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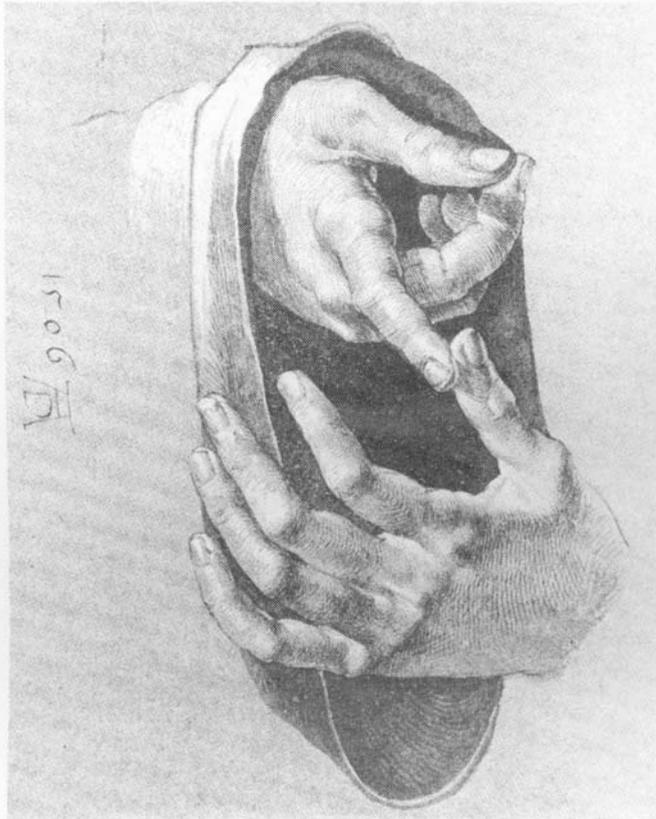
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From the Editor

Our *Feature* shows why Americans must break the control of the international banking fraternity over the U.S. government, if the United States is to regain the moral fitness to survive. IMF director Michel Camdessus, and the rest of the pinstriped hangmen who run the International Monetary Fund, GATT, and World Bank—the arms of the Bretton Woods monetary system—all insist that developing nations are in economic trouble because they have not followed the IMF's dictates. We prove, on the contrary, that Africa is dying because governments *did* implement those fatal recipes, after their sovereignty was taken away from them.

We also prove that Africa is *subsidizing the industrialized countries financially*, and has been, for years—together with Ibero-America, as was demonstrated in earlier *EIR* articles, and Asia. But as these countries get poorer, the available loot declines, and now, the poverty has come home to America.

A well-targeted editorial cartoon appeared in one Pittsburgh newspaper right after the Nov. 5 elections. It showed a majordomo presenting Richard Thornburgh's head on a platter to a flabbergasted George Bush. Another cartoon, in the rival paper, featured Mr. Bush giving an electoral speech behind a podium with the legend, "George Herbert Hoover Bush in '92."

These spoofs suggest a message for the world in the resounding defeat of Bush's Attorney General Richard Thornburgh, the lawyer of the "new world order," who was running for the U.S. Senate: Bush and his fascist new world order *can* be stopped. The deepening reality of economic depression in the United States may ironically open up the hope that Bush can be booted out of office—before he can abolish democratic elections.

Before the Nov. 5 elections, the circulation of information published in *EIR* and the newspaper *New Federalist* helped arm voters with the knowledge they needed to defeat evil candidates (Thornburgh), and policies (Washington State's anti-life initiatives). In the coming period, as the major media will be more and more discredited, voters will be challenged to choose a positive alternative, namely that represented by Lyndon LaRouche and candidates who concur with his international economic recovery program. *EIR's* role will become even more crucial, and its readership will grow accordingly.

Nora Hamerman

EIR Contents

Interviews

- 10 Masataka Nakamura**
The general manager of the offices of Mitsui Trust Co. in New York and a member of the Mitsui international board of directors spoke to *EIR* at a conference of Japanese and U.S. businessmen near Washington.
- 11 Sumihito Hirai**
The director of external affairs for Japan External Trade Organization (JETRO) in New York discusses Japanese investment strategies and the prospects for U.S.-Japanese relations.

Reviews

- 63 LaRouche decries cult of 'absolute music'**
Lyndon LaRouche reviews a Minnesota Symphony Orchestra broadcast concert of Mozart's Mass in C and Symphony No. 40 in G minor.
- 65 'Circa 1492': What the Iberian Renaissance gave to the Americas**
Circa 1492: Art in the Age of Exploration, edited by Jay A. Levenson; and *Mexico: Splendors of Thirty Centuries*, introduction by Octavio Paz. Part II in a series by Nora Hamerman.

Departments

- 16 Agriculture**
USDA to curb food stamp use.
- 17 Banking**
Bush defeats his own bill.
- 55 Africa Report**
Compromise and isolation in Algeria.
- 56 Australia Dossier**
Uproar over media buyout.
- 57 Andean Report**
Venezuela fight centers on *Dope, Inc.*
- 72 Editorial**
A very close call.

Science & Technology

- 20 The human mind is not a computer**
The fundamental question is that which divides the world view of Socrates and Plato from that of Aristotle—whether human creativity exists as a force that changes the universe, and whether man can know the truth in connection with the Absolute. A report on a speech by Dino de Paoli, author of "Georg Cantor's Contribution to the Study of Human Mind—A Refutation of Artificial Intelligence," to a conference of the International Caucus of Labor Committees and Schiller Institute.
- 29 Anti-science mob a threat to your food**

Economics

- 4 The Ides of November stalk Bush's 'recovery'**
Lowering interest rates didn't boost "consumer confidence," it just depressed the U.S. bond auction.
- 6 Mexicans speak out against NAFTA**
Documentation: From a speech by Manuel Villagómez Rodríguez, president of the National Federation of Micro-Industries.
- 9 Bushmen offer Japan a cut of the 'new world order'—or else**
- 10 'Trading blocs are a good development'**
An interview with Masataka Nakamura.
- 11 The debt crisis has stymied development**
An interview with Sumihito Hirai.
- 12 Study team finds one-third of Iraqi children are malnourished**
Second in a series of articles excerpting from the report of the International Study Team which surveyed Iraq's health and welfare, with a focus on the country's children.
- 14 Currency Rates**
- 15 Menem applies 'savage capitalism'**
Argentina has taken the disastrous route of "total deregulation" of the economy.
- 18 Business Briefs**

Feature



Shuart Lewis

International Monetary Fund Managing Director Michel Camdessus. He wants more "financial discipline" from the dying continent of Africa.

- 30 IMF holocaust sweeps Africa: 30 million at risk**
Linda de Hoyos presents an array of evidence that the policy dogmas of the International Monetary Fund and the World Bank have failed miserably, to the point that Africa today stands on the brink of extinction.
- 38 Ghana in 1966: the same IMF method**
- 39 Disease holocaust afflicts Africa**
- 42 The AIDS scourge sweeps Africa**
A map and country-by-country rundown of the worst-hit areas.
- 43 Program for a true development decade**
An excerpt from the Schiller Institute's proposal, submitted to the U.N. General Assembly in September.

International

- 46 Winter food crisis begins in Russia**
When the mayor of St. Petersburg has to phone up the commander of the Navy's Baltic Fleet to get 100,000 tons of German potatoes shipped from Hamburg to angry Russian consumers, you know there's a problem.
- 48 Taiwan targeted by 'independence' drive**
- 50 Kohl: Recognize Croatia and Slovenia!**
- 51 Croatian medical HQ appeals for truth**
An "Appeal for the Truth about the Dirty War Against the Republic of Croatia," circulated by Dr. Milos Judas for the Staff of the Medical Headquarters of the Republic of Croatia.
- 53 Bush's Mideast 'peace' theater**
- 54 OAS takes up human rights for terrorists**
Yet they refused to consider a complaint of human and civil rights violations against Lyndon LaRouche.
- 58 International Intelligence**

National

- 60 Wofford beats Thornburgh in anti-Bush upset vote**
The Nov. 5 election results in Pennsylvania and several other states bore out *EIR's* warnings that George Bush's economic policies can spell his political downfall.
- 62 The reasons why Kissinger and his sponsors fear LaRouche's power**
- 64 Irangate figure gets eastern Europe post**
Former CIA agent Walter Raymond is running the President's Eastern European Initiative, and he's up to no good.
- 68 Congressional Closeup**
- 70 National News**

The Ides of November stalk Bush's 'recovery'

by Steve Parsons

When it comes to economics, George Bush just can't exorcise Herbert Hoover's ghost. For no matter what George thinks he's doing, he's making the same kinds of idiotic economic moves that Hoover did 60 years ago.

Like poor old Hoover, George came into office giddy with the illusory prosperity of a great financial bubble. Then, right on cue, in October of his first year the stock market nosedives, puncturing the junk bond bubble and threatening to take down the banking system. When things temporarily stabilize, George thinks he has escaped; but, alas, in the next year, one bank after another goes under, and the economy goes into a tailspin. Again he thinks he's escaped from Hoover's script when he starts that little war in the Gulf and has the Federal Reserve start dropping interest rates. Surely that would result in a new "confidence" that the recovery is just over the horizon.

Now, months after the war and falling interest rates have failed to staunch the depression, the Ides of November are upon an even more Hooverized and shell-shocked George. When the disaster of Richard Thornburgh's crushing defeat registered on his administration, he could only do what Hoover did: drop interest rates again. And that will help George—and the economy—as much as it did poor Hoover.

Lower rates won't help

The discount rate is now down to 4.5%, the lowest level since 1973, and the prime is at 7.5%, its lowest level since 1970. This is the fifth discount rate cut since last December, and parallels Hoover's rate reductions from 6% to 2% over a 14 month period in 1929-30.

The latest rate cuts on Nov. 6 were a sheer desperation

move in reaction to the nation's economic and financial hemorrhaging. Most analysts thought the Federal Reserve would act after the results of the Christmas sales season were in. But the intensifying collapse of everything from car sales to manufacturing, the panic of retailers facing the worst Christmas season since World War II, the growing insolvency of major banks, and now the electoral debacle, all forced the Fed to move now.

As in 1929-30, interest rate cuts will do nothing to stem the collapse. Despite blue-blood Bush's exhortations that low interest rates make "this a good time to buy a home, a good time to buy a car," this is a *depression*: People who are loaded with debt simply can't spend what they don't have and can't borrow, and banks can't lend when their cash flow, deposit base, and loan receipts are dropping like a brick.

Furthermore, prices—especially for big-ticket items like homes and cars—are still far too high, way beyond the reach of an increasing number of people, at *any* interest rate. One couple searching for a house was quoted in the *Washington Post* saying, "What is stopping us from buying is not the mortgage rates, but the fact that prices have not declined," and that they do not have the money for the downpayment.

While a deflation is certainly under way, real estate brokers and government officials have conspired to prevent prices in many markets from collapsing into oblivion. The RTC, for example, is holding the bulk of its hundreds of billions of dollars in real estate off the market to prevent a blowout. Real estate agents in many areas simply won't sell properties if the sale price threatens to drop below a threshold point of roughly 20-30% below supposed "market value." And in other areas, market value has not dropped significantly—

because there are few buyers for any properties!

Until these inflated “values” come tumbling down, the depression will continue to deepen. And, of course, when they do collapse, the chain reaction will blow out the financial sector and the rest of the economy with it.

As the *Post* candidly put it, “the latest reduction is not likely to trigger much more spending or investing. It is not that rates are not low enough, it is that rates are not the issue.”

Going from bad to worse

In fact, with interest rates so low and headed even lower, foreign investors not only will boycott U.S. debt sales even more than they have been; they could start to dump U.S. securities and the dollar itself. In recent weeks, the dollar has been dropping against the German deutschemark and other major currencies—including even the British pound, and is now at its lowest point in months against these currencies.

“Foreign exchange managers believe any advance by the dollar will be short-lived,” wrote the *Financial Times* of London Nov. 7. One economist at Chemical Bank in London put it quite succinctly: “When the underlying reasons why the Fed cut rates—a weak economy and a growing unwillingness to invest in U.S. securities—sink in, any dollar rally is likely to be temporary.”

This poses several huge problems. First, there is little foreign money coming in to buy U.S. debt issues, meaning that almost all funding must come from the domestic economy. That furthers the credit crunch by sucking money out of the banking system which could go for investment and loans to other sectors, including everything from financial markets to manufacturing to mortgages. Second, primary dealers and others have to absorb more and more of these debt issues, and then resell them at a potential loss to customers who simply don’t want to invest in such low-yield paper.

And all of this could ultimately lead to interest rates shooting up to prevent a blowout of government paper and the dollar. But that would detonate the financial markets, not to mention whatever is left of the economy.

About the only thing preventing the collapse of the U.S. securities market is the dearth of investment opportunities for domestic capital in the collapsing economy, and the relative perceived “safety” of government debt—a perception that could quickly turn into panic.

Disastrous quarterly refunding auction

As the above-mentioned Chemical trader hinted, alluded to above, another major reason for the Fed’s discount rate cut Nov. 6 could have been to bail out the worst quarterly refunding auction in the last 10 years.

The Nov. 5 sale of \$14 billion in 3-year notes, the first leg of the \$38 billion refunding, was a mess. This was primarily due to the record low yields that would accrue to investors—just 6%—because of the low interest rate offered by the government. That resulted in unusually low demand from

dealers in purchasing the notes, and the government had to sell them at reduced prices. There were virtually no Japanese purchases, which had heretofore been a staple of the market.

Only \$21.7 billion was bid for the notes, the lowest amount since 1978, only half the amount of recent years. The so-called “bid-to-cover” ratio—the ratio of the amount bid to the amount offered for sale—was only 1.55, the lowest since 3-year notes were first offered in 1974.

With disaster looming over the Nov. 6 and 7 sales of \$24 billion of 10-year notes and 30-year bonds, the Fed’s discount rate cut aimed to make the Nov. 6 offering of 10-year notes at 7.5% more attractive.

It backfired. That sale, too, was very weak; the notes sold at prices lower than expected, resulting in an extra \$250 million in borrowing costs for the government. At best, the drop in the discount rate prevented a disaster, but could not compensate for unattractive rates.

What dropping the discount rate did do for sure was to enormously unsettle the market, because no dealer could be sure what price to bid to ensure he or she could cover costs. “What the hell is the Fed doing, cutting the discount rate in the middle of the refunding!” one trader screamed at the *Wall Street Journal*. “It forced us to have to guess what the cut meant. Investors hate uncertainty more than anything. We are getting lots of it from the Fed.” And another: “The whole thing is screwy. . . . It is so unusual a move that it raises more questions than it answers. I have never seen this before.”

Although the following day’s sale of 30-year notes went relatively well, the handwriting is on the wall.

Essentially all that Bush has left is threats and terror. In its lead editorial Nov. 7, entitled “A Warning for Mr. Bush,” the *Financial Times* wrote that Bush could try to stage a replay of the Iraq war: “Unless the U.S. embarks again on *some great international venture comparable to the Gulf war* and brooking no domestic opposition, the overwhelming issues in the presidential campaign will be at home” (emphasis added).

Short of a shooting war, however, but just about as bad, Bush—with his Democratic henchmen in the Congress—is signaling his intention to engage in trade war, in order to blame the U.S. depression on the “protectionism” and “unfair trade practices” of especially Europe and Japan. As the Swiss daily *Neue Zürcher Zeitung* points out, for Bush and Democrats like Richard Gephardt, “Trade is actually a metaphor for the economic decline of the U.S.A.,” making, for example, “Tokyo the scapegoat” for the decline of the U.S. auto industry. The London *Guardian* also pointed out the ominous implications of a Nov. 6 speech in which Bush warned his European and Japanese trading partners that “protectionism and trade isolation hastened the worst economic depression in modern history.”

That might indeed plunge the world into deep depression and certainly war. But it won’t prevent the Ides of November from sweeping away Bush this time next year.

Mexicans speak out against NAFTA

by Cynthia Rush and Peter Rush

A tour of northern Mexico and California by Marivilia Carrasco, president of the Mexican chapter of the Schiller Institute, is catalyzing opposition to the North American Free Trade Agreement (NAFTA) now being negotiated among the governments of Mexico, Canada, and the United States. Carrasco, who is also touring to build the Ibero-American Solidarity Movement (MSI), has given a series of conferences in several cities in the states of Sinaloa, Sonora, and Baja California along the U.S. border, and will finalize her tour in Los Angeles and San Francisco on Nov. 9. Audiences of between 60 and 200 people have gathered to hear Carrasco speak, made up of businessmen, retailers, farmers, and even owners of *maquiladoras*, the U.S. in-bond assembly plants set up in Mexico to take advantage of cheap labor.

Contrary to the line put out by the government of President Carlos Salinas de Gortari, that NAFTA will bring "untold benefits" to the Mexican people, Carrasco has found that Mexicans are furious at the destruction of what was always the most productive region of the country—the north—and blame it directly on the U.S. economic depression. "Everyone on the Mexican side of the border recognizes that there is a depression in the United States," Carrasco remarked. "Everyone on the border realizes that given its economic conditions, the U.S. cannot offer Mexico anything, and that NAFTA is a cruel hoax." She found that Mexican businessmen aren't afraid to use the words "usury" and "looting" when describing U.S. policy toward their nation.

The Mexican leader's conference presentations have focused on the programmatic alternatives put forward by U.S. political prisoner Lyndon LaRouche, particularly his 1982 Operation Juárez proposal for Ibero-American integration and a continental debtors' cartel, as well as his more recent European "Productive Triangle" program for a Europe-sparked global economic recovery. During a conference in Mexicali, Baja California, Carrasco held up a copy of the Schiller Institute's book *Ibero-American Integration* and described the MSI as a "movement initiated by citizens" from all over Ibero-America "to get out of this crisis through the integration of Ibero-America as proposed in this book." In response to a reporter's question on what forces in the United States backed the MSI, Carrasco responded, "those of political prisoner and presidential candidate Lyndon LaRouche."

The television commentator said, "Oh, LaRouche . . . but he is a very famous man, very famous!"

National opposition

The sentiment that Carrasco discovered in northern Mexico is also reflected elsewhere in the country. Businessmen and other producers who are feeling the impact of already-existing free trade, are beginning to express their fear about what will happen if NAFTA actually becomes a reality. According to the Oct. 30 *El Financiero*, a poll taken by the National Confederation of Chambers of Industry revealed that 50% of those surveyed feel that NAFTA "will have negative effects on industrial development because it will cause the closing of productive units, increase competition in the internal market, and aggravate problems in the agricultural and energy sectors." Fully 29% of those polled said they did not think they would be able to survive a full-fledged free trade agreement.

Proof that "free trade" is a negative-sum game is seen in the collapse of Mexico's paper industry. Salvador Angulo Nava, secretary general of the National Paper Workers Union, warns that the entire industry is in danger because the market is being flooded with cheap paper products from the U.S. entering under new, lower tariff barriers. The industry is now operating at 30% capacity, down greatly from a year ago, and as many as 50,000 workers could be fired. Plant after plant has either had to close its doors, or threatens to do so.

The theory is that free trade forces companies to modernize. That takes capital, and the Salinas government's economic plan omits capital for all but a select few export-oriented industries. It was reported recently that over \$8 billion was made available to a small number of export-oriented industries—which only increased their exports slightly—while the vast majority of Mexico's companies either cannot get credit at all, or can get it only at usurious interest rates they cannot afford.

In his speech in Toluca state on Sept. 26, Manuel Villagómez Rodríguez, president of the National Confederation of Micro-Industries (see below), made the appropriate point when he noted that in the 19th-century United States, "American System economists such as Alexander Hamilton and Henry Carey opposed free trade arguing that this would sow discord and lead to slavery. It was precisely under industrial protectionism that the United States developed, avoiding England's influence. Why now the enthusiasm for free trade?" It is precisely the layer of small and medium-sized businesses Villagómez represents that would be hardest hit by a free-trade agreement.

An article in the Nov. 1 *El Financiero* suggested that the Bush administration may be preparing to shelve NAFTA until after the 1992 elections. As *El Financiero* points out, the worsening U.S. economic crisis is the major reason why Bush may have to put NAFTA to one side.

Mexican industry leader blasts free trade agreement

The following are excerpts of the speech given by Manuel Villagómez Rodríguez, president of the National Federation of Micro-Industries (Conamin), affiliated to the so-called "popular sector" of Mexico's ruling PRI party. The speech, entitled "Mexico on the Threshold of the Free Trade Agreement with the United States and Canada," was presented to the "Permanent Forum of Information, Opinion and Dialogue on the Trilateral Free Trade Treaty Negotiations," organized by the Mexican Senate's Trade Commission Sept. 26 in Toluca, state of Mexico. The speech was also distributed in document form to every senator and a majority of the members of the Chamber of Deputies.

We believe that when Nelson Rockefeller gave his 1969 Report on the Americas, he laid the basis for such loyal employees as Henry Kissinger to prepare various proposals, which are now to culminate in NAFTA [North American Free Trade Agreement]. In 1975, Kissinger proposed the formation of a world raw materials bank. Richard Nixon received from Nelson Rockefeller himself a proposal to base foreign policy on an "international division of labor," according to which the underdeveloped countries would be mere providers of raw materials. . . .

In 1980, President Ronald Reagan proposed a pact seeking to establish a common market among Mexico, the United States, and Canada, and he commissioned Richard Allen to sell the idea to [President] José López Portillo. . . .

In 1981, George Ball declared that Mexico's population growth was like acid rain contamination floating across the borders, and could not be dealt with solely in Mexico. In March 1982, Robert McNamara said that Mexican overpopulation and rapid growth is today one of the greatest national security threats for the United States. If we do not close the border, he said, we will be up to here in Mexicans who cannot be employed.

On March 18, 1980, López Portillo rejected Mexico's entrance into GATT [General Agreement on Tariffs and Trade], and declared, "I have resolved that this is not an opportune moment for Mexico to enter that trade system." Two months later, López Portillo told the Canadian Parliament that "the creation of a common market would inevitably prevent our industrial development and would condemn

Mexico to the perpetual extraction and exportation of raw materials for the consumption of more advanced societies." López Portillo's government made its position toward the U.S. agreement, today known as NAFTA, perfectly clear.

By 1982, the Mexican debt crisis had emerged and along with it the ghost of a Latin American-wide debt moratorium. The Ronald Reagan government faced two choices: a collective moratorium which would also imply the application of more capital to the countries of the region, so that they could develop industrially. . . . The other, to save the international banks by imposing austerity measures on those countries as a means of increasing capital flows to the international banks. . . .

By late 1982, we had our change of presidencies, and Miguel de la Madrid Hurtado echoed the imperial proposals that our country join GATT. . . . In November 1987, our country signed a statement of principles and consultation procedures regarding trade and investment relations with the United States, thus formalizing the de facto free trade policy that already existed between the two countries. . . .

In 1988, during his presidential campaign, George Bush declared that "as President, I will work to make possible the creation of a free trade zone including Mexico, the United States and Canada, since there is nothing more important than our national security. With an enormous and porous southern border, we are obliged to do everything possible to strengthen democracy and free enterprise in Mexico." . . .

Problem of the foreign debt

With or without NAFTA, we face the following: an unpayable debt of \$100 billion, a looting during the past decade of \$96 billion in debt service, but also flight capital of approximately \$80 billion, looting carried out with the complicity of the foreign banks and part of the Mexican financial elite. In this, the international banks played a double role: provider of funds to the Bank of Mexico and to the federal government, and recipient of those same funds when they fled to Miami, New York, and Swiss bank accounts.

This is the reason for the industrial and technological backwardness, and financial rigidity which afflicts our country, since our National Development Program (1988-1994) was designed to meet our commitments to the international banks. . . . To these same causes we owe our backwardness

in generating jobs for our youth, and the training deficiency of our system. . . . This is the same situation that forced us to abandon our Program for the Production of Capital Goods, and the Import Substitution Program. . . . For these same reasons, our country began the privatization and reprivatization of industrial plants, service companies, insurance companies and commercial banks, companies being sold to both domestic and foreign capital under the pretext that they are not priority and that they are government companies. Let us clarify that these are the *people's* companies. . . .

The burden of the foreign debt is so great for our economy that without a good oil price, we are left with the alternative of creating a surplus in the trade balance through *maquiladora* exports, to thereby make our [debt] payments on time. . . . That is why [the Mexican government] is openly promoting the Maquiladora Program . . . although we already know that the *maquiladora* industry does not produce machine tools, does not produce for national consumption, and, despite what is asserted, is not providing us with technology.

NAFTA's effects on Canada

According to Canadian industrialists, the Free Trade Accord with the United States has turned their country into a captive and looted nation, since Canada eliminated tariffs, modified its Investment Law, and agreed to become a permanent oil supplier to the United States, even at below the international cost.

With its Investment Law annulled, Canada's industry remained unprotected, and the effects viewed two years later are negative. The manufacturing industry in Canada has lost 189,000 jobs, companies are moving to the United States. . . . In article 904 of NAFTA, Canada is obliged to export non-renewable resources beyond its own capacity, thereby mortgaging its oil reserves to the United States. This process has accelerated to the point that Canada has already granted Chevron and Mobil a vast petroleum concession, and all production from this must be exported to the United States. Since the prices for these products are going to be below the international market price, Canada has thus begun to subsidize the energy consumption of the United States.

In Mexico, we have an old saying: "If you see your neighbor's house being robbed, it's time to lock your windows and doors."

President Bush, like [Commerce Secretary] Robert Mosbacher and [Trade Representative] Carla Hills, has insisted that NAFTA would bring many benefits to the United States because it would restore its competitiveness under equality of conditions with countries like Germany and Japan. This argument would have cheap Mexican labor compete with German and Japanese labor power. Considering that Germany and Japan today have nearly 20 years' advantage in production technology and state-of-the-art technology, this makes the United States a second-rate power industrially. To this technological backwardness, one must add 15 years of

delay in installing capital goods and producing machine tools. This makes the United States more dependent today on imports, since it is no longer capable of producing what its own people require. U. S. exports are falling, just as the number of workers, employees, and their wages are falling. Heavy industry, auto, steel, cement and machine-tool production have all fallen in relation to Germany and Japan.

As for wages of industrial workers, they receive an average of \$20,000 a year, while service workers receive \$10,000. This is forcing both husbands and wives to work, to adequately support a single U.S. family. . . . At first glance, this reflects a situation which might benefit our country and enable us to provide jobs to the 1 million youths who annually enter the work force. However, while Canadian and U.S. wages are collapsing, we will still be in third place and will transmit this ratchet-decline in wages to any other country in Central America or in the Southern Cone, for example, Chile. . . . We know the U.S. auto industry will tell its unions: "We don't want to move to Mexico, but workers there will take 56¢ an hour and you want \$15. Let's split the difference."

Conamin's programmatic proposals

That of the total oil sales to the United States, one-fourth be allocated to the small and micro-industries to acquire capital goods . . . [and] that the Program of Import Substitution for the metal goods industry be reestablished. . . . Since without a doubt, this 25% could be seen as falling short in payment of the foreign debt, as it indeed is, this shortage should be allowed to accumulate and its payment deferred for 10 years. During this period, the small and micro-industries will be ready and prepared for the modernization to which the industrial sector will be subjected, to liquidate it. . . .

That an urgent job creation program be established. . . . A short-term program for 2 million jobs a year, and a longer-term program for 2.5 million jobs. Thus, in 40 years, we will have provided jobs for the entirety of our economically active population.

That all clauses of the NAFTA accords be made known ahead of time. . . .

That the Senate of the Republic take into account all opinions, and above all, that it safeguard territorial sovereignty, air sovereignty, maritime sovereignty, environmental sovereignty, cultural sovereignty, as well as the idiosyncracies and identity of the Mexican people. That emphasis be put on the defense of our language, our monetary sovereignty, so that we can defend our industrial and technological sovereignty.

On the issue of oil, the empire already has us defined—along with Venezuela—as its strategic reserve. Thus, our constitutional stand must be irrevocable, and we must even redefine how we are going to use our oil—that is, for industrial development—since the *maquiladoras* do not imply national development, but rather are enclaves of foreign capital on our territory.

Bushmen offer Japan a cut of the 'new world order'—or else

by Kathy Wolfe

Some 200 Japanese businessmen and 50 U.S. corporate representatives gathered in suburban Washington Nov. 3-5 for a conference on mutual investment in the small and medium-sized businesses of both nations. The sponsoring U.S.-Japan Business Committee was organized by Japan's Mainichi News, Japan's trade bureau JETRO, C. Itoh Trading Co., Mitsui Bank, and the American Stock Exchange.

Key trade negotiator Hiroshi Hirabayashi, Minister for Economic Affairs at the Japanese Embassy, brought some fresh air in on Nov. 4 with the blunt comment that the "I Hate America" movement in Japan will only grow, fueled by press sensationalism, if Washington continues to "simply pressure Japan" for more and more trade concessions. More pressure, he said, "will create a disaster." He also pointed out that, rather than Japan and the U.S. fighting for a share of the two nations' shrinking internal economic pies, they should pay attention to the needs of the rest of the world for both nations' productive capacities. The two nations should concentrate on cooperation in the development of new markets in third countries such as the former Soviet Union, he said.

In general, however, the urgent need of the rest of the world for all the goods that Japan and the U.S. could possibly produce was lost. No Japanese present was willing to break with the control over world markets by the International Monetary Fund, which has forced most of the world into cuts in imports over the last 10 years—a major cause for the failure to expand trade and production.

"The problem with the LDCs [lesser developed countries] is that they are not really a market, unless they raise their living standards," JETRO's Sumihito Hira pointed out in an interview, "but, that is not possible in much of the LDCs because of the international debt crisis." "We have to follow the lead of Citibank and the other major U.S. banks in Latin America and most of the LDCs," said Masataka Nakamura, New York manager of Mitsui Trust, one of the world's largest banks. "That means we won't be doing much in the LDCs, except in Asia, where we are doing well" (see interviews).

Flea markets

The U.S. speakers, including Deputy Commerce Secretary Rockwell Schnabel, Sheldon Snook of the Commerce Department's Small Business Administration, and Christopher Finn, vice president of the American Stock Exchange, were there to hustle support for the beleaguered Bush Repub-

licans in the depression, and to hustle Japanese cash for U.S. companies, plain and simple. Japanese executives in the halls were heard to repeat the Tokyo joke about the American touch-tone phone, called a "push phone" in Japanese: "Question: What's a Bush phone? Answer: You pick it up, and it asks you for money."

Finn openly threatened the guests over lunch that the Japanese had better cooperate with whatever the Bush administration says in the next year, no matter what they think, and make Bush look good. If not, Japan risks a Republican loss in the 1992 elections, and a protectionist Democratic regime which will redouble Japan-bashing.

Rockwell Schnabel, deputy secretary of commerce, made what appears to be Bush's latest "friendly" offer to Japan: partnership in running the new world order. "Japan and the U.S. have a vested interest in each other's prosperity. Neither of us can be protectionist toward the other without undermining our own vital interests, so free trade benefits both of us. The next Uruguay Round of GATT [General Agreement on Tariffs and Trade] is very important, to get free trade in agriculture and services, a third of the world markets."

If Japan will open its rice and financial markets to U.S. deregulation, he offered, "then the U.S. and Japan, the two richest nations on earth, can join together" in buying up the rest of the world. "We are going through recession, it may even be said, a world recession. However, peace is breaking out in the Mideast and all over the world, and the future is bright." Now that the Soviets are no longer a threat, he said, "the Bush administration seeks to open the entire world to free trade, to open world markets for investments, to bring the LDCs into the world trading system."

This writer, who has not been in Japan since 1974, was shocked at the remaining high cultural barriers between Japan and America. Talks proceeded at a snail's pace due to need for translation by a bevy of Japanese female secretaries. In the last 15 years, apparently, Japanese corporate executives have not learned much English, and Americans have not demonstrated any Japanese literacy. The Japanese kept largely to themselves, and were flown directly from Tokyo, into and out of Washington-Dulles airport, with hardly a look at the area outside the conference center. Until these two nations learn each others' languages, and realize that the world needs their industrial output and not their financial control, they'll get nowhere in bilateral relations.

'Trading blocs are a good development'

Masataka Nakamura is general manager of the offices of Mitsui Trust Co. in New York and a member of the Mitsui international board of directors. This interview was conducted by Kathy Wolfe on Nov. 4 in Virginia.

EIR: What is Mitsui bank's view of prospects for development of the Soviet Union and the lesser developed countries (LDCs)?

Nakamura: Unlike Americans, many of whose families came from eastern Europe, we are totally unfamiliar with the Soviet areas and eastern Europe. While the Japanese trading companies are very eager to go into the Soviet Union, most Japanese banks will take a go-slow approach.

We had a big disappointment in China. Japanese banks were very anxious to get into China and develop it; after normalization we made a lot of loans, but the economy did not respond, and now the loans are not being repaid.

So now we are not so eager to begin making loans in the Soviet Union. It is true they are no longer socialist, but it is very confusing. With whom should we make our agreements, [Mikhail] Gorbachov or [Russian Federation President Boris] Yeltsin, or someone else?

EIR: Doesn't Japan need to create Third World markets?

Nakamura: We prefer to work in Asia where we have a certain cultural understanding of the way of doing things. The growth areas for Japanese banks are in Asia: not so much China, but Thailand, Singapore, Malaysia, Indonesia, the "Asian tiger" nations. They are close to Japan geographically, and we need what they can produce.

EIR: I understand there is talk in Tokyo of increased use of the yen in international trade and reserves?

Nakamura: I don't think so; it's impossible because there is too much resistance.

EIR: Political or economic?

Nakamura: Japanese worry that people in these countries will remember the last war if we try to use yen in international

trade. There will be a lot of resistance in Southeast Asia; countries will not accept the yen.

EIR: This brings up the problem, however, that the dollar monetary system is bankrupt. Don't you think all the debt in the dollar system is clogging up world trade?

Nakamura: Yes, debt is a terrible problem. But we have to follow the lead of the U.S. banks on this. The head of Mitsui was in New York recently from Tokyo, and I took him all around to meet the top management of Citibank, Chase Manhattan. We let them take the initiative.

EIR: The dollar world system today is like the British sterling world system in 1960: bankrupt. In 1960, England and the Commonwealth economies were stagnating and U.S. industry was growing. The British economy rotted out from under sterling, so there were a series of sterling crises. The dollar replaced sterling because the U.S. economy was functioning. You don't see the analogy?

Nakamura: Yes, I remember, I was in banking already then. But Japan cannot do anything like this with the yen today.

EIR: Are you afraid internationalizing the yen might bring dollar inflation into Japan? That's understandable.

Nakamura: Maybe, but my point is that Japan cannot take that kind of world leadership. Japan has no natural resources, so Japan cannot have a world currency. A world currency has to be backed by some kind of hard commodity. The U.S. is rich in natural resources.

