become the chief of the Mideast division of Clinton’s National Security Council.

# Thousands in Philadelphia co-sign U.S. Declaration of Independence

by Patricia Salisbury

Over the July 4 weekend, the first shot of a campaign to revitalize America's rotting political institutions rang out in Philadelphia, and echoed across the country. A series of events sponsored by the Declaration of Independence Co-Signers' Convention (DICC) drew over 1,000 people to the nation's first capital. The coalition was initiated by Rev. James Bevel to rededicate the United States in practice to the principles expressed in the opening words of the Declaration of Independence: "that all Men are created equal and endowed by the Creator with certain Inalienable Rights"—words with which too many Americans no longer agree. At the invitation of Bevel, a former top lieutenant to Dr. Martin Luther King, Jr. in the civil rights movement, delegations traveled from Ohio, Illinois, Indiana, New Jersey, New York, Canada, and even Washington State, all bearing hundreds of signatures on the Declaration of Independence which had been gathered at churches and other sites around the country.

The events began with a concert on July 2 at the historic Tindley Temple United Methodist Church in honor of the great Classical singer Marian Anderson, who passed away on April 8. To many of the 800 people attending the concert, Marian Anderson, more than any other recent figure, truly represented the human spirit on which the nation was founded, through her dignified defeat of prejudice and injustice. Anderson overcame great obstacles to assert her equal right to study and perform the works of European Classical polyphony, an achievement which was finally acknowledged when she became the first black singer to perform a leading role at the New York Metropolitan Opera.

The featured singer was baritone Robert McFerrin, who in 1955 became the first black artist to perform under contract with the Metropolitan Opera, following Anderson's groundbreaking guest appearance. Now 72, McFerrin, despite a recent stroke which temporarily left him entirely unable to speak, beautifully performed a program which included seven songs of Robert Schumann's song cycle *Dichterliebe*, Rigoletto's famous aria "Cortigiani, vil razza dannata," from the Giuseppe Verdi opera, and four Negro spirituals in Classical settings by Hall Johnson. McFerrin was accompanied on piano by Sylvia Olden Lee, another trailblazer who in 1954 was the first black person to work in a professional capacity at the Metropolitan Opera when she became the leading vocal coach. Lee has been a teacher and inspiration for dozens of singers, including sopranos Kathleen Battle and Jessye Nor-

man. The performance of McFerrin and Lee brought the audience to several sustained ovations.

## Activating government's 'fourth branch'

The Co-Signers' Convention proper opened the following day at Mt. Olivet Tabernacle Baptist Church. The keynote speaker was the Reverend Bevel, speaking on "The Foundation, Principle, Method, and Goal of the American Revolution." Leading the audience through a guided tour of the ills of the nation in comparison to the promise of the Declaration of Independence, Bevel demonstrated that most of the rights secured to the people by the founding document are in fact not enjoyed. "You must realize that if we don't have these rights, then we do not have a government. . . . And if you don't have government, is it not your duty to institute it? That's not a question of waiting for someone to do it; that's a question that this fourth branch of government has to be activated."

The challenge raised by Reverend Bevel was explored in more detail during afternoon workshops. Over 150 people assembled for discussions of the history and purpose of the Declaration of Independence, much of it refuting the currently fashionable approach of criticizing the Declaration and slandering the Founding Fathers.

Following the workshops, a plenary session was held to pass resolutions, including one declaring that Lyndon LaRouche's imprisonment is a "violation of human rights in what is supposed to be the most humane country in the world," and urging President Clinton to effect his unconditional release.

That evening, an awards ceremony was held to honor leaders of the civil rights movement. Civil rights leader and Schiller Institute vice chairman Amelia Boynton Robinson delivered the keynote address, stressing that we have been put on earth in order to achieve a great purpose.

On Sunday, July 4, churches throughout Philadelphia participated in ceremonies to co-sign the Declaration of Independence. All told, 225 churches in the city participated in organizing for the events, along with 130 schools and 70 organizations, including trade unions and civic groups such as the National Association for the Advancement of Colored People.

All co-signers' signatures were then assembled at the convention's afternoon closing rally, held at Drexel University's playing field.



# Court overrules FEC on LaRouche's right to matching funds

The Federal Election Commission had no authority to deny matching funds to Lyndon LaRouche's 1992 presidential primary campaign, the U.S. Circuit Court of Appeals for the District of Columbia ruled on July 2. The decision is a sharp rebuke to the FEC, which has a long history of corruption, bias, and abuse of power in its dealings with LaRouche.

In 1992, the FEC, acting on the advice of its legal counsel, Lawrence Noble, denied LaRouche federal matching funds for his Democratic presidential primary campaign. The FEC claimed, falsely, that LaRouche's 1988 criminal conviction (a railroad for which he was unjustly imprisoned in 1989) and his past disputes with the FEC made him ineligible for the matching funds.

Making up the rules as it went along, the FEC admitted that LaRouche had fulfilled all the legal requirements to receive matching funds, but denied him the money anyway. The FEC's decision was based solely on wild allegations against LaRouche manufactured by his enemies, particularly the Anti-Defamation League of B'nai B'rith (ADL).

As a result of that FEC decision, LaRouche was not only denied the use of campaign matching funds to which he was entitled—approximately half a million dollars according to campaign spokesmen—but was also denied ballot access in many state presidential primaries which give ballot status only to candidates who qualify for matching funds. LaRouche was able to achieve ballot access in some of those states only after going to court or conducting expensive petition campaigns.

The FEC's conduct toward LaRouche was in stark contrast to its past treatment of LaRouche's enemies, for example, in the ADL. In 1990, the FEC found that the ADL's distribution of hate literature against LaRouche was in violation of federal election laws, yet condoned ADL law-breaking by officially deciding to take no action against the League.

## A matter for the voters

In the July 2 ruling, the majority opinion of the Appeals Court, written by Judge Stephen Williams and joined in by Judge James Buckley, stated that "the object of the statute," the Federal Election Campaign Act which set up the FEC, "is to enhance the ability of candidates to present their posi-

tions and themselves to voters in presidential primaries. One of the characteristics with which voters will surely be concerned is the character and integrity of a candidate and the strength of her [sic] commitments to what she says. It would seem to contradict the purpose of enhancing voters' ability to assess candidates to shift any part of that process away from voters and to the Federal Election Commission.

"Moreover, it was Congress's explicit intention that the funds be issued on a non-discriminatory basis. . . . As we said in *Committee to Elect Lyndon LaRouche v. Federal Election Commission*, 'We regard it as particularly important to ensure that the Commission is applying the eligibility criteria for primary matching funds in an even-handed manner.' Any inquiry into the bona fides of candidates' promises would take the Commission into highly subjective territory that would imperil the assurance of even-handed treatment."

The opinion castigated the FEC for misconstruing previous court rulings, and underlined that the court's finding in a previous case involving LaRouche "hardly implies authority to impose comparatively subjective criteria for assessing candidates' promises. The conceded authority is to engage in a counting exercise; the authority now claimed is to evaluate a candidate's character. . . . The key here is that the Commission is not authorized to appraise candidates' good faith, honesty, probity or general reliability."

The court also knocked down the FEC's argument that the First Amendment is irrelevant to the equitable funding of presidential candidates. The commission had attempted to show that a 1983 Supreme Court case had overruled the well-established principle that free speech is inseparable from the ability to finance it, a principle emphasized in the landmark *Buckley v. Valeo* decision that affirmed the constitutionality of the Federal Election Campaign Act, and reaffirmed in many subsequent cases.