EIR: But the International Monetary Fund-dollar system keeps Japan from trade and investment with three-fourths of the world. What about this new government of Prime Minister Kiichi Miyazawa? Do you think he might challenge the IMF's power over world trade?

Nakamura: I think that Miyazawa will have a strong government with an increased role in world issues, but I don't think Japan can challenge the IMF.

EIR: If I were the Japanese elite, I'd be trying to figure out how I could get a better market share in Latin America and Africa, and I would not want to have all my assets in a dollar-based system. Aren't you worried that Citibank could collapse?

Nakamura: Oh no, it's too big to fail, isn't it? You are right about Latin America, unfortunately. Japanese companies would like to get involved in investments, for example, in Mexico, if the North American Free Trade Agreement is signed, but right now they are sitting on the sidelines because investment is not safe yet.

That means we won't be doing much in the LDCs, except in Asia. We can continue to build up a natural trade bloc in Asia.

EIR: Do you think world trade could end up then in trading blocs?

Nakamura: Yes, in fact, I think it's already happening naturally and this is a good development for trade. Look at the European Community in Europe, and NAFTA here in the U.S. This is the natural evolution. We in Japan have to do this, too. We have to build up our Asia bloc. We can try to get involved in other nations' trading blocs, but our Asia bloc is most important to us.

Interview: Sumihito Hirai

The debt crisis has stymied development

Sumihito Hirai is the director of external affairs for Japan External Trade Organization (JETRO) in New York. He was interviewed by Kathy Wolfe on Nov. 4.

EIR: Will the new government of Prime Minister Kiichi Miyazawa be tougher in negotiations with the U.S.? Many Japanese such as S. Ishihara, who wrote *The Japan that Can Say "No"*, now point out that the U.S. has shut down too much production and become a service economy.

Hirai: No, that's too simplistic; actually, Japanese companies would like to be more like the U.S. multinationals and develop their service components. You can't break down the difference between services and industry any more like that. In the most important, high-value-added industries today, services are an integral part of the industry. In the computer industry for example, what used to be classified as a "service" is now the bulk of the industry's business.

EIR: But you can't just replace production with services. Somebody has to produce the means of existence of the population.

Hirai: We want to give up that part of the production chain, like basic steel, for example, the lowest value-added products, and relocate those factories in other countries where labor and other costs are lower. In fact, Japan has already done that during the 1980s.

It was forced upon us by world monetary developments. When the yen rose dramatically, the Japanese companies

producing basic industrial products could no longer afford to stay in Japan. Labor and export prices from Japan became too high and they could not export from Japan any more. If they wanted to survive, they had to move their volume production of lower value-added goods to the lesser developed countries (LDCs).

EIR: In studying Japan's global foreign direct investment (FDI) figures, it seems that Japan has carefully divided its funds to cover every area of the world. Is that true?

Hirai: Yes. World business has become global, and Japanese companies want to become global multinationals. The best way to do that is to make varied direct investment abroad. We are just following what the U.S. companies did during the 1960s when they became multinationals. That is why we are here in the U.S. for this conference.

EIR: Does Japan have a global investment strategic plan, or is it an accident that each year Japan invests 30% in LDCs, 40% in the United States, 20% in Europe?

Hirai: Yes, it is a sort of strategic plan, because Japan has no natural resources and Japan is a small market. Therefore, we had to go everywhere, to secure various natural resources and to secure a share of the market in all parts of the world. So we invested in factories everywhere we could.

EIR: But don't you think Japan should focus, and get the U.S. to focus more, on the rest of the world's population?

Hirai: The problem with the LDCs, Soviets, China, etc., is that they are not really a market now, unless they raise their living standards. Right now they are too poor to buy Japanese goods. First we must raise their living standards, and that is very slow and expensive. That is why we gave so much assistance to Asian countries. This has paid off in the "tiger" nations such as Taiwan and Singapore.

EIR: What about the 1970s Mitsubishi Research Institute Global Infrastructure Fund idea, to spark industry in the Third World using infrastructure projects?

Hirai: The problem is that there is not enough money.

EIR: That's because the industrial countries give their surplus funds to the International Monetary Fund. Isn't it a problem in the 1980s that the IMF sits in the way of creating LDC markets?

Hirai: Yes, development was not possible in many of the LDCs because of the international debt crisis. It is certainly true in Latin America in the 1980s, so the Japanese could not build up investments there. But Asia is different. In Asia, for example, Korea and southeast Asia, we were able to raise living standards. Take Malaysia: They said [Prime Minister] Mathahir [Mohamad] was crazy with his development program, his new company, but he did very well, and Japan helped a lot.

Study team finds one-third of Iraqi children are malnourished

An International Study Team organized by the Harvard University School of Public Health, Oxford University, and the London School of Economics has provided new evidence on the genocide being imposed on Iraq by continuing U.N.-imposed sanctions. The team, which was composed of 87 physicians, engineers, and other researchers, visited Iraq from Aug. 23 to Sept. 5 in order to study the health and welfare of the country's children. On Oct. 22, the team released a report, titled "Health and Welfare in Iraq after the Gulf Crisis." EIR will be publishing a series of excerpts from the report, starting with these sections on the medical and food emergency.

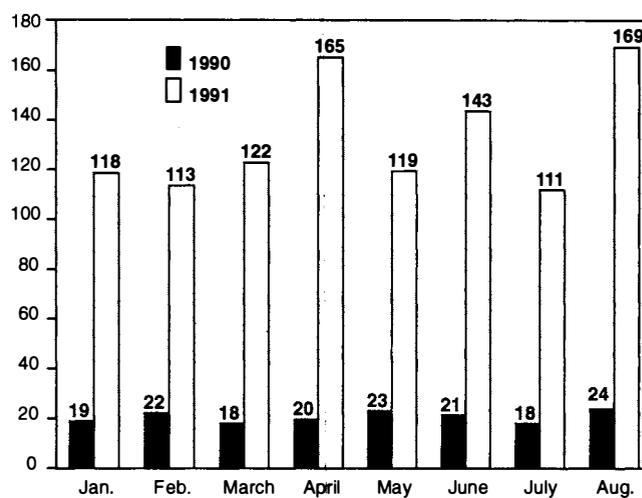
Health facility survey

The study team included five health professionals (three medical doctors and two public health specialists), who visited 29 hospitals and 17 community health centers located in nearly all governorates of Iraq. At each hospital, they conducted ward prevalence studies of admitted patients, interviewed facility directors, department heads, and physicians, and analyzed medical and hospital records of malnutrition and disease. The ward-based analysis concentrated on patients under the age of five.

Mortality for patients under five years of age varied dramatically throughout the country. For example, at Babel Pediatric Hospital, it has increased 3.9 times for the first seven months of 1991, while at Diwaniya, an increase of 1.2-fold was documented (see **Figure 1**). The incidence of diseases was similarly uneven. With the improvement of Baghdad's water supply, the risk of communicable diseases in Baghdad has substantially diminished in recent months, while in southern Iraq the morbidity pattern is substantially more acute and remains at epidemic or near-epidemic levels.

Within hospitals, infant and child malnutrition is clearly the most significant problem documented by the health facility team. Among in-patients at Erbil Pediatric Hospital, the prevalence of malnutrition, as an admitting diagnosis, was 71%; at Sulaymaniyah, 66%; at Mosul, 66%; and at Ramadi Pediatric Hospital, 61%. Food shortages and frequent gastroenteritis appear to have contributed to a very high level of malnutrition. This is reflected in the large increase in low-birth-weight babies. As an example, in Kut, low-birth-weight babies represent 30-50% of all live births compared

FIGURE 1
Reported in-hospital deaths due to chronic illnesses (all ages)
Babel Governorate
(number of deaths)



Source: Ministry of Health, Babel

to 12-14% in 1990. The cost of infant formula on the open market has increased 2,000-3,000% since August 1990.

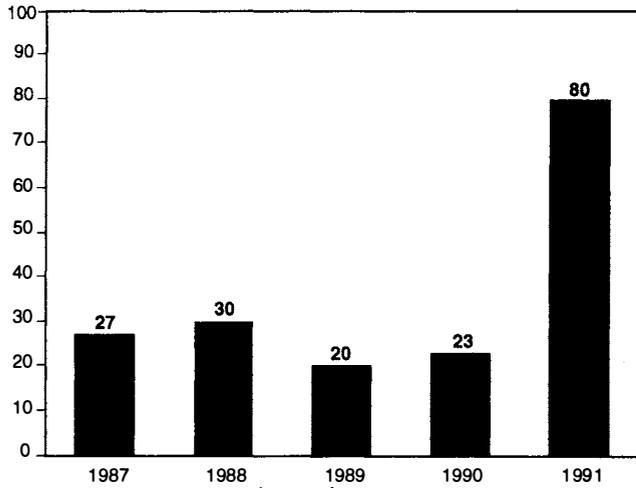
In addition, water-borne diseases, including typhoid, gastroenteritis, and cholera are epidemic. Hepatitis has increased throughout Iraq and by as much as 100-fold in some areas. Meningitis is now widespread in southern Iraq. With the damage to child vaccination programs, such preventable diseases as measles and polio are also resurgent.

Strained health facilities operate at only a fraction of pre-crisis levels. Most lack even basic medical supplies such as vaccines, antibiotics, anesthetics, and syringes. Medicines are in extremely short supply. As a result, infectious diseases go untreated. There is little or no chloramphenicol for typhoid, fluids for rehydration of those suffering from cholera or gastroenteritis, or antibiotics for meningitis. Lack of vaccines and poor sanitary conditions have resulted in outbreaks of previously uncommon and preventable childhood disease, such as polio, measles, and tetanus.

FIGURE 2

National infant mortality rate

(Children under 1 year of age; deaths per 1,000 live births)



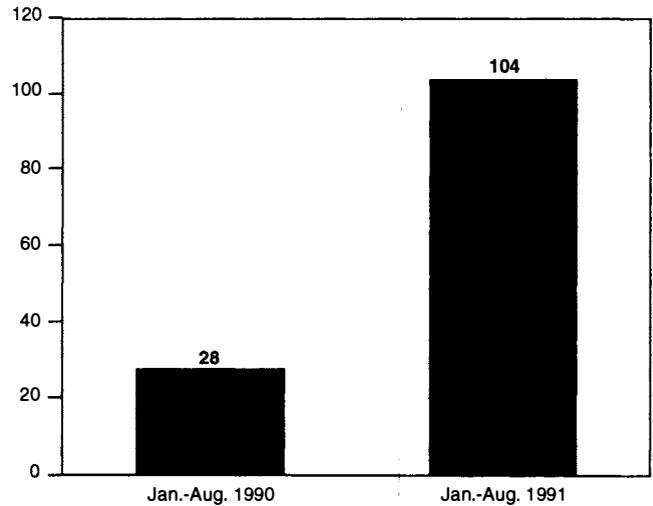
Infant mortality rate has more than tripled (3.3 times) during January-August 1991.

Source: Iraq Household Survey, 1991

FIGURE 3

National under-five mortality

(Children under 5 years of age; deaths per 1,000 live births)



Under-five mortality rate has nearly quadrupled (3.8 times) during January-August 1991.

Source: Iraq Household Survey, 1991

Drugs for chronic disease are also unavailable. The rate of coronary attacks has increased substantially because patients with heart disease are unable to obtain anti-angina medication. Teenage diabetics are dying because they cannot obtain insulin. Children with treatable leukemia are dying because anti-cancer drugs are largely non-existent. Laboratories, X-ray units, neonatal units, and operation theaters either do not function or provide only limited services.

Due to lack of water and detergent, sanitation was poor in nearly every hospital visited. The supply of water to most hospitals and health centers is sporadic. In a bacteriological survey conducted in southern Iraq, 30% of hospital water sources were grossly polluted with coliform, indicating fecal contamination. In Kurdish areas, tested water supplies of hospitals found heavy coliform pollution. Moreover, the water that is supplied is often contaminated with fecal matter. Lavatories are clogged. At several hospitals, raw sewage had backed up into the wards.

Child mortality and nutrition survey

Infant and child mortality and nutrition were assessed by conducting surveys in 9,034 households in every region of Iraq. The households were chosen on the basis of stratified random sampling techniques. The household survey was conducted by a team of 32 mostly female Arabic-speakers under the supervision of 10 public health specialists. Within each household, mothers were questioned about the number of children born, the date of birth, whether the children were still alive, and, if deceased, the date of death. This is the standard method for obtaining accurate data on infant and

child mortality.

Based on these interviews, it is estimated that the mortality rate of children under five years of age is 380% greater today than before the onset of the Gulf crisis.

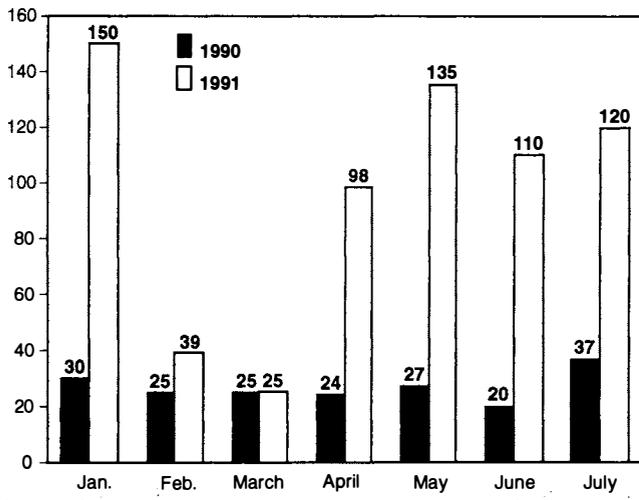
The practice of public health specialists is to state infant and child mortality as a proportion of live births. Before the Gulf crisis, the mortality rate for children under five years of age was 27.8 deaths per thousand live births. Since the Gulf crisis, the under-five mortality rate has increased to 104.4 deaths per thousand live births (Figure 2). Furthermore, it is estimated that the mortality rate of children under one year of age (the infant mortality rate) is 350% greater than before the onset of the Gulf crisis. During January to August 1990, before the Gulf crisis, the infant mortality rate was 22.7 deaths per thousand live births. Since the Gulf crisis, the infant mortality rate has increased to 80.0 deaths per thousand live births (Figure 3).

The rise in infant and under-five mortality is likely due to a complex interaction of factors. There are acute shortages of food and essential medicines throughout Iraq. Lack of clean drinking water and poor sanitation have greatly increased water-borne diseases, such as cholera, typhoid, dysentery, and gastroenteritis. A random sample of 2,902 children registered during the course of the household survey were also measured for their height and weight. These figures were combined with the children's ages in order to estimate the incidence of malnutrition among infants and children in Iraq. Nutritional status was assessed by looking at three different criteria: 1) height for age; 2) weight for age; and

FIGURE 4

Reported in-hospital incidence of malnutrition in children under five Babel Pediatric Hospital

(number of cases)



Source: Babel Pediatric Hospital

3) weight for height. According to internationally accepted practice, children were classified as malnourished if they fell two or more standard deviations below the median reference values of the World Health Organization (Figure 4).

Nearly 29% of the children assessed were malnourished under one or more of these criteria. According to the World Health Organization, there are a total of 3.3 million children under five years of age in Iraq. Applying the 29% figure to this total number leads us to estimate that over 900,000 Iraqi children are malnourished.

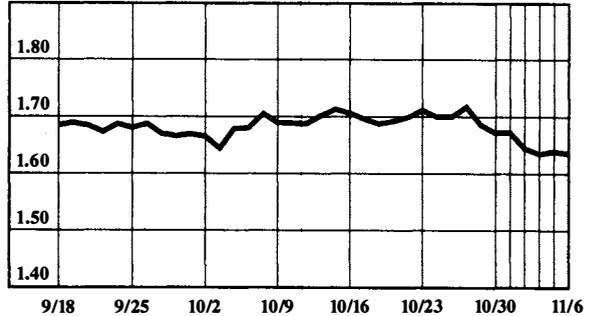
The third criterion used to assess child malnutrition, weight for height, is a measure of severe food deprivation or deficient utilization. In a layperson's terms, a child who falls two or more standard deviations below the median value for weight for height is moderately or severely malnourished, with a significantly increased risk of dying. About 3.6% of Iraqi children assessed were malnourished under this criterion. Applying this 3.6% figure to Iraq's total population of children under five leads us to estimate that 118,000 children are either moderately or severely malnourished and therefore at increased risk of dying.

The incidence of severe malnutrition appears greatest among children between one and two years of age (Figure 4). For example, 5.3% of these children measure two standard deviations or more below the median value for weight for height and therefore, are considered moderately or severely malnourished and at extreme risk. Moreover, over one-third of children of this age are malnourished according to one or more of the three criteria.

Currency Rates

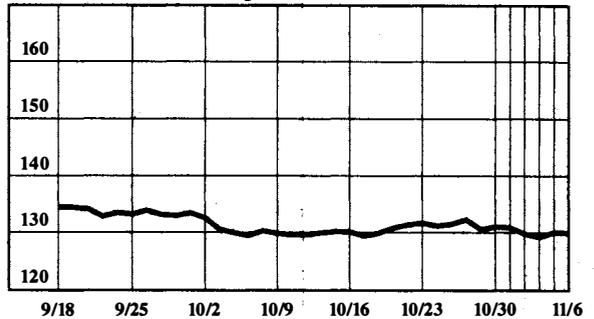
The dollar in deutschemarks

New York late afternoon fixing



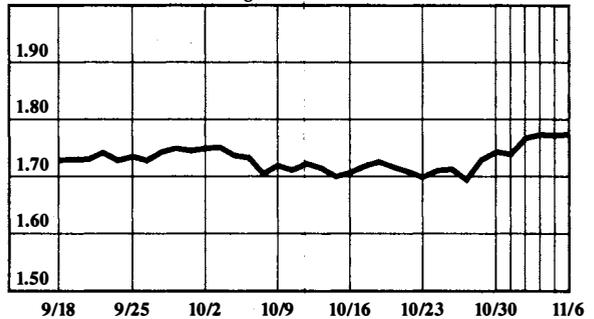
The dollar in yen

New York late afternoon fixing



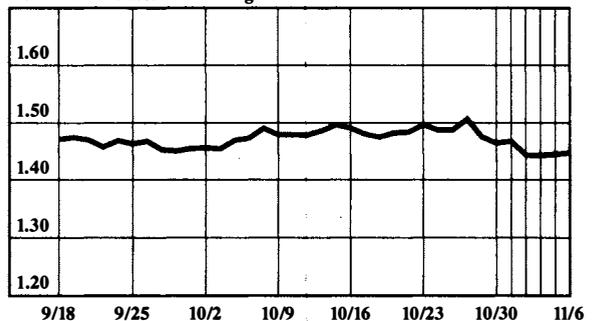
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Menem applies 'savage capitalism'

by Gerardo Terán and Cynthia Rush

On the eve of his trip to Washington to meet with George Bush, Argentine President Carlos Menem has taken action that will have sweeping consequences for his nation's future. On Oct. 31, Menem went on national television to announce that he had just decreed the "total deregulation" of his nation's economy. Decree 2284 lifts government regulations on virtually every sector of the economy, abdicating all sovereign control over the nation's economic activities and resources and throwing them open to whichever foreign looter gets there first. The Argentine President and his Harvard-trained finance minister, Domingo Cavallo, rushed to prepare and announce the decree so that Menem could present it as a *fait accompli* when he meets with Bush later in November.

With the backing of the International Monetary Fund and creditor banks, the Argentine government has opted to impose the "savage capitalism" denounced by Pope John Paul II in his recent encyclical *Centesimus Annus*. It lifts restrictions on the "supply of goods and services throughout the national territory" including transportation, insurance, labor, and capital markets. There will be virtually no restrictions on imports, particularly for medicine and food, which will have devastating consequences for national industry. Menem argues that these measures will force domestic producers to become more efficient and "competitive." In reality, they will bankrupt thousands of industrial and agricultural producers, and open up the country to an expansion of the drug trade, money laundering, and other dirty financial operations.

Legal experts are questioning the measure's constitutionality since Menem based the decree on the Economic Emergency Law. This legislation empowers the President only to decree "emergency" measures, but not to eliminate in one blow 17 laws protected by the Constitution, which is what Menem did.

'Bush will be thrilled'

One need only look at the comments of Finance Minister Cavallo to understand the motivation behind these measures. As reported in the Oct. 30 daily *Ambito Financiero*, Cavallo reported that with the text of the decree completed, "the Fund will grant us a facilitating loan so that we can seriously aspire to join the Brady Plan." But, he added, "we have to have

it ready before the [President's] trip to the U.S." Another unnamed government official put it more bluntly. He told the daily *Página 12* that "this package goes well beyond what the IMF, World Bank, and U.S. Treasury tend to require. . . . The idea is that this will pave the way for a debt agreement."

Beside himself, Cavallo gushed, "Just imagine what this will mean, when the President sits down next to George Bush, with such an important measure in effect." According to Finance Undersecretary Hector Domeniconi, it was Cavallo's personal foundation, the Fundación Mediterránea, which carried out and financed the feasibility studies for the deregulation package. Representatives of such companies and banking interests as Alpargatas, Techint, Citibank, Roberts Bank (which is the local affiliate of Morgan Bank), and the Cargill grain cartel, participated in the studies. These are the multinational interests which have invested the most in the privatization of Argentina's state-run companies.

A businessman from the Argentindustrial Union (UIA), Carlos de la Vega, correctly described the measure as having put an end to the country's "dirigist economic culture." With one stroke, it eliminates the entire structure of dirigist institutions which have been built up over the years. In the case of the all-important agricultural sector, this is an open invitation to the international grain and food cartels which historically dominated the sector up until Gen. Juan Perón took power in 1946. The decree drastically reduces or does away altogether with the power of the boards which control the prices and exports of meat and grains, maté, and wine, among other major export products. Juan Reyes, secretary general of the National Grain Board, warned that the state "will lose all control over the export of grains, leaving in private hands the quality control over what is exported."

One of the decree's primary objectives is the destruction of the organized labor movement, represented by the General Confederation of Labor (CGT), which still has the potential to resist the government's draconian austerity policies. The decree replaces industry-wide collective bargaining with factory-by-factory wage negotiations, and does away with special trade union-administered funds used to pay for health insurance, education, and other services for workers' families.

Though the CGT and large industrial unions have been divided, and have failed in recent years to take unified or bold action in defense of living standards, these latest measures are a tremendous blow to their negotiating power. The executive committee of the CGT-Azopardo, a faction which opposes the government, issued a statement warning that the decree "endangers the labor movement's only remaining means of defense. It implies that anyone who wants to strike can be thrown out on the street without a second thought." The daily *Clarín* noted on Oct. 31 that with this decree, "the government thus advances on the remaining tool of trade union power."

USDA to curb food stamp use

Millions of jobless run out of unemployment relief, and the Agriculture Department seeks to deny them food aid.

On Oct. 9, the U.S. House of Representatives passed an agriculture spending bill which would fund the food stamp program at \$23.4 billion, up \$2.8 billion over last year. However, the Labor Department estimates that 3.4 million laid-off workers will exhaust their unemployment benefits during 1992 alone.

At an average benefit level of \$65 per person per month for the food stamp program, the proposed level of spending will easily be used up. Although the program is mandated to accommodate all eligible individuals and households with insufficient income for food, indications are that the U.S. Department of Agriculture (USDA) intends to limit participation by establishing eligibility requirements that will restrict or thwart participation, as the need soars.

The past two years, since the Bush "recovery" began, have witnessed a huge increase in the numbers of people applying for food stamps, primarily among unemployed workers, and, more recently, among the many workers whose unemployment benefits have run out. During the month of July, enrollment reached a record 23.3 million people. Previously, those receiving food stamps were primarily people on welfare.

On Nov. 1, Rep. Tony Hall (D-Ohio), who chairs the House Select Committee on Hunger, sent a letter to the Agriculture Department protesting changes in eligibility requirements for food stamp recipients, which USDA is expected to release; on Oct. 1, congressmen got preview copies of the expected rule changes.

The effect on the nation's growing numbers of unemployed, hungry, and homeless will be devastating. Hall's letter touches on some of the most serious changes; however, they are much more extensive than reported in his letter, according to consumer advocate organizations. The changes include increasing the bureaucratic paperwork associated with the program, thereby making it more difficult for people to qualify; moreover, the paperwork would penalize recipients who are unable to comply with stricter reporting standards, or who become overwhelmed by them, or fail for some other reason to conform, by reducing their rations.

Obstacles are increased for homeless people who apply: They must document shelter expenses in excess of \$93 a month—not easy for a person living on a park bench. Other arbitrary roadblocks would keep newly unemployed people off the rolls by forcing them to sell such necessary items as cars, to buy food. Other conditions are imposed which Hall characterizes as causing unnecessary hardship to countless recipients.

And USDA is making it more difficult to enter the program when the need was never more urgent. There has been a dramatic increase in the number of persons applying for food stamps over the past year—indeed, since last summer. In August 1989, there were 18.7 million applicants; in August 1990, 20.49 million, an increase of 8%; and in August 1991, some 23.57 million, an increase of over 15%. There was a marked upturn over the summer months. In May,

there were 23.11 million people applying; in June, 23.28 million; in July, 23.27 million; and in August, 23.57 million, which coincided with the termination of unemployment benefits for thousands of workers. In July and August of this year, 300,000 workers exhausted their state unemployment benefits without being able to receive any extended benefits.

According to the Center on Budget and Policy Priorities, levels this high are unprecedented in the recorded history of the unemployment insurance program. They say that the unprecedented lack of unemployment protection is likely to continue in the months ahead. Extended unemployment benefits have been cut off from all the states qualifying.

The USDA estimated in 1987 that, on an annual basis, one in seven Americans uses food stamps. The number of people seeking benefits has more than doubled in the last decade. Still, researchers from the Food Resource Action Center found, in a report issued earlier this year, that 37% of the families they interviewed in a random sampling of 2,335 low-income families, were eligible to receive food stamps, but were not receiving them. They either did not know they were eligible, or were too embarrassed to apply. The average benefit amounts to around \$.70 a meal. The average family runs out of food stamps by the third week in the month.

The Labor Department forecasts that 3.4 million unemployed workers, nearly 300,000 per month, will exhaust their state unemployment benefits in fiscal 1992. This is an increase over the estimated level of 3.1 million workers in fiscal 1991. The Labor Department estimates that only a tiny fraction of the 3.4 million workers exhausting their state unemployment benefits in fiscal 1992 will be eligible for the extended benefits program.

Bush defeats his own bill

The President's domestic agenda is collapsing, just like the big banks he's trying to save.

The Bush administration's so-called banking reform bill, once touted as a centerpiece of President Bush's domestic agenda, was soundly defeated by the House of Representatives on Nov. 4. Ironically, the 324-89 vote represents a victory—of sorts—for the hapless Bush men and the bankrupt big banks, which had gone from lobbying for the bill to lobbying against it.

The deceptively named Financial Institutions Safety and Consumer Choice Act of 1991, submitted by Treasury Secretary Nicholas Brady on March 20, was designed to overturn the safeguards created by Congress after the 1930s depression, and allow the big banks to further loot the devastated U.S. economy.

The prime target of the Bush "reform" is the Glass-Steagall Act of 1933, which prohibited commercial banks from directly or indirectly issuing, underwriting, selling or distributing securities. Glass-Steagall was enacted after widespread abuses by banks like J.P. Morgan, when banks conned customers into buying worthless securities from the banks' own portfolios, thereby sticking the customers with the losses.

Not surprisingly, the big banks, including J.P. Morgan, enthusiastically supported the Bush administration's plan.

The administration's proposal would also eliminate the restrictions on interstate banking of the McFadden Act of 1927, and the 1956 Bank Holding Company Act restrictions on non-banking activities by commercial banks.

The effect of the administration's

bill would be to eliminate the barriers between commercial and investment banks, eliminate the barriers between banks and industrial/commercial corporations like General Motors and American Express, and eliminate the barriers which prevent the giant banks from branching nationwide.

It would, in short, eliminate the safeguards put in place after the last depression to prevent a replay speculative frenzy which destroyed the U.S. banking system in the 1920s and early 1930s. This, at a time when the U.S. banking system is even more bankrupt than it was during the depths of the Great Depression.

This bill, which President Bush called "a comprehensive solution to fuel economic growth," would instead destroy the tattered remnants of the U.S. economy by allowing the bankrupt big banks to remain open by looting the rest of the economy.

Despite heavy pressure by the administration and the banking lobby, the House of Representatives has resisted the administration's efforts to throw out all restrictions on the activities of the big banks.

Under a compromise reached between House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) and House Energy and Commerce Committee Chairman John Dingell (D-Mich.), the Bush bill has been significantly amended.

The bill, as modified by the House, would have upheld the prohibition against industrial companies owning commercial banks, and would have prevented capital-starved banks—Citicorp, for one—from ex-

panding across state lines or entering new businesses. The bill would also have even further restricted the abilities of banks to sell insurance and securities.

As a result of these changes, the administration and the big banks launched an all-out effort to stop the bank bill from passing.

Secretary Brady took to the stump to stop the bill, whining that the bill "turns back the clock, restricts competition and protects special interests." The White House threatened to veto the bill were it to pass.

Stopping the bill, of course, does nothing to stop the escalating collapse of the U.S. banking system.

A case in point is Citicorp, the living-dead \$217 billion giant. Citicorp is hopelessly bankrupt, being kept semi-alive by massive infusions of government funds and a wide range of accounting tricks. The bank has \$4.5 billion in admitted bad real estate loans—nearly double what it admitted just 15 months ago—and has been able to sell only four properties for a total of \$38 million since the end of June.

That's a mixed blessing, however, since the bank would have to write off its losses on properties it sells, something it cannot afford to do.

Unable to sell the properties and unable to take the losses sales would bring, Citicorp has adopted the "strategy" of holding on to the properties and pretending they still have some value.

"The real estate portfolio has turned out to be an immense problem," Citicorp Chairman John Reed said recently. "We would like to get some recovery of the value for our stockholders . . . but we are not in a fire-sale mood. We'd rather hold it. We think it is better for the stockholders to hold it."

Sure, John. When you're hopelessly insolvent, it's pretty dangerous to tell the truth.

Business Briefs

Haiti

Businessmen decry economic sanctions

Gerard Bailly, president of the Haitian Chamber of Commerce, said in late October that the sanctions organized by the United States "will create a social and economic catastrophe in Haiti. And our neighbor countries will be responsible for the situation. I hope that Haiti will not have to face such a crisis any longer."

An independent radio station reported that 160 U.S.-controlled companies were moving their operations, and that more than 40,000 Haitians would lose their jobs. A spokesman for the U.S. Association of Manufacturers said in a Voice of America broadcast that U.S. companies would be forced to leave: "We have been betrayed by the U.S. government for having decided to impose this economic embargo."

Space

Hubble telescope makes important discovery

"By far the most significant result Hubble has made so far." With this description, the program manager for the Hubble Space Telescope, Ed Weiler, drew attention to a little-noticed discovery of hydrogen clouds that are not supposed to exist, in a conference call with the press Oct. 22.

According to Big Bang cosmology, hydrogen clouds condensed from a uniform gas at a certain phase in the evolution of the universe, and at a later stage they condensed further into galaxies or else dissipated. This should be testable by the presence or absence of such clouds at different distances from us.

Light reaching us now from objects 2 billion light-years distant should show no hydrogen clouds, according to the theory. But when John Bahcall of Princeton used the Space Telescope's Faint Object Spectrograph to take spectra of well-known quasar 3C273, the spectra showed the existence of intervening hydrogen clouds. A second look by Ray Weymann

with the Hubble's High Resolution Spectrograph found even more clouds. These results appear in the *Astrophysical Journal Letters* of Aug. 10, an issue devoted entirely to Hubble results. Since then, such clouds have been found at similar distances by looking at the spectra of other quasars.

Weiler asked, "How did these clouds survive to this day? Are they being created somehow by some mechanism we don't understand?" He told *21st Century Science & Technology* magazine that these findings do not confront the Big Bang theory, but only constitute a constraint on it.

Soviet Union

Import cuts mean lack of industrial supplies

Drastic cuts of imports have created a critical under-supply for key civilian industries in the former U.S.S.R. Exports dropped by 30.3% and imports by 45.2% in the first nine months of this year, according to the official trade statistics.

In addition to shortages of vital spare parts in the textile industry and other industrial sectors, prefab products like sheet metals, synthetic fibres, yarn, as well as raw products like wool, rubber, and chemicals for the pharmaceutical industry are very much needed. Meat and refined food products—baby food above all, powdered milk, flour—standard and also special medicines are being sought abroad by the Russians, Ukrainians, and the other republics.

Disease

AIDS out of control, cholera spreads in Mexico

AIDS cases in the Mexico have increased by 50% in the last six months, according to Emilio Pavia Carrillo, coordinator of the Program for the Prevention of Sexually Transmitted Diseases at the Yucatan State Health Secretariat.

Official statistics show that last May, there were 6,000 AIDS cases, and by October, this had increased to 9,000.

The increase, Pavia Carrillo said, has completely overwhelmed the health sector's ability to respond. In Yucatan alone, 184 cases have been detected and another 72 could be confirmed in the next two months. If this is the case, the number of cases for 1991 will have increased by 100% compared to 1990.

This report is combined with several others indicating the rapid spread of cholera in the country. In Tabasco state, outbreaks have occurred in 13 of 17 municipalities, and the incidence is particularly high among Indian populations. Throughout Mexico, according to the Health Ministry, 528 new cases of cholera have been identified over the past 30 days. Tabasco and Chiapas are the two states most affected. In the northern highlands of Puebla, another 90 cases have been detected.

Environmentalism

Norway study attacks 'global warming' data

A recent study by the Norwegian Polar Research Institute delivered a strong critique of "global warming" data. The study, "Atmospheric CO₂ and Global Warming: A Critical Review," rips to pieces the "scientific" grounding for U.S. government assertions of a "global warming" caused by man-made emission of fossil fuel into the atmosphere in the form of carbon dioxide (CO₂).

The study points to the basis for the claim that man-made emissions are the source, by noting that evidence is drawn from two sources of data: measurement of atmospheric CO₂ and of CO₂ in glacial ice. They point out that the "historical" data from 19th-century estimates of CO₂ "were carried out with an error of up to 100%," and that modern comparative studies which use such worthless data have chosen to reject older values which they deemed "not representative," a form of scientific fraud which the Oslo researchers euphemistically call introduction of a "subjective factor in the estimates of the pre-industrial level of CO₂ in the atmosphere."

Briefly

The attempt to measure CO₂ in air bubbles trapped in glacial ice as also representative of older CO₂ levels, is just as worthless. They point out that far from remaining "frozen," CO₂ levels in ice "can be largely enriched or depleted in comparison with the original atmospheric level . . . [by] twice or more the atmospheric level."