## A history of FEC discrimination

This is not the first time the FEC has been reprimanded by a federal court for unfair dealings with LaRouche. As far back as 1981, New York Federal District Court Judge Charles Brieant said of FEC actions against LaRouche that "it would be hard to imagine a more abusive visitation of bureaucratic power."

In the current ruling, even dissenting Judge Patricia Wald—normally a booster of government agency powers—could not swallow the FEC's contorted attempt to "concoct a theory" linking LaRouche's 1988 conviction to campaign law violations. While not acceding to the more definitive court majority, she would have sent the matter back to the FEC for a re-determination, without consideration of the conviction.

The final ruling flatly orders the FEC to certify LaRouche and dispense any money his campaign is due. The FEC has not announced whether it will seek a rehearing or appeal to the Supreme Court.

## 'A peek at the possibility of justice'

*On July 7, American statesman and political prisoner Lyndon LaRouche was asked by Mel Klenetsky to comment on a recent appeals court ruling against the Federal Election Commission handling of his 1992 presidential campaign. The interview was on the weekly program, "EIR Talks with LaRouche."*

**EIR:** During the presidential elections of 1992, when you ran for office, you had put forward many of these economic development policies, including great projects, railroad, transportation infrastructure, water infrastructure, and so on. A very interesting thing occurred. The FEC denied you matching funds.

Recently, that decision was overturned. Can you give us some insight into what was going on? What was the FEC doing in the first place?

**LaRouche:** The FEC was a corrupt agency which was working with my political enemies, the enemies of the SDI [Strategic Defense Initiative], among other things, who were out to do anything they could to injure me, and to injure my chance to have a voice in anything; and so they simply said, "We have the power, we are going to do it."

They were told, "It's illegal." And they said, "We don't care, we're going to ram it through." And they had George Bush's backing, remember, to do that. So they did it.

Now, times have changed somewhat. It went up to higher levels of the Circuit Court; and the Circuit Court, as rightly pointed out in Judge [Stephen] Williams's decision, has shown exactly what we said before: The thing was a completely unlawful, completely subjective, arbitrary piece of nonsense. But it was done.

The same thing can be said about my being put into prison by George Bush and his friends. It's a completely fraudulent, nonsensical piece of information. The judge was corrupt. The judge knew I was innocent, knew the whole thing was a fraud, but he rammed it through.

The Fourth Circuit knew I was innocent, but they rammed it through. The U.S. Supreme Court, particularly [Chief Justice William] Rehnquist, had access to everything to know I was innocent—and he is also, of course, the relevant Supreme Court Justice for the Fourth Circuit; he knew I was innocent. Bush knew I was innocent.

But they all rammed it through, and made it stick for a while. And that is the way things happen.



*Lyndon LaRouche campaigning in New Hampshire during the 1988 presidential primary.*

What is happening now, is that the idiots like [Sen.] Phil Gramm [R-Tex.] and their policy—I mention Gramm because he typifies what is wrong with the thinking around Washington and among the American people—the American people actually want this so-called budget-cutting operation. They don't know we have approximately the same [number of] government non-military employees we had 20 years ago. What are they talking about, "big government"? There is no big government—not in economic terms. In terms of dictatorial tendencies, yes; but not in terms of economics.

"Big government" is not our economic problem. It is not government spending that is our big economic problem. It is private spending; it's derivatives. It is the whole financial mess. These are the kinds of thoughts we must have, if we want to understand what has been going on, and this is what is involved in this decision.

The decision is: Bit by bit, the truth about the operations against me and my friends, but against me as the chief figure in that, is coming out. That I was right, and because the Soviet government demanded my imprisonment publicly, in the leading Soviet press, as a condition of summit negotiations, the scoundrels in the United States who liked that, ganged up together to support the Soviet government.

Remember that the Anti-Defamation League [ADL], which was a key part of the prosecution, was working directly with the Soviet KGB, in order to attempt to frame me up in various ways, to help further this incarceration.

Well, it all comes out. The ADL was a key factor in the FEC decision. The FEC covered up for the ADL, which committed violations of the law. The IRS covered up for the ADL, which committed violations of the law.

So there is a little bit of change going on these days, and you get a peek at the possibility of justice now and then. And this decision by the Washington, D.C. Circuit Court against the FEC and its shenanigans, is an indication, one glimpse, of the possible peek of justice coming under the pressures of a great crisis.

# Heads begin to roll in ADL's networks

by Jeffrey Steinberg

Thomas Dine, the longtime executive director of the American-Israel Public Affairs Committee (AIPAC), was forced to resign on June 28. His departure is the latest shakeup inside a Zionist lobby that has been fractured for the last year over scandals, power struggles, and major policy differences over the Middle East peace process.

Since the beginning of January, the Anti-Defamation League of B'nai B'rith (ADL), the group most closely linked to AIPAC among all of the major American Jewish organizations, has been plagued by a spy scandal implicating League officials in the illegal possession of classified government files, the passing of spy data to the governments of Israel and South Africa, and the conducting of dirty tricks against as many as 950 U.S. activist groups. The ADL is the target of criminal investigations in San Francisco, Los Angeles, Chicago, Virginia, and New York, and has been served with one class action civil suit, with a second civil suit by a number of Arab-American groups pending. San Francisco sources expect that criminal indictments will be handed down against a number of ADL officials and employees before the end of the summer.

Among the prime targets is the ADL's national "fact-finding" chief, Irwin Suall, of the League's New York City headquarters. Although he is not believed to be a target of any of the criminal investigations, ADL National Director Abraham Foxman is expected to be forced to resign as part of an ADL-designed "damage control" effort forced by the San Francisco scandal.

## AIPAC versus the Rabin government

Underlying both the AIPAC and ADL scandals is a policy rift between the American Zionist leaders and the Labor Party government in Israel over how to deal with the Palestinian crisis.

Dine's resignation was ostensibly precipitated by remarks he made to an Israeli author six years ago, in which he referred to Orthodox Jews as "smelly." Dine's comments, included in a forthcoming book by David Landau, were reported in a recent issue of the Baltimore *Jewish Times*. Dine was quoted as saying: "I don't think mainstream Jews feel very comfortable with the ultra-Orthodox. It's a class thing, I suppose. Their image is—smelly. That's what I'd say now that you've got me thinking about it. Hasids and New York diamond dealers." Dine told Landau that major Jewish fund-

raisers choose not to fly on Israel's national airline El Al because of "those people." He added, "Actually, I prefer Swissair or Lufthansa myself. But I fly El Al to Israel because it's direct. Yes, TWA flies direct, too. But it's low-class like the Orthodox. Yes, that's still the image. Still the poor immigrant image. That's the perception of a lot of people I mix with."

The publication of Dine's comments provided the pretext for a number of AIPAC board members, who have been reeling from nearly a year of harsh criticism from Israel's Prime Minister Yitzhak Rabin over their hardline pro-Likud policies during the 1980s, to bounce the man most associated with those policies. Last September, during his first trip to the United States since his election, Rabin met with AIPAC officials and lambasted them for their "right-wing" direction.

An even more direct indication of the rift between AIPAC's 1980s leadership and the Israeli government surfaced just after Dine's resignation, when the *Washington Jewish Week*, in its July 1 issue, published an attack by another AIPAC official, Vice President Harvey Friedman, on Israel's Deputy Foreign Minister Yossi Beilin.

Friedman led a spring 1993 delegation of three U.S. congressmen to Israel for talks with government officials about the future of the Occupied Territories. According to Friedman, Beilin told the visitors that Israel was prepared to return to its 1967 borders in order to reach a peaceful settlement. Israeli Foreign Ministry spokesmen claimed that Beilin's comments were more vague and only reflected a subject that the Israeli government was willing to put on the table.

In response, Friedman told the *Washington Jewish Week*'s Larry Cohler: "This little slime ball can say he didn't say it, but three congressmen will affirm that it's just what he said."

Within a day of the story hitting the newsstands, Friedman was forced to resign from AIPAC, and the group's new president, liberal Democrat Steve Grossman, apologized for Friedman's "outrageous statements."

On July 4, Beilin denounced AIPAC: "The firing of Harvey Friedman came on a much more grave background, the transformation of AIPAC in recent years into a right-wing Jewish organization." Beilin told Israel Radio that most of the official Jewish organizations are now run by extremists whose views on the Middle East peace process and many other issues are at odds with the vast majority of American Jews, who are more "moderate, liberal, pragmatic" than their leaders.

Sources say that top officials of both the Israeli and U.S. administrations agree that the leaders of the ADL and AIPAC are a major impediment to the peace process. According to these sources, further purges and scandals can be expected. Foxman, they say, is considered, along with Dine, to be one of the key figures who steered the official American Zionist lobby into the anti-peace camp associated with Likud figures like Ariel Sharon.

# Special Master finds Demjanjuk was not 'Ivan the Terrible'

by Jeffrey Steinberg

At the beginning of July, U.S. District Court Judge Thomas A. Wiseman, Jr. issued his long-awaited Special Master report in the case of John Demjanjuk.

Demjanjuk, a retired Cleveland auto worker, is in prison in Israel awaiting that country's Supreme Court decision on his appeal of a death sentence for his alleged mass extermination of Jews at the Treblinka, Poland Nazi concentration camp in 1942-43. During a 10-year period beginning in 1976, Demjanjuk, who was born in Ukraine, was accused by the U.S. Justice Department Office of Special Investigations (OSI) of being the Treblinka gas chamber operator known as "Ivan the Terrible." He was stripped of his American citizenship, ordered deported, and extradited to Israel to stand trial for war crimes.

In 1988, Demjanjuk was sentenced to death by an Israeli court after being convicted in a jury trial that was televised all over Israel and built up as the biggest war crimes prosecution since that of Adolf Eichmann in the early 1960s.

Demjanjuk has steadfastly maintained his innocence, and family and friends, including Rep. James Traficant (D-Ohio), fought to obtain Department of Justice (DOJ) documents which they believed would prove he was not "Ivan the Terrible." Early last year, under the Freedom of Information Act (FOIA) and through other investigative efforts, Demjanjuk's attorneys began to receive volumes of evidence proving that the DOJ had possessed proof all along that John Demjanjuk was not "Ivan."

In June 1992, the Sixth Circuit Court of Appeals in Cincinnati, Ohio, which had upheld the lower court's denaturalization and extradition orders, initiated a review of the Demjanjuk case on the basis of the appellate court's authority to overturn rulings in cases where evidence emerged of "fraud upon the court."

In August, the appeals court appointed Wiseman, a federal judge in Nashville, Tennessee as the Special Master, responsible for gathering evidence to determine whether or not DOJ prosecutors had committed fraud.

## Wiseman findings released

For eight months, Judge Wiseman, on behalf of the Sixth Circuit, presided over a series of evidentiary hearings and depositions, in which current and former DOJ officials were

called to testify about their roles in the Demjanjuk case. Wiseman's mandate was to gather evidence for the appellate panel to determine whether OSI had indeed defrauded the court. On Aug. 4, in Cincinnati, the appeals panel will hear arguments from attorneys for Demjanjuk and the DOJ on the implications of the Wiseman findings.

Judge Wiseman's 210-page report for the first time officially acknowledges that there is "substantial doubt" that John Demjanjuk was "Ivan of Treblinka."

The implications of that finding are profound. For the past six years, the Israeli Supreme Court has been stalling on deciding Demjanjuk's appeal of his death sentence. In recent years, it has been presented with the same evidence now before Wiseman and the Sixth Circuit, but has so far failed to issue any decision. The Israeli court has stipulated that if it determines that Demjanjuk was not "Ivan," he will be freed, regardless of contentions by the OSI and Israeli prosecutors that if Demjanjuk was not at Treblinka, he was probably a guard at another Nazi concentration camp at Sobibor, Poland, and should, therefore, still be kept in Israeli prison.

Because the Wiseman report strongly suggests that Demjanjuk was not "Ivan," and therefore should be freed from the death sentence in Israel, friends and relatives have hailed the report as a "victory."

At the same time, however, Judge Wiseman devoted the bulk of his report to a review of the evidence of willful fraud by federal prosecutors, and concluded that there is no proof that their withholding of crucial evidence was intentional. Instead, Wiseman found that prosecutors were ensnared in turf battles between the OSI and local U.S. Attorneys, mishandled evidence, failed to pursue leads that tended to disprove their belief that Demjanjuk was "Ivan the Terrible," and committed a wide range of other acts of commission and omission that thoroughly sabotaged the pursuit of justice. However, at the end of the report, Wiseman stated his personal belief that the DOJ officials were at all times acting out of a misguided and bungled pursuit of the truth, rather than any conscious effort to perpetrate fraud.

As a result, Wiseman suggested that the Sixth Circuit close the case and consider other courses of action to rectify the potential injustice done to Demjanjuk.

## **A damning indictment of the DOJ**

Despite his hesitation to find that OSI officials engaged in willful fraud, the Wiseman report is a damning indictment of a Department of Justice dominated by zealotry, incompetence, and petty rivalries.

In his "Conclusions," Wiseman observed: "Ultimately, this is a case about questions that were never asked and questions asked that went unanswered. Government attorneys failed to ask questions regarding the evidence they possessed, and this error prevented them from asking questions designed to obtain additional evidence.

"Government attorneys failed to challenge the evidence they possessed, and this led them to abandon leads which contradicted their interpretation of the evidence. . . .

"Thus the government was inadequately skeptical of its theory to begin with, and this shortcoming was compounded by the unintended silencing of the lone dissenting voice—Mr. Parker's." George Parker was an OSI attorney who worked on the Demjanjuk case through 1981. After writing a memo stating his belief that Demjanjuk was not "Ivan" and posing serious "moral" dilemmas for the DOJ case, Parker quit the government after his superiors ignored his warnings.

Judge Wiseman continued: "In scientific terms, the prosecutors never attempted to prove the null hypothesis—an alternative hypothesis which is the converse of that in which one believes. In the Demjanjuk case, attempting to prove the null hypothesis would have led the government investigators and attorneys to look for evidence that someone other than John Demjanjuk was Ivan the Terrible. . . .

"In addition, the case is about questions asked that went unanswered. As I have discussed above, a careful reading of Mr. Demjanjuk's discovery requests demonstrates that he asked for virtually every piece of evidence that is at issue in these proceedings. As demonstrated, the government did not provide the evidence because it believed that it was under no duty to do so. The heart of the discovery problems, therefore, was a tragic misunderstanding.