The study also reveals the worthlessness of today's data on CO₂ levels, because of the place U.S. government "scientists" have chosen as their "ideal site" to monitor global CO₂. "The Mauna Loa [Hawaii] observatory has been regarded as an ideal site for global CO₂ monitoring. However, it is located at an active volcano, which has on average one eruption every 3.5 years. There are permanent CO₂ emissions from a rift zone situated only 4 kilometers from the observatory and the largest active volcanic crater is only 27 kilometers from the observatory. These patterns of the site have made 'editing' of the results an established procedure which may introduce a subjective bias in the estimates of the 'true' values."

Economic Policy

German steel leader attacks 'shock therapy'

Citing the "very great discrepancy in efficiency between the eastern and western European steel industries," Ruprecht Vondran, managing director of Thyssen AG and head of the German steel federation, warned in a Paris seminar Oct. 25 that Europe faces a savage trade war over markets and prices with the desperate economies of eastern Europe if the European Community continues to ignore serious underlying problems. The comments were interpreted as an attack on the monetarist "shock therapy" model applied against eastern Europe.

Vondran cited examples of pricing on western markets of steel products which had "nothing to do with the actual production costs. The eastern European market is out of joint. Prices and costs bear no relation to each other."

Vondran said that there are two ways the steel market of an expanded Europe could merge. The first would be an unregulated trade

war for market share. "This would be a bout fought with the gloves off. Western European producers will do their best to defend themselves against a price chaos in their domestic markets caused by eastern deliveries. A stronger price squeeze would endanger the very existence of many West European steel makers. Eastern European companies on the other hand will do anything to earn hard currency."

Alternatively, he said, "Politics should create space so that the eastern producers can become more like us step by step. *They must be given time* to transfer their companies to private ownership or to some equivalent form. They must be given the opportunity to . . . increase their efficiency." He outlined several steps in such a "guided market transition" in which western steel makers, which recently completed a painful reorganization during the 1980s, would provide needed technical assistance to modernize eastern steel output.

Medicine

NASA to study radiation's effects

One of the potentially most dangerous hazards of long-term space flight is exposure to radiation. At the Lawrence Berkeley Lab (LBL) in California, a Specialized Center of Research and Training in Radiation Health is being established with a NASA grant to explore the health problems that humans may encounter in interplanetary space.

LBL's Bevalac particle accelerator strips electrons from heavy elements, and accelerates and focuses the nuclei into a beam traveling close to the speed of light. These particle beams will be used to "mimic conditions that astronauts might encounter on the Moon, Mars, or other interplanetary voyages," LBL announced.

The Bevalac can produce a wide spectrum of radiation, from protons to heavy ions, and is currently a national facility for the clinical treatment of certain types of cancer and life-science research. A major goal of the center will be training and education in health effects of radiation.

● **THE BUSH** administration has just adopted new regulations that will cut about \$5 billion in federal Medicaid matching funds to the states, even though Medicaid is the fastest growing portion of state budgets. State spending on Medicaid increased 19% last year, and will top 25% this year.

● **NIGERIAN** economist Adebayo Adedej told a Reuters interviewer that his country, Africa's most populous, must seek a 10-year moratorium on foreign debt payments. "I think we should say to the international community we are going to put our house in order and . . . to enable us to do that and revitalize our economy, we need a period of debt moratorium."

● **CONSTRUCTION** has begun on two Advanced Boiling Water Reactor nuclear plants in Japan. The units at Tokyo Electric's Kashiwazaki-Kariwa power station are being built by General Electric 140 miles northwest of Tokyo. There has not been an order for a nuclear power plant that has not been canceled in the United States since 1977.

● **FRENCH** Energy Minister Strauss-Kahn has stated that a European Commission-proposed energy tax to fight "global warming" is "like trying to fight alcoholism by taxing orange juice."

● **BIRTHS** in the United States have dropped this year for the first time since 1985, reports the Department of Health and Human Services. Through July, births fell more than 50,000—and that does not include data from several states—as compared with increases of more than 100,000 each year since 1987.

● **THE EMPIRE STATE** Building is to be sold for just \$40 million, 10% of its former market value, the Oct. 31 *Wall Street Journal* reported. The Prudential Insurance Co. will sell the structure to a member of the family of J. Peter Grace, chairman of W.R. Grace & Co.

The human mind is not a computer

Aristotle tried to reduce man's thinking to either/or propositions, but a succession of great thinkers from Plato, to Cusa, to Cantor proved him wrong. Laurence Hecht reports on a speech by Dino de Paoli.

Dino de Paoli, author of "Georg Cantor's Contribution to the Study of Human Mind—A Refutation of Artificial Intelligence," summarized the concept of the transfinite in a rigorous, nearly two-hour-long presentation to the U.S. conference of the International Caucus of Labor Committees and Schiller Institute, in Alexandria, Virginia over the 1991 Labor Day weekend. The following is a report on his speech, which originally included many more graphics than we are able to reproduce here. The report was prepared by Laurence Hecht. Readers interested in pursuing ideas further may wish to consult De Paoli's study of the 19th-century mathematician and philosopher Georg Cantor (1845-1918), which appeared in the Summer 1991 issue of 21st Century Science & Technology.

At the outset of his speech, Dino de Paoli posed the fundamental point at issue as being not a formal question in mathematics, but, rather, the same question that divides the world view of Socrates and Plato from Aristotle—whether human creativity exists as a force that changes the universe, and whether man can know the truth in connection with the Absolute. Thus the debate today on the fundamentals of science is, "our debate, our issue." It is around what is creativity, how does it function. The technical terms of the debate: Singularities, discontinuities, phase changes, big bang theories, etc., are but different faces of the same issue, LaRouche's issue: can the physical universe be intelligibly represented by man? The answer will be yes, but for creativity not to be viewed as a mystic occult power, it demands that the "geometry" of the universe be "curved."

Aristotelianism, he said, is dualism. You are forced to make a choice between one of the two: the one *or* the many,

spirit *or* matter, logic *or* intuition, the square *or* the circle. "When faced with such a duality of choices," he warned, "always pick the third."

The Aristotelian view is reflected in Euclid's mode of presentation of geometry. The system attempts to present itself as a logically complete set of axiomatic rules of construction. But one need go no further than the first proposition of the first book of Euclid's *Elements* to see that the consistency breaks down. The problem is that the system requires three essential postulates:

- 1) There is a line
- 2) There is an angle.
- 3) *There is a circle with its center.*

Why so? Why is it necessary to have an angle as postulate?

Because the real underlying assumption of Euclid's system is of *linearity*. But, the construction of even a single angle requires *rotation* of the line, and so implies a circle! Thus the universe cannot be built up of merely points and lines, merely linear measure. This formalism requires also the assumption of another entity in the universe: the circle, the One, the unlimited.

Now the problem that arises from a formal standpoint, is that once this entity, the circle, is allowed in, as it must be, it is not possible to find a common measure between the circle and the line (or square) without allowing in infinities. (For example, what we know today as "pi," (π) the ratio of the circle's diameter to circumference, can only be formally represented as an infinite series; it cannot be expressed as a simple integer or ratio of integers that correspond to constructible distances on a line.) And if the infinite is allowed in, then other paradoxes arise—Zeno's paradoxes and so



The master Plato (left) and his recalcitrant student, Aristotle, walk into this busy scene of learning in a detail from Raphael's 1508 fresco, The School of Athens. The two figures appear to be stepping into the scene directly out of a beautiful cloud-filled sky, which we see framed by two curved arches, perhaps a visual metaphor for the studies of curved space which the artist and his predecessor, Leonardo, had carried out.

forth—in such a formal system. The Aristotelians will allow the infinite in as a necessary adjustment to their system, but they must ban it from exerting any real action on the world. Thus there is no possible way to create anything new in their system; we can only rearrange the already-existing things.

How the oligarchy defines your options

The entire scientific, epistemological, and theological debate over the past 2,500 years revolves around this question. It revolves around the relation between the linear and the curved: the problem of the squaring of the circle. We can schematize the debate approximately as follows:

A stands for the discrete, the linear, the many, body, matter, *object*.

B stands for the the continuum, curved, one, soul, force, *subject*.

Since *A* and *B* are incommensurable with each other, you are given the following choices:

- First option: Choose *B*, in itself, the One. This is holism, Oriental mysticism, German Idealism, religious fundamentalism, chaos theories, Romanticism, and the New Age.
- Second option: Choose *A*, in itself, the Many. This leads to pluralism, Illuminism, logicism, artificial intelligence, secular humanism, Marxism, mechanism.
- Third option: Choose the simple sum of *A* and *B*. You

may allow that both exist, but you view *B* as unmeasurable, unintelligible, only a symbol. This is the choice of theological Aristotelianism, Kantianism, and Cartesianism.

- The Socratic third way: The Socratic third way, none of the above options, is what we choose. Eudoxus (see Appendix), a student and very close follower of Plato, tried to develop a mathematical process of infinite approximation between *A* (the polygon) and *B* (the circle), to find a common measure among “incommensurables.” This included a process of approximation or exhaustion for finding the area of the circle. Despite its limitations, its implicit assumption is intelligibility in the universe, and it is the basis for the reason western culture developed technology.

Using a projector to show an illustration of a circle containing an inscribed polygon, De Paoli described the process of approximating the immeasurable area of the circle by finding the measurable area of successive polygons, each one with more sides and therefore more like the circle. However, no polygon, no matter how many-sided, ever equals the circle. The key to the Socratic method of exhaustion is the assumption of intelligibility in the universe, recognizing that any attempt at portrayal is only approximate and will ultimately be superseded, but that each approximation, worked out as an algorithm, i.e. a precise law or set of laws, a One, defines one economic-technological space—to use

LaRouche's image.

Plato had already described the resolution of this apparent paradox given by the dualism of the One (the circle) and the Many (the polygon) in the dialogue *Philebus, or the Highest Good*. There, Socrates, after having described "his method," says that there are *not two but three principles of construction*, and a fourth which is the cause of them.

a) the simple, unlimited many; the indefinite more or less

b) the limit—the simple oneness

c) the third kind, the *mixon*, which, in his words, is "the coming into being resulting from those measures which are achieved with the aid of the limit," or "the being that has come to be the mixture of these two," i.e. (a) and (b)

d) the sufficient reason, of which he says, "All things which come to be should come to be because of some cause . . . and a cause is a maker," or "the cause of the mixture and of the coming-to-be" (*Philebus*, Sections 26, 27 a, b, c, d).

We can in fact reduce this to three principles:

A) The linear, limited, or the unlimited series of created ones—Object(s)

B) The creating of the created ones—Verb

C) The Sufficient Reason (*logos*); the cause or the maker—Subject.

Or, reduce it even further to:

A) the created ones

B) the creating one, and

C) the Reason of the One Creator.

The key is that it is only the *unity* of the three principles which is the real characteristic of existence and intelligible transformation. This is the matrix of the western Socratic-Christian tendency in science, philosophy, theology, and so forth.

To illustrate, De Paoli went back to the Archimedean construction for the determination of the area of the circle by finding the limit of areas of the inscribing and circumscribing polygons. Archimedes did not explain it clearly, he said, but if the process is understood as Plato understood it, it is a correct "approximation." Archimedes also shows that by

FIGURE 1

Euclid versus the transfinite

(a) BOOK I. PROPOSITIONS.
PROPOSITION I.

On a given finite straight line to construct an equilateral triangle.

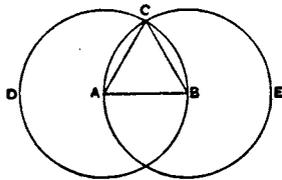
Let *AB* be the given finite straight line.

Thus it is required to construct an equilateral triangle on the straight line *AB*.

With centre *A* and distance *AB* let the circle *BCD* be described; [Post. 3]

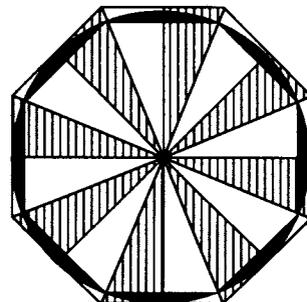
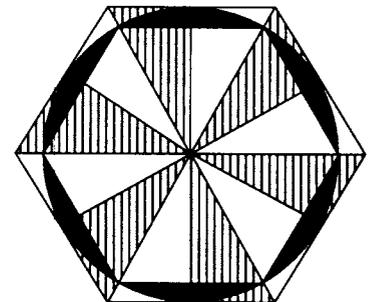
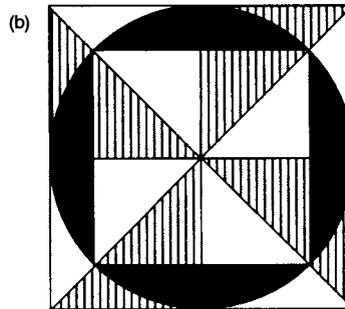
again, with centre *B* and distance *BA* let the circle *ACE* be described; [Post. 3]

and from the point *C*, in which the circles cut one another, to the points *A*, *B* let the straight lines *CA*, *CB* be joined. [Post. 1]



a) The Aristotelian view is reflected in Euclid's mode of presentation of the geometry. Although the underlying assumption of Euclid is the reduction of measure to linearity, Proposition I of Book I already requires that a circle be given in order to construct a triangle.

b) It is impossible to find a common measure between the circle and the line without allowing in infinities. Here the area of the circle is approximated by successive polygons: first the square, hexagon, and octagon—one inside and one outside each circle. The polygon may then be divided into triangles (white and shaded) whose areas may be calculated. The shrinking black region shows that by increasing the number of sides of the polygon we come closer to the area of the circle. But we do not reach it. Even an infinite-sided polygon still has straight-line sides. We must go one step further to recognize that the circle is transfinite to the polygon.

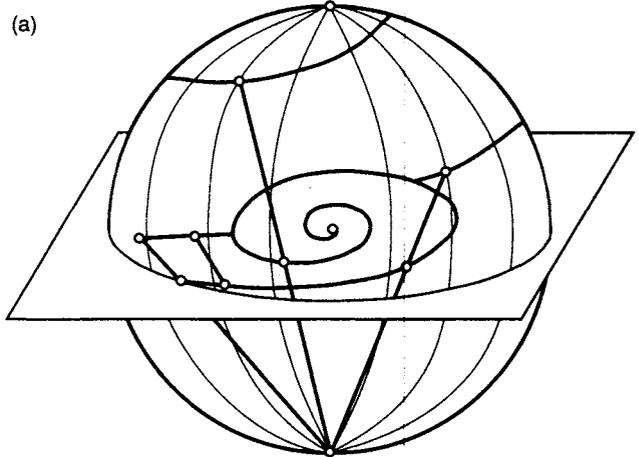


using circular and linear actions, we generate curves (actions), which would be impossible under the strict rules of dualism separating line from circle. He sees the spiral, for example, as both a rotation and a linear translation at the same time. But in reality, De Paoli says, it is a doubly curved action. We see this when we look at the spiral projected on the sphere (loxodrome curve). It has no linear component, but is in reality doubly curved. Curved action, De Paoli says, defines all Euclidean constructions, and doubly curved action defines what is not constructible in the Euclidean system.

Renaissance improvements on Archimedes

Archimedes' work was brought into the modern world through translations in approximately A.D. 1150 in Moorish Spain. From there it was spread into Italy and France. Nicolaus of Cusa made a crucial improvement in explicitly recognizing the constant value of curvature, and that even an infinite polygon is *not self-bounded*, but is bounded by the circle which is *of a different nature from the polygon*. The circle, Cusa recognizes, must be defined as isoperimetric action (the

FIGURE 2
The loxodrome and the stereographic projection



a) The loxodrome is the curve traced on the surface of the Earth by a ship maintaining a constant compass bearing, such as due northeast. The diagram shows a loxodrome traced on the upper half of a sphere, and its projection onto a plane slicing the sphere through the equator. The projected plane curve is known as the logarithmic spiral. The point of projection is the south pole. Note that the loxodrome is doubly curved; it will not sit on a plane.

b) The stereographic projection maps any point (P) of the plane to a unique point (P') on the sphere. The point P' is determined by drawing a line connecting P to the north pole of the sphere. Where this line intersects the sphere's surface is the point P'. As we move farther out on the plane, the line connecting P to the pole begins to become parallel to the plane, and intersects the sphere higher into the northern latitudes, as the side (cross-sectional) view illustrates. Finally, the infinitely distant point on the plane is represented by the north pole.

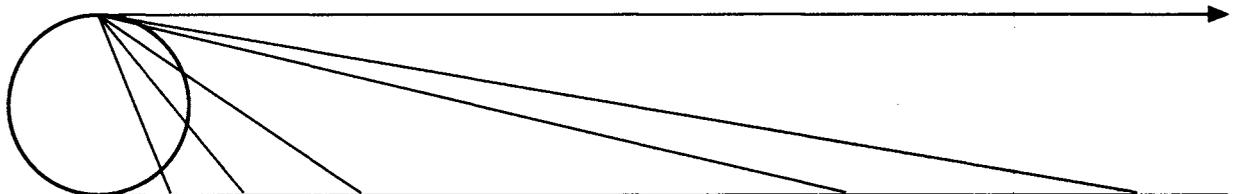
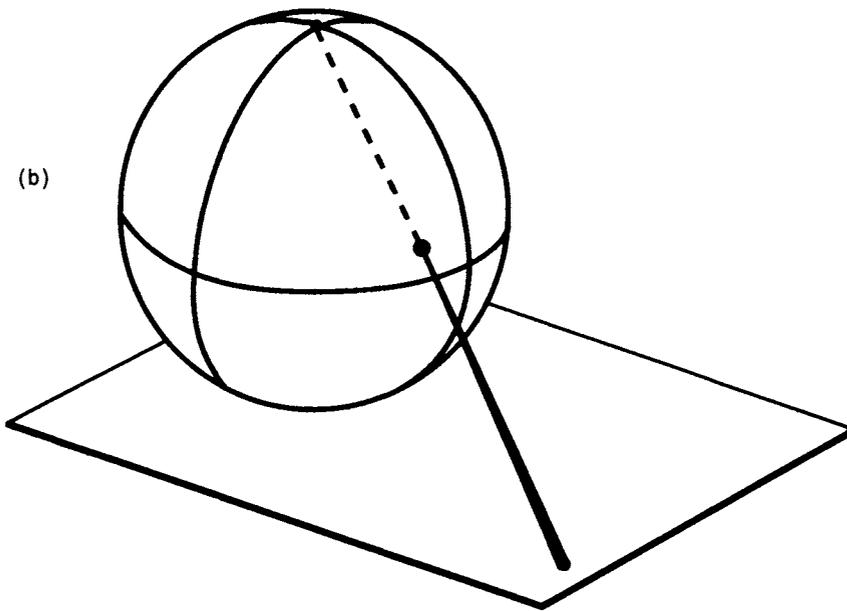
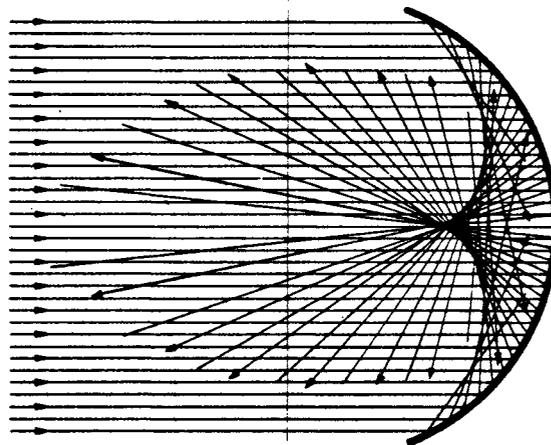
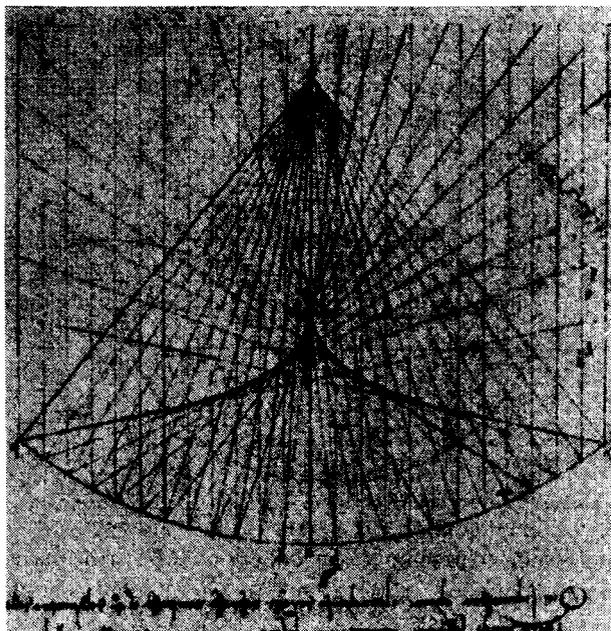


FIGURE 3
The caustic



Leonardo da Vinci's 15th-century drawing of the phenomenon known today as "spherical aberration," and a modern illustration (right). The light reflecting from a spherical mirror, or bent (refracted) through a spherically curved lens does not focus at a single point, but spreads out over an area (the cusp-shaped curve in both figures), known as the "caustic," or burning curve. The term dates from Archimedes' employment of large mirrors as instruments of warfare.

Source for right-hand illustration: Francis W. Sears, *Optics*, © 1949, by Addison-Wesley Co., Inc. Reprinted with permission of the publisher.

mixon of Plato).

Leonardo da Vinci then introduced another crucial factor in the relation between the curved and the linear. He demonstrated that the incommensurability is expressed geometricaly in the caustic. That is, light reflected or refracted through most curved surfaces will not focus at a point, but spreads the focus out into a curve generically known as a caustic.

The stereographic projection shows that the circle is topologically similar to the plane, *if we include the point at infinity*, that is, that it is possible to map every point of an infinitely extended plane onto a finite sphere, by making the north pole of the sphere correspond "to the infinite point(s)" on the plane. This introduction of the point at infinity is fundamentally non-Aristotelian and is also crucial to the method of linear perspective. But there is still a crucial difference between linear and curved (or curvilinear) perspective, De Paoli said.

He illustrated this with a slide showing a cross-sectional slice of a stereographic projection. Even if each point of the line can be uniquely mapped to a particular point on the circle, the metric of the projection is different, and this shows up in the necessity for the formation of a caustic in projections involving curved surfaces. The implications of this for Cantor show up in the different types of ordinal numbers that can exist.

Gottfried Leibniz (1646-1716) continues the process of

development of this concept. His point of reference is not strictly or merely squaring of the circle. He considers *action*, changes, and the "integration" (or "measure") of such action—that is, its intelligibility.

In a 1702 letter to Varignon, he wrote:

"Physics is based on the sufficient reason, while geometry, which is its representation, is based on the principle of Continuity, which means that no sudden vanishing happens without our being able to determine the *reason* for it in the form of points of inflection, singularities, etc., so that some mathematical expression will be created to include such singularities in nature so as to avoid the inclusion of chance or miracles."

Then in a letter to R. de Montmort in 1715, he wrote:

"Now as in a geometric line there are certain special points of singularities, etc., and as there are lines which have an *infinite* number of such points, we must in like manner conceive in the animal's or person's life, periods of extraordinary changes which are not outside general law, just as the special points on a curve may be determined by its general nature or its equation."

To understand what he means by such "special points," by "integration," and so forth, you must not look at the squaring of the circle in a purely formalistic, or Aristotelian way. You must think back to Plato's three principles, De Paoli said. Think back to the continuous action that lies in

between the different segments of the line, in between the distinct created “ones.” Think of LaRouche’s approach and then come back to Leibniz. Think in terms of action.

Now if you think of the polygon as line segments connected by angles, ask what actually are such angles? Why did Euclid have to introduce as postulates, the circle, the line, and an angle? The angles are what today would be called a first species discontinuity—a non-differentiable, non-linearizable part of a function. But they are the result in *A* of something happening in *B* because of *C*—harmonic circular action. The simple figure of a triangle inscribed in a circle illustrates the point:

The triangle exists only because a linear action is forced by the circle to bend, to form angles! This is what Leibniz was speaking about.

Cantor’s corrections of formal mathematics

The misunderstanding that arose in formal mathematics was the error of considering as “measurable” only the line segment, and *not the discontinuities*. So all of classical integration is an attempt to go as deeply as possible into the “small” to find areas without the “angle,” and then to do the sum, in order to obtain a smooth, continuous line, a so-called “rectified curve.” That is uniform linear action. Thus, not only do we avoid the circular action. We even linearize the triangle, reducing it to points, and then do the sum. Yet, the angles are an expression of the circle, which is what we were supposed to find in the first place!

So Leibniz was the first to indicate, in the specific area of mathematics, the importance of such discontinuities. This led directly to Fourier’s finite discontinuities of first species, then to Dirichlet, and then to the Riemann integral. The Riemann integral was the resolution of physical problems even in the presence of infinite discontinuities, but finite in finite intervals and of the first species (angles). In other words, it made it possible to handle physical problems which are described as an infinite polygon, but which still have a line, or *side*, in small finite intervals.

But what about when the approximation moves closer toward the circle, and the angles tend more to be really infinite in number, while the line (side) tends toward zero? Then the mathematical image becomes not yet the circle, but a *dense set of points circularly distributed*. Between the points there are still “holes,” “infinities” again. The angle discontinuity, which is algebraic, is now coupled with “holes,” a “transcendental” discontinuity, and the more you go into the small, the more such transcendentals you will find.

This brings the matter to Georg Cantor, De Paoli said, referencing his article in *21st Century Science & Technology* (Summer 1991). Cantor makes infinity into an intelligible issue. And, he clarified more precisely what we characterized above as the *A* and *B*.

A is proved to be a geometry of zero curvature, that is, linear area. This describes whatever new level of algebraic

algorithm (“deductive lattice”) we have already created—the measurable, denumerable, classically integrable. He also proved that *this is not a closed area, but is unlimited, has no maximum*. To find closed segments here, that is, harmonically distributed closed actions, requires “limits” which lie somewhere else, they are “transcendental.” In short, *A* is the “denumerable” area, in Cantorian language.

B is now proved to include all the numbers, geometric figures, and functions. *B* is not *integrable*, not measurable with an *A* type of metric. *B* is proved to be *non-linear*. It is positively curved, and includes all of *A* plus the point at infinity, like the sphere. The transcendental numbers define its point of separation from *A*.

So, in simple words, Cantor proves that the circle is not squareable, because of the existence of curvature at any and each infinitesimal part expressed by the existence of an infinity of transcendental numbers, infinite in any finite interval.

But is the square curvable?

Cantor tried to find and to specify some relation between the *A* and *B* elaborating on the principle of Leibnizian continuity or intelligibility. He tried the usual way of examining series which go to infinity, but with no success. So he makes the conceptual jump, and introduces a *transfinite* relation. To understand this, think of Plato’s *mixon*—the coming into being. The circle—or better, the curved action—is the *unitary measure*, but is also the “coming into being of unities.” Vis-à-vis the polygons, the circle is an *actual infinite* polygon, that is, it completely represents their construction as a totality. It is transcendental to any one of them or to any linear combination of them, but still causing its existence as an ordered harmonic set of segments connected by angles, as we showed. The existence and distributions of the angles are *completely* determined by the existence of curved action, *not* by the polygons.

Transfinite numbers

De Paoli concluded with a more formal description of the Cantorian transfinite numbers, pedagogically elucidated by his earlier image of the growing polygon in the circle, and by his clearly delineated distinction of the two categories *A* and *B*.

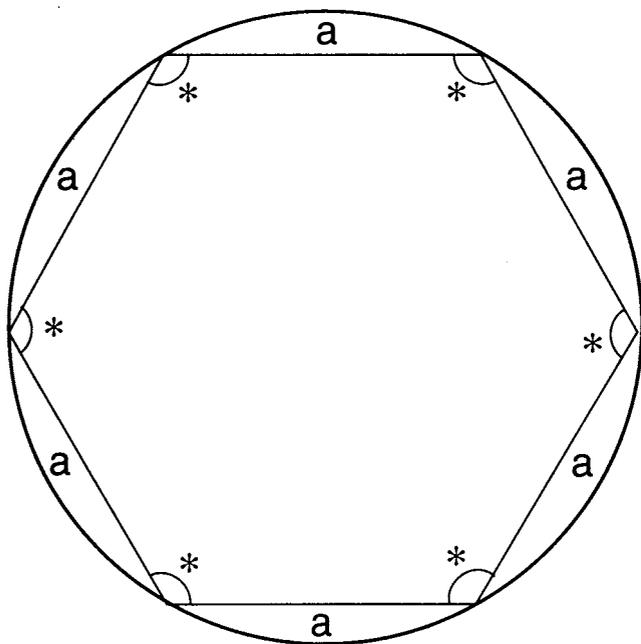
But now, he said, Cantor introduces a very useful mathematical instrumentation which is implicitly a way to integrate infinite discontinuities. Using the already elaborated simple image in which the sides of an infinite polygon are represented by a a a a . . . and the angles between the sides by ***. . . , then to represent the polygon as sides plus angles, we write: a*a*a*. De Paoli then shows that a transfinite number means the following.

If *W* is the transfinite of a a a a . . . , it can be thought of in all the following ways:

- It is a transformation of the *linear actions* of the sequence 1, 2, 3, 4 . . . a a a a a, in a quantum of action, a relatively completed action.

FIGURE 4

Georg Cantor's infinite-sided polygon



In Georg Cantor's representation, we consider an infinite-sided polygon, where *a* represents the sides and * the angles. The infinite polygon is then written as $a*a*a*$ Since this is definable, the whole infinite process can be called *W*, which is the infinite polygon. Then another set $W+1$, which is transfinite to *W* can be conceived.

- It is at the same time the *maximum* of $a\ a\ a\ a\ a\ .\ .\ .$ and a *minimum*.

- It is transcendental to $a\ a\ a\ a\ a\ .\ .\ .$, but present as ordering the symmetries or metric of $a\ a\ a\ a\ a\ .\ .\ .$. This means that it defines the changes as angles between $a\ a\ a\ a\ a\ .\ .\ .$, that is: $a*a*a*a*$ Thus *W* is the infinitely dense set of discontinuities of first species (that is, the angles) in the line.

But now *W* itself can be posed as object, and become a "Many." Technically this means that Cantor develops a transfinite arithmetic. We get the series *W*, (*W*+1), (*W*+2). . . , etc. which now projects in *A* as:

$$(a*a*a*a\ .\ .\ .) \Delta (b*b*b*b\ .\ .\ .),$$

where $(a*a*a*a)=W$; $(b*b*b*b)=(W+1)$, etc., and Δ =the change between *W* and (*W*+1) or the change of assumption or postulate in the (*a*, *b* area), or *discontinuities of the second species*, as they are called.

Now, ($W*W1*W2\ .\ .\ .$) must reflect the same principle—they are causal evolution and so integrable, in the Cantorian sense, by their transfinite (let's call it *N*).

Now, *N*1 defines *all* the functions (*a*,*W*) and the disconti-

nities ($*$, Δ), where:

a=theorems

W=the assumptions (postulates)

$*$, Δ =the discontinuities of first and second species (i.e changes in the theorems and postulates).

So, we can say:

- The transfinite is an integral *but not as a linearization*.
- The first complete operation of transfinite we obtain that is *N* which defines (*a*, *W*, $*$, Δ) is the first relative continuum (or real curved action).
- It is a continuum which has infinite discontinuities in it, like the circle, which in reality, as real curved action, is not reducible to being linearly differentiable at any point—contrary to the usual assumptions.

Cantor then restates all of this under his famous Three Principles of Construction. These are:

1) Principle A: Construct by adding; use order as more than or less than, etc., in this way producing finite aggregates, the discrete.

2) Principle B: Given an infinite series of type *A*, unlimited, I can conceive a new number, *W*, which is intended to be the expression of the fact that the totality of *A* is given in its lawful succession. Then *W* can be considered also as the limit of the series and transfinite to it. That is the generation of quanta of action.

3) Principle C: The Sufficient Reason, or density, or ordering. It is reflexive. Between *a*, *b*, or *N*, *N*+1, there is an ordering of the discontinuities and *a reason* for the necessity of the generation of the superior power.

The *unity* of these three principles, and only that, is the *content* of what is called the "continuum" either as a relative or, as we will see, as an absolute. So here we have Plato again, but now with the full mathematically and physically precise implications to it. This defines man and action in the universe both as forms of the continuum. Cantor explicitly made the parallel between human creative powers, physical nature, and the transfinite type of action (see De Paoli, *21st Century Summer* 1991). This was the actual aim of Plato, Cusa, and Leibniz, as it was of Cantor and Riemann, whom we have to re-study from the standpoint of Cantor to specify the geometrical physical content of his work.

Riemann and the transfinite

Riemann once expressed the following thought:

"With every simple act of thought, something substantial enters our soul. . . . It appears to us as a unity, but as far as it is the expression of space-time, it seems to contain an inner multiplicity. . . . All thinking is the formation of such *geist-mass* [substantial unities]."

And further:

". . . We have at each moment a completed set of concepts with which we comprehend nature. But if something happens which is unexpected according to the concepts . . . that is which is inconsistent with them, then we have either

to supplement them *with a new theorem*, or to rework them so as to resolve the inconsistency . . . so that our knowledge becomes more and more complete and probes more and more beneath the surface of appearances.¹³

When we apply Cantor's understanding to the work of Riemann and Eugenio Beltrami, we have the best possible insight for defining metrical geometry as an expression of different types of curvature. Here it will have to suffice to say that the (a a a a) of Cantor represents the zero curvature (the linear plane); the (*,Δ) the negative type of curvature (the caustics), and the (Ws) the positive curvature (i.e., the sphere as the plane plus the point at infinity). This can be derived rigorously from what we have now presented. But the real continuum generates all three types of metrics. We see here the role of negative curvature as singularity, also as "binding force"; but it cannot and should not be seen in itself as in the chaos theory, but as part of the continuum.

Cantor's 'Universal Hypothesis'

Now, to Cantor's Universal Hypothesis. Let's call the universe the totality of the transfinite actions and everything else existing: ($N, N1, N2, \dots, a b c d e, \dots, ****, \dots, \Delta\Delta\Delta, \dots$), that is, the [A+B+C] Principles of constructions. The usual philosophical and physical notion of the universe can then be thought of as follows:

1) It is discrete and unlimited.

In this case, it has no transfinite. But that instantly eliminates *any type* of causal changes between $N, N+1$, or even down to denying any changes of the type (a,b,c). Remember that causally ordered change for unlimited series is the same as transfinite existence. Thus, in this system, if any evolution happens, it is unintelligible—it is *chaos*.

This is the open universe of pure negative curvature.

2) It is discrete and limited (Bertrand Russell).