"I have fixed the responsibility for this on the government, but his case is more about imperfection than perfidy to justice. I trace the root of the misunderstanding to the unstable and fractious character of the prosecution team. . . . These difficulties were only compounded, however, by the attitude the trial attorneys took toward discovery; an attitude that at times bordered on gamesmanship. . . .

"[T]he OSI's cooperation with the government of Israel was characterized by an unintentional failure to completely disclose the materials they had acquired regarding Mr. Demjanjuk's case. Upon the filing of the FOIA requests, the Office, which feared that its failure to provide Israel with Soviet materials would be perceived as a lack of candor, and also feared disclosing the fact of its cooperation with that government, denied Mr. Demjanjuk's supporters access to materials that would have been helpful to his defense to the

criminal charges against him. . . .

"The Soviet evidence, viewed in its entirety, casts a substantial doubt on Mr. Demjanjuk's factual guilt of the central allegation of the denaturalization complaint—that he was Ivan the Terrible of the Treblinka gas chambers. The statements of former Treblinka guards and laborers recently obtained from the Soviet Union constitute an harmonious chorus which inculpate a man named Ivan Marchenko as the Ivan who worked at the gas chambers, and thus exculpate Mr. Demjanjuk from those specific crimes. Given the period of time over which the Soviet statements were made (many were made in the 1940s, others were made as recently as the 1970s), and given the lack of contact these individuals had with Jewish survivors of the death camp, the stories they tell are eerily similar, with one exception: the former Soviet guards identify Ivan Marchenko as one of the motorists of the gas chambers. There is also substantial evidence placing Ivan Marchenko at Treblinka continuously until its liquidation in November 1943, contradicting the entry on Mr. Demjanjuk's Trawniki identification card, which indicates that he was posted to Sobibor in March 1943. [Defense attorneys have charged that the Trawniki identification card, which was provided to OSI by the Soviet government, was a forgery and that Demjanjuk was held in a German POW camp and was never present at any concentration camp—ed.] Perhaps the most significant statement in the new Soviet evidence is that of Nikolai Shalayev, a confessed motorist of the gas chambers. Shalayev confirms that only two Ukrainians worked at the gas chambers, and identifies his partner as Ivan Marchenko."

Wiseman wrote that since no evidence had been surfaced discrediting the authenticity of the Trawniki ID card, the U.S. court was not, in his judgment, in error in stripping Demjanjuk of his citizenship.

## **Dismantle the OSI**

If the Sixth Circuit adopts Judge Wiseman's recommendations, Demjanjuk could literally find himself a man without a country—freed from the Israeli hangman's noose, but blocked from returning to his home in America.

While the Special Master's report has for the first time officially endorsed the most fundamental arguments of the defense—that the government withheld crucial evidence proving Demjanjuk's innocence—it could leave in place an OSI apparatus which has trampled on the rights of American citizens, uncritically embraced Soviet KGB-produced "evidence," and helped fuel the efforts of groups like the Anti-Defamation League to brand the majority of World War II-era Central and East Europeans as unrepentant Nazis.

It is now up to the Sixth Circuit Court of Appeals and Attorney General Janet Reno to ponder the Wiseman findings. It is a damning indictment of DOJ behavior, which borders on totalitarianism, and it is a strong argument for the OSI to be put out of business.

## House maintains ban on abortion funding

The House on June 30 upheld a 16-year-old ban on Medicaid-funded abortions by a vote of 255-178, except in cases where the life of the mother is in danger or in cases of rape or incest. The measure was passed as part of the appropriations bill for the Labor and the Health and Human Services departments.

The amendment, sponsored by Rep. Henry Hyde (R-Ill.), was passed despite administration support for removing the ban. It is unlikely, however, that President Clinton will veto the bill even if the provision is passed by the Senate. Administration officials have indicated that federally funded abortions would be a part of their health care reform package.

During the debate, Hyde charged that some of the impetus for the abortion liberalization comes from political and social groups which are promoting liberal abortion laws as a subtle form of genocide against the poor and racial minorities.

## Gonzalez calls for an end to the death penalty

Rep. Henry B. Gonzalez (D-Tex.) introduced a resolution in the House on July 1 which calls for a constitutional amendment to prohibit capital punishment within the United States. Calling the death penalty "an act of vengeance veiled as an instrument of justice," Gonzalez said that the death penalty "is meted out to the poor, to a disproportionate number of minorities, and does not either deter crime or advance justice."

Countering death penalty proponents who argue that it "fulfills some social need," Gonzalez said that such claims were "simply not true. . . . Studies fail to establish that the death

penalty either has a unique value as a deterrent or is a more effective deterrent than life imprisonment. . . . Rather than act as a deterrent, some studies suggest that the death penalty may even have a brutalizing effect on society."

Gonzalez cited Florida and Georgia, two states with the most executions since 1979, both of which experienced an increase in homicides following the resumption of capital punishment.

"Capital punishment has become a kind of grotesque lottery," Gonzalez said. "Nearly all other western democracies have abolished the death penalty without any ill effects. Let us not be left behind. Let us release ourselves from the limitations of a barbaric tradition that serves only to undermine the very human rights which we seek to uphold."

The resolution is being introduced as efforts are under way in Congress to speed up executions by limiting and streamlining the appeals process.

## National Endowment for Democracy funding cut

The House on June 22 cut all funding for the National Endowment for Democracy (NED), an organization which has come under attack for unlawful interference in the internal affairs of countries the world over. Its activities go by the name of Project Democracy.

Although the NED portrays itself as supporting "democratization," its support has always been channeled to groups and organizations effectively serving as agents of influence for those providing the funding—often in crass disregard for national sovereignty. As Rep. Tim Penny (D-Minn.) pointed out in the floor debate on June 22, the NED has heavily fund-

ed projects in Britain, France, and New Zealand, countries for which the "promotion" of democracy hardly seems appropriate. The NED has been active in eastern Europe, the former Soviet Union, Ibero-America, and Asia, where it finances candidates felt to be operating in line with U.S. foreign policy goals.

Although the NED was set up during the Reagan administration, Republicans voted 112-62 to cut its funding. The main sponsor of the amendment, Rep. Paul Kanjorski (D-Pa.), called it "an insult to the Constitution" to "give taxpayers' money to a private organization to carry on the foreign affairs of the United States."

## Space Station Freedom survives House vote

In a vote of 196-220 on July 28, the House defeated an amendment by Rep. Tim Roemer (D-Ind.) which would have taken the \$2.1 billion for Space Station Freedom out of the NASA FY 94 budget. An identical provision offered to the NASA authorization bill the week before, was defeated by only a one-vote margin.

The arguments against building the Space Station rested almost entirely on claims that this money could go to reduce the deficit, even though the program would provide a major payoff to the U.S. economy in the form of spinoff technologies.

Rep. George Brown (D-Calif.), chairman of the Science, Space, and Technology Committee, stated that the opposition is "totally misguided and their arguments are wrong." He demonstrated with charts and numbers that the money that has been cut out of the NASA budget each of the past four years by the Appropriations Committee has never gone to reduce the deficit, but rather is "recycled" to other programs, such as the National

Science Foundation, veterans benefits, and programs under the Department of Housing and Urban Development. If the committee didn't have NASA, Brown said, "they'd have to invent it," because they would have no place from which to get more money for the other programs. Brown charged that the Appropriations Committee for the "past five years in a row, has redesigned the Space Station to take these cuts out of NASA."