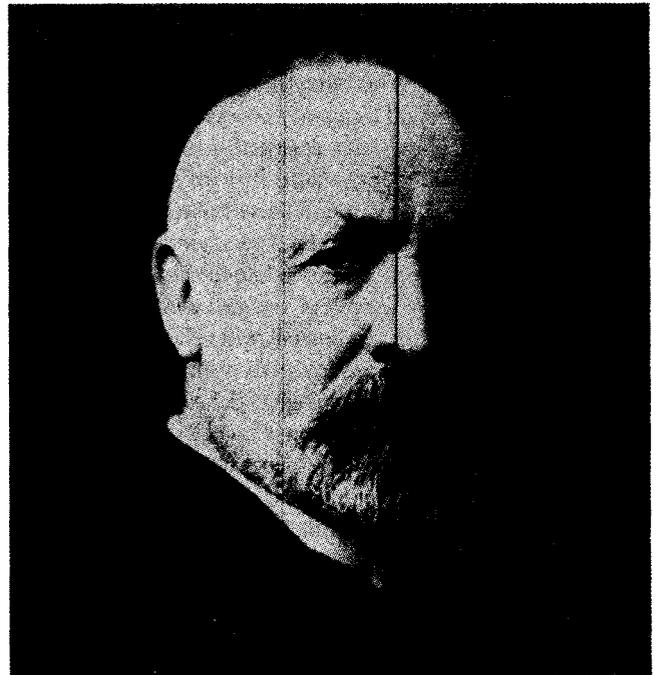
This, too, eliminates the transfinite. We are at Level A. We have pure linear action, a pure Euclidean universe. The universe in which a computer could determine present past and future.

Both 1) and 2) imply that there is no well-ordering, and any active principle including Life and creative Mind cannot have real existence and has to disappear and be ultimately reduced either to linear changes or to occult causes.

3. It is a Cantorian continuum.

But then to be well-ordered, closed, it is necessary that it is "brought into being" by an *absolute transfinite (infinite)*, transcendental to it, but also in it, immanent as *Logos*, as the ordering of it.

In this *curved* universe, creative minds and life can exist, as created, in the way we experience them at present. With this, among other things, Cantor established a new logical proof of the Necessity for and Sufficiency of the existence of God as Creator. But this also helped him to solve crucial issues of formal mathematics which lead to the issues which the 20th-century logician Kurt Gödel addressed later on. So



Georg Cantor

we have seen in a rapid-fire fashion, how the solution to the circle-squaring paradox, the assumption of curved action and curved space as primary over the visible linear one, can be represented by Cantorian transfinities. And this, then, defines the existence and action in physical space of what is usually considered the spiritual action of our mind as it makes creative changes.

This needs to be consistent with the assumption of the existence of God, the Creator, in the way that Christianity represents it. What was implicit in Plato becomes explicit in Cusa, Leibniz, and Cantor. Science is not only a relation between man and nature, but a specific type of such relation, where both man and nature can be viewed as created things which mirror the universe, but man, and man alone, can also act in the image of God the Creator. In Cantorian terms, man and living things are different transfinities, or order types, even if self-similar to the Absolute Transfinite to which we associate God. The self-similarity of the "continuum" in Cantor's work, expresses the same issue geometrically.

Modern trends

The inconsistencies inherent in the view of a discrete universe, measurable only as A is, leading today more and more to the collapse of the Newtonian and LaPlacian matrix in physics—particularly of LaPlace's determinism, which he reduced to the famous statement "I do not need to introduce the hypothesis of a God," or that a sufficiently big mechanical device (computer) could know everything in the universe. Reality is imposing itself. To deny the existence of *creative*

acts, or real curvature, becomes less and less possible, even if the establishment controlling science tries to hide it or to mystify it as they do by promoting the so-called Chaos Theory, or Complex Theory. If humanity accepts malthusian policy directives, and allows the destruction of technological development, especially of the capability for space colonization, the debate in science around these fundamental issues, will become as it was in the Middle Ages, tainted with mysticism and scholasticism. If we can defeat the malthusian policies, the solution to the issues of the curvature of physical space-time, along the lines indicated, will usher in new physical discoveries and advanced forms of technologies.

This is why it is not simply a logical debate. It is a political fight to maintain the "scientific matrix" which we have called Socratic Christian. It may become clearer to you now if I paraphrase a recent article by Cardinal Joseph Ratzinger. Around the issue of intelligibility and truth, Ratzinger writes, we can

establish the clear distinction between Socrates-Plato, who believed that man can know the truth in connection with the Absolute, and those (referring to the Sophists) who believed that man could create on his own, *and arbitrarily*, the criteria governing his life. And then he adds: "The fact then, that Socrates, a pagan, could become in a sense, *the prophet* of Jesus Christ . . . is based on such fundamental issues."²

"That, I guess should stimulate your mind a little bit," De Paoli concluded. "As I stated at the beginning: Someone's ideas were transfinite to what I have presented. It is essentially Lyndon LaRouche's creative and political action that has presently *integrated* much of the work of the past and created the possibility for their continuation."

Notes:

1. "Fragments of a Philosophical Content" in *The Collected Works of Bernhard Riemann*, New York: Dover, 1953.
2. *Il Sabato*, March 16, 1991.

Appendix: On the notion of continuity and the infinitesimal

The following comments may make clearer to some readers the fundamental issue addressed in the speech, which was an attempt to present in a simplified version the mathematical problem of continuity.

The notion of "continuity," as the Leibnizian principle of continuity or the Cantorian axiom of continuity, derives historically from the work of Eudoxus, Archimedes, Cusa, and Kepler, arriving at the modern form of the debate on the question of infinitesimals in which Cantor participated. The issue is crucial, not only epistemologically, but also as a matter of great importance in mathematics and physics.

The question may be best illustrated by considering the distinction existing between a circle and a polygon, between a line and a curve, or, better, between linear and curved action. If we do not admit the principle of continuity, the so-called Archimedean axiom, as it is called today, then essentially we rule out the possibility of ever bridging this gap. We operate only in the algebraic realm, and for that reason, we are restricted to the premise that the angle of an inscribed polygon, however many-sided it may be, will always be smaller than the circumscribed circle; and also, that the "linear side" of the polygon, no matter how many times we divide it, will never

become "zero" or really curved; that is, we have a non-Archimedean geometry, as it is called.

The transcendental numbers, and the concept of the transfinite more generally, establish precisely the common denominator for bridging the gap between these "two natures." Cantor's attack on the notion of infinitesimals is correct in this sense. But we must be careful not to confuse the term "infinitesimals," as it is employed in the 19th and 20th century, deriving from Cauchy (or the way Veronese used it), with Leibniz's terminology. In the modern, Cauchy version, the manifold in which the infinitesimal operates is reduced such that the impossibility of reaching the limit is built in from the start: we have the polygons, and we have the circle, and never can the two be brought together. Nor is Euler's approach, which demands an infinitely divisible manifold, any alternative.

In reality the alternative is precisely what Cantor had proved: The only meaningful notion of infinitesimals is found in the transfinite numbers. Thus, differentiation and integration are one common operation, a mirror image of transfinite action—that is the *mixton* in Plato, or the second principle of construction in Cantor. Cantor declares explicitly that he is able to find a "common measure" for continuity and discontinuity (*Cantor Werke*, p. 152). It must be emphasized that the continuum is not an object, it can be meaningfully understood only as the unity of the three principles of constructions. That, and only that, can bridge the "two natures" (as Cusa would have put it). The continuum is self-similar but of different types of ordinals. By definition it creates segmentations or quantization, and thus cannot be reduced to a dichotomy between simple continuity and simple discontinuity.

—Dino de Paoli

Anti-science mob a threat to your food

by Marjorie Mazel Hecht

The first U.S. commercial food irradiation plant, ready to open for business in Mulberry, Florida, is a case study of how the anti-science mob tries to stop progress. The only thing holding up the opening of the Vindicator of Florida plant is the state license by the Office of Environmental Health in the Department of Health and Rehabilitation Services.

The scientific and technical evaluations of the plant are positive; the plant passed its safety inspection. Privately, many state officials have said that they think food irradiation is a beneficial and safe technology and that the lies of the eco-terrorist group Food & Water, Inc. are outrageous. Publicly, however, these same political figures are silent—in fearful deference to the same Food & Water group which they admit is crazy. And so the licensing process is going slowly.

As a result of the anti-nuclear noise, the state scheduled hearings on the plant's safety Nov. 4 in the Mulberry Civic Center. Of the 200 or so people there, there were only three Mulberry residents who spoke against the plant, according to Mulberry's mayor. The rest were imported Greens, brought in by Food & Water. Three groups, including *21st Century Science & Technology* magazine, turned out to support the plant, along with approximately two dozen or so local residents and many others from the area. But the nine radio stations, five television stations, and score of Florida reporters present neglected to note this fact in their coverage of the hearings.

The sensationalist press coverage for the most part has ignored the fact that the full weight of the scientific community supports the safety and benefits of food irradiation for disinfecting produce, prolonging the shelf-life of fruits and vegetables, and for getting rid of disease-causing microbes like salmonella. They would prefer to write about the people who attack the "unnaturalness" of radiation.

An 'ordinary citizen' testifies

For example, there was not a word reported about one Floridian who testified. He was an observer who came to the hearings to find out more about the plant and couldn't take it sitting down. "My ears were sore from sitting through five

hours of hearing the same stupid recording over and over," he said. "I stood up and protested and took over the rostrum. I identified myself as an ordinary citizen, an automobile repair mechanic who had traveled from Cocoa to Mulberry in search of the truth. I asked for a show of hands: How many present were also in search of the truth? Most raised their hands.

"Then I lit in! I denied that I had heard any truth today. I compared them with children around a Halloween campfire taking turns to see who could tell the scariest ghost story, that the real truth is that radiation is beneficial . . . that medical utilization of radiation was saving many lives every day through the use of diagnostic equipment like X-ray pictures. . . . I personally was there happy, productive, and cured of my own cancer because I had been 'nuked' five days per week for six weeks.

"I generalized that the previous doomsday speakers had raked up worst-case scenarios of pseudo-science and then recommended we err on the side of safety rather than chance putting our unborn grandchildren at any conceivable risk. Using such logic, not one attendee would have crossed the street to enter this auditorium rather than risk being run down by an automobile.

"I ran overtime, but no one dared call time on me. In closing I defined science as a systematic search for ways to discover the many benefits to mankind that are stored within nature; the same nature that God created and gave man the brains to invent ways to utilize those benefits. . . . Any person present who renounces science and yearns for 'the good old days' should move into a cave and eat berries."

'Food & Water': against both

Who is the opposition to food irradiation? The New Jersey-based group Food & Water has made a fortune telling lies about food irradiation, and it has used its foundation funding in Florida to scare the gullible and organize the fruit-and-nuts clientele of the health food stores to protest against the Vindicator plant. The group knowingly lies in its propaganda. When asked why they used such misinformation, Food & Water's executive director, Michael Colby, told one reporter this week that the Food & Water method of lies is "successful," and that they had "shut down four plants" this way, so they were sticking with it.

One of Food & Water's tactics has been to pressure local supermarkets by bombarding them with form letters telling them not to sell irradiated produce. This tactic works both ways: If you'd like your supermarket to sell delicious strawberries, picked ripe and irradiation processed to stay fresh, tell your supermarket management that you want irradiated produce. And if you live in Florida, write to Publix Supermarkets Inc., Mr. Mark Hollis, President, P.O. Box 407, Lakeland, FL 33802.

Marjorie Mazel Hecht is the managing editor of 21st Century Science & Technology.

IMF holocaust sweeps Africa: 30 million at risk

by Linda de Hoyos

BANGKOK, Oct. 9, Reuter—Thirty million Africans face starvation south of the Sahara, the International Monetary Fund said on Wednesday. “About 30 million people in this region are at risk of starvation, the majority of them in Ethiopia and Sudan, but also in Angola, Burkina Faso, Liberia, Mozambique, and Somalia,” the IMF said in its World Economic Outlook report. “In these countries food shortages caused by drought are magnified by the obstacles imposed on relief operations by civil wars, by the inadequacy of infrastructure and distribution networks and by the scarcity of foreign exchange,” the report said.

BANGKOK, Oct. 17, Reuter—African nations can expect a sharp reduction in financial assistance from the World Bank unless they keep up efforts to put their economies in order, World Bank officials said on Thursday. “Africans have to be impressed that they have a lot to lose if they allow financial discipline to disappear,” a senior World Bank official said. “If countries do not stay on the reform path we are not going to give them much money, the bank won’t give much to countries that are not doing all they can,” he said.

These two news wires from the British news agency Reuters point directly to the acute crisis now facing Africa’s 450 million people, and the source of that crisis: the systematic denial of technology and capital goods to the African nations. Instead of nuclear power plants, money to carry out infrastructure projects that would enable Africa to become food self-sufficient, and other obvious inputs, Africa, after centuries of slavery and colonialism, has been treated to no more than a succession of “stabilization” and “structural readjustment programs,” and endless lectures from the IMF and World Bank on the necessity for “fiscal discipline.”

The Report of the United Nations Secretary General on “The Economic Crisis in Africa,” prepared for the session of the Ad Hoc Committee of the Whole of the

FIGURE 1
Africa's debt burden
 (millions of dollars)



U.N. General Assembly Sept. 3-13, offered ample evidence that the policy dogmas of the Fund and the World Bank have failed miserably, to the point that Africa is a continent today that stands on the brink of total extinction.

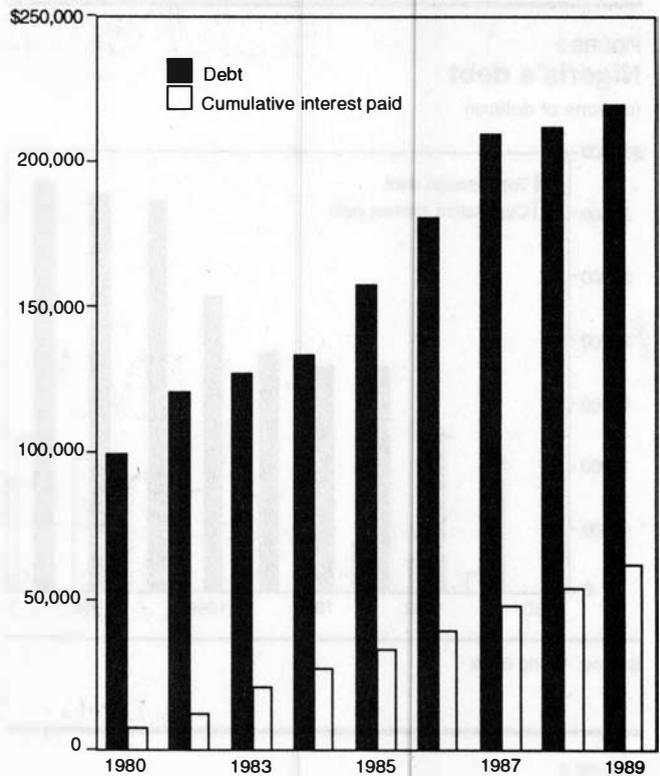
Aside from the warnings that millions face starvation, it is already a fact, as reported by the United Nations *Human Development Report 1991*, that 5,620,000 children under the age of five died in Africa in 1990.

Especially for those children who lived beyond the immediate hours of infancy, their deaths were often painful and slow, as they died of diseases that are mostly curable or preventable at a cost of a few dollars or even pennies.

The holocaust is taking place in Africa now.

This is not the result of so-called overpopulation. Africa's population density is 451 persons per 1,000 hectares. With the exception of the United States (272/1,000 hectares) or Canada (29), Africa's population density certainly compares favorably in 1990 to such industrialized nations as Japan (3,280), France (1,030), (West) Germany (2,206), or even Great Britain, headquarters of the world malthusian movement (2,357).

The problem is not population density, but energy density, a parameter which shows the true economic deficit imposed on the continent by the denial of technology and infrastructural development. In Africa, annual per-hectare energy consumption (1,000 kcal/hectare of usable land) is an average of 2,887, compared to the world average of 16,463 and western Europe's average of 89,447 (1986 figures). While



Africa's average energy consumption per person per year is 6,439 thousand kcals, average per capita energy consumption in North America is 83,900 thousand kcals. The world average is 22,200 thousand kcals per person.

Instead of a policy of development of Africa, the governments of the western industrial nations, with the IMF and World Bank as enforcers, have imposed a policy of extraction. For the last 30 years, the African countries have been systematically discouraged from taking steps to ensure either their food self-sufficiency or industrialization. Countries have instead been encouraged to become "export-oriented," basing their economies on one or few cash crops or raw materials. The earning of foreign exchange then becomes contingent upon the prices of the major export crops, etc., which prices are set in London primarily. At the same time, debt is piled up on the country to the point that the major part of export earnings are funneled back to pay the debt. Capital never finds its way into the actual development of the economy.

This cycle has now brought Africa into a downward spiral in which the national economies of many African nations are on the brink of collapse, or as in the case of Uganda, are collapsed altogether.

The subsidy from Africa

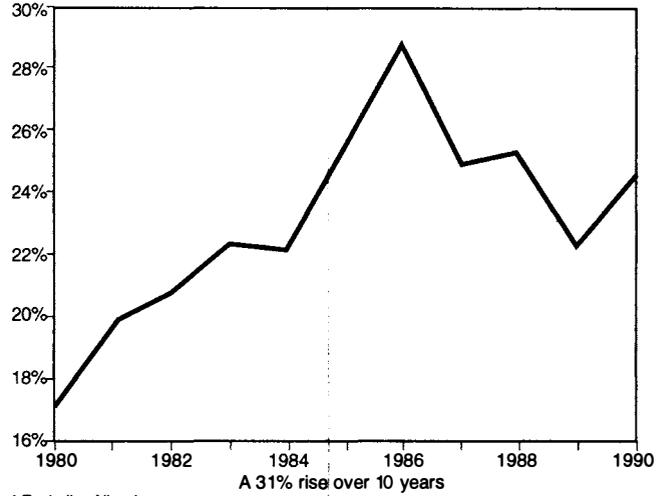
A review of the data compiled for the U.N. General Assembly, "Appraisal of the Implementation of the U.N. Program of Action for African Economic Recovery and De-

FIGURE 2
Nigeria's debt
 (millions of dollars)



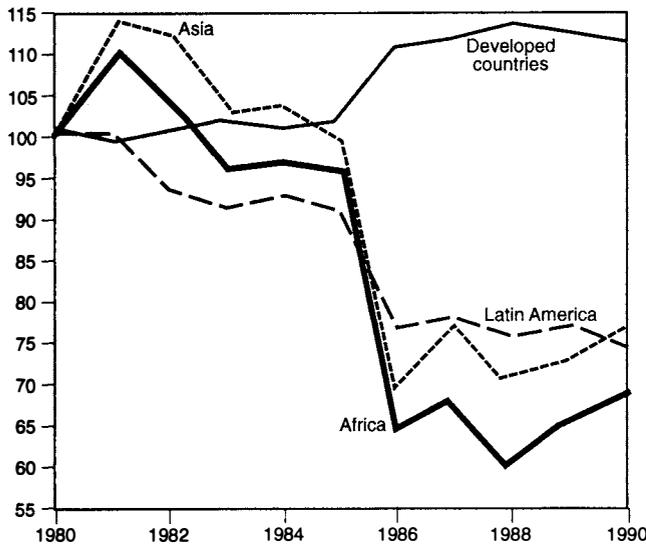
Source: World Bank

FIGURE 4
Sub-Saharan Africa*: Ratio of debt service to exports



Source: United Nations.

FIGURE 3
Terms of trade
 (1980=100)



Terms of trade- shows the relationship between the price a country earns for its exports, and what it has to pay for its imports.

Source: United Nations.

TABLE 1
African countries suffering decrease in GNP per capita, 1980-90
 (dollars)

	1980	1990
Angola	725	620
Gabon	3,900	2,960
The Gambia	350	240
Ghana	410	390
Kenya	420	370
Libya	9,741	5,310
Madagascar	430	230
Morocco	930	880
Niger	440	290
Nigeria	1,030	250
Sao Tome and Principe	485	312
Sierra Leone	320	220
Tanzania	280	120
Tunisia	1,410	1,260
Uganda	280	250
Zaire	630	260
Zambia	600	390

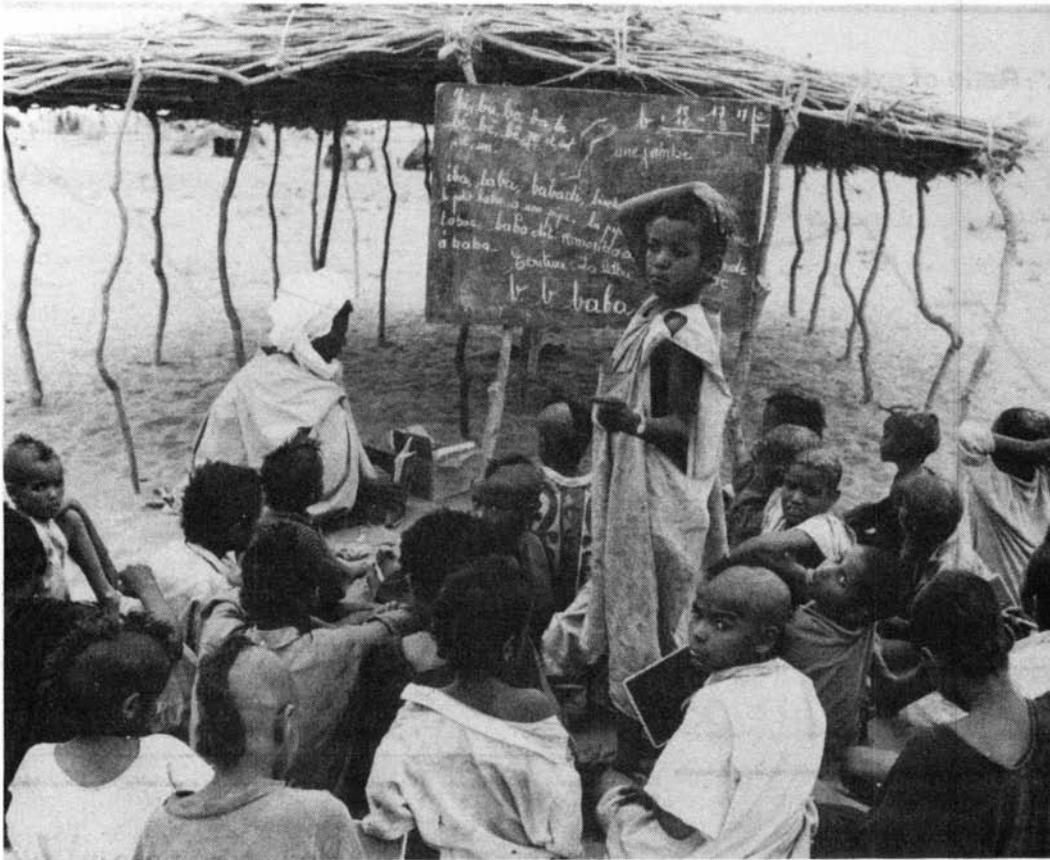
18 countries representing 321.43 million people.
 Countries that are highlighted had a decrease of 50% or higher.
 Source: United Nations.

velopment 1986-1990," shows that, despite the starvation and disease afflicting much of the African population, *Africa is subsidizing the industrialized countries financially.*

For example, in the five-year period under consideration by the U.N., Africa paid out to the IMF more than it received

in loans. For sub-Saharan countries, the outflow to the IMF was \$676 million a year.

In the same five years, Africa's stock of debt rose from \$203.7 billion in 1986 to \$271.7 billion in 1990. As a percentage of Africa's GNP, it represented an increase in the



An open-air class for children at a refugee camp for drought victims in Niger. Contrary to the malthusians, Africa's problem is not its population density, but rather its lack of energy density.

United Nations

burden from 54% to 109% in 1990!

Africa's export volume rose 2.5% per year from 1986 to 1990. But the purchasing power of these exports fell sharply, averaging 54% during 1986-90 compared with 76% in 1981-85, using 1980 as 100%. "No other region of the world experienced such a catastrophic loss," says the U.N. report.

Propelled by the necessity to pay the debt, non-food agricultural production rose 3.2% over the years 1986-90. Production of export crops such as cocoa, cotton, and sugar all rose during the reported period.

In real terms, sub-Saharan African countries were forced to export 36% more to earn a dollar of foreign exchange since 1980. That dollar was then handed over to the international creditors, beginning with the IMF.

In the same 1986-90 period, capital flight is estimated to have totaled another \$30 billion.

The human result

The result of this extraction upon the African countries is the contraction of their productive economies.

On average in Africa, from 1986-90, the years under consideration by the U.N., real wages for Africans declined by 30%, and the level of real public sector wages declined by more than half, according to U.N. statistics. In some countries, the decline was as steep as 75-80%!

TABLE 2

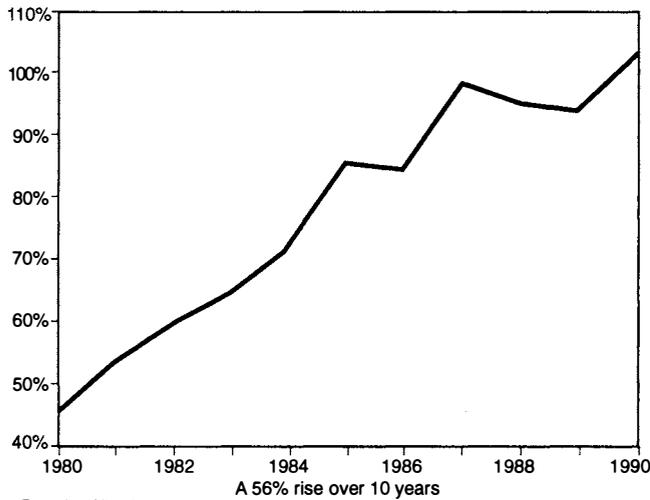
African countries with life expectancy under 50 years, 1990

Country	Years
Rwanda	49.5
Central African Republic	49.5
Burundi	48.5
Senegal	48.3
Burkina Faso	48.2
Malawi	48.1
Djibouti	48.0
Mozambique	47.5
Benin	47.0
Equatorial Guinea	47.0
Mauritania	47.0
Chad	46.5
Somalia	46.1
Ethiopia	45.5
Angola	45.5
Niger	45.5
Mali	45.0
The Gambia	44.0
Guinea	43.5
Guinea-Bissau	42.5
Sierra Leone	42.0

21 countries representing 165.1 million people.

Source: Human Development Report 1991, United Nations.

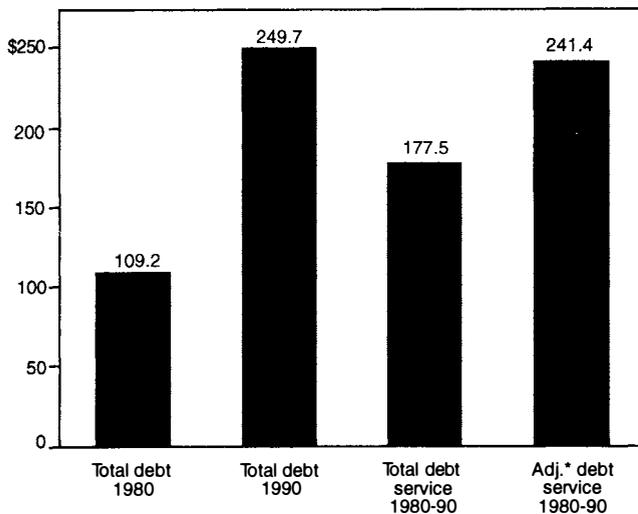
FIGURE 5
Sub-Saharan Africa*: Ratio of external debt to GNP



* Excluding Nigeria

Source: United Nations.

FIGURE 6
The extraction of usury from Africa
 (billions of dollars)



Source: World Bank.

* Adjusted for 36% drop in terms of trade 1980-90.

According to the U.N. report, official unemployment grew at an average of 10% per year between 1986 and 1990. Even the U.N. report notes that this precipitous decline in real wages was "partly due to structural adjustment policy measures"—imposed by the IMF.

FIGURE 7
Africa per capita food production 1980-90
 (1979-81=100)

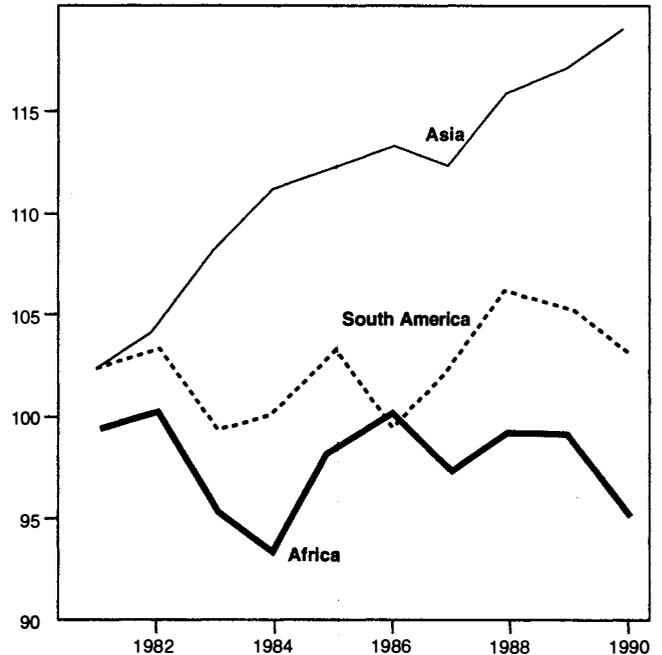


TABLE 3
African countries with under-five mortality rate 25% or higher, 1990

Country	Deaths/1,000 births
Guinea Bissau	250
Malawi	258
Sierra Leone	261
Mali	287
Angola	292
Mozambique	297

6 countries representing 48.9 million people.

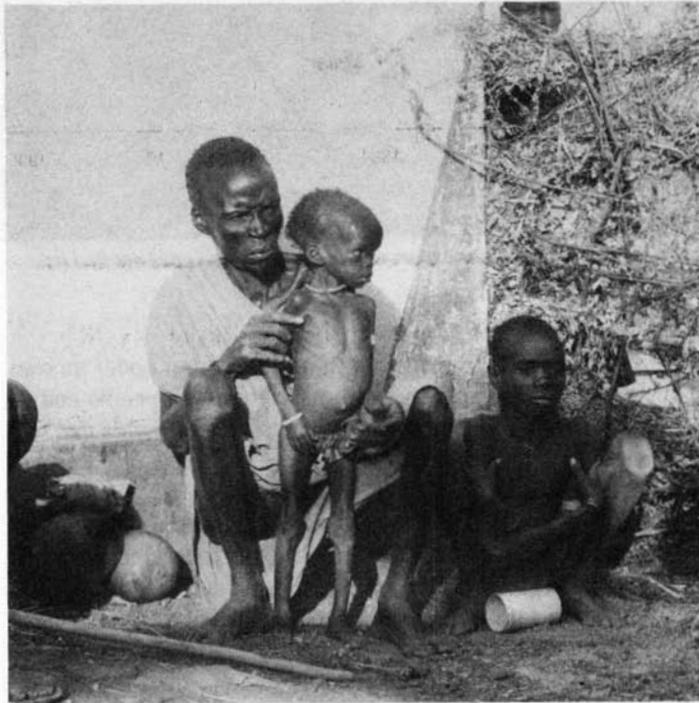
Source: *Human Development Report 1991*, United Nations.

Food self-sufficiency for African nations continued to decline. No fewer than 34 African countries reported a decline in per capita food production since 1986. The ratio of food supply to consumption requirements, indexed at 100 for 1979-81, was estimated at 85 in 1990. For Algeria, Egypt, Congo, Cameroon, Nigeria, Togo, Rwanda, Burundi, Burkina Faso, Niger, Guinea, and The Gambia, dependency on food imports more than doubled from 1971.

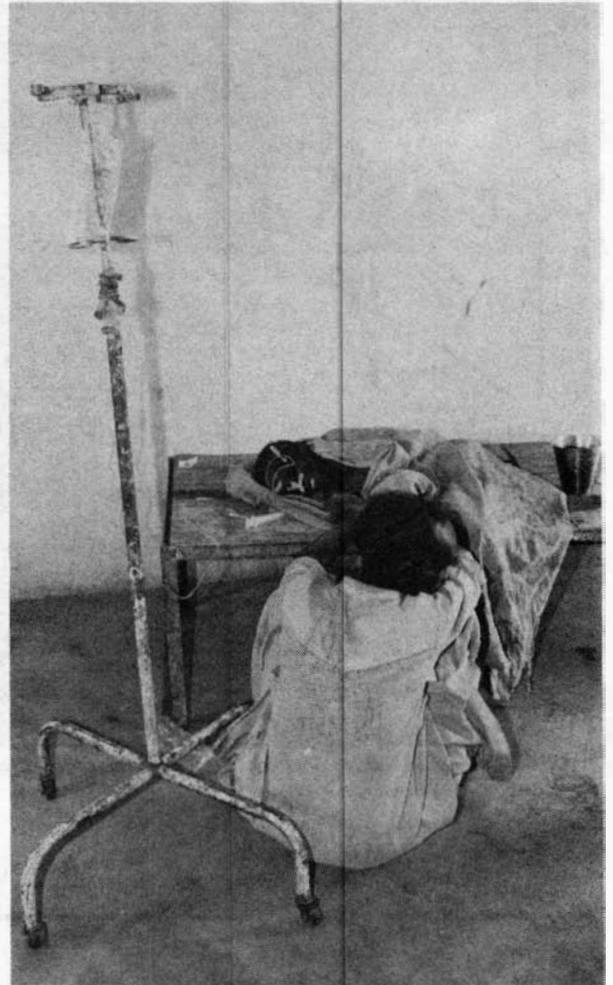
The result is starvation, as the IMF official warned from Bangkok. In 1989, there were 150 million severely undernourished people in Africa—70 million more than there were



WHO/P. Almsay



U.N. photo 164696/John Isaac



Clockwise from top left: In the village of Affiaman, in Ghana, the inhabitants listed running water as their first need; Ghana's state-financed projects in industry and infrastructure were abandoned, under IMF orders. A starving child in Uganda; AIDS and other epidemics have swept the country, and the next 20 years are expected to leave 6 million Ugandan children orphaned. In Chad, a father comforts his severely malnourished son at a medical center.