Brown said that eliminating the Space Station would mean breaking international agreements with the U.S. allies participating in the program. He pointed out that cutting funding would put the United States far behind other advanced countries such as Germany and Japan, and even behind Taiwan and South Korea, in terms of research and development outlays as a percentage of GNP.

## **D**emocrats rally behind Clinton's energy tax

After meetings at the White House on July 1, Senate and House Democratic leaders indicated that they would fight to maintain some form of energy tax in the final budget legislation, giving a warning to those Democratic legislators who might want to eliminate it.

The original proposal for a broad-based BTU tax on all forms of energy consumption, which was to raise \$72 billion in revenue over five years, was maintained in the House version of the package, which passed by a small margin, but was replaced in the Senate version by a smaller tax on gasoline and transportation fuels which would raise \$23 billion during that same period. The Senate measure passed with Vice President Al Gore casting the tie-breaking vote.

Many Democrats, however, are hoping that they can replace these taxes with higher tax rates on corporations and wealthy Americans, which would not hurt them so much in the elections. Twenty-five moderate and conservative Democrats who skeptically supported the BTU tax, have signed a letter indicating their opposition to an energy tax and calling for increased corporate and individual marginal tax rates and more spending cuts.

Under pressure from the austerity Democrats and the Republicans, the House has already cut in half the spending increases sought by the administration. House Ways and Means Committee Chairman Dan Rostenkowski (D-Ill.) has indicated that he will resist higher corporate tax rates, because he believes that higher rates would have devastating effects on the economy.

## **B**lack elected officials targeted by court ruling

The first black officials elected to Congress in North Carolina during this century now find their seats in doubt after a U.S. Supreme Court decision on June 28 which called into question the redistricting that helped these officials get elected. The ruling may affect much of the redistricting that had occurred in many states just prior to the 1992 elections.

North Carolina was forced to redraw its congressional districts after the Justice Department had determined that voting rights of blacks were being abridged. North Carolina's population is 22% black, and yet 1992 was the first year that a black congressman was elected in North Carolina since Reconstruction.

In a 5-4 decision, the court ruled that the North Carolina redistricting

"can be understood only as an effort to segregate voters." The ruling came as the result of a lawsuit raised by white voters who claimed that the redrawn district separated voters by race and thus violated their constitutional right to color-blind elections.

Many see the ruling as an attempt to eliminate the gains made by the black community in the redistricting. More lawsuits are expected. The Congressional Black Caucus issued a statement subsequent to the ruling warning that it "further encourages the pursuit of litigation across the nation . . . where African-Americans and Hispanics have been excluded from electoral participation by virtue of their minority status in the population."

## **F**unding for drug programs cut by House

The House slashed the funding for drug treatment and education programs by \$231 million in a measure contained in an appropriations bill passed on June 30.

Under pressure to cut spending further, officials from the Office of Management and Budget had reportedly proposed the funding cuts to the subcommittee responsible for the anti-drug funding. About \$131 million was cut from a Department of Education "drug free" schools program, \$33 million from the President's request for a "block grant" program to the states for alcohol and drug treatment, and \$66.8 million from a "capacity expansion" program aimed at directing treatment funds to inner-city areas.

Herb Kleber, executive vice president for the Center on Addiction and Substance Abuse, says that the House cuts would deprive about 45,000 addicts of treatment services. The cuts could be restored by the Senate.

## Kissinger flees press at news conference

A scheduled news conference in Baltimore by Henry Kissinger and Mayor Anatoly Sobchak of St. Petersburg, Russia was abruptly cancelled when Kissinger refused to enter the same room, because an *EIR* reporter was among the press corps.

The co-chairmen of the International Action Commission for St. Petersburg, Kissinger and Mayor Sobchak, were to have announced 10 actions to promote so-called investment growth in the St. Petersburg region, including energy conservation and tourism. This commission was formed in 1992 by the Center for Strategic and International Studies, of which Kissinger is a prominent member.

After reporting to Kissinger that *EIR* was in attendance, the moderator told *EIR*'s Mark Nafziger, "You are not welcome here, we would like to begin the news conference," before the eyes of the *Baltimore Sun* and a St. Petersburg television crew. When Nafziger replied, "I have a few questions for Mr. Kissinger," the moderator left. Nafziger, meanwhile briefed the Russian press on the difference between Lyndon LaRouche's European "Productive Triangle" program to develop the new eastern democracies, and Kissinger's neo-liberal economic looting policies, personified by George Soros and Jeffrey Sachs.

When the moderator returned, he announced that the news conference was cancelled. The moderator told *EIR*, "Mr. Kissinger will not come into this room because of you; this news conference is cancelled."

## Pa. lawmakers vote down OBE measures

Opponents of Outcome Based Education (OBE) in the Pennsylvania state House of Representatives passed a bill that would block OBE on the local level by a more than a 2-1 margin on June 23. Parent groups now plan a drive over the next six months

to build a veto-proof majority against the curriculum in the state Senate, followed by fights against it in every school district. OBE, which has been referred to as "spiritual child molestation" replaces meeting educational goals with achieving "values" conformity.

Parent groups led by Peg Luksik and legislators led by conservative western State Rep. Ron Gamble (D) have put off until November their effort to stop the revised version of OBE, citing Gov. Robert Casey's hospitalization for a heart-lung transplant. Gamble says this will give groups all summer to organize parents to make their opposition to OBE known to state senators. Gamble and Luksik had originally planned to bring a measure up for vote in June, allowing local school districts to refuse to accept OBE.

Casey had earlier sent the original OBE plan back to the Board of Education, after the state House passed a measure forbidding it to be implemented. The board's revision removed the most offensive language in the OBE plan, about "values education," but left the curriculum content intact.

## New York Times: Israel should free Demjanjuk

Both the *New York Times* and syndicated columnist Pat Buchanan have called for the Israeli Supreme Court to abandon the execution order against retired Cleveland auto worker John Demjanjuk, following the Special Master's report to the U.S. Sixth Circuit Court on July 6 (see article, p. 66).

Buchanan blasted the Israeli Supreme Court for stalling for six years on Demjanjuk's appeal of his conviction and death sentence, accusing them of trying to wait it out until Demjanjuk, now 72, just dies in jail. That way, he charges, the court will not have to face up to the tremendous weight of evidence proving that Demjanjuk was not the mass murderer "Ivan the Terrible" at Treblinka's gas chamber. "Men are letting an old man rot, hoping he dies, to spare themselves the duty of standing up and saying 'God help us, we made a terrible mistake.'"

The *Times* editorial, noting that Special Master Judge Wiseman found that there was "substantial doubt" about Demjanjuk's guilt, urged the Israeli court to abandon the death sentence. The *Times* editorial also focused attention on the Justice Department's sorry performance in the original Demjanjuk deportation and denaturalization proceedings, where crucial exculpatory evidence was withheld from the defense.

## DNA test proves death row inmate's innocence

For at least the second time in six months, a man who had been sentenced to die for murder was freed after new evidence showed his innocence. On June 28, Maryland freed Marine veteran Kirk Bloodsworth, 32, who had been convicted twice of molesting and murdering a 9-year-old girl in Baltimore County. Bloodsworth, who was imprisoned for nine years, said, "I've been labeled a monster and I've lost so much."