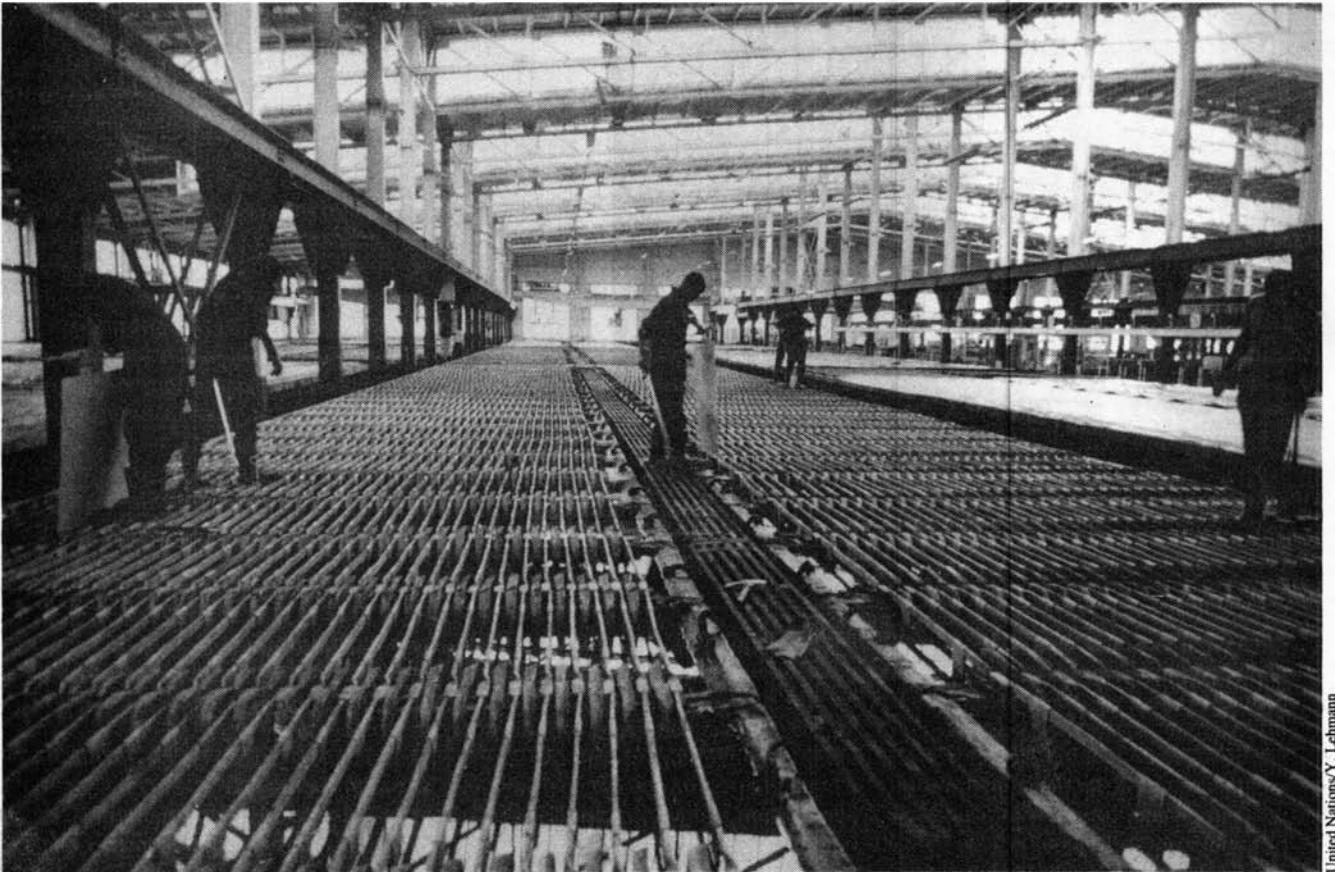
in the mid-1970s, says the U.N. report. A full 40% of Africa's pre-school children are suffering from acute protein energy deficiency—up from 25% in 1985. In 1990, an estimated 26.6% of Africa's children were underweight, 53.3% were stunted, and 10.2% were wasting.

"Aside from drought and desertification," the U.N. report says, "other causes of malnutrition in Africa included the removal of food and agricultural subsidies at a time when household incomes were declining"—that is, a measure of "fiscal discipline" demanded by the IMF.

Nigeria: IMF success story?

In its *World Economic Outlook* report, the IMF made the point that "countries that consistently implemented structural reforms and stabilization policies" had performed "significantly above average." The Fund cited Nigeria as one such country.

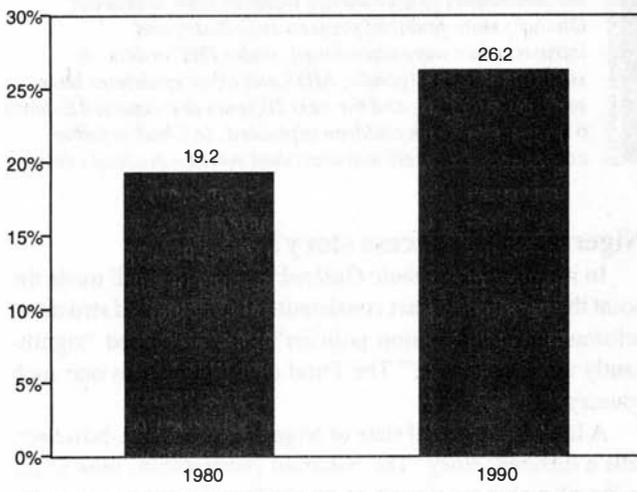
A look at the actual state of Nigeria's economy, however, tells a different story. The Nigerian government, now in the midst of making a transition to civilian government as also demanded by the West, decided to carry out the same mea-



United Nations/Y. Lehmann

A copper refinery in Ndola, Zambia. Africa's meager industrial production goes mostly for export to pay the debt, and does not find its way back into the domestic economy.

FIGURE 8
Africa: food import dependency ratio
 1980-1990



Source: United Nations.

asures of the IMF restructuring program, but under its own auspices. This country, with its 108 million people and its oil resources, is looked upon by many as the nation that will lead the way for Africa. If Africa is to survive, Nigeria will first have to break with the IMF policy.

In the last 10 years, per capita income in Nigeria has decreased more than 75%! In 1980, per capita income stood at \$1,030 (1976 dollars), while today it stands at \$250.

In the same time period, it has paid in accumulated interest payments, nearly the entirety of its total 1980 debt, yet as of 1989, its debt stood at \$32.5 billion.

Any attempt by Nigeria to increase its industrial capacity has met with howls of protest from the West. The Nigerian government has come under fierce attack from the Fund and the World Bank for its commitment to complete construction of the Ajaokuta steel plant and to spend \$2.4 billion building an aluminum smelter. These are seen by the IMF as "largely wasteful extra-budgetary expenditure," as the London *Financial Times* described it.

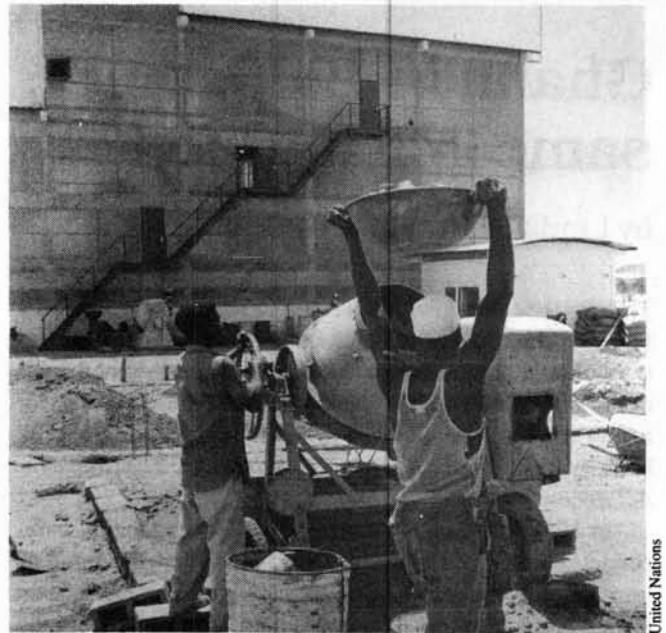
In fact, since 1965, Nigeria has deindustrialized! In 1965, some 10% of its total labor force worked in industry; that ratio has declined to 4%. In 1965, its agricultural work force was 72% of the total labor force, but today, although 65% of

the population lives in rural areas, agriculture engages only 44.6% of the work force. Today 51% of the work force is engaged in "services"—a category to disguise massive unemployment and underemployment and the rise of the "informal"—or drug—economy.

What does this mean for Nigeria's families? In 1990, an estimated 880,000 children under five years of age died in Nigeria.

On Oct. 31, one of Nigeria's civilian candidates for President in upcoming elections, Adebayo Adedeji, an economist formerly with the United Nations, called for a 10-year debt moratorium to enable Nigeria to "put its house in order." Even U.N. Secretary General Javier Pérez de Cuellar called for debt relief for the African nations.

However, far more is required: the implementation of a True Fourth Development Decade, which will uproot and banish from policymaking the malthusian dogma of the International Monetary Fund and World Bank (see accompanying article). Without the political determination to overturn the IMF, the holocaust now taking place in Africa will point the way for a human race that has lost the moral fitness to survive.



Construction workers in Niger build a millet-processing plant.

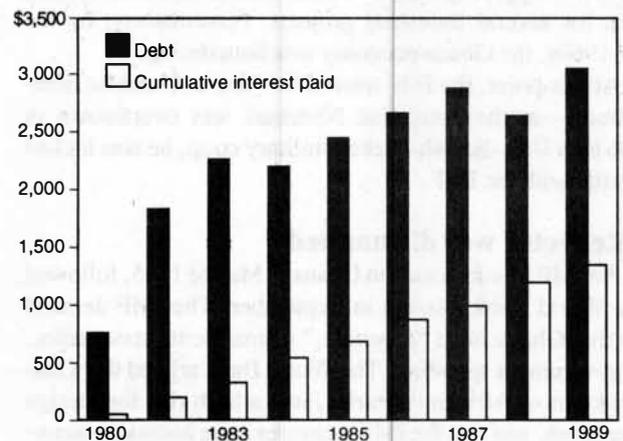
United Nations

Rewards go to the debt collector

Zimbabwe Finance Minister Bernard Chidzero tied with Egyptian Deputy Prime Minister Butros Ghali in nomination for the post of United Nations Secretary General, in a straw poll taken Oct. 25 among the 15 members of the U.N. Security Council. If actually elected to the post, Chidzero would bring to the job his credentials as Africa's most zealous debt collector. Since 1980, Zimbabwe has paid, in accumulated interest payments only, a full 177% of its total 1980 debt—a greater percentage than any other African country.

Chidzero is also hailed as the man who directed Zimbabwe's structural readjustment program launched in February, as dictated by the International Monetary Fund and World Bank. The plan involved lowering the government budget deficit from 10% to 4% of Gross National Product by slashing the civil service by 25%, adding to an already high level of unemployment. Even before the plan was inaugurated, unemployment was estimated at 50%. According to *Africa Confidential*, more than 300,000 young people finish secondary school every year, with only 10,000 jobs awaiting them. Further, under the plan, "Industries that cannot adjust to new international competition will close down, causing an estimated 10% of Zimbabwe's total employed to lose their jobs."

FIGURE 9
Zimbabwe's debt
(millions of dollars)



Chidzero projected that under the plan inflation would rise beyond 20% levels. In point of fact, in the last seven months, food prices have already risen by one-third.

The power behind Chidzero and his "reforms" is Tiny Rowland's British-owned Lonrho mining corporation, which is Zimbabwe's largest employer. According to *Africa Confidential*, Rowland is at the center of a group of "indigenous" free-enterprisers who took over the Zimbabwe *Financial Gazette* and who expect to reap the most benefit from the structural readjustment program.

Ghana in 1966: the same IMF method

by Linda de Hoyos

The favorite watchwords of the International Monetary Fund—"free enterprise," "fiscal discipline," "privatization"—are nothing new, but have been the consistent themes of the Fund, and with the same consistently poor results, for nearly three decades. Ghana is a case in point, as the 1987 book by Eboe Hutchful, *The IMF and Ghana: The Confidential Record*, shows.

In 1957, Kwame Nkrumah succeeded in winning independence for Ghana from Great Britain. Among the dignitaries invited to the independence celebration was Dr. Martin Luther King. Hopeful of western help, especially from the United States, Nkrumah envisioned the creation of a politically united Africa organized around a program to bring Africa's population up to European living standards within 20 years. Aid from the West, however, was not forthcoming. This, combined with falling prices for cocoa, Ghana's main export crop, propelled Nkrumah to attempt to gain aid from the Soviet Union. He was partially successful, with the U.S.S.R. supplying Ghana with a nuclear test reactor, and loans for several industrial projects. Nevertheless, by the mid-1960s, the Ghana economy was floundering.

At this point, the IMF moved in—and as Hutchful demonstrates—at the point that Nkrumah was overthrown in 1966 by a U.S.-British-backed military coup, he was locked in battle with the IMF.

State sector was dismantled

An IMF mission came to Ghana in May of 1965, followed by a World Bank mission in September. The IMF demand was that Ghana must "privatize," dismantle its state sector, cut government spending. The World Bank argued that Ghana, like most African countries, was a high risk for foreign investment, and that the IMF measures were necessary assurances for foreign investors, who, the Bank argued, were the engine of economic development. The *Ghana Economic Survey*, however, reported that Nkrumah's government was "not prepared to subject policies to the financial discipline recommended by the IMF and World Bank missions."

Once Nkrumah was out in 1966, the IMF moved in with its "stabilization program." Government expenditures were cut and the size of the budget deficit decreased. Interest rates were raised to 4.5-7%. Commercial lending was cut by 25-33%. In June 1967, the national currency, the cedi, was devalued by 30%. Subsidies to the state sector were terminated. All capital investment privileges were removed. Duties were lifted on im-

ports, and Ghana was told it had to change to export-oriented production. In order to block any loans from the Soviet bloc, a rule was established that no loans could be taken by the government without Fund approval. "Ghana was obliged to remain in close contact with the Fund and keep the Fund informed of developments in exchange, trade, monetary credit, and fiscal situation," Hutchful reports.

Major projects that had been launched under Nkrumah were abandoned under IMF orders. A state concrete panel factory, even though its construction had been fully completed, was abandoned. Construction of a gold-refining factory was halted. A ferro-manganese project was left to rust. All of the huge state farms were totally abandoned, the equipment left in the fields.

Nkrumah had launched a program to build cocoa storage silos, to alleviate Ghana's total reliance on the world market price for cocoa. Under IMF orders, the silos were torn down—so that Ghana would have to release all its cocoa in a given year, no matter the price.

In 1968, the London-Rhodesian Mining Co. (Lonrho) took control of the Ashanti gold mines in Ghana, in "the most important, single takeover of the company's history," with the Ghana gold company as a junior partner.

The results of the IMF takeover of Ghana for the population and the economy were predictable. The real income index dropped as follows:

1960:	100
1964:	74
1965:	59
1966:	56
1967:	64
1968:	65

Public sector investment fell by 17% in 1966, by 20% in 1967, and by 3.5% in 1968. Real income per capita, which stood at 142 in 1965, was 135 in 1969. Almost 10% of the working labor force lost their jobs. By 1968, employment in the private commercial sector had dropped by 50%. The share of labor in value-added manufactures fell from 30.4% in 1962 to 20.6% in 1970.

Meanwhile, under the new political order of the government, the defense budget was increased by 100%, although overall budget expenditures from 1966-69 increased by only 10%. In the same three-year period, the budget allocation for agriculture was slashed by 35%. The food index climbed from 167 in 1967 to 200 in 1969 to 236 in 1971. The population growth rate, meanwhile, was 3%.

Despite this stripping-down of the Ghanaian economy, under the IMF's rule, Ghana's debt stock increased by 89.7 million cedis by 1969.

However, the promised foreign investment was no more forthcoming than under Nkrumah. As Hutchful concludes: "Thus while Fund expenditure ceilings and guidelines were strictly enforced, the World Bank's 'development program' never left the drawing boards."

Disease holocaust afflicts Africa

by Jutta Dinkermann

In the year 2010, Uganda will have only 20 million citizens instead of 37 million, due to the AIDS virus, stated Ugandan President Yoweri Museveni in January 1991. More than 1 million Ugandans (out of a current population of 17 million) are infected with the virus now, and the next 20 years will leave 6 million Ugandan children orphaned. In total, one of every two people worldwide infected with the HIV virus is an African. The continent is in the process of being depopulated.

But AIDS is only one of many causes of early death in Africa today. The African population is being depleted by a combination of malnutrition and diseases of all varieties. Nearly 1 million Africans died in 1990 from malaria. Africans are suffering from diarrheal diseases, malaria, respiratory infections, schistosomiasis, onchocerciasis, measles, sexually transmitted diseases, and AIDS.

The resistance of the average African to disease is significantly lowered by chronic malnutrition. The most common problem is protein-energy malnutrition. Added to that may be specific vitamin and mineral deficiency diseases—scurvy due to lack of vitamin C, anemia through lack of iron or folic acid, or blindness and illness caused by vitamin A deficiency.

In Africa, once a man, woman, or child becomes ill, there is little that can be done—only two out of five people have any access to medical services, according to the United Nations. There is only one doctor for every 25,000 people, compared with one for every 555 people in industrial countries. Health care is one of the areas most targeted by the International Monetary Fund (IMF) and World Bank for decreased government expenditure, even though the average spent for each African per year for health care is \$5, and even less in countries like Mali and Benin.

Average life expectancy in Africa is 53 years, compared with more than 74 years in developed countries.

In Africa, infants and young children under the age of five suffer extremely high death rates. A child born today in sub-Saharan Africa enters a world in which one person in five does not receive enough food to lead a productive, healthy life. The odds are 1 in 10 that he or she will not live more than one year. In nearly half of all African countries,

more than 20% of children die before they reach the age of five. In Mozambique and Mali, the figure is close to 30%. Organization of African Unity (OAU) General Secretary Mpuranga reported in May that the high death rate for children will climb in the next years by another 50%.

Women in Africa fare no better. An African woman is 25 times more likely to die of a cause related to pregnancy than her European counterpart. The World Health Organization (WHO) finds that 60% of births in Africa are not attended by trained personnel.

Over 90% of new city-dwellers in sub-Saharan Africa are only finding homes in slums and shanty-towns. These shanty-towns are crowded with people without access to roads, potable water, or adequate human waste disposal facilities. A survey in Kwesimintsim in Takoradi, Ghana, recorded a total of 3,250 persons in 190 houses, all depending on public toilets with only 16 seats or holes. In areas where waste disposal and treatment are limited or nonexistent, people discharge their waste directly into rivers and lagoons, thus creating a chronic pollution problem and health hazard. Over 150 million Africans are without access to clean drinking water.

Many endemic diseases exist in sub-Saharan Africa that are unknown or rare in temperate and developed countries. A brief overview of disease affliction in Africa for 1990 is as follows:

Malaria	250 million
Schistosomiasis	141 million
Lymphatic filariasis	28 million
River blindness	17 million
Leprosy	1-2 million
Leishmaniasis	0.5 million
Sleeping sickness	0.04 million

Other diseases common among Africans are tuberculosis, meningitis, Guinea worm, and cholera. Many Africans are afflicted with more than one disease.

In the following survey of disease in Africa, it should be noted that all the figures presented are either estimations or represent the minimum of cases, since reporting is not regular.

Diarrheal diseases and cholera

Over 1.5 million African children under the age of five die each year from these diseases. Most deaths from diarrheal diseases, including cholera, occur because of dehydration—loss of body fluids, which can be fatal in young children. Children who survive these diseases often suffer nutritional setbacks and retarded growth, and have less resistance to other diseases.

Oral rehydration therapy (ORT) is a simple yet revolutionary development in the fight against diarrheal diseases. A dying child can be rehydrated with ORT salts costing only pennies.

As of mid-July 1991, WHO had received reports of 45,159 cases of cholera and 3,488 cholera deaths from 10 African countries, with rates of death ranging from 6% to 10% in some countries, but as high as 30% in some areas. The number of cholera cases reported in the first seven months of 1991 exceeds the 39,211 cases reported for Africa during all of 1990. Although the number of cases reported from Africa was lower than those reported Ibero-America this year, the number of deaths reported is much higher in Africa.

Countries or areas reporting cholera to the WHO in 1991, as of July 18, 1991, are shown in **Table 1**. For comparison, the number of cholera cases in America, including Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Peru, and the United States, totaled 251,568, but only 2,618 deaths were reported.

"The high rate of deaths from cholera in Africa is a reflection of the levels of poverty, mass migration, and inadequate access to health care in some areas," Dr. Tulloch, coordinator of the WHO Task Force on Cholera Control, told *EIR*.

Malaria

Due to the ban on the pesticide DDT under environmentalist pressure, Africa is now witnessing a dramatic resurgence in malaria. It is estimated that 260 million people there are infected by malaria parasites. At least 90 million clinical cases of malaria occur annually, and malaria kills 750,000 children under five each year in Africa.

Malaria can be cured at relatively low cost by specific anti-malaria drugs, if treated in the initial stage of the blood infection, before serious complications make treatment much more difficult.

Respiratory diseases

Acute respiratory diseases kill 1.5 million African children each year. Pneumonia, pertussis (whooping cough), and the pulmonary complications of measles are the most common of these diseases.

Many of these respiratory infections can be prevented easily and inexpensively—for example, measles vaccine costs about 14¢ a shot. Pneumonias can usually be treated with a five-day course of antibiotics for less than a dollar.

Schistosomiasis

About 141 million people on the African continent are infected with this tropical disease caused by water-borne parasites. About 439 million people who perform daily activities related to untreated water—swimming, fishing, irrigated farming, washing and bathing in streams or pools—are at risk for this disease, which contributes to malnutrition, especially in children. The largest numbers of cases occur in Ghana, Mozambique, Nigeria, Tanzania, and Zaire.

For less than \$1, a patient can be cured of schistosomiasis. The problem lies in sustaining water supplies, sanitation, and availability of treatment in the health care system.

Sexually transmitted diseases (STDs)

Some 45 million infections with sexually transmitted agents occur annually in Africa. The most important infections are: gonorrhea, chlamydial infection, syphilis, chancroid, trichomoniasis, genital herpes, and genital papillomavirus infection, often accompanied by complications (often life-threatening) and sequelae such as pelvic infection, ectopic pregnancy, male and female infertility, and cervical cancer. As 5-15% of pregnant woman are infected with gonorrhea or syphilis, ophthalmia neonatorum, which can potentially cause blindness, and congenital syphilis are extremely frequent in the newborn.

It costs 70¢ per pregnant woman to prevent these conditions.

Measles

An estimated 11 million children contract measles in Africa each year. Of these, more than 500,000 die. The disease can be easily prevented by immunization.

AIDS

Close to 7 million Africans are, according to the conservative estimates of the WHO, infected with HIV. By the year 2000, this number could grow to over 20 million. In some major urban centers, between one-quarter and one-third of all men and woman aged 15-49 have been infected.

AIDS is now spreading also in the west and north of Africa from its concentration in east and central Africa. "Whole villages are eradicated already," the delegate of Sudan at the May 1991 meeting of African health ministers. "In other villages, only orphans and old people are left."

Already, over 800,000 adults and 500,000 children have the full-blown symptoms of AIDS. The life-expectancy after the outbreak of the disease is, in the best cases, a few months, in contrast to the industrialized nations, where patients sick with AIDS can be kept alive up to two years.

More than 400,000 people in Africa have died of AIDS already. AIDS is now the major cause of death among hospital patients in several African cities—Abidjan, Ivory Coast; Kinshasa, Zaire; Kampala, Uganda; and Lusaka, Angola,

TABLE 1

Incidence of cholera in Africa

Country	Cases	Deaths
Angola	4,038	56
Benin	1,086	55
Cameroon	1,393	172
Chad	7,550	795
Ghana	6,493	181
Mozambique	3,785	91
Niger	1,129	137
Nigeria	7,674	990
Togo	782	30
Zambia	11,356	981
Total	45,159	3,488

Cases in 1991, reported as of July 18, 1991.
Source: World Health Organization.

where more than 50% of all hospital beds are occupied by AIDS patients.

WHO predicts that during the next decade 3 million African woman and children will die of AIDS and that more than 1 million children will be orphaned by the pandemic. Some 10-15 million children, mostly in sub-Saharan Africa, will lose their mothers to AIDS by the turn of the century.

In Africa, 25-30% of all newborns are infected by HIV. The *New England Journal of Medicine* released in September a study from Kigali, Rwanda, which indicates that HIV transmission can also occur by breastfeeding. But even if African mothers have enough money to buy baby formula or milk, they do not always have clean water to prepare it.

The AIDS epidemic in sub-Saharan Africa will likely reduce the population of that region by 50 million people by the year 2015, concluded a study completed by the Center for International Research of the U.S. Bureau of the Census. In a paper presented on Feb. 14 to the American Association for the Advancement of Science, researchers Peter Way and Karen Stanecki stated that HIV infection is projected to increase in sub-Saharan Africa sevenfold over the next 25 years. The Census Bureau report indicates that by the year 2015, some 70 million people in sub-Saharan Africa will be infected with HIV—every 12th person—and that the disease would leave behind 16 million orphans in its wake over the next 25 years. In some areas, this projection shows, the AIDS epidemic will result in total devastation. Already today, the study reported, “among low-risk urban population samples (primarily of pregnant women), infection levels frequently exceed 10% in urban areas. Patterns of infections for high-risk urban population samples (primarily of prostitutes) show a similar concentration in the East Africa Region, with samples in several countries well above the 40% mark.”

Due to the lack of medical infrastructure and the lack of interest by those who could help to fight AIDS in Africa, there is no real overview of the ongoing holocaust. The cases reported to WHO by African countries reflect only a small portion of the actual level of the disease, as even WHO admits.

At this year's international summer conference on AIDS in Florence, Italy, President Yoweri Museveni of Uganda reminded delegates of the links between AIDS and poverty. Whereas the developing world's share of all HIV infection was only 30% in 1985, it will be 90% at the end of the decade, he said. Through the 1980s, most sub-Saharan African countries spent just \$3.50 per person on health each year. This poor level of medical service has created fertile ground for the spread of HIV. For example, people with sexually transmitted diseases such as syphilis were likely to go undiagnosed, but STDs have been shown to facilitate transmission of HIV.

Tuberculosis and AIDS

After decades of declining rates of tuberculosis, progress against this killer has come to an abrupt halt in the developed countries. In some East and Central African countries, re-

ported tuberculosis cases have almost doubled in the last four or five years. The rate of disease is the highest in sub-Saharan Africa—1,160,000 cases of TB are estimated to have occurred in 1990 in Africa.

Most of the TB deaths occur in the developing world. In 1990, there were 656,000 people who died of TB in sub-Saharan Africa. By comparison, in the industrialized countries there were 42,000 TB deaths.

One of the main reasons for the resurgence of TB is the

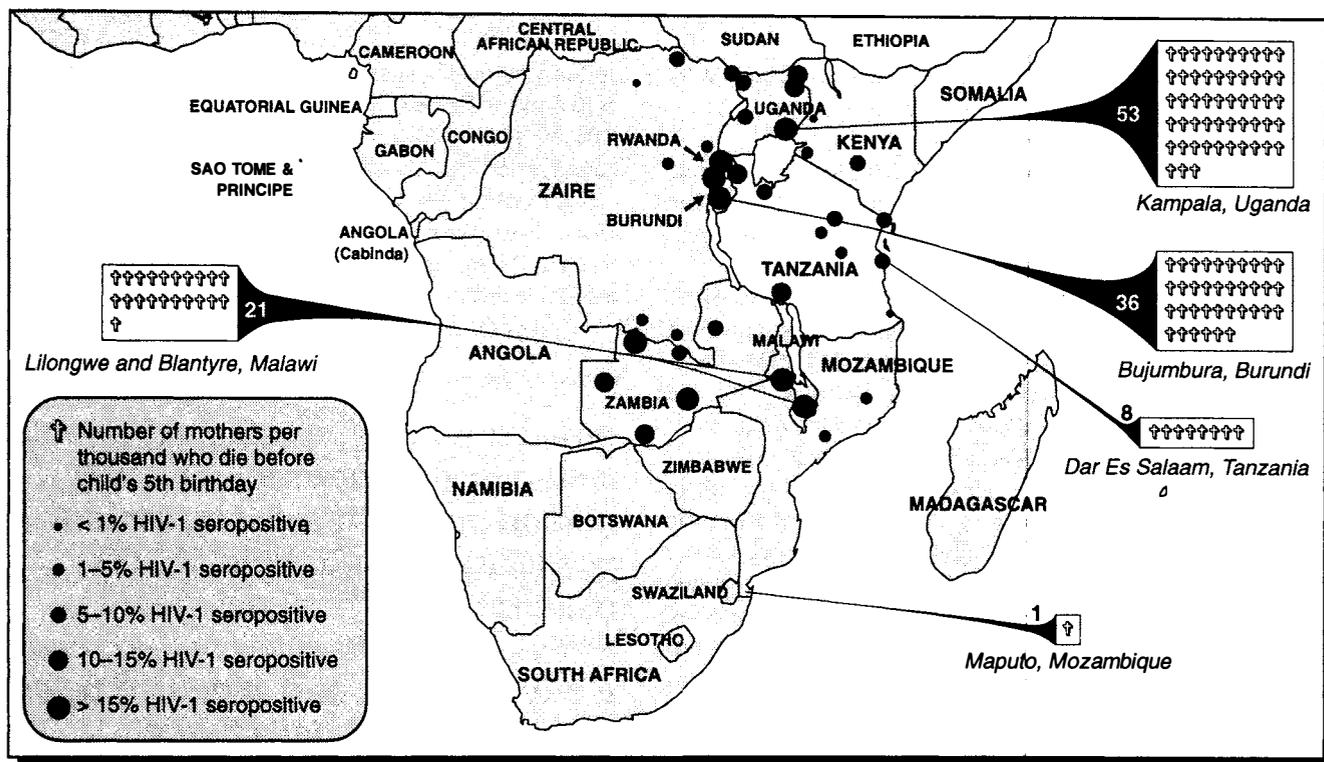
Africa is now witnessing a dramatic resurgence in malaria, with 260 million people infected by malaria parasites. Malaria kills 750,000 children under five each year in Africa. Yet the disease can be cured at a relatively low cost, if treated before serious complications make treatment more difficult.

spread of infection with HIV. When people infected with TB are also infected with HIV, TB is more likely to become active because of the weakened immune system. In people with tuberculosis, the time it takes for HIV to develop into AIDS is shortened dramatically.

“It is becoming a parallel epidemic and it is this trend that has public health officials worried,” declared Dr. Nakajima, director general of WHO. “Countries with the highest rates of HIV infection and high numbers of TB carriers are recording explosive rates of TB,” WHO says. WHO estimates that in 1990, there are 2.4 million people in sub-Saharan Africa infected with both HIV and TB. (This figure concerns the prevalence of TB and HIV infection, not the actual outbreak.) This year, the number will be close to 3 million.

In the poorest countries, traditional large family groups often inhabit one poorly ventilated room where the TB infection is transmitted to more than 50% of the family members. The increase in TB cases in Central and East Africa is another burden to the medical system. “This is dangerous because curing TB requires a 6-12 month course of treatment with daily administration of drugs,” WHO says. “If medical treatment and drug therapy are administered properly, 98% of people infected with TB can be cured and the chain of transmission will be broken.”

The cost of the drugs is low: \$30-50 per patient. There is also an inexpensive vaccine to prevent TB in children. The diagnostic test for TB costs less than \$6 per person. “Our biggest problem is implementing the drug therapy and getting



The AIDS scourge sweeps Africa

Tanzania: 40% of adults are infected with AIDS as of 1991.

Rwanda: In the capital city of Kigali, 30% of all pregnant women tested are HIV infected.

Burundi: 16.3% of pregnant women tested HIV-positive in city of Bujumbura.

Uganda: 1.3 million of Uganda's 17 million people are HIV infected. At least 85,000 children under the age of 12 are AIDS orphans. Among pregnant women in the capital city of Kampala, the rate of infection is 24%.

Zambia: Hospitals report that 80% of patients admitted are HIV infected.

Ivory Coast: Government study reports that, out of total population of 12 million, 700,000 are HIV infected. In capital city of Abidjan, 10% of people are HIV infected. Among pregnant women, the rate is 12%.

Zaire: Reported 12,000 sick with AIDS out of total number infected.

Zimbabwe: Health Ministry warned in July 1991 that 29% of active work force could be HIV-positive. Other studies suggest that AIDS infection rate is 4% of population.

Botswana: At least 5% of adults in urban areas and 2% in rural areas are estimated to be HIV infected. It is believed that rate will be 10% for urban workers by 1993, and 20% by the year 2000.

South Africa: It is estimated that 100,000 are HIV infected. Theo Hartwig, chief actuary of Old Mutual Insurance Group, predicts that country's population growth will have ceased by year 2000 because of AIDS. By 1995, there will be 10% of the working population infected with AIDS; by 1998, 40% will be infected.

Malawi: In cities of Lilongwe and Blantyre, 9.5% of pregnant women tested HIV-positive in 1987. In certain samples, 37% were HIV infected. According to the September 1991 issue of *AIDS Analysis Africa*, "Priests in Blantyre are working overtime to perform funerals for victims of an AIDS epidemic which has reached such catastrophic proportions that it threatens the complete breakdown of the country's system of government and law and order."

all infants vaccinated against TB," WHO says. "The missing ingredients are money, a sense of urgency and an adequate medical infrastructure in the poorest countries."

The inattention to the African disease holocaust is striking, as researchers report no interest in finding a vaccine for the AIDS viruses most prevalent in Africa. Prof. Peter Piot, head of the microbiology department of the Institute of Tropical Medicine in Antwerp, Belgium, added: "Since a future vaccine will be most useful in the developing world, it will be essential, that it protects against 'divergent' HIV isolates widely circulating in Africa. Unfortunately, current vaccine research in Europe and North America does not consider this issue. Will we come to the cynical situation that there is a vaccine, but that it will not protect those populations who need it most?"

However, there are indications that the negligence is by design. As Dr. Merson, director of WHO Global Program for AIDS, stated in an interview in the April issue of *The Courier*: "We don't have anyone working on a vaccine for HIV-2 which is prevalent in West Africa."

Mobilization or mass murder?

Any normal human being, after having read about this biological holocaust, would agree that emergency measures must be implemented *now* in order to prevent a whole continent from dying, and that a functioning health infrastructure system must be put in place. Given that Africa has virtually no health care system, efforts will immediately show results. As already indicated, many of the diseases that are killing Africa's children today can be stopped with vaccines that cost pennies, and with antibiotics. Even the introduction of clean needles in medical use would slow down the spread of AIDS.

Why hasn't this been done already? Because policy toward Africa from the West is dominated by the malthusian elite that inhabits the World Bank and the International Monetary Fund. Robert S. McNamara, former president of the World Bank, has put forward a "Blueprint for Africa," published in January in *People*, the official magazine of the International Planned Parenthood Federation (IPPF). McNamara proposes a nearly 50% reduction in the total fertility rate of Africans by 2025. *People* states: "Populations in sub-Saharan Africa are the fastest growing in the world, fueled by declining death rates and weakening traditional patterns of child spacing. Doubling times of 22 years are not likely to be radically changed by the AIDS epidemic!"

McNamara and IPPF regret that the AIDS epidemic will not decimate the African population fast enough. Instead of discussing the financing of the construction of Africa's health care infrastructure, they discuss the costs to provide African couples with contraceptives, calling for channeling \$650 million a year by the end of the century into "family planning." Imagine, how many vaccination shots, TB, malaria drugs, and so on could be bought for this amount of money!