Bloodsworth was convicted in 1985 and sentenced to die, but the Maryland Court of Appeals overturned the conviction because police had not told Bloodsworth's lawyers of another suspect. In 1987, Bloodsworth was convicted again and sentenced to life in prison.

Bloodsworth's attorneys then demanded a PCR DNA amplification procedure, which was not available earlier. A testing of semen found on the victim's clothing conclusively established that Bloodsworth could not have committed the crime.

## Masons go all-out to defend Pike statue

On June 29, the Pittsburgh City Council passed a unanimous resolution calling for the removal of the statue of Ku Klux Klan founder Albert Pike, which was erected on federal property in Washington, D.C. by the Scottish Rite Freemasons in 1901. The international campaign to remove the statue was launched last year by Lyndon



## Briefly

LaRouche and his vice-presidential running mate Rev. James Bevel.

The growing effort has greatly upset the Scottish Rite, which had hoped to keep its role in organizing opposition hidden behind the Anti-Defamation League of B'nai B'rith. However, masonic Sovereign Grand Inspector General for Washington, Charles Iverson, an attorney and special counsel to Sovereign Grand Commander C. Fred Kleinknecht, conveyed great urgency in an interview with a journalist on the need to stop the campaign to remove the statue of Albert Pike. It was Iverson who had compiled a brief claiming that LaRouche's associates had no hard evidence of Pike's leadership of the Klan, to which Kleinknecht added a cover letter.

Iverson confirmed that day-to-day coordination of the operation to stop the Pike campaign was in the hands of Dr. John Boettjer, editor of *The Scottish Rite Journal*. Dr. Boettjer's assignment from Kleinknecht includes: arm-twisting members of the Washington, D.C. City Council to vote against the Pike statue removal; preparing a reserve of some 20 masonic Congressmen, who would enter the fray to stop an Act of Congress for removal of the statue; and gathering intelligence on the LaRouche movement, particularly its efforts to have city councils around the nation pass resolutions for removal of the Pike statue.

### Former Bush staffers found new think tank

The leading denizens of the Bush White House foreign policymaking circles have created a Forum for International Policy along with some of their allies from the Reagan and even Carter administrations, according to a recent report in the *Washington Times*. Leading the pack are former Kissinger Associates officials Brent Scowcroft as president, and Lawrence Eagleburger as chairman. Board members include: former CIA director Robert Gates; former U.S. Trade Representative Carla Hills; former Democratic Party chairman and Bush's ambassador to Moscow, Robert Strauss; Reagan White House Chief of Staff Howard

Baker; Reagan White House Counsel Lloyd Cutler; Rep. Dante Fascell (D-Fla.); former Carter National Security Council staffer and China hand Michel Oksenberg.

The forum's policy analysts from the Bush administration include: Arnold Kantor, undersecretary of state for policy; Richard Haass, senior director of the National Security Council; Condoleeza Rice, senior NSC director for Soviet affairs, who was recently named provost of Stanford University; Stephen Hadley, assistant defense secretary; Walter Kansteiner, NSC African policy specialist; NSC lobbyist Virginia Lampley; and Justice Department chief of staff Daniel Levin.

### Va. labor won't endorse Terry for governor

The Virginia AFL-CIO June 28 announced its endorsement for the Democratic candidates for lieutenant governor and attorney general, but withheld an endorsement from Mary Sue Terry, the party's candidate for governor. In 1989, when the party endorsed Terry for attorney general, she issued a statement that she "disagrees with organized labor on fundamental issues like right-to-work and dues checkoffs."

The Virginia AFL-CIO has 200,000 members, and its endorsement means extensive get-out-the-vote efforts. Terry has raised so much money, some commentators say, that she can pay for such efforts herself. Yet on June 27, when Hillary Clinton appeared at a fundraiser for Terry held at the Washington, D.C. home of Sen. Jay Rockefeller (D-W.V.) to raise \$150,000, Terry allowed no press inside to photograph the event, clearly fearing that an association with Clinton would hurt her in the state, which voted heavily Republican last year.

In a related development, the Virginia Press Association excluded independent gubernatorial candidate Nancy Spannaus from a candidates' debate, giving the weak excuse that their schedule was set far in advance for only two candidates. Spannaus, an associate of Lyndon LaRouche, has charged the association with an effort to "censor" her campaign.

● **THE ENERGY** Department announced in a June 30 press release that its Task Force on Radioactive Waste Management would meet July 7 at the National Wildlife Federation in Washington, D.C.

● **OREGON VOTERS** in four counties and two cities approved ordinances to prevent local governments from adopting special rights for homosexuals on June 29. The ordinances not only ban anti-discrimination laws for gays, but also bar cities and counties from spending money to promote homosexuality.

● **TEXAS GOVERNOR** Ann Richards signed a "hate crimes" sentencing enhancement bill into law on June 19. Among the provisions, the law prohibits granting probation to anyone convicted of murder as a "hate crime." The bill was given impetus by a recent case in Fort Worth in which a young skinhead was given 10 years' probation for the murder of a black man.

● **THE SCOTTISH RITE** Freemasons of the Northern and Southern Jurisdictions formalized a proposal to re-merge on June 29, as part of their "Masonic Renewal for the Year 2000." The jurisdictions split in the 19th century.

● **POPE JOHN PAUL II** told the bishops of Miami and Detroit that the Church's proper concern with addressing the role of women could not include compromise with "bitter, ideological feminism," according to the July 3 *International Herald Tribune*.

● **A DISNEY CO.** owned television station in Los Angeles broadcast a two-part "icebox" smear against Lyndon LaRouche, two days after LaRouche associates participated in a protest of 100 people outside the headquarters of the Anti-Defamation League of B'nai B'rith. The demonstration was to protest ADL illegal spying operations against its political opponents.

### *The wrong signal*

Early in the morning on Sunday, June 27 (local time), U.S. forces fired 23 cruise missiles on Baghdad. The reason given was that the strike was in retaliation for the alleged Iraqi government-sanctioned plot to assassinate former President George Bush during his recent trip to Kuwait. The specific target was Iraqi intelligence headquarters. This action was an extraordinary miscalculation by a Clinton administration which seems increasingly rudderless and confused.

Outrages against international law and the most basic human rights by Serbia continue unabated, yet the U.S. government has chosen to single out Somalia and Iraq as targets against which to assert the supremacy of international law. The glaring discrepancy has not gone unnoticed, particularly in the European press, but there are graver consequences which must be faced. Notable among these are the conclusions which will be drawn by a Russian elite made increasingly desperate and bitter as dissension increases at home while the West offers no economic development aid, but the poison of "shock therapy."

Indeed, there are ominous signs of a resurgence of a faction of Russian "nationalists" who believe in Russia's imperial destiny. One instance of this is the refusal of the Black Sea Fleet to disband itself in accord with a Russian and Ukrainian government agreement; another is the rising tension between Russia and Estonia over claimed violations of the rights of Russian nationals living there. Tensions are also building dangerously between Russians living in Georgia and Georgians, and Russians and Ukrainians.

Back in 1983, Lyndon LaRouche's proposal for boxing in the Russian imperialists was the Strategic Defense Initiative, as a way to shift to Mutually Assured Survival and a new form of technological cooperation between East and West. Although this proposal was temporarily adopted by the Reagan administration, Russia's "Third Rome" ideologues rejected it outright. Meanwhile, the Kissingerian one-world malthusians proceeded to undermine the U.S. proposal, until it was nearly unrecognizable.

Yet, the very fact that President Reagan formally adopted LaRouche's SDI policy led to the Soviets em-

barking on the military buildup which they could not sustain. The economic looting of eastern Europe, in particular, which occurred as a reaction to the American SDI policy, is acknowledged today by Russian think-tankers and others as having been a primary cause for the collapse of the Soviet Empire.

Today, there are forces in the former Soviet Union, typified by the grouping which proposed cooperation on strategic defense technologies, who offer an alternative to a resurgence of Russian imperialism. The Clinton administration has, however, refused to take up the offer of such collaboration—which not only was reported in the Russian media, but was directly made to Clinton at the April summit in Vancouver.

For the imperial Russian faction, the message is clear: The United States is no longer a force to be feared. It lacks the will to take on Serbian aggression, and instead chooses weak targets which offer no serious opposition. Ironically, the Serbian fascists of dictator Slobodan Milosevic are not in themselves a dangerous military opponent. A U.S. decision to lift the embargo on Bosnia-Herzegovina, combined with minimal military support from the United States such as strafing certain artillery positions held by the Serbian fascists, would change the situation dramatically by allowing Bosnia to defend itself.

President Clinton's excuse for failing to act in the Balkans remains his unwillingness to have the United States act unilaterally, but that is precisely what occurred in the bombing of Baghdad. The truth is that Clinton is unwilling to buck the opposition of the John Major government in Britain and President François Mitterrand in France. He has apparently succumbed to advice that he must appear to be a strong leader by actions such as bombing Iraq, shooting civilians in Somalia, and pressuring Haiti.

If the Clinton administration does not wake up to the enormity of the crisis brewing, and take the appropriate steps, not only militarily against Serbia but also on the economic front, then over the next three to four years a global new Dark Age is looming, like that which followed the collapse of the Roman Empire, but on a far vaster scale.

# SEE LAROUCHE ON CABLE TV

## ALASKA

- ANCHORAGE—ACTV Ch. 40  
*The LaRouche Connection*  
Wednesdays—9 p.m.

## ARKANSAS

- LITTLE ROCK—Storer Ch. 18  
*The LaRouche Connection*  
Thursdays—8 p.m.

## CALIFORNIA

- MODESTO—PA Ch. 5  
*The LaRouche Connection*  
Thurs., July 22—6:30 p.m.
- MTN. VIEW—MVTV Ch. 30  
*The LaRouche Connection*  
Tuesdays—4 p.m.
- SACRAMENTO—Access Ch. 18  
*The LaRouche Connection*  
2nd & 4th Wednesdays—10 p.m.

## DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 34  
*The LaRouche Connection*  
Sundays—12 Noon

## FLORIDA

- PASCO COUNTY—TCI Ch. 31  
*The LaRouche Connection*  
Tuesdays—8:30 p.m.

## GEORGIA

- ATLANTA—People TV Ch. 12  
*The LaRouche Connection*  
Fridays—1:30 p.m.

## IDAHO

- MOSCOW—CableVision Ch. 37  
*The LaRouche Connection*  
Weekly—usually Wed. evening  
(Check Ch. 28 Readerboard)

## ILLINOIS

- QUAD CITIES—Cox Ch. 4  
*The LaRouche Connection*  
Mondays—9:30 p.m.

## INDIANA

- SOUTH BEND—TCI Ch. 31  
*The LaRouche Connection*  
Thursdays—10 p.m.

## MARYLAND

- MONTGOMERY—MCTV Ch. 49  
*The LaRouche Connection*  
Tuesdays—11 p.m.
- WESTMINSTER—  
Carroll Community TV Ch. 19  
*The LaRouche Connection*  
Tuesdays—3 p.m.  
Thursdays—7 p.m.

## MICHIGAN

- TRENTON—TCI Ch. 44  
*The LaRouche Connection*  
Wednesdays—2:30 p.m.

## MINNESOTA

- MINNEAPOLIS—Paragon Ch. 32  
*EIR World News*  
Wednesdays—6:30 p.m.
- ST. PAUL—Access Ch. 33  
*EIR World News*  
Mondays—8 p.m.

## NEW YORK

- BROCKPORT—Cable Ch. 12  
*The LaRouche Connection*  
Thursdays—7 p.m.
- BRONX—  
Riverdale Cable CATV-41  
*The LaRouche Connection*  
Saturdays—10 p.m.

## BROOKHAVEN—TCI Ch. 6

- The LaRouche Connection*  
Wednesdays—3:30 p.m.

## ■ BUFFALO—BCAM Ch. 18

- The LaRouche Connection*  
Mondays—6 p.m.

## ■ HYDE PARK—

- U.S. CableVision Ch. 6  
*The LaRouche Connection*  
Third Sun. every month—2 p.m.

## ■ IRONDEQUOIT—Cable Ch. 12

- The LaRouche Connection*  
Tuesdays & Thursdays—7 p.m.

## ■ MANHATTAN—MNN Ch. 69

- The LaRouche Connection*  
Saturdays—12 Noon

## ■ QUEENS—QPTV Ch. 56

- The LaRouche Connection*  
Wednesdays—6 p.m.

## ■ ROCHESTER—GRC Ch. 19

- The LaRouche Connection*  
Fridays—10:30 p.m.  
Saturdays—11 a.m.

## ■ STATEN ISL.—SICTV Ch. 24

- The LaRouche Connection*  
Wed.—11 p.m., Sat.—8 a.m.

## ■ WESTCHESTER—

- Mt. Vernon PA Ch. 18  
*The LaRouche Connection*  
Fridays—6 p.m.

## OREGON

- CORVALLIS—TCI Ch. 11  
*The LaRouche Connection*  
Wed.—1 p.m., Thurs.—9 a.m.

## TEXAS

- HOUSTON—PAC  
*The LaRouche Connection*  
Mondays—5 p.m.

## VIRGINIA

- ARLINGTON—ACT Ch. 33  
*The LaRouche Connection*  
Sundays—1 p.m.  
Mondays—6:30 p.m.  
Wednesdays—12 noon
- CHESTERFIELD COUNTY—  
Storer Ch. 6  
*The Schiller Institute Show*  
Tuesdays—9 a.m.
- FAIRFAX COUNTY—  
Media General Ch. 10  
*The LaRouche Connection*  
Wednesdays—6:30 p.m.  
Thurs.—9 a.m., Fri.—2 p.m.
- LEESBURG—MultiVision Ch. 6  
*The LaRouche Connection*  
Mondays—7 p.m.
- RICHMOND/HENRICO—  
Continental Cable Ch. 38  
*The Schiller Institute Show*  
Tuesdays—6:30 p.m.

## WASHINGTON

- SEATTLE—PA Ch. 29  
*The LaRouche Connection*  
Mondays—3:30 p.m.
- SPOKANE—Cox Ch. 20  
*The Problem with Populism*  
Weds., July 21—5:30 p.m.  
*Why LaRouche Must Be Freed*  
Thurs., July 29—4:30 p.m.

If you are interested in getting these programs on your local cable TV station, please call Charles Notley at (703) 777-9451.