Program for a true development decade

On Sept. 12, the Schiller Institute submitted a proposal to the U.N. General Assembly, "For a True Fourth U.N. Development Decade: A Concrete Solution to the World Economic Breakdown Crisis." The proposal was prepared under the direction of Lyndon and Helga LaRouche, and appeared in full in EIR on Sept. 27.

Since the remnants of the Versailles and Bretton Woods system are shattered, it is necessary to start with a new monetary system.

The new monetary system should be based upon a combination of proven methods which the nations of the world can agree to—a combination of the original Bretton Woods gold reserve (*not* gold standard) arrangement with the American System of national banking which the George Washington administration under Alexander Hamilton adopted in the form of the First National Bank of the United States.

In this arrangement new credit is generated for productive investment in industry, agriculture, and transport when other sources of public credit have broken down. The new credit is prioritized through long-term low interest investments into such productive infrastructure and research and development in order to create ever new technological improvements. By achieving advances in productivity through technology, the power of man's labor is increased.

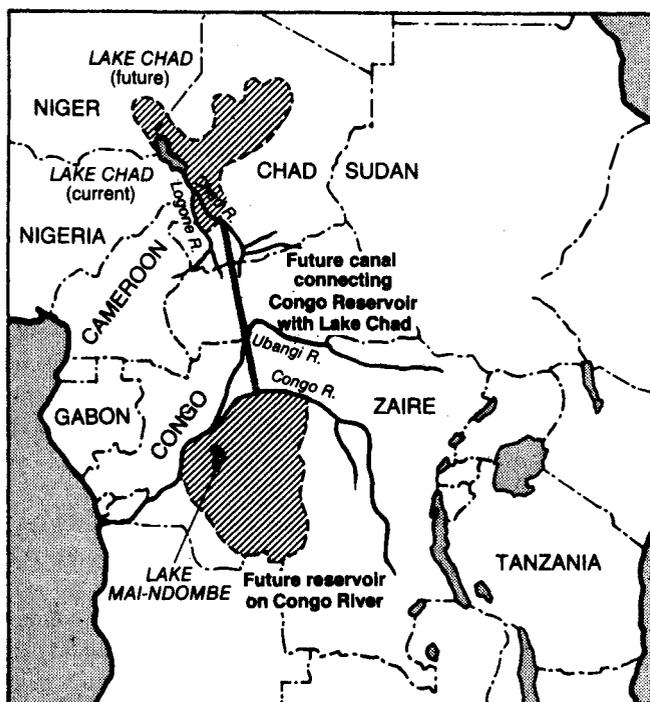
So as not to repeat the mistake of the Soviet economic system, by infrastructure we do not only mean large-scale enterprises. Infrastructure associated with small-scale entrepreneurs and family farms plays a vital role in promoting development together with great projects. Among the nation states of the former Soviet Union, means for coordinating economic development are still required. . . .

Credit mechanisms have to be in accord with national sovereignty, since credit is created and regulated at the level of sovereign nations. National credit systems, organized through a national bank along the design of the new American republic during the late eighteenth and early nineteenth centuries, not over-reliance on borrowing from abroad, is the foundation of productive economic investment and output.

• *A True Fourth Development Decade* is based upon a desire to end the spread of chaos through the world monetary system by returning to a twofold policy of:

FIGURE 3c

African central lake



Mitsubishi's Global Infrastructure Fund in the early 1980s proposed "control of the flow of the Congo River by building a dam to create a vast lake in the Congo and Chad regions of Central Africa. . . ." This would be an immense project, bringing about hydrological, ecological, and climatological change permitting cultivation of 800,000 square miles, more than five times the amount of arable land in Japan, for instance, where 110 million people live.

1) long-term, low-interest rates for investment in large-scale development projects;

2) stable parities among currencies.

These aims can only be achieved through once and for all discarding the International Monetary Fund and related institutions, and replacing them with a new institution based upon the historic ideas of development and economic justice developed by the opponents of radical free market approaches—Leibniz, Colbert, List, Hamilton, Carey, Stolypin, Witte and Sun Yat-sen—and carried into the modern era by the school of physical economy associated with Lyndon H. LaRouche, Jr. . . .

The absolute features of a True Fourth Development Decade are fourfold:

1) Absolute respect for the *sovereignty* of nation states, their populations, institutions, and natural resources for their own self-development. Thus, the Fourth Development Decade emphatically rejects the conception of "softer sover-

eignty"

2) Absolute commitment to provide the minimal requirements for life to all mankind through a global commitment to economic development and scientific and technological transfer to all nations so as to modernize agriculture, infrastructure, and industry. Thus the Fourth Development Decade aims, in its first phase, at waging a global war against AIDS, cholera, and other diseases which are afflicting the vast majority of mankind. . . .

3) Absolute commitment to the idea that each and every man, woman and child on the face of the earth is a sacred individual made in the image of God with the divine right to economic development. Thus, the Fourth Development Decade will resist all forms of direct and indirect forms of "genocide," or neo-malthusian racial demographic warfare, waged against the non-Anglo-Saxon populations of the world.

4) Absolute commitment to establishing new institutions to finance and invest in the primacy of economic development, productive economic progress and technological development. Thus, the Fourth Development Decade rejects the arrogance of bankrupt financial institutions to maintain usury, debt service strangulation, and resource looting over the right to life of billions. . . .

We propose a Preparatory Meeting for a Fourth Development Decade Conference with the mandate and limiting principles described above. The establishment of a Coordinating Committee for Regional Development Projects is encouraged to begin its deliberations with consideration of the following development proposals which were developed by Lyndon LaRouche and his collaborators over the past two decades:

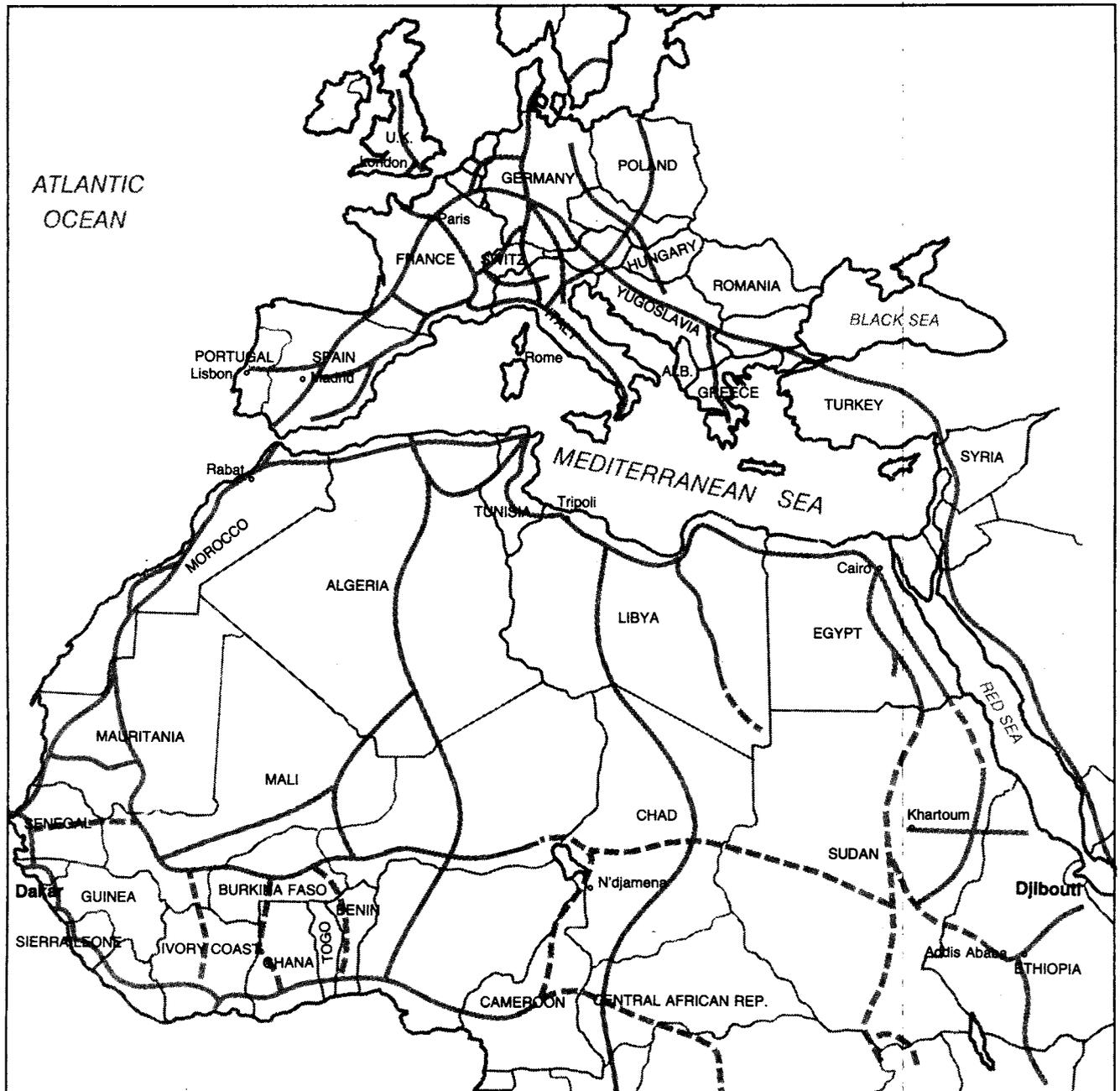
1) The Productive Triangle Proposal for Western and Eastern Europe: the unleashing of the economic development potential in the "triangle" between Berlin, Vienna and Paris as a productive "engine" for the world economy. Through the construction of high-speed rail lines, the economic output from this area will be transferred via radiating arms from the triangle into eastern, southern, and northern Europe as well as the Middle East and Maghreb.

2) An Oasis Plan for the Middle East designed to "green the deserts" through large-scale water purification and irrigation projects. The plan includes the creation of artificial rivers and peaceful nuclear energy-driven desalination projects for revitalizing the entire economy of the region.

3) A series of Great Projects for Africa including: the construction of a trans-African East-West Railway from Dakar to Djibouti; transforming the Qattara Depression into a man-made lake; damming the Zaire River to create an inland lake which would provide water to fill Lake Chad for the purpose of greening the Sahara; completion of the Jonglei Canal in Sudan to make it into a breadbasket.

4) The Ibero-American Integration Plan which includes the following projects: a second Panama Canal; a Northern

Proposed Dakar-Djibouti rail route and its links to Europe, Mideast



Mexican Water Development Project; the “polygon of Development” to construct a canal system to connect the Amazon Basin with the Rio de la Plata across Brazil, Argentina, Bolivia and Uruguay and to build an East-West railway across the continent through Brazil, Bolivia and Peru.

5) A series of Great Projects for Asia including: the Pacific and Indian Ocean Basin Project; the Ganges-Brahmapu-

tra development project for water management; the Mekong development project; the construction of the Kra Canal in Thailand.

6) The United States requires a vast program of urban, agricultural, and industrial infrastructure revitalization which has as its aim the realization of Martin Luther King’s dream of economic justice for *all* its citizens. . . .

Winter food crisis begins in Russia

by Konstantin George

The winter food crisis in the republics of the former Soviet Union has begun, as widespread severe shortages of food, including bread, have become the worst since World War II. By the beginning of November, the first food riots in the cities of the Urals and the Russian Far East had been reported, with crowds trying to storm state shops to get sugar and bread. While these two regions have been the hardest hit, disorders have also been reported in districts of Moscow itself.

In an exclusive analysis for *EIR Strategic Alert* on Nov. 4, physical economist Lyndon LaRouche warned, "Whatever the actual figures prove to be on grain supplies and other food supplies for the Russian Federation for this coming winter, the Russians face a deadly—biologically and politically—threat of famine, or near-famine. If the death rate is significantly increased over this winter as a result of these conditions, and if the Russians perceive the kinds of indifference and callousness shown by George Bush et al. toward their situation is a significant contributing cause of this large increase in deaths, then we potentially create a situation in which the present reform institutions of the Russian Federation collapse, and a more autocratic, shall we say, regime comes to power.

"For that, Russians being Russians, they will be a long time forgiving us; and a generation ahead, our descendants may face this obsessive, bitter rage and desire for revenge on the part of the children of the present Russians."

LaRouche continued, "It's not a matter of avoiding that anger, but rather, simply doing the sensible thing: We ought to cut out now the policies of cutting world food supplies in the name of GATT and free trade, and so forth; we ought to

stop cutting food supplies in order to enrich firms like Cargill, and instead organize a sensible approach to this crisis in the relations between East and West, as well as the situation inside the former Soviet Union."

He counseled a statesmanlike solution to the problem: "There is sufficient food available within Europe to take the cutting edge off the threatened famine in the Russian Federation this winter. What is required is a mobilization of low-cost state credit to buy this food from, say, Ukraine, which has a very modest surplus, relatively speaking, and from eastern Europe and elsewhere. Instead of trying to dump eastern European food into western Europe, by bankrupting the western European farmers, why not buy the food on state credit, and sell it, on medium- to long-range credit terms, to the Russians as a part of a package of medium- to long-range investment, in the development of agriculture and infrastructure?"

Causes of the problem

Russian food crises do not stem from the size of the harvest as such, but because 30-40% of the harvest is then lost because of the dismal lack of modern infrastructure—means of storage, transportation, food-processing, refrigeration, and so forth. As LaRouche put it, "the Russians never understood the role of infrastructure in enabling an economy to function. The fact that their one-track rail system was tolerated in so many parts of the Soviet Union, is an indication of this. They do not understand, that infrastructure is not something which sits beside agriculture and industry; that without an adequate level of infrastructural development, there can be no effective agriculture and industry. Without

putting infrastructural development first, the essential, persisting cancerous problem of industry and agriculture in the former Soviet Union, cannot be solved.”

The prime reason for the record low stocks of grain and flour available to the state is that the pre-August Bolshevik regime had set a purchase price for grain sold to the state at approximately 300 rubles, at a time when the market was bringing 2,500 rubles. While the farms which fulfill the compulsory government requisitions are guaranteed supplies of agricultural machinery and other inputs, this has not sufficiently justified such a price differential. This led to a record collapse in grain sales to the state, with results visible today in the long early morning bread queues in cities across Russia.

Beyond this, there is also the calculated political sabotage of food stocks by the still-powerful regional and district level Old Guard bureaucracy of the disbanded Communist Party. Though they are being pushed out of top positions, they still dominate the machinery of these regions through long-established, mafia-like party networks.

The winter will indeed be grim, and the potential for food riots and revolts will grow. Writing in the first edition for November of the mass circulation weekly *Argumenti i Fakti*, Russian Federation KGB head Ivanenko predicted food “uprisings” in December.

Time bomb ticking for Yeltsin

Russian President Boris Yeltsin knows that he has not a moment to lose. In a speech Oct. 28 to the Russian Congress of People’s Deputies, in a dangerous policy blunder, he announced what could be termed “partial shock therapy,” to switch Russia’s economy to market prices.

“I call upon all citizens of Russia to understand this,” Yeltsin said: “To make a switch to market prices in one motion is a severe, forced, but necessary measure. Many states have had to go through this. Everyone will find life harder for approximately six months.” Yeltsin promised that by that time, prices will begin to fall and goods will begin to fill the market again.

He pledged to try to help the neediest social groups. “To this end, a minimum living standard is now being calculated,” he said, “based on the real rate of inflation and with adjustments taking into account regional conditions. Mechanisms to allow direct access to the consumer market for socially unprotected groups of the population are to be brought into operation. I have in mind the transition from monetary benefits to aid in kind: free meals, food coupons, and access to cheap goods for the weak and poor. . . . We need to set up a network of charity canteens, night hostels, and special shops, a mechanism for the purchase of essential goods, and a reliable system for delivering them to specific individuals. The Ministry for the Social Protection of the Population will deal with this. In order to be able to react flexibly and rapidly to the needs and problems of our citizens, it is necessary to

set up a republican fund for the social maintenance of the population.

“Depending on the situation, resources from this fund could be channeled into both a direct increase in the income of the population and state purchases of food and other goods for needy groups, as well as indexation and support for the social services sector.” But, Yeltsin cautioned, “we will not be able to protect everyone’s standard of living in the first stage of reform.”

Despite Yeltsin’s promise to try to protect prices for some essential goods, there was widespread hoarding and panic buying of food after his speech, because, first, nobody believes that prices will not increase; and second, farmers are withholding their products from the market, hoping for a better price in the new year. Moreover:

- Anatoly Nosko, deputy head of Moscow’s Vneshekonombank, which services Soviet foreign debt, warned on Nov. 5 that the bank would lack \$1.7 billion of the foreign exchange required to meet debt service payments due this month. The bank also lacks the dollars to pay foreign depositors attempting to make withdrawals.

- Viktor Alksnis, one of the leading spokesmen of the conservative Soyuz group of deputies, repeated his call for a state of emergency for the former Soviet Union, including a suspension of democracy, in a statement reported by Interfax on Oct. 31. “The economic problems which usually lead to a social explosion will be complicated by an inter-ethnic explosion,” he warned. “In this ecstasy of democracy we are going to hell.”

- On Oct. 30, Liberal Democratic Party candidate for President Vladimir Zhirinovskiy predicted that “by next Easter a new regime will be established in this country,” and that Yeltsin’s Oct. 28 speech was his “swan song: Following it, all Yeltsin can do is repeat himself.”

- The daily *Izvestia*, in an editorial on Oct. 26 titled “Socially Dangerous Malnutrition,” underlined the political urgency for the leadership of the former Soviet republics to act effectively, lest the political achievements of recent months be overturned by a citizenry fed up with the economic collapse. According to *Izvestia*, polls show that 45% of adults would like to see a return to the old system, where at least people had enough to eat. “Everyone who has the legal right to command, order, and issue instructions must use this right without delay to ensure that something other than congresses, conferences, and similar costly gatherings actually happens in the life of the country,” said the paper. “Let the people who comprise the explosive 45% receive more sugar, flour, and groats—even if only tiny amounts—rather than hot air. Only then will there be hope that tomorrow they will constitute 44%, and the day after that 43.”

“While the scales are wavering, we must urgently tip the pan of the scales that promises progress along the road which the rest of mankind is successfully traveling. Do just one thing. Give people something to eat. . . .”

Urals food emergency

The food emergency took a sharp turn for the worse in the Urals on Nov. 3 when the leadership of the Yekaterinburg (formerly Sverdlovsk) region of the Urals issued an "Open Letter" to President Yeltsin demanding "urgent measures" to prevent a food emergency in that region. The Yekaterinburg region, with a population of 4.5 million, is one of the most important heavy industry regions in the entire former U.S.S.R., and the home region and erstwhile political stronghold of Yeltsin. In Yekaterinburg even bread is strictly rationed. As the open letter indicates, the bread ration is expected to be set during November at 300 grams per day per person, a level below the austerity of rationing during World War II.

The regional leadership demanded that Yeltsin impose a 100% tax on all food leaving the region. Food, however, cannot "walk," and thus cannot "leave" a region on its own. As the region is anything but an agricultural zone, the only food that could leave would come from urban stocks that have been set aside, as is the norm, for the winter. Thus, forces from the old Communist Party bureaucracy, which are outside the control of the Yeltsin-appointed regional leadership, are involved in shipping out winter stocks.

Winter rationing: the Army's role

The measures taken by Russia's leadership, and those planned for the near future, recall the joint political-military planning that went into solving or alleviating the hunger crises that arose during World War II. The sweeping emergency powers which the Russian Congress of People's Deputies granted to Yeltsin are but the overture to implementing a famine-dictated state of emergency before the year has ended.

The Russian military will play a decisive role in such a state of emergency for the six to nine months until the 1992 harvest is secured. By Dec. 1, every city and region of Russia, including Moscow, as announced by Mayor Gavril Popov on Nov. 6, will be living under strict wartime levels of food rationing for all products, as is already the case in the Urals industrial hub, and the Russian Far East regions.

The Army and Navy have already devoted huge resources to the food emergency. From July through October, the Army contributed by far the largest number of troops and vehicles in history to secure stocks of grain and, above all, potatoes and cabbages, the winter staples for the Russian urban population. A preview of what the interventions by the post-August military leadership—an innovative and resolute "new breed"—will look like was provided in October when St. Petersburg Mayor Anatoli Sobchak got fed up with his inability to get any merchant ships to transport 100,000 tons of German potatoes, awaiting shipment in Hamburg, to his hungry city. Sobchak got on the line with commanders of the Navy's Baltic Fleet, and in no time, Navy ships sailed to Hamburg to pick up the potatoes and bring them to St. Petersburg.

Taiwan targeted by 'independence' drive

by Michael O. Billington

An effort to destabilize the Republic of China in Taiwan, and to increase the potential for a manipulated war in Asia, has been dramatically escalated in the past months. On Oct. 14, the minority opposition party in Taiwan, the Democratic Progressive Party (DPP), officially adopted as part of its manifesto a call for the independence of the island, to be called the Republic of Taiwan.

The DPP was created and is largely run as an asset of the same branch of U.S. intelligence which ran recent U.S. operations against Panama and other "new world order" projects for George Bush and Henry Kissinger, with input from the Liberal International, the European Green parties, and related pro-terrorist "New Age" cults. The advocates of Taiwan independence are intentionally breaking the sedition laws, which forbid publicly organizing for the formal separation of Taiwan from the rest of China.

The sedition laws are premised on the fundamental belief that all of China must be united and free once again, and that it is therefore criminal to publicly organize for the separation of Taiwan from the mainland, which would result in de facto relegating the mass of the Chinese people to the continued rule of communism. The DPP decision to flaunt this fundamental principle came after a month of demonstrations in the streets and riotous disruptions in the parliament by the DPP leaders.

The international press coverage regularly repeats the fraudulent claim that the movement is inspired by the freedom movements sweeping eastern Europe. The truth is that those heroic battles for liberty were significantly inspired by the students at Tiananmen Square who risked their lives in defiance of tyranny, the same youths whose lives mean so little to the Taiwan independence movement that they will desert them at this moment of crisis.

Opposition to reunification

The lack of concern of the DPP and their international sponsors for the plight of their fellow Chinese people was clearly demonstrated by the words of DPP leader Chiu Yi-jen on the day of the independence declaration: "Taiwan has nothing to gain and everything to lose if it becomes reunited with China."

U.S. support for this movement is not so covert. The reason lies in the recognition that the post-communist era in China could emerge at virtually any moment. The new Ro-

man Empire model envisioned by Bush and his British backers as the new world order, has no room for a united republican China which could become part of an East Asian economic zone of the sort recently adopted under the leadership of Malaysia's Prime Minister Mahathir Mohamad.

The U.S. sacrifice of Taiwan in favor of the communist regime in Beijing in the 1970s, under the direction of Kissinger's China card policy, was not only a pragmatic strategic move to surround the Soviet Union. It was also predicated on a fundamental agreement with the genocidal policies of the murderous regime of Mao Zedong and his followers, in keeping with the malthusian outlook of the Kissinger-Bush circles. The now-infamous National Security Study Memorandum 200, authored by Kissinger and approved by then-CIA chief George Bush in the mid-1970s which called for reducing the non-white populations of the world as U.S. strategic policy (see *EIR*, May 3, 1991), advocated the adoption of the Maoist police state methods to enforce population control policies throughout the Third World. These malthusian policies were despised by Sun Yat-sen and Chiang Kai-shek, whose ideas still inspire the Taiwan government and population.

Constitutional crisis

Until October, the DPP had formally honored the laws forbidding the advocacy of independence, while providing only covert support for the independence movement. Now they have openly challenged the Kuomintang (KMT) government in their own name, creating a constitutional crisis and provoking an increasing threat of a military adventure against the island by the decrepit and desperate Beijing leadership, who also insist on eventual reunification, but under communist leadership. The President of the People's Republic, 84-year-old Yang Shangkun, warned Taiwan on Oct. 10 that those who advocate independence may be "burned to ashes."

The DPP was legalized in 1989, when, following the death of Chiang Kai-shek's son Chiang Ching-kuo, the new leadership of the KMT moved to loosen the "Period of Emergency" controls over the country, including the end of the single-party system. However, the KMT still enjoys the overwhelming support of the population. The elections scheduled for December are expected to be a landslide victory for the KMT candidates.

The DPP has functioned largely as a voice for the mindless anti-technology swamp, leading protests against nuclear energy, against various development projects, and against the military. The leadership spent time in Germany under the tutelage of the liberal Free Democratic Party and the rabidly anti-technology and pro-terrorist Green Party. In the United States, their support comes from various of the "Project Democracy" groupings advocating the end of sovereignty for Third World nations, as part of the new world order. Rep. Stephen Solarz (D-N. Y.), chairman of the House Asian and Pacific Affairs Subcommittee, held hearings in October

where he openly opined that Taiwan must allow the independence issue full play in the elections, and implied that the elections were biased and un-democratic. The chief of staff of the outlawed World United Formosans for Independence (WUFI), based in the United States, was invited as a leading spokesman at the hearings. The WUFI has been responsible for numerous acts of terror, including an assassination attempt against former President Chiang Ching-kuo during a visit to the U.S., and a mail bomb attack on former Vice President Hsieh Tung-min.

Why is this destabilization taking place at this time? The communist leadership in Beijing is facing the greatest crisis in its 42 years, with the fall of the Soviet bloc communist parties and the economic disintegration of the mainland economy (except for the thriving "free trade zones" along the coast which provide unregulated cheap labor for foreign investors). If ever there was a time when the Chinese people needed every possible assistance to throw off the chains of 150 years of nearly continual subjugation to imperialism, wars, and Maoist genocide and mind control, this is that time.

Safekeeping great Chinese culture

Taiwan, despite its many problems, has maintained itself as a repository of the great Chinese culture, from the humanist moral and scientific tradition of Confucius and Mencius, to the brilliant economic and political contributions to that tradition by the founder of the Chinese Republic, Dr. Sun Yat-sen. Chiang Kai-shek and the best of his collaborators knew that this tradition was being destroyed by the communist regime, and that the future, and even the past, of the Chinese people depended on the success of Taiwan in preserving the knowledge, the moral outlook, and the economic potential of this tradition. Mainland students are generally not even allowed to read the works of Sun Yat-sen or the Confucian classics.

Since the death of Chiang Ching-kuo, the Taiwan economy has become increasingly dominated by the policies of usury and speculation of the collapsing Anglo-American financial centers. This includes the willingness of the Taiwan investment community to take advantage of the virtual slave labor conditions in the mainland "free trade zones" in order to make a quick profit, although the policy is contributing to the breakdown of the real economy and the livelihood of the overwhelming majority of the population. The economy is paying for that error now, as the speculative financial bubble in real estate and stocks is collapsing under the pressure of the political crisis.

But the tradition of the classics and of Sun Yat-sen is far from lost. While the Republic of China in Taiwan could not on its own revive the great nation so long enslaved, it can and must play a crucial role in any such attempt. This will require preserving the commitment to a unified China, and Taiwan's leaders deserve the world's support in that effort.

Kohl: Recognize Croatia and Slovenia!

by Umberto Pascali

Speaking to the German Parliament on Nov. 6, German Chancellor Helmut Kohl called for the immediate recognition of Croatia and Slovenia, two states in the former Yugoslav Federation which declared independence and have been under brutal military assault by the Yugoslav Army. The Chancellor was commenting on the decision of the European Community (EC) to introduce a series of sanctions against the Serbians, the largest republic in the former Yugoslavia, to stop their aggression. "The point is above all to convince the Serbian camp that their policy of force is in vain," he said, in the context of a major speech on foreign policy. "The German government will continue to press for speedy international recognition of those republics that want it."

The day before, the Greater Serbians under their communist leader Slobodan Milosevic, had rejected the European-sponsored peace plan for the third time. The EC had threatened sanctions against the party who rejected it.

The plan was not exactly tough with the Milosevic people. Under the sponsorship of the so-called European "mediator," former British Foreign Secretary Lord Peter Carrington, the plan had dropped any demand to respect the autonomy of the ethnic Albanian region of Kosovo, and the predominantly Hungarian Vojvodina, which Serbia swallowed unceremoniously a year ago. This is an unbelievable injustice when one considers that the Greater Serbians' aggression against Croatia is based on the invented pretext of defending the Serbian minority there—a minority that voted to a large extent for Croatian independence!

But Carrington decided to stick to his policy of "equidistance" between aggressor and victim. "The problem we have . . . is that we don't really have [the possibility of] any sanction. We don't have any weapons with which we can stop this," he said, obviously encouraging the most voracious instincts of the Serbians. He spelled out his solution: "I am going to see both the Croatian and Serbian ministers of defense and the chiefs of staff and I am going to do what I can to bang their heads together."

\$4.4 billion missing

Is it true that the European Community is impotent to do anything after having assumed the role of mediator (in the person of Carrington) and even obtained from Slovenia and Croatia a three-month "moratorium" on their declaration of independence? Some European governments do not think so.

German Foreign Minister Hans-Dietrich Genscher stated that "Serbia cannot be allowed to block the self-determination of those republics that want to be sovereign with its strategy of delay and rejection." He proposed a series of measures aimed at curbing the military capabilities of the Federal Army: a trade embargo, but above all freezing the Yugoslav central bank's foreign accounts—"through which the war is being financed." In other words the Greater Serbians have de facto stolen the financial resources contributed by all the republics and especially Croatia, to wage a war of aggression against those populations!

The Yugoslav National Bank hastened to deposit 90% of the \$4.4 billion of foreign currency reserves with foreign banks. Those accounts are the big secret behind the Federal Army's ability to wage a war to transform the whole of former Yugoslavia into Greater Serbia. Wild rumors are circulating in Belgrade and Croatia concerning the \$4.4 billion and the deep apprehension of international financial institutions over the question: Who will pay the debts of the former Yugoslavia?

For decades the Yugoslavian model "worked." The sa- traps in the central (communist) bureaucracy in Belgrade successfully exploited the republics, first of all the more-developed Croatia and Slovenia, and then they paid their tribute to international banks. It is not by chance that "Führer" Milosevic started his career as a cosmopolitan banker close to Deputy U.S. Secretary of State Lawrence Eagleburger. The Nov. 5 visit to Belgrade by former Secretary of State Cyrus Vance has been seen in the light of these rapid changes. Vance visited Milosevic, Defense Minister Veliko Kadijevic, the strategist of the aggression, and Foreign Minister Budimir Loncar. Vance is formally the special envoy of U.N. Secretary-General Javier Pérez de Cuellar. "The most important thing is to establish a ceasefire," Vance said.

Serbian dissidents want Nuremberg trial

But whom does Milosevic really represent now? Despite the brutal repression of any dissent, activities of resistance to the regime are more visible in Serbia. "We are already talking a lot about another Nuremberg," Serbian intellectual Bogdan Bogdanovic stated on Oct. 29, referring to the international war crimes tribunal held after World War II. "I can see it clearly. . . . In the dock will be sitting Milosevic and his comrades, and also a certain group of intellectuals who contributed to this psychosis that war with Croats was unavoidable." The Serbians fighting in the Federal Army, he said, "have accepted the worst possible role that the Serbian nation can play: the role of the aggressor. . . . I can say few nice words only about the youth who are running away from the battlefield. . . . Intellectuals call them traitors. But they are not cowards, they are brave."

"We are in a situation in which criminals say they are patriots," said another Belgrade intellectual, Filip David. "People wanting peace are accused; during anti-fascist ralli-

es, speeches are delivered by fascists." And a third one, Mirko Kovac: "Today every honest man in Belgrade and in Serbia must feel lonely and miserable." What has been done against Croatia "is a genocide of the culture, this is the desire that one nation be exterminated by destroying that people's sacred things and their culture. This will be recorded in history as an act of dishonor, the final blackout of the mind."

The question now is: How will history remember the international backers of Milosevic? The prosecution could maybe start with the infamous, hypocritical speech of Secretary of State James Baker in Belgrade after the overwhelming vote for independence in Slovenia and Croatia. Baker said he preferred "unity" of Yugoslavia. The Greater Serbians saw this as the alibi they were awaiting: The Federal Army was unchained. The massacre began.

The Yugoslav Army has supplied troops with medical drugs in their first-aid kits along with instructions for use, according to a Nov. 5 news bulletin from the Foreign Press Bureau in Zagreb, Croatia. The drugs in one such kit found in a captured tank near Farkas around Oct. 22 were described by a medic in the National Guard of Sisak (Croatia), a former medical student working on a master's degree. One drug packet contained "Fortal," produced in Slovenia. Its international pharmaceutical name is Pentasocin; a morphine derivative, it can act as a hallucinogen. According to University of Zagreb pharmacology professor Dr. Lackovic, it is known to cause anxiety, nightmares, and loss of control of thought processes, and could be addictive.

A second drug in the packet, "Okamid," has the international name Piracetam. It is normally used to treat illnesses which cause physical damage to the brain, like senile dementia, some cerebrovascular disorders, and alcohol-induced delirium. Dr. Lackovic said that if taken by healthy patients it could cause palpitations, nervousness, and aggressiveness.

The medic stressed that these are perfectly legal pharmaceuticals but should only be administered by trained professionals under a doctor's prescription. The directions in the packet suggest that Fortal be used as a painkiller and Okamid to combat fatigue, without mentioning the side effects. Most incredibly, the instructions recommend they be used by pilots and tank crews. Former medical technicians who have served in the Yugoslav Army report that they were directed to pack other drugs in these kits at times, including Ravibol, an amphetamine derivative psychostimulant which induces euphoria and can cause schizophrenia.

Croatian medical HQ appeals for truth

The following "Appeal for the Truth about the Dirty War Against the Republic of Croatia" was received by fax. EIR made minor corrections to the English, and elided a few passages which were illegible. It is addressed: "To all our colleagues; to all people of good will."

Ladies and Gentlemen,

After a thousand years of living on the tortuous path of European history and after 45 years of existing in one-dimensional communism, the Croatian people finally met the chance to live in democracy and prosperity. The first free and democratic elections in summer 1990 clearly expressed the wish of the Croatian people to live in a non-communist state based on parliamentary democracy. And we were not alone on this path in Yugoslavia; three other republics (Slovenia, Macedonia, and Bosnia Hercegovina) clearly expressed the same attitude.

Unfortunately, the two remaining republics (Serbia and Montenegro) chose to remain the ardent representatives of communism, abundantly supported by the Yugoslav Federal Army which has a predominantly Serbian commanding staff and was tightly connected with U.S.S.R. General Yazov.

As you may easily conclude, it is very hard to imagine a successful way of organizing social, political, and economic life in the federal state in which both parliamentary democracy and hardline communism are competing ideologies. Taking into account that over 1 million Croats live in the other republics of the former Yugoslavia and that the Serbian people are solely responsible for their own destiny, we have chosen to live in a free and independent country and to make reasonable and peaceful arrangements for future life with our immediate neighbors.

But alas, the Serbian communists are not interested in negotiations or even the democratic and economic prosperity of their own people. They only care to preserve communism and to retain domination over the whole territory of the former Yugoslavia. The only thing which they are able to offer to their own people is the dream of Greater Serbia ("All Serbs must live within one single State"); the only arguments they are capable to make are *argumentum ad hominem* (in the form of unprecedented Goebbels-like methods, military repression and destruction). The only way for the regime of

Slobodan Milosevic and General Kadijevic to hide the total failure of their social and economic policy is to perpetuate the war. The single most important "enemy" to be conquered in this war is the Republic of Croatia—this was economically the most powerful Yugoslav Republic and the Croats are the second-most numerous nation in Yugoslavia (after the Serbians).

Accordingly, we have been accused of repression over the Serbian minority in our republic and of the attempt to establish a neofascist regime and revive the "Ustashi" movement (Ustashis were the traitors to the Croatian people and Nazi servants in the so-called "Independent State of Croatia" during the Second World War). Serbian communists claim that in this we (as Catholics—Serbians belong to the Orthodox Church) are abundantly supported by the Pope in the Vatican himself as well as by Germany which attempts to establish the "Fourth Reich"!

But the reality is quite different. A number of esteemed members of our present government were active members of the partisan anti-fascist resistance movement during the Second World War (e.g., President Tudjman himself, the Commander of Medical Corps headquarters Prim. Dr. Ivan Prodan, the parents of the Minister of Health Prof. Dr. A. Hebrang, etc.). If it is permitted to say so, nine siblings and relatives of my father were killed by the Ustashi in the concentration camps during that war. Furthermore, the Serbian minority in Croatia represents only 12% of the total population in Croatia, while 35% of the total population in Serbia are of non-Serbian nationality (among them almost 2 million severely repressed Albanians in Kosovo!). There are 11 municipalities in Croatia in which Serbs represent 50-95% of the local population (the total number of citizens in these 11 municipalities is 194,669 according to the last census of 1991, and Croatia has 4,762,258 inhabitants; two-thirds of Croatian Serbs live dispersed in other parts of Croatia!). We do not have combat aircraft, battleships, nor heavy artillery or tanks, and there are practically no war operations (except for the systematic genocide of small Croatian enclaves) within the territory of these eleven "Serbian" municipalities! Instead, the Yugoslav Army supported by Serbian reservists is performing the mass destruction of civilian targets and genocide in those parts of Croatia in which Serbs represent only 5-25% of total population (e.g., Slavonia with the cities of Vukovar, Vinkovci, Osijek, Beli Manastir, Nova Gradiska, Novska; or Dalmatia with the cities of Zadar, Sibenik or Dubrovnik). Yugoslav Army generals and Milosevic say that they have to protect the unarmed inhabitants of "Serbian" villages in some parts of Croatia; they are doing so by using large-scale war weaponry (combat aircraft, tanks, multiple missile launchers, howitzers, mortars, and armored vehicles) to level to the ground the hundreds of cities and villages in which Croats represent 70-95% of the total population. Up to now, over 200 Catholic churches, five monasteries, and number of cultural monuments, museums, libraries, primary

and secondary schools and kindergartens, public and industrial buildings, as well as thousands of private residences were heavily damaged or completely destroyed by heavy artillery fire and numerous air raids. Tens of small Croatian villages were *ad litteram* wiped out (e.g. the villages of Skela, Staza, Struga, Uncani, Kozibrod, Majur, Hader, Pecki, Hrastovica, Cuntic, Kraljevcani, Dragotinci, Gore, Graberje, Prekopa, Vidusevac, Jukinac, Hrvatsko Selo, [illegible line]), and a number of beautiful and densely populated Croatian cities now have the appearance of Dresden at the end of the Second World War (Vukovar, Vinkovci, Osijek, Petrinja, Pakrac, Gospic, Otocac, Nova Gradiska, Novska, Drnis). The bombs of the Yugoslav Army purposefully destroyed several large hospitals (in Vukovar, Osijek, Pakrac, Gospic) and a number of smaller medical institutions all over Croatia, while numerous attacks on ambulances, medical personnel, and newspaper and TV reporters seem to represent a hobby of Serbian reservists and Chetniks [irregular forces]. It almost seems that the Geneva Conventions and other international conventions were established only to be broken by Serbian communists! Yugoslav Army generals say that they have to save the lives of their soliders in army barracks surrounded by Croatian defense forces—they are doing so, e.g., by attacking from the sea, air and land the pearl of the Adriatic coast, the city of Dubrovnik—the city in which there is no single military objective, in which Serbs represent only a few percent of the population, the city which is as a whole under the protection of Unesco as a cultural and historical monument of the highest rank! As a result of this "protection of Serbian minority and Yugoslav Army soliders," there are presently over 320,000 refugees and displaced persons in Croatia (156,279 of them are situated in other parts of Croatia, 66,000 in Serbia, 15,000 in Bosnia, 22,000 in Slovenia, 35,000 in Hungary, 4,000 in Austria, 1,000 in Czechoslovakia, and about 30,000 are not officially recorded in refugee offices). There are over 50,000 primary and grammar school pupils who are now refugees or displaced persons, as well as more than 20,000 small preschool children in the same position. About 1,200 teachers are now also displaced persons.

This represents only a fraction of the cruel Croatian reality today. We feel that this is the reality which has to enter the consciousness of every decent person in Europe and other parts of the world and that such a disaster represents a burden for the conscience of the whole of civilized mankind and an offense to everybody's sense of justice and humanity. Raise your voice against the destruction and violence and help Croatia to become a free, independent and democratic country within the framework of the European Community, where throughout a long history it has always belonged!

In Zagreb, October 25, 1991

For the Staff of the Medical Headquarters of the Republic of Croatia:

Dr. Milos Judas

Bush's Mideast 'peace' theater

by Joseph Brewda

The first act of the U.S.-sponsored Mideast peace talks concluded on Nov. 4 in Madrid, amid confusion as to when or where the assembled actors will again reconvene. The three sets of bilateral talks, between Israel and Syria, Lebanon, and a joint Jordanian/Palestinian delegation, followed two days of ceremonial presentations by President George Bush, Soviet has-been Mikhail Gorbachov, and the delegations themselves. Bluster, rhetoric, impassioned pleas, tantrums, and occasional eloquence dominated the stage. As of Nov. 7, Israel is still demanding that the next round of talks be held in several Mideast states, including Israel itself. The Arabs do not wish to make yet another concession, in respect to recognizing Israel, by holding talks there.

Despite such uncertainty, Bush has declared that "the talks are progressing well," while Secretary of State James Baker said, "We really are beginning a new phase in the Middle East." Similar sentiments have been expressed by both Israeli and Arab spokesmen, notably many Palestinians who believe that they have at last found a forum for presenting their case before the world public. Unfortunately, if it were merely a question of eloquence and justice, the Palestinian problem would have been solved to their benefit long ago. But with the Arab world divided as never before, the Gulf states occupied by U.S. troops, OPEC effectively destroyed, the military power of Iraq annihilated, and the Palestinian movement itself being progressively split, there is little cause for optimism.

Splintering the Palestinians

Within weeks after completing his genocidal war against Iraq last spring, Bush proclaimed a new Mideast peace effort in which he even alluded to the formulation of "land for peace," a longstanding Arab demand. It was hoped by some that the United States would finally get tough on the little Anglo-American puppet state of Israel. Despite professed concern with justice, there were only two important reasons for the proclamation. One was to shore up badly discredited U.S. assets in the region such as Egyptian President Hosni Mubarak. Something had to be done to provide such assets with a plausible justification for their treachery in supporting the war against Iraq, and the idea of a solution to the Palestinian issue, supposedly coming out of the war, was just that.

The far more important reason was to redraw the map of the region—one of the main purposes of the bloody war in the first place—although precisely how the United States intends to redraw that map is not yet certain. A Mideast jointly controlled by a combination of Saudi Arabia (and a Saudi-run Syria and Egypt) with Israel appears, at this point, to be Washington's objective. To do so means "solving" the Palestinian problem, to Bush's liking, once and for all. Pacification—not peace—is the objective.

It is noteworthy, in this regard, to consider the academic career of Dan Kurzer, the deputy assistant secretary of state for the Near East, who has played an instrumental role in orchestrating the talks. Kurzer's masters and doctoral theses at Columbia University in New York were studies of the French repression of the Algerian revolution, and the Israeli repression of the Palestinians. Successful counterinsurgency, Kurzer found in both studies, cannot be based on repression per se, but also requires splitting the insurgent movement through diplomatic and political maneuvers.

As it is, the Palestinian movement has already been split into three wings: the mainline Fatah faction of the Palestine Liberation Organization led by Yasser Arafat, and two rejectionist wings, the Islamicist Hamas movement, and the secular political radicals primarily associated with the Popular Front for the Liberation of Palestine. There are indications that the U.S. wants to split the PLO in the Occupied Territories, which is directly involved in the peace talks, from the PLO's international headquarters in Tunis. Moreover, it has been longstanding U.S. policy to form a synthetic PLO sponsored by the aligned states of Syria, Egypt, and Saudi Arabia.

A separate peace, or separate war

Meanwhile, and despite the show of hostility, there are also signs that the U.S. wants to orchestrate a separate deal between Israel and Syria. Israel and Syria have long had a secret understanding, which Washington would like to make more comprehensive and more public. The return of the Israeli-occupied Golan Heights to Syria is necessary for this to occur, just as the return of the Sinai peninsula to Egypt was necessary to the Camp David Israeli/Egyptian deal more than a decade ago. The creation of some Druze minority buffer state might be one solution; the carving up of Lebanon between the two regional powers is, in any case, rapidly proceeding.

Alternatively, if there is not a separate Israeli-Syrian peace, there could always be a separate Israeli-Syrian war, a war some analysts think is likely within six months. With Iraq out of the way, no Arab state even comes close to being a match for Israel except the expendable regime of Syrian President Hafez al-Assad. Whether it proceeds with its war or peace option, continuing U.S. genocide against Iraq will keep the region more or less under Anglo-American control—Bush's theatrical displays about a concern for justice to the side.

OAS takes up human rights for terrorists

by Valerie Rush

The Inter-American Commission on Human Rights of the Organization of American States (OAS), the same body which last August refused to consider a complaint of human and civil rights violations against political prisoner and U.S. presidential candidate Lyndon LaRouche, visited Peru in late October to meet with convicted drug traffickers and narco-terrorists and to solicit human rights complaints against that country's Armed Forces.

The OAS commission delegation in Peru includes Executive Secretary Edith Marquez, President Patrick Robinson, U.S. representative Michael Riesman, Marco Tulio Bruni Celli, and a representative from Venezuela. Each is in possession of extensive documentation of how LaRouche was illegally railroaded into jail for crossing the Anglo-American elites who are behind the international drug trade. They nonetheless dismissed the LaRouche complaint on a technicality within days of its receipt. This same commission devoted its efforts in Peru to visiting the jail cells of Peru's most prominent drug kingpins, as well as of several leaders of Shining Path and Tupac Amaru, two of Peru's most bloodthirsty terrorist organizations. The commission reached the conclusion that the worst human rights violator *in the world* is Peru's Armed Forces!

The purpose of this OAS intervention is no secret. The delegation went there on behalf of Anglo-American policy to wipe Peru off the map, or, as Citibank's John Reed put it over a year ago, to make Peru "disappear." With the criminal complicity of the Fujimori government, Peru is being ripped apart by the International Monetary Fund's austerity dictates and resultant starvation and epidemics on the one hand, and by unprecedented levels of narco-terrorist violence on the other. The only institution which might defend Peru in these desperate times, the Armed Forces, is being deliberately targeted for elimination under the pretext of redressing "human rights abuses."

Indeed, as a result of intense pressure from the international human rights lobby, on Oct. 30 the Peruvian Armed Forces Command ceded to the human rights commissions of both the U.N. and OAS the right to investigate all human rights accusations *inside the country* against individual military officers. Immediately, the OAS commission issued a formal recommendation that Peruvian Gen. José Valdivia, chief of Peru's Second Military Region, be tried before the

OAS's International Court of Justice for human rights abuses allegedly committed when he was the commander of the Ayacucho military zone.

Peruvian legislators speak out

During an Oct. 30 meeting at the Hotel Prado in Lima, a staff lawyer of the OAS commission was handed a letter by Peruvian Rep. Carlos Calderón Carvajal, a member of the APRA party, demanding that the U.S. government be investigated for violating the human rights of LaRouche. The letter was also signed by seven other Peruvian legislators, from both the APRA and United Left parties.

Congressman Calderón told the OAS Commission that it "must act as an impartial body and investigate complaints of violations of human rights in all the countries of the Americas. It cannot serve solely as the instrument of one country against other nations on the continent." Calderón said that while he and the other signers did not necessarily agree with everything LaRouche stands for, they were "firmly convinced that LaRouche is the victim of political persecution."

In their letter, the congressmen also stated that "the purpose of this political persecution by the American government is to silence the only voice within the United States to speak out against the genocidal economic policies that the International Monetary Fund is imposing on our continent, and the openly malthusian policies that the current administration of George Bush is applying against all the countries of the Third World."

On Oct. 31 at a press conference, Venezuelan representative to the commission Marco Tulio Bruni Celli was asked by a journalist from the newspaper *Solidaridad Iberoamericana* why the OAS had not responded to the legislators' appeal for an investigation of the LaRouche case, "when you have even gone to the jail here to visit terrorist leader Osman Morote, a leader of Shining Path, responsible for thousands of deaths, and you also met with drug traffickers Carlos Langberg and 'The Godfather' Reynaldo Rodríguez Lopez?" The Venezuelan, visibly upset by the question, replied that while the LaRouche case "is very well known," the commission was dealing solely with issues "pertaining to Peru." Reminded that it was a group of Peruvian legislators who had submitted the letter to the commission, Bruni Celli tersely replied, "The OAS has made its decision," and shut down the conference shortly thereafter.

The next day, Nov. 1, a terrorist threat was staged against the offices of the Ibero-American Solidarity Movement (MSI), whose newspaper is *Solidaridad Iberoamericana*. At around 2 p.m., a suspicious package was placed at the entrance of the MSI offices in Lima. Shortly before the package was discovered, the MSI received about a dozen threatening phone calls. Although Peru's National Police bomb squad found no explosives, they determined that the package constituted a terrorist threat. "This is an attempted intimidation," said a police official. "They do this to gauge your reactions."

Compromise and isolation in Algeria

The new prime minister, Sid Ahmed Ghazali, has not lived up to the promise of his new administration—by a long shot.

When Sid Ahmed Ghazali was named prime minister, this column wished him “fair winds,” hoping that his government marked a new step toward democracy, development, and economic independence for Algeria (see *EIR*, June 21,). Today, we have to state clearly that we are disappointed: At home, Ghazali has not broken with the “classical” methods of his predecessors, and internationally, he has adopted the International Monetary Fund’s (IMF) systematic policy for austerity and deregulation.

The “structural reforms” he has introduced follow the model of Poland’s Finance Minister Leszek Balcerowicz: deregulation, price hikes for food and industrial products, currency devaluation (in order to “stabilize” it), and anti-social measures across the board. To highlight his willingness to impose this program, on Oct. 16, he took over as economics minister. Worse still, he took offense that Algerians dislike the bitter potion poured for them: He complained that the “reforms” introduced at the top hadn’t been rigorously applied on the ground, “where they have been far less painful than they appear on paper.”

So, Ghazali has decided in a first phase to organize a “large-scale public information campaign” on the role of the IMF and its good relations with Algeria! In a second phase, if Algerians don’t get the message, might he not try to “make them happy despite themselves,” by force?

That would be catastrophic, because the credibility of what appears

to be the strongest opposition, the fundamentalist Islamic Salvation Front (FIS), would be greatly increased.

Further, instead of restoring order, Ghazali has installed his own clan, just like his predecessor. Petroleum Minister Ait Lahoussene, for example, is far from being a man of matchless virtue, since he is in the running for the man with the largest overseas nest egg.

Goya’s etchings show that “the sleep of reason creates monsters.” It remains to be seen what the meditative snoring of the interior minister means for the country.

In any event, Ghazali, whose words of Arab solidarity and friendship for the Iraqi people are so touching, has let it be known that he cannot under any circumstances support the efforts to convene a tribunal in Algiers to try President Bush for “crimes against humanity committed in the Gulf war.”

As for organizing elections, Ghazali claims he defends an honest system, but he kowtows to the Algerian Assembly, the rump parliament appointed by the former government of the FLN, which does not want elections. The gerrymandering will continue, as well as the overrepresentation of rural voting districts acquired by the FLN. Nor is it clearly established that the vote of men on behalf of their wives, who need simply present a family register and without even a power of attorney, will be abolished!

Voters have only one of two disastrous alternatives to fall back on: FIS

or FLN, despite the innumerable cabals held that discredit policymakers in the eyes of the country.

The tragedy is that the man with the bowtie around his neck runs the risk, acting as he is, of putting the hangman’s noose around that of his country. Thinking, like his predecessor, that he is solidly anchored in power thanks to the IMF, the White House, and French Finance Minister Pierre Bérégovoy, he does not notice that he’s set up housekeeping on the edge of a volcano: the discontent of the Algerian people, whose flames the IMF, the American government, and the Saudis are fanning with one hand, while flattering Ghazali with the other. Their aim is to use the threat of chaos against both the Algerian government and France, which would also be destabilized by severe disruptions on the opposite side of the Mediterranean.

Any awakening of independence—as we saw early this year with the “scandal” over Algeria’s nuclear program—is immediately penalized, and the pressure is increased. That is the first excuse which Ghazali might avail himself of. The other is the complicity of France with the Anglo-American financial policy, which offers Algeria no other option in a universe where the Soviet Union no longer exists.

In conclusion, we reaffirm that it is high time that France, Algeria and the assembled countries of the Arab Maghreb Union—along with Italy, Spain, and Germany—get moving on a common plan for mutual development of Europe and the Mediterranean as a whole. Algeria cannot by itself get out from the Anglo-American grip. France and Europe must help it, and it is the Schiller Institute’s program for a European Productive Triangle which would give an alternative to Algeria.

Uproar over media buyout

A fight is building against Dope, Inc.'s takeover of the Australian Fairfax newspaper chain.

The fight over whether the Tourang consortium, composed of Conrad Black of the Hollinger Corp. and Australian billionaire Kerry Packer, will be allowed to buy up the Fairfax chain of newspapers has dominated Australia's media in recent weeks. The story took a dramatic turn on Nov. 4, when Packer was called before a parliamentary committee over the prospective buyout.

According to a source within *The Age*, a newspaper of the Fairfax chain in Melbourne, Packer became extremely testy when a Labor Party back-bencher, Jeannette McHugh, attempted to probe Packer on the findings of the Costigan Commission, a Royal Inquiry into organized crime and drugs that was known to have investigated him in the 1983-85 period. "You've got a hide to bring that up!" he reportedly snapped at her, in a manner that produced an abject apology on her part and closed down the line of questioning. "He got very angry when this was brought up, insisting the parliamentarian was quoting from a confidential report," the source said, noting that Packer had been generally "contemptuous of the parliamentarians who were questioning him" and that they in turn "were extremely deferential. I can't tell you how much he dominated that inquiry!"

The unspoken issue behind this takeover bid is Dope, Inc., the international drug cartel. Originally appointed to look into organized crime in Australian unions, the Costigan Commission rapidly zeroed in on the activities of both Packer and TNT transport magnate Sir Peter Abeles.

"The suspicion at the time was that Packer might have been involved in drug trafficking," according to the source at *The Age*. Although some information was made public from the extensive Costigan investigation, volume nine, which included the investigation of Packer, was never released.

"Mr. Costigan in fact came out very strongly in defense of *The Age*; we published a lot of Costigan's material," the source noted. "Mr. Packer hasn't forgiven us for that; he once said that anybody who ever wrote anything about this should 'watch out' if he was ever in a position to get at them."

Two of the country's former prime ministers have joined the battle against the takeover. Labor Party former Prime Minister Gough Whitlam and Liberal Party former Prime Minister Malcolm Fraser addressed a 1,000 person rally in Sydney. "If the Fairfax empire goes . . . to Tourang, then 90% of Australia's print media will be under foreign control," Fraser said. Alluding to the widespread suspicion that Packer had struck a deal with Prime Minister Bob Hawke to allow the takeover, Fraser added: "If there are deals, if there have been deals, they must tear up those deals."

Whitlam's opposition is not surprising, given that the drug lobby played a major role in the coup that ousted him from power in 1975. Whitlam's sister Freda Whitlam echoed his protests in an Oct. 12 letter to *The Age*. Though she never refers specifically to Dope Inc., only a few other details are needed to fill out the story.

"On Nov. 11, 1975, my brother, Gough Whitlam, the then prime minister, and the Labor government of Australia were toppled by a coup d'état. It was not called a coup—there were no tanks, planes, or paratroopers. They were not needed. All that was necessary was the signature of the governor general, Sir John Kerr. The forces that had mobilized against Labor were immensely powerful—the power elite in Australia and, many believe, in the United States. . . .

"Every coup aims to take over the newspapers and television stations of a country. Force of arms is then no longer needed, for, by controlling the media, they control by propaganda and by the emphasis and cover they give to events and views. . . . Today Australia is on the brink of what may have the effect of another coup with potentially disastrous long-term implications for this country.

"If Tourang is allowed to take it over, I believe it will mean two very rich, unelected men [Packer and media baron Rupert Murdoch] can run our society because of their media power. They can set the political agenda, can make or break governments and oppositions, can promote or disparage the prime minister and the leader of the opposition, can vilify any citizen and undermine any institution."

In 1975, as now, the long arm of Dope, Inc. intervened into the country's affairs. The coup that ousted Whitlam was coordinated by then-CIA head William Colby. Immediately after leaving the CIA, Colby became lawyer for the Australia-based Nugen Hand bank, later exposed as laundering billions of dollars of Golden Triangle heroin sales. Also, John Kerr, as documented in Jonathan Kwitney's book *Crimes of Patriots*, had been a paid agent of the CIA for many years.

Venezuela fight centers on 'Dope, Inc.'

The ADL and Cisneros clan cover for their filthy drug ties and economic takeovers with attacks on the PLV.

Despite an intense intimidation campaign against the Venezuelan media run by elements linked to multi-millionaire businessman Gustavo Cisneros and the Anti-Defamation League of B'nai B'rith (ADL), a full-page ad calling for upholding the right to freedom of speech in Venezuela was published in Caracas Nov. 4 by the dailies *Ultimas Noticias* and *El Mundo*. Addressed to "All Venezuelan Patriots," the paid ad—the latest in a series—was put out by the Venezuelan Labor Party (PLV) in response to "the disproportionate and somewhat hysterical campaign of newspaper ads, pamphlets, and anonymous broadsides" that have greeted efforts to end a state ban on the book *Narcotráfico, SA*.

That book—the Spanish-language version of *Dope, Inc.*, the exposé of the international drug trade written by an *EIR* investigative team and commissioned by Lyndon LaRouche—was banned in Venezuela in 1985 because it made reference to Cisneros and to Venezuelan financier Pedro Tinoco, now head of Venezuela's Central Bank and the country's chief debt negotiator.

This newest PLV ad is a response to efforts by the ADL's Jerkow Institute for Latin America, and by the phantom Anti-Drug League of Congressman Gastón Guisandes, to terrorize and intimidate political opponents with slander, and direct attention away from the real issues raised by *Narcotráfico, SA*. The Jerkow Institute joined forces with Guisandes to put out an expensive, full-color pamphlet attempting to discredit

LaRouche's role in identifying the controllers of the international drug trade. The ADL pamphlet was circulated as a paid insert in the Oct. 27 Sunday edition of *El Nacional*. Guisandes has further financed an ongoing series of full-page newspaper ads attacking the non-Cisneros-controlled television station RCTV for selling a total of 48 minutes of broadcast time to the PLV, which demanded that the ban on the book be lifted.

The new PLV ad warned that one key issue in the battle for free speech in Venezuela is the current effort by the Cisneros group to take over CANTV, the state-owned telephone and telecommunications company which is about to be put on the auction block. The Cisneros group, which already owns *Venevisión* (one of the country's two leading television stations), has also just been granted the national franchise on cellular telephone communications by the Venezuelan government. In addition, with Tinoco's financial group, the Cisneros Organization wants to take over the *Televen* television network. If Cisneros should win the bid for CANTV, it "will give the Cisneros Organization a total monopoly over all telecommunications in the country," read the PLV ad.

Other forces also understand the danger of the Cisneros bid for CANTV. In an Oct. 28 editorial, the newspaper *El Diario de Caracas* revealed that not only does CANTV include the domestic telephone system, but also all telephonic communication between Venezuela and other countries, public telephones, telex sys-

tems, data, voice, and image lines, private telecommunications networks, and control over access to world satellite communications. The editorial warned, "The National Congress, our Armed Forces, and all Venezuelans in general, must seriously reflect on what is being handed over into the sole hands of one person, and on the absolute necessity for a body of laws that will protect us from monopoly rule over our communications system. If there is no change in the present direction, there will be an unacceptable reduction of the country's sovereignty which will do irreparable damage to the pluralism that has permitted us, so far, to live together in a democracy."

A similar argument is made by the former operations manager of CANTV, Orlando Ochoa Terán. In a Nov. 1 interview with the daily *El Nacional*, Ochoa charged: "The political elite of the country does not appear aware that what it is handing over is not only the most important infrastructure of development in the country, but . . . the technology of information and the most powerful means of mass communications and of local and international trade and financial transactions. The monopoly transfer from the Venezuelan state to a private consortium . . . implies not only what is commonly understood as telephony, but all the services which must constitute the most important infrastructure of economic, educational, and cultural development of any country."

The PLV ad concluded: "The Cisneros group has attempted to intimidate all those media that dared to inform the citizenry about the charges made by the PLV. What will be the fate of Venezuela if those who silence the opinion of others through the banning of books and campaigns . . . achieve total control over all the means of communication?"

International Intelligence

Thailand's Army chief blasts U.S. meddling

"The United States is not the world's big boss and cannot compel us to do anything it wants," Gen. Suchinda Kraprayoon said on Oct. 31, reacting to a letter that President George Bush had written to Prime Minister Anand Panyarachun, whom the generals installed as premier, praising his efforts to guide the country back to democracy and expressing the hope that elections would be held soon.

"Thailand is an independent country and no foreign country can force us to do anything against our will," Reuters quotes Suchinda. "Different countries have different circumstances and different rules." Suchinda, who has been trained in the United States, added, "Our country was born independent even before the United States came into existence."

A U.S. embassy spokesman in Bangkok expressed surprise at Suchinda's remarks. He said the Bush letter contained nothing that Washington had not said numerous times before.

Chancellor Kohl's son injured in car crash

German Chancellor Helmut Kohl's son Peter was severely injured in an automobile crash on Oct. 30, near Monza, Italy. While no charges have been filed, there is a possibility that foul play was involved.

The chancellor, his wife, and second son were reportedly in severe shock following the accident. Kohl called off all meetings and political activities, even refusing to take a phone call from French President François Mitterrand on Nov. 1.

According to the popular newspaper *Bildzeitung* on Nov. 2, the only eyewitness, Davide Andreani, a student from Venice, pointed out that Kohl's car was leaking some liquid—maybe oil or brake fluid. "In the mirror," he told police, "I saw the [German car] coming closer at high speed. It overtook me and was about to drive back to the right

[lane]. Then, there was a crash. . . . The 'Rabbit' car of the German was driving at 140 kilometers per hour, at least, probably even more. While the car drove back to the right lane, I saw that it was spilling some liquid."

Chancellor Kohl was preparing for a number of crucial international meetings when the crash occurred, among them consultations on the General Agreement on Tariffs and Trade (GATT); talks on the political union project of the European Community, which is to be passed in early December; a NATO conference in Rome; and the state visit of Russian President Boris Yeltsin to Bonn Nov. 21.

Britain, Vietnam sign agreement on refugees

Great Britain and Vietnam signed an agreement on Oct. 29 to repatriate within three years virtually all the "boat people" who fled Vietnam and became refugees in Hong Kong. The refugees will be sent home by force, if necessary.

This means that about 50,000 of the 63,000 refugees now in camps in Hong Kong will be sent back to Vietnam. Refugees have vowed to commit mass suicide or fight if the order is carried out. About 250 people who returned to Hong Kong after being sent back to Vietnam once, face immediate repatriation, and any new refugees will be sent back right away.

Only those who meet the stringent U.N. requirement for "refugee" status will be able to stay in Hong Kong, for eventual resettlement in the West.

Imelda Marcos and son return to Philippines

Imelda Marcos, the widow of the late former Philippines President Ferdinand Marcos, returned to the Philippines on Nov. 4, bringing the remains of her husband to be buried in his homeland. The Marcoses were exiled following their ouster in February 1986.

Her son, Ferdinand Marcos, Jr., toured

his home province of Laoag, while thousands of supporters filled the streets waving the flag of the New Society Movement party. The son will likely run for office, and it is possible that Mrs. Marcos will run for President, in a "war of the widows" against Corazon Aquino, whose late husband Benigno was a leader of the opposition to Marcos.

Mrs. Marcos was quoted by Reuters on Nov. 1 from an interview printed in Manila newspapers, responding to charges that the Marcoses stole money during their rule: "You could see where all the money went. We built bridges, roads, infrastructure. We spent a lot for education and agriculture. Now, in less than five years, the budget was 300 billion pesos [\$11.1 billion, compared to \$18.5 billion during the 20 years under Marcos]. . . . Tell me where all the money goes? Now who's the thief? And these feudal lords would tell us so? Mrs. Aquino is a feudal lord."

Her son was booked and released on bail for tax evasion. There are more than 30 civil cases on file against the Marcos family, to "recover" up to \$100 billion in punitive damages for allegedly "ill-gotten wealth."

Italian magistrates probe CIA disinformation

"The CIA put out disinformation on the assassination attempt against the Pope. And now the Italian magistrates are asking for all the documentation," according to the Italian magazine *Il Sabato* on Oct. 29. *Il Sabato* is considered very close to the Vatican.

The interest of the Italian magistrate, Rosario Priore, was stimulated by the U.S. Senate Intelligence Committee hearings on the confirmation of Robert Gates to head the CIA. "From those hearings it emerged that Gates, Bush's candidate to lead the CIA, manipulated a 1985 report in order to attribute to the KGB the responsibility for the attempt on the Pope."

The revelations came from a former CIA executive, David Goodman. "In his public testimony, Goodman didn't go into any detail, but it seems that in the closed hearings

he supplied many precise facts on how the CIA ran its disinformation campaign on the attempt against the Pope. . . . The Italian magistrates want to determine whether this disinformation campaign was merely limited to the manipulation of an internal report, and to putting out certain articles in the press, or whether the CIA even went so far as to actually order [the assailant] Ali Agca's revelations. . . . It is the first time that the responsibility of a western secret service emerges clearly in the manipulation of what Vatican Secretary of State Sodano called 'this black page of the contemporary history.' "

Il Sabato also reveals that the recent identification of the accomplice of Agca in the attempt, Oral Celik, is due exclusively to the activities of German intelligence. The Germans told their Italian counterparts that Celik was in a French prison cell under a false name. After quite strong pressure, the French authorities agreed to put Celik in a police lineup, and Agca identified him immediately.

No progress in talks between Haiti and OAS

The scheduled return to Haiti of a delegation from the Organization of American States has been postponed, as the Haitian military and the OAS are still at loggerheads. While several middle-of-the-road political forces are trying to propose solutions that protect the Army while permitting the return of ousted President Jean-Bertrand Aristide, some senior Aristide aides and western diplomats are insisting that the Army be disbanded, to be replaced by a French-style gendarmerie. This conforms to the basic U.S. policy toward all the armed forces of Central and South America, and is surely one intended end point of the present crisis.

The *New York Times* on Nov. 4 quoted the French ambassador to Haiti calling for "elements" of the Haitian Army to be strongly punished, and endorsing the idea of a military invasion.

The paper also quotes from an interview with Army Commander Cedras, who said that power doesn't interest him, only respect

for the country's institutions. He said that the coup was provoked by Aristide's misdeeds, such as the issuing of pre-signed arrest warrants used to intimidate the opposition, and the formation of a private militia force. "By what moral authority can the OAS reinstate a man like this?" he asked. "Maybe we will have an uprising with the embargo, or a civil war with Aristide's return. In either case, it amounts to the same thing."

Europeans sign accord on 'migration control'

Interior ministers of 28 nations from East and West Europe signed an accord on joint "migration control," at the conclusion of a two-day conference in Berlin Oct. 31. Upon the initiative of the German government, the conference, which was shaped by neo-malthusian concepts, passed the following catalogue of "emergency action to control illegal immigration from and through Central and Eastern Europe":

- Crackdown on gangs smuggling refugees for fees;
- standardized border controls and visa requirements;
- creation of mobile police forces to be deployed in remote "frontier" areas against "illegal immigrants";
- harsh penalties for airlines and other transportation carriers that fail to adequately check the papers of travelers and stop "illegal" immigration of people disguised as "tourists."

Measures to launch economic development in so-called "areas producing migrations" were not discussed; financial aid from the West to help countries in the East fund their part of the "control" was neither debated nor decided. The atmosphere in Berlin was, however, shaped by "mounting western demands that the East help curb illegal population movements" or "risk losing economic aid from the West," an East European participant told the press afterwards.

Penalizing countries that are "uncooperative," was a prominent proposal by Mrs. Ogata, the U.N. High Commissioner on Refugees, earlier this year.

● **VIETNAM** and the People's Republic of China reestablished diplomatic relations on Nov. 5 in a ceremony in Beijing, after a 20-year rift. The formal ties follow the signing of the Cambodian peace accord. Vietnamese officials completed a tour of the ASEAN nations the week before, appealing for admission to the organization, which is generally expected to come in the near future.

● **CANADA'S** former ambassador to the U.S.S.R., Geoffrey Pearson, called on Oct. 30 for a reorganization of NATO away from defense and toward becoming a "center for coordination of policy on global threats to peace." He predicted that the need for international "peacekeeping" would increase dramatically.

● **MALAYSIAN** Prime Minister Mahathir Mohamed visited Tanzania at the end of October, the first-ever official visit by a Malaysian prime minister to that nation. "The visit represents another important step in Malaysia's efforts at consolidating South-South cooperation in the wake of recent political and economic developments around the world," reported radio Voice of Malaysia on Oct. 25.

● **GRAND DUKE** Vladimir Kirillovich, 74, heir to the Romanov dynasty of the czars, arrived for the first time in St. Petersburg, Russia on Nov. 5. He was invited by St. Petersburg Mayor Anatoly Sobchak to take part in ceremonies celebrating the restoration of the name St. Petersburg to the former city of Leningrad, and the end of communist rule in Russia.

● **CANADIAN** Premier Brian Mulroney's popularity is so low that at a recent demonstration organized by the Canadian Labour Congress, a demonstrator dressed up as Elvis Presley, and carried a sign that read: "Ten percent support Mulroney. Thirteen percent believe I am alive."