# Executive Intelligence Review

U.S., Canada and Mexico only

1 year . . . . .	\$396
6 months . . . . .	\$225
3 months . . . . .	\$125

Foreign Rates

1 year . . . . .	\$490
6 months . . . . .	\$265
3 months . . . . .	\$145

I would like to subscribe to  
*Executive Intelligence Review* for

1 year  6 months  3 months

I enclose \$ \_\_\_\_\_ check or money order

Please charge my  MasterCard  Visa

Card No. \_\_\_\_\_ Exp. date \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

Company \_\_\_\_\_

Phone (     ) \_\_\_\_\_

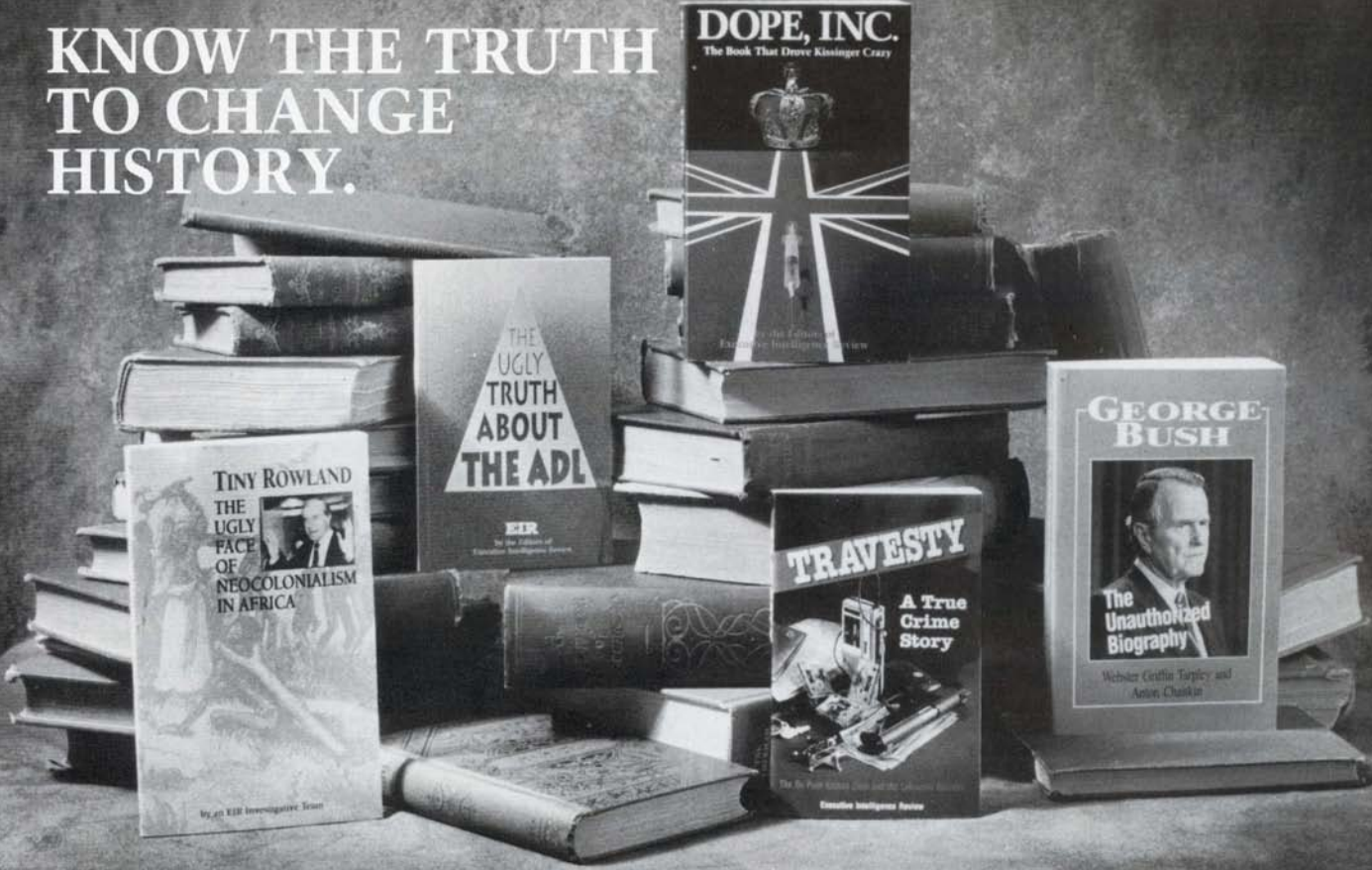
Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Make checks payable to EIR News Service Inc.,  
P.O. Box 17390, Washington, D.C. 20041-  
0390.

# KNOW THE TRUTH TO CHANGE HISTORY.



## Recent titles by EIR editors

**Dope, Inc.: The Book that Drove Kissinger Crazy**, by an EIR Investigative Team (1992). Third edition of the book commissioned by Lyndon LaRouche in 1978 that dared to name the names of the people "above suspicion" who use the world drug traffic to keep their hold on political power. The cash revenues of the narcotics cartel have doubled every five years and now exceed \$1 trillion annually—while the legitimate economy plunges into depression. 667 pages, illustrated, index. **\$16.**

**George Bush: The Unauthorized Biography**, by Webster G. Tarpley and Anton Chaitkin (1992). Bush was voted out, but his policies, and even his top aides, seem to persist in power. Why? This detailed biography of the ex-President by two distinguished historians, tells the inside story of power in the United States in this century. 633 pages, illustrated, index. **\$20.**

**The Ugly Truth About the Anti-Defamation League**, by the Editors of EIR (1992). How a freemasonic front group for organized crime, masquerading as a Jewish civil rights organization, became the leading dirty-tricks arm of the liberal Anglo-American establishment in the U.S. government, Congress, and judicial system. 142 pages, index. **\$7.**

**Travesty, A True Crime Story: The Du Pont Kidnap Case and the LaRouche Railroad**, by an EIR Investigative Team (1993). A millionaire socialite is put on trial, along with thugs-for-hire from the Cult Awareness Network, for conspiring to kidnap his 36-year-old son, an heir to the Du Pont fortune—just to stop him from practicing his political beliefs. This riveting story of the trial and the shocking acquittal is based on court records. 248 pages, illustrated, index. **\$8.**

**Tiny Rowland: The Ugly Face of Neocolonialism in Africa**, by an EIR Investigative Team (1993). Forget all the pat formulas about African politics, "right" and "left." One man, above all the rest, bears personal responsibility for turning the 1960s dreams of independence and development into a nightmare. He is the boss of British multinational Lonrho. 165 pages. **\$10.**

Call (703) 777-3661 or  
Toll-Free (800) 453-4108.

**Ben Franklin Booksellers, Inc.**  
107 South King Street  
Leesburg, Virginia 22075

Please send me:	No.	Total
	copies	
<b>Dope, Inc.</b> \$16	_____	_____
<b>George Bush</b> \$20	_____	_____
<b>Ugly Truth About ADL</b> \$7	_____	_____
<b>Travesty</b> \$8	_____	_____
<b>Tiny Rowland</b> \$10	_____	_____
<b>Set of Five Books</b> \$54.50	_____	_____
<b>Subtotal</b>	_____	_____
<b>Sales tax</b> (Va. residents add 4.5%)	_____	_____
<b>Shipping</b> (\$3.50 for 1 book, \$.50 each additional book)	_____	_____
<b>TOTAL</b>	_____	_____

Enclosed is my check or money order,  
payable to Ben Franklin Booksellers, Inc.

Charge my  Mastercard  Visa

No. \_\_\_\_\_

Expir. Date \_\_\_\_\_

Signature \_\_\_\_\_