Wofford beats Thornburgh in anti-Bush upset vote

by Philip Valenti

"If I win this election," said Harris Wofford to a *Newsweek* reporter two weeks before the 1991 elections, "that will be the first day of the end of the Bush administration."

On Nov. 5, the 65-year-old Wofford, running for public office for the first time, trounced former Pennsylvania governor and U.S. Attorney General Richard Thornburgh, in a special election for the U.S. Senate. Wofford received 55% of the vote cast, with unusually high voter turnout reported around the state. The 68.2% turnout in Allegheny County, which includes Pittsburgh, was the highest in 24 years for a non-presidential election.

The vote vindicated the warnings of *EIR* that George Bush's economic policies can spell his political downfall, and once again exposed the shoddiness of "opinion polls."

"It was a watershed election," Pennsylvania Gov. Robert Casey told the press the morning of Nov. 6. "The first presidential primary was not in Iowa, but in Pennsylvania. If national Democrats want to know how to defeat George Bush, they should come to Pennsylvania."

Wofford carried Philadelphia, a Democratic stronghold, by a 3-to-1 margin, and won 60% in Thornburgh's home base of Allegheny County. However, observers were stunned that Wofford carried three of the four suburban-Philadelphia Republican counties, and either carried or ran almost even with Thornburgh in central Pennsylvania's conservative Republican "Bible Belt."

These results could signal a revolt against Bush economic policies by even white-collar, service-sector professionals, who are suffering record unemployment with the collapse of banks, insurance companies, real estate, and defense contractors. Also, farmers responded strongly to Wofford's attack on "free trade," which is being used by the Bush administration to destroy independent farmers through the General Agreement on Tariffs and Trade (GATT).

In other important election results:

- Initiative 119 in the state of Washington was defeated by 54% against to 46% in favor. The proposal would have legalized euthanasia. In the week before the election, supporters of presidential candidate Lyndon LaRouche blanketed the state with 50,000 offprints of a full-page article in *New Federalist* newspaper, titled: "Stop Washington's Nazi Euthanasia Bill." Media in the state credited the LaRouche presidential campaign with helping to defeat the measure.

- The Texas referendum, called "Amendment 8," was rejected by 60% of the voters. The proposal would have allowed public employee pension funds to be invested in speculative real estate ventures, including devalued real estate held by the Resolution Trust Corp. Particularly targeted was the \$29 billion Teachers Retirement System. Public unions, joined by LaRouche supporters in the state, organized to defeat the measure. The result is seen as a repudiation of the "junk bond" economy promoted by the Bush administration.

- In New Jersey, voters rejected the economic austerity program of "Bush Democrat" Gov. James Florio, and elected 23 new Republican members to the legislature.

Underdog candidate

Harris Wofford was appointed in May of this year by Governor Casey to replace John Heinz, who was killed in a plane crash. Before choosing Wofford, Casey had made a highly publicized trip to Michigan, in an unsuccessful attempt to convince Lee Iacocca to accept the position.

Wofford, the author of four books on history and politics, and former president of Bryn Mawr College, was derided as a "fuzzy-headed intellectual" by most pragmatic political know-it-alls, who also characterized Thornburgh as an "800-pound gorilla" whom no one dared challenge. Thornburgh began his campaign last summer with universal name recognition and an alleged 40-point lead in opinion polls. President Bush visited Pennsylvania three times to support Thornburgh

and raise money for his campaign.

Thornburgh, as a member of Bush's cabinet, had acted zealously to protect money-laundering, drug-running, and other criminal activity of the "secret" or "parallel" government. Thornburgh was also a key architect of the "new world order," having drafted the Thornburgh Doctrine, a Nazi-style legal pretext for kidnaping and overthrowing foreign heads of state. One of Thornburgh's first acts as Attorney General in October 1988 was to authorize the indictment and rail-roading of Lyndon H. LaRouche, Jr. in the federal court in Alexandria, Virginia.

After Labor Day, the much-derided Wofford launched an offensive against the economic heart of the "new world order", i.e., "free trade." He bucked the Democratic Party leadership with a no-holds-barred attack on the North American Free Trade Agreement (NAFTA) with Mexico and Canada, denouncing Thornburgh for backing "fast track" authorization for NAFTA and GATT. The Democrats in Congress had surrendered to Bush and supported "fast track" in July.

Wofford pounded away at the disastrous Bush economic policies, calling for a national health care system and an extension of unemployment benefits. Meanwhile, Wofford aides had expected nationally known Democratic and civil rights leaders to campaign for him in Pennsylvania. Wofford, a graduate of Howard University Law School in Washington, D.C. and trusted friend of Martin Luther King, Jr., had been the special assistant to President John F. Kennedy on civil rights. As an organizer in the Kennedy presidential campaign of 1960, Wofford advised John Kennedy to make the famous phone call of support to Coretta King while her husband was in jail in Georgia. Wofford then organized the printing and mass distribution of millions of pamphlets to the black churches on the weekend before the election.

In late September, with Wofford still supposedly trailing by 24 points in the polls, the projected visits by civil rights leaders had failed to materialize. But on Sept. 26, the Wofford campaign received the unsolicited endorsement of Amelia Boynton Robinson, a board member of the Schiller Institute with Helga Zepp-LaRouche, and associate of Dr. King in the struggle for voting rights in Selma, Alabama in 1965.

Mrs. Robinson was in Philadelphia speaking about her recently published book, and discussing her years of work with Lyndon LaRouche, whom she had recently endorsed for President. During her appearance for a total of over six hours of prime air time on two black radio stations, Mrs. Robinson revealed that she had known Wofford since 1952, when he visited her in Selma to document the denial of black voting rights in Dallas County. Later, he joined Mrs. Robinson and Dr. King on the famous march from Selma to Montgomery in 1965. Mrs. Robinson's impact on the African-American community was so deep, that Wofford joined her on the air for one-half hour on Sept. 29 to personally receive her endorsement. The host of one of the radio programs commented: "We were leaning towards Senator Wofford, but the endorsement

by such a great lady as Mrs. Robinson has convinced us that he deserves our wholehearted support."

Mrs. Robinson, who had been beaten unconscious and gassed by Alabama state troopers during the Selma struggle, demanded that the African-American community "get out and beat the bushes for registered voters." Wofford promptly added: "That's right, we've got to beat the Bushes and get them out of the White House."

Thornburgh cornered on Bush economic agenda

In October, Wofford successfully cornered Thornburgh repeatedly on economic issues, in their only debate, which was aired on public television stations around the state. When Wofford asked him to name any domestic policies he initiated while Attorney General, Thornburgh bragged that he was chairman of Bush's Domestic Policy Council. "Then you take responsibility for all of the Bush administration domestic policies," Wofford replied. Thornburgh's jaw dropped as he realized his blunder. Wofford reiterated that the election would be a referendum on Bush, and challenged the visibly enraged Thornburgh on every issue.

With Thornburgh on the defensive, unable to defend any of Bush's economic policies, the labor movement escalated to defeat him. Phone banks were set up in almost every union hall, to call lists with every registered Democrat three and four times, and get out the vote.

Thousands of voters were informed about the issues with the mass distribution of the Oct. 14 *New Federalist*, which featured a full-page exposé of Thornburgh's policies and connections. A condensed leaflet-sized version of the article, headlined "The Crimes of Richard Thornburgh," was circulated, photocopied, and re-copied into the tens of thousands of copies, by both Democratic and dissident Republican factions, labor unions, and LaRouche supporters.

In the last week of the election, with Thornburgh's supposed lead having clearly evaporated, Wofford's labor supporters were further mobilized by mass circulation of the LaRouche in '92 presidential campaign pamphlet, "Stop George 'Hitler' Bush's Auschwitz Below the Border—Derail NAFTA." Individual labor unions and Democratic activists distributed over 30,000 copies within a week.

In the final three days, Wofford traveled the state in a borrowed Winnebago camper. He began a 24-hour a day mobilization, including a midnight labor rally in the western Pennsylvania town of Greensburg. "Many are cold, but few are frozen," he assured his supporters, rallying in frigid weather in Pittsburgh on election eve. Wofford explained to the *Pittsburgh Press*: "In high school, they called me a 'young Paul Revere.' "

George Bush may have added personal reasons to fear the influence of Harris Wofford. In his book *Of Kennedys and Kings*, Wofford frankly discussed the probable role of the CIA and FBI in the assassinations of John and Robert Kennedy and Martin Luther King, Jr.

The reasons why Kissinger and his sponsors fear LaRouche's power

Lyndon LaRouche made the following remarks on Oct. 30.

I have stressed recently that one of the major qualifications I have for becoming the Democratic Party's presidential nominee, is that I was put into prison by an alliance between Henry Kissinger and the American Drug Lobby [Anti-Defamation League].

There is some discussion about what happened in 1982 to prompt Henry Kissinger to write that series of letters to the Justice Department and the President's Foreign Intelligence Advisory Board, which resulted in setting up the secret dirty operation under Executive Order 12333 which was used to try to frame me up and put me into prison, along with others, on one pretext or another. Some people say that Kissinger reacted to some provocative personal attacks which we allegedly made on him.

Kissinger's return to power

Well, that's not true. The issue was as follows, and if people look back to June, July, and August of 1982, the period during which Kissinger made these attacks and wrote the first of these series of letters which resulted in my incarceration, you'd find out that what we were doing to Kissinger was, number one—number one as far as Kissinger personally was concerned—we were exposing internationally the content of an address which Kissinger had made on May 10, 1982 to London's Chatham House. We received a copy of that address through Kissinger's friend's office, the offices of David Abshire et al. at Georgetown University. We verified it and circulated the information in it widely. This address admitted—as a matter of fact, Kissinger bragged—that while he had been national security adviser and, later, secretary of state to the Nixon and Ford administrations, that he had been working behind the backs of the American Presidents as an agent of influence of British foreign intelligence. That is what Kissinger said and what he explained in that speech at Chatham House.

At that point, Kissinger was coming back into a powerful position in Washington, backed by the British Crown. As a matter of fact, it was the British Crown which had given Kissinger his just founded, new firm Kissinger Associates, Inc. So, in our putting out internationally, calling attention to the very words which Kissinger had used publicly in London to describe his treasonous behavior in the 1970s, we were threatening to ruin not only Kissinger's career, but London's policy and the policy of London's friends in New

York in pushing Kissinger back into a key position of power within the orbit of the Reagan-Bush administration.

The Ibero-American debt bomb of 1982

Number two, during that period, I had warned that by September of 1982—this was during the entire period from January, but most prominently, from April-May on of that year—that the world was sitting on the verge of a blow-out of the debt of Central and South American countries, specifically, Mexico.

In response to that, at the prompting of several governments' agents in Central and South America, I had issued a book-length special report, *Operation Juárez*, copies of which went to these governments and to the U.S. government, and, of course, to the National Security Council at the beginning of August 1982—just a few weeks before Kissinger had sent the first recorded "Dear Bill" letter to the director of the FBI, William Webster, the letters which started the process of having me put in prison.

Operation Juárez outlined the imminence of a threatened collapse of the U.S. banking system unless something were done, and very specifically done. I proposed what needed to be done to solve the problem.

Kissinger and a commission headed by then-Vice President George Bush, during that fall, took the opposite route. They took the route which has led to the blowing-out of the saving and loans and the general collapse of the banking system, insurance companies, and so forth, today. Your savings, your pension fund, your life insurance, are gone, because George Bush and Henry Kissinger were successful in defeating my policy back then in the second half of 1982—and believe me, my policy was heavily debated.

My policy was right

At that point, because of these two threats, because I threatened to show how London was actually controlling U.S. policy through channels such as British agents like Kissinger, because I showed the threat to the entire economy and banking system of the United States, and because I was also showing the relationships between Kissinger's pro-drug policy and some other things, it was decided to get me out of the way. I was becoming too powerful, too internationally influential, too dangerous.

But, if you go back to this, you find out not only the reasons, the motives which Kissinger and others—such as David Abshire of the President's Foreign Intelligence Advi-

LaRouche decries cult of 'absolute music'

The author is a political prisoner of George Bush's at the FMC in Rochester, Minnesota.

This is a review of an experience I had, more than of the concert itself, on Friday evening, Oct. 25, in a broadcast of a Minnesota Symphony Orchestra concert I heard over station KLSE. It was a concert of two Mozart works conducted by the symphony's conductor, Edo De Waart, of, first, the famous Mozart Mass in C, and then concluding with the Symphony No. 40 in G minor.

I almost cried throughout the performance—cried with sadness. The compositions, as to intent, while professionally performed, were butchered. I refer to the butchery, which is not too uncommon these days, in order to address a related point: the tragedy of what's happened in the 19th and 20th centuries to musical tastes.

The general characteristic of the Mass, was that all of the essential voice transparency of both instrumental and vocal voices, was lost. It may be the size of the chorus, which was much too large for the piece—a size which was probably occasioned by the poor quality of singing voices these days, with the influence of the English anti-bel canto school in various forms running loose around the country, and the fact that the choruses generally are of poor quality, including professional choruses. But the performance was bad all throughout, in the sense that there was no vocal transparency.

The tempi were exaggerated, which is not uncommon; but in the exaggeration of tempo, one thinks of what is going on in the mind of the conductor, Edo De Waart, to choose these tempi which complicate every problem he already has, first in the Mass, which was a travesty, and in the Symphony No. 40, which was almost a burlesque.

What is lost, of course, in these kinds of exaggerated

tempi and this kind of direction, is all sense of singing quality, of the shaping of tone, the shaping of phrases; the relationship to singing, is most notably what is lost. The orchestra does not sing; the chorus in the Mass did not sing; the voices did not really sing, although some of the soloists did try to sing a bit; the orchestra did not sing. The same thing is true in the Symphony No. 40.

What are we looking at here? What we're looking at, most crucially, I believe, is the influence of the cult of instrumental or absolute music upon conductors and upon musicians generally. The idea that there is such a thing as absolute music, allows the conductor and other musicians—and even audiences—to wean themselves away from the obligation to perform in such a manner that they always represent the standpoint of the human singing voice.

Now, we have another characteristic of programming, which is characteristic and increasingly so, of KLSE over the period in which I have been listening to it. More and more, the programming is of the Frankfurt School dogma type. That is, you have one piece, a classical work which is sometimes well-performed, sometimes not; but then it's mixed up with absolute trash: modernism, wild Romanticism, and so forth. The station's personnel are, in greater part, fairly knowledgeable musicians. They have a certain professional competence in presenting their product; but they're all clubbed into the cult of Romanticism as taught by the more degenerate music schools and conservatories in the United States today, which says, of course, that Romanticism essentially began with Beethoven and Schubert, and they class everybody as a Romantic. Of course, there are some people who perform these works from a Romantic standpoint; but nonetheless, one sees the influence of the neo-Hegelian or quasi-Hegelian or Kantian and similar tendencies as well as the Frankfurt tendencies throughout: ideological dogmas, including the worst of the Schenkerian variety, this notion of absolute music, which destroys mind and morals as well as composition. —Lyndon H. LaRouche, Jr.

sory Board, the agency which started the Executive Order 12333 track against me—had, you find out that I was right on the policies, and all those who attacked me were wrong. I was right.

Have you lost savings in a bank that has gone belly-up, or will you lose savings in a bank that has gone belly-up, or is about to do so? Have you lost a life insurance policy or are about to do so, because the life insurance company is going belly-up? Are you losing your pension, because people such as the attorney general of Minnesota, Skip Humphrey, was complicit in allowing Kohlberg, Kravis and Roberts, the friends of George Bush, to loot Minnesota state pension funds?

If you're such a person, or if you're a farmer who's lost a farm, or if you're a person who worked in industry who's lost a job, if you're losing your house, or about to do so, then I was right, and Kissinger was wrong. And for that reason, because I was right, because I put my finger on the policy and on the people behind the policy—I was becoming too powerful—they put me in prison.

Therefore, if you see another Democrat running for President, or for the nomination, such as Paul Tsongas, Douglas Wilder, Tom Harkin, Robert Kerrey, or William Clinton, ask him: "Hey buddy, if you're so honest and so important, why didn't they stick you in jail?"

Irangate figure gets eastern Europe post

by Scott Thompson

A leading figure in the Iran-Contra mess has been quietly working for the past two years as one of the Bush administration's operatives against eastern Europe. Former Central Intelligence Agency (CIA) agent Walter Raymond, who ran aspects of the arms-for-hostages deals as senior intelligence director at the National Security Council in 1982-86, was named by George Bush in August 1989 to head the President's Eastern European Initiative (PEEI). Although the PEEI is headquartered at the State Department's U.S. Information Agency (USIA), the unit is officially tied to the National Security Council. In effect, Raymond has been given the White House mandate to carry out the same illegal "Project Democracy" dirty tricks that supported the drug-trafficking Contras in Central America, against the people of Poland, Hungary, Czechoslovakia, and other former communist states.

George Bush created the PEEI in August 1989 after he returned from a tour of the newly freed nations of central Europe. At that time, the President flatly rejected a request from Polish Solidarnosc leader Lech Walesa (now the President of Poland) for large American investments and development credits. Instead, Bush unleashed the "Project Democracy" mafia to spread the gospel of "free enterprise," and to throw up roadblocks to European aid programs independent of Washington control.

The PEEI under Raymond has sent armies of American "experts" into central Europe to recruit and "train" journalists, economists, jurists, and labor leaders. The results of that "advice" have been devastating inflation, industrial collapse, hunger, and political chaos. Poland, a major "Project Democracy" target, has seen the former Communist Party score major gains at the polls. Sending American experts into central Europe to aid in the process of rebuilding the economies and national institutions of countries recovering from 40 years of communist rule is dubious enough, given the way such experts have made the U.S. economy into a rustbucket. But Bush's choice of Raymond to oversee the effort betrays an intent which is not only presumptuous, but evil.

Who is Walter Raymond?

Former colleagues say Raymond was a CIA hack who advanced his career by running a string of political front groups in western Europe during the 1960s and '70s after failing miserably as an intelligence analyst. Raymond's boss was Cord Meyer. In 1982, Raymond was picked by Donald

Gregg to join the National Security Council staff as director of intelligence when Gregg left the post to become Vice President Bush's national security adviser.

In January 1983, President Reagan signed National Security Decision Directive 77, creating an NSC Executive Committee to coordinate foreign covert intelligence operations. Raymond was made chairman and assigned to run a "public diplomacy" effort to deploy private sector money and personnel to give propaganda support for ventures like the illegal Contra supply operation and the overthrow of the Marcos government in the Philippines.

Among the private citizens recruited by Raymond as Public Diplomacy Coordinators for this secretive foreign policy agenda were a group of Anti-Defamation League (ADL) members and others with ties to British intelligence, including billionaire John Kluge, Archer Daniels Midland head Dwayne Andreas, disinformation expert Roy Godson, financier Richard Mellon Scaife, and British junk bond king Sir Jimmy Goldsmith.

Under Raymond's "public diplomacy" program, a domestic political "enemies list" operation was also run, according to court records and congressional testimony. One prime target of the "enemies" operation was political economist Lyndon LaRouche. Many of Raymond's White House Public Diplomacy Coordinators were joined by the ADL's Mira Lansky Boland and Pat Lynch of NBC News to work with Wall Street operator John Train in steering a smear campaign against LaRouche. Raymond's new eastern Europe portfolio has put him in a central position to run similar dirty tricks against LaRouche's European Productive Triangle program.

EIR's preliminary inquiries reveal that Walter Raymond has brought some of the same contaminated networks into his European operations that he relied on in the Iran-Contra fiasco. One is the National Endowment for Democracy (NED), which is being probed for corruption at the urging of the majority of the House of Representatives, the General Accounting Office, and the USIA Inspector General.

Raymond also works with a new government-private sector "public diplomacy" venture launched by Secretary of State James Baker III in February, the International Media Fund, which purports to train eastern European journalists to create a "free press." Its vice-chairman is longtime ADL National Commissioner Max Kampelman.

The fund's executive committee chairman, Leonard Marks is also treasurer of the private World Press Freedom Committee. A WPFC spokesman says there is an agreement to let Raymond's PEEI take charge of broadcast media in eastern Europe, while the WPFC concentrates on print media. Harold Andersen, chairman of the WPFC and retired publisher of the *Omaha World Herald*, has been a major booster of convicted swindler and accused pedophile Larry King, whose now-defunct Franklin Credit Union was used to launder Contra funds.

Book Reviews

'Circa 1492': What the Iberian Renaissance gave to the Americas

Part II, by Nora Hamerman

Circa 1492: Art in the Age of Exploration

Edited by Jay A. Levenson

National Gallery of Art, Washington; Yale University Press, New Haven, 1991

672 pages, hardbound, \$59.95; paperbound, \$45.

Mexico: Splendors of Thirty Centuries

Introduction by Octavio Paz

The Metropolitan Museum of Art and Bulfinch Press, New York, 1990

712 pages, hardbound, \$75; paperbound, \$39.95

In the first article of this series, reviewing "Circa 1492: Art in the Age of Exploration," which is on view at the National Gallery of Art in Washington until Jan. 12, 1992, I discussed the core of this huge exhibition: the galleries which celebrate the Italian Renaissance and the spread of the Christian humanist, scientific world outlook through Europe, culminating in the work of the two greatest living artists of 1492, Italy's Leonardo da Vinci and Germany's Albrecht Dürer. This second article will focus on the Iberian Peninsula, including the many facets of the Renaissance which were exported to the Spanish and Portuguese dominions as the crucial part of evangelizing the New World.

How important all this is in order to understand our history as Americans, and the obviously timely issue of the role of the Americas in resolving today's moral crisis, comes best into focus by considering a second "mega-exhibition" now at the Los Angeles County Museum, called "Mexico: Splendors of Thirty Centuries." Like "Circa 1492," the show was mounted for the Quincentenary of Christopher Columbus's transatlantic voyage of 1492. While the Washington show has only one venue, "Mexico" is completing a tour that began in 1990 in New York. "Circa 1492" takes a horizontal slice

of the greatest art in the world in the 50 years around 1492; "Mexico" tries to encompass the entire esthetic history of a single country. Both shows include much "art" from the pre-Columbian American societies, culminating in the dreadful Aztecs, and juxtapose this with the art produced in Europe, or in the case of the Los Angeles show, produced in America but from European Christian cultural roots.

I encourage anyone in the Los Angeles or Washington area to see these exhibitions first hand, as a once-in-a-lifetime opportunity. I also recommend both catalogues, as full of useful information, although far too heavy to lug around inside the shows. In the next article in this series, I shall discuss why, by the time Columbus arrived, the societies in the Americas had lost the moral fitness to survive. This is not the conclusion advanced by the organizers of either exhibit, but the objects they present and the information they provide, I believe, make it inescapable.

Portugal's pioneering navigation

The Washington show opens with a visual Prologue, consisting of the great "Catalan Atlas" of ca. 1375 by the Jewish cartographer Abraham Cresques, who played a key role in the century of discovery. The Atlas combines an encyclopedia of cosmology and geography, astronomical chart, and map of the then-known world based on the "portolan" maps made by navigators. It is followed by rich textiles and vessels from the Orient, near and far, which had come into Europe in the 1300s and 1400s. Next, four galleries survey Portugal and Spain ca. 1492, a fifth takes us to west Africa, and a sixth to the exotic East, namely the Ottoman and Mameluke Islamic empires.

The Portuguese sailors were the first to seek a new route to the Indies and Cathay, in caravels traveling down the western shore of Africa. Their patron was the remarkable Prince Henry ("the Navigator")—whose portrait appears in the life-size *St. Vincent* altar panel by Nuno Gonçalves. This is the most famous Portuguese painting of all time, normally kept in Lisbon. Prince Henry is shown standing behind his nephew, the king Dom Alfonso V, and the prince, the future Dom João II, and behind them a kind of "Greek chorus" of

contemporary faces. On the left side of St. Vincent are portrayed Alfonso's queen, and behind her, Henry's sister Dona Isabel, shown in widow's garb as a Franciscan nun. Isabel's presence "focuses attention on the historic role of the House of Avis [the royal family] in the pursuit of navigation and conquest and on its international policies, which led to her marriage to Philip the Good of Burgundy," the catalog reports.

Painted ca. 1471-81, the picture combines the style of the great Flemish masters of the era with the distinctly Italian habit of including contemporary figures in a "unique combination of the religious and worldly," as the catalog puts it. St. Vincent, like Saints Stephen and Lawrence—depicted in the justly famous Chapel of Nicholas V in the Vatican a few years earlier—was a deacon saint, whose role in church economic affairs expresses the link between the sacred and secular domains.

Portugal's monarchs later rebuffed Columbus, confident after Bartolomeu Dias circumnavigated the Cape of Good Hope in 1488 that their route to the Indies around Africa would prove better than sailing west. Yet their share in the New World is reflected in a unique picture of the *Adoration of the Magi*. One of the Three Kings is shown, not as an African which was normal in European painting at the time, but as a Tupinamba Indian from Brazil; and the kneeling, European-looking king seems to be a portrait of Portugal's Admiral Cabral, who discovered Brazil.

Since the Portuguese colonized Africa, the issue arises of the black slave trade. While Henry did not stop the slave-taking practices of his captains, he never encouraged the slave trade, and he acted to have the bulk of the slaves sold in Lagos converted and given decent conditions. With each boat sent out in the 1430s, he issued pressing instructions for natives of the newly discovered regions to be brought back to Portugal to be trained as translators and guides for the next voyages, to provide intelligence on their homelands, and to be taught Christianity. *EIR* researcher Tim Rush reports, too, that the numbers of slaves brought to Portugal during Henry's lifetime were relatively few, both in absolute numbers and in relation to the thriving slave trade being practiced by Arab traders over the Sahara, Arab traders across the Indian Ocean, and Venetians operating from the Black Sea area. Indeed, there is strong reason to suspect the Venetian hand in the ugly turn which Portuguese relations with west Africa took in the 16th century. According to the catalog's account, the king of the Kongo was willing to lead his people toward Christianity but this was sabotaged by the greed of the slave traders.

In the "1492" exhibit, the Owo, Edo, and Benin cultures from what is today Nigeria, reflect a high level of naturalism in representing the human figure. These societies produced a high population density, and were making this art, which bespeaks the value of the human individual, many centuries before the Europeans arrived. The "primitivism" of African art made in these same regions, is actually a degeneration

that took place in the wake of the demoralization caused by the slave trade, not an "original" trait.

The Spain of Ferdinand and Isabella

In the Spanish galleries of the "1492" show, three currents are richly interwoven to form a unique national culture. One is the heritage of the Jews and Muslim Arabs, who contributed scientific and technical knowledge, architectural forms, and numerous words to the classical Spanish language. The second is the art, music, and technology of the Low Countries, the cities of the Rhine Valley in northern Germany, and their trading partners in the Hanseatic cities along the Baltic Sea. The third is the impact of the Florence-centered Italian Renaissance. When we look at the art produced in the Americas in the 16th century by the evangelizers and their converts, all of these currents are present.

Thus, the exhibit includes precious objects such as a lusterware Passover Plate made in Spain around 1480, probably by Moorish (Muslim) artists working for a Jewish merchant; and a magnificently tooled leather shield (*adarga*) from Granada before 1492, of a type prized by Christians as well as Muslims.

Isabella of Castile, who unified her kingdom with Aragon to form Spain by her marriage to Ferdinand in 1474, preferred Flemish artists. Two of them, Juan de Flandes ("John of Flanders") and the Bruges-trained native of what is now Estonia, Michel Sittow, collaborated in a miniature altarpiece of the Life of Christ and the Life of the Virgin. Two panels from this altar, one of which includes portraits of Ferdinand and Isabella, are in the exhibit; two others, catalogued as part of the show, are hanging in the permanent collection of the National Gallery of Art. The four pictures—of a total of 28 surviving—reveal a noble and delicate perfection which was a surprise to this reviewer, combining the skill of the artists and their unusually cosmopolitan cultural background. The "Catholic Monarchs" gallery contains many other breathtaking surprises, like the suit of armor made for Prince (later Emperor) Charles in Nuremberg, the well-preserved "golden" tapestry of the Coronation of the Virgin, and sculptures and book illustrations by great artists who came to Spain from northern Europe.

"Circa 1492" would be valuable for the tapestries alone, which would otherwise never be seen together. In an era when textiles were *the* heavy industry, tapestries epitomized the marriage of art and technology and of international commercial exchanges. Woven exclusively by skilled craftsmen, in the Franco-Flemish domains around Brussels, Arras, and Tournai, the subjects and often the designs were provided by artists from southern Europe, and the wool often came from Spain.

Alonso Berruguete's *Sacrifice of Abraham*, a work "Italian" in its mastery of the nude human figure, yet with the Germanic-Flemish emotional intensity that had become a part of Iberian art, has been cited by one "New Age" reviewer as an example of the idea that brutality and violence were

universal in the era. The lesson is just the opposite. The subject portrays the incident which divided Abraham from the ancient Near Eastern traditions of human sacrifice, and instituted the Jewish reverence for human life which continued in Christianity. Since the freeing of Mexico from the Aztecs had just been completed in 1521 and the evangelization was under way, the subject of Abraham's hand being stayed from sacrificing his child Isaac at the last moment by an angel of God, had special meaning in 1526 when this piece was carved. Spanish missionaries were confronting the task of winning the indigenous people of the New World away from a religion of human sacrifice, polygamy, hallucinogens, and slave labor.

Berruguete's statue also recalled the distinction between Judeo-Christian morality and the version of "Islam" practiced by the Ottoman Turks, whose military threat to Europe and control over the spice routes to the Indies were a strong motivation for Columbus's voyage. It was Ottoman practice, for example, to slaughter all the brothers of the Sultan to prevent a battle for succession.

Renaissance city-building in the New World

Jonathan Brown's essay in the catalog reports: "The arrival—or outbreak as it has been suggestively called—of the Renaissance in Spain is an extraordinary phenomenon. In central Italy the Renaissance evolved over time from a body of theoretical concepts; in Spain the Renaissance arrived in wooden crates." The important noble family of the Mendoza, several of whose scions spent extensive periods of time in Italy, were among the principal sponsors of this importation and among the great European art patrons of the 15th century. They were the patrons of a "Man of Sorrows" sculpture by Diego de Siloe, which sums up the dramatic change in Spanish art. A work of ca. 1522, thoroughly imbued with Italian classical notions of beauty, it was made by the son of a Netherlandish sculptor, Gil de Siloe, whose very different work of around 1492 can be compared in the same room.

The "Circa 1492" catalogue does not mention this, but we must underline that it was the same Mendoza family which proceeded to "re-export" the Italian Renaissance into the New World, not in crates, but through ideas.

As developed by essayists Donna Pierce and Jorge Manrique in the catalog for *Mexico: Splendors of 30 Centuries*, during the 1530s, three men came to power whose impact on Mexico is of world-historical significance: Bishop Fray Juan de Zumárraga, Viceroy Antonio de Mendoza, and Judge Vasco de Quiroga. These men shared a vision of implementing the ideals of Christian Renaissance philosophy in the New World. They were prepared to put to the test the premise that every human individual is created in the living image of God, with the potential for creativity known as the "divine spark of reason." They had close connections to such leading Christian humanists as Erasmus of Rotterdam, St. Thomas More in England, the Platonic Academy of Florence, and

Cardinal Jiménez de Cisneros, the confessor of Queen Isabel the Catholic of Spain. (Cisneros's magnificent "Rich Missal" in the Washington show is an example of his patronage.)

In short, these Mexican "founding fathers" were the emissaries of the civilization recorded in the "Circa 1492" show. One of their close collaborators, Pedro de Gante, who arrived in Mexico in 1522, instructed the children of the Indians in European perspective and proportion, and taught them the musical polyphony of his native Flanders. He had been trained by the Brothers of the Common Life, the primary lay institution involved in spreading Christian humanism in northern Europe.

Antonio de Mendoza, New Spain's first viceroy (1535-50) and a descendant of the Mendozas who brought the Italian Renaissance to Spain, brought to Mexico the *Ten Books on Architecture* of the Florentine architect Leon Battista Alberti. Alberti had developed star-shaped and rectangular grid designs for ideal cities, based on the concept that cities as well as individual buildings must reflect the harmonic ordering of God's universe. But in Europe, the old cities were already built up in the haphazard and fortified manner of the Middle Ages. What might have been considered utopian in Europe could become a reality, if only briefly, on the new continent.

Viceroy Mendoza overlaid the Albertian grid plan on the preexisting, unfortified Indian cities, starting with Mexico City itself, where Cortés had boldly begun building a great city over the Aztec capital. The streets were widened and regulated, and oriented to optimum ventilation and sunlight, and the plaza was enlarged to a rectangle twice as long as wide, following Alberti's formula. "The unfortified town with its monumental plaza and wide straight streets became a source of amazement to European visitors, and was reproduced all over Latin America. Mendoza worked closely with the Franciscan and Augustinian friars to develop a so-called moderate plan for the religious establishments of Mexico, probably also based on the Renaissance formulas of Alberti," Pierce observes.

At most, there were a few hundred friars, yet by 1540, Pierce writes, there were approximately 50 establishments, and 20 years later, almost 100. In fact, almost all of Mexico's cities today, were built in the first 80 years after the conquest. The few capable journeymen who crossed the Atlantic in the early 16th century "taught small groups of Indians, who then covered the territory in traveling teams," writes Jorge Alberto Manrique of the National Autonomous University of Mexico in an essay in the *Mexico* catalog. "On each project they instructed the local populace and supervised the work. This explains the recurrence of similar solutions in widely separated places, as well as the application of methods that required little specialization, such as the cylindrical columns of the cloisters, all with the same bases and capitals. It was a kind of assembly-line construction that answered the need for speed."

To be continued.

Bush backer attacks

LaRouche on matching funds

The imminent possibility of Democratic presidential candidate Lyndon LaRouche qualifying for matching funds with the Federal Election Commission has upset Bush supporters, who seemed panicked during a House debate on the matching funds procedure on Oct. 29.

Democrats attached an amendment to the Dire Emergency Appropriations Act which would require the U.S. Treasury to front funds, which would be covered by revenues collected between January and October 1992, for matching funds. Since matching funds are allotted in January on a first-come, first-served basis, and the fund has become smaller because many taxpayers have not checked the \$1 contribution on their tax forms, there is a possibility that President Bush, who began his fundraising early, could grab most of the \$10.6 million which would be available at that time, depleting the fund and depriving Democratic candidates of funds during the spring primaries.

The measure was opposed by Republicans, with Rep. Bob Livingston (R-La.) leading the charge. But the real threat, for Livingston and others, seemed to be that LaRouche would again qualify for matching funds in 1992. The terrifying "LaRouche factor" was referred to several times during the debate.

"The system is so awful," said Livingston, "that in recent years, now convicted felon Lyndon LaRouche has received \$1.3 million in public financing. It does not matter whether you supported him or opposed him. He qualified. He got \$1.3 million in public financing, and in the coming months in the new presidential contest, he and various other racial extremists and political fringe candi-

dates will qualify and will receive taxpayer dollars to further their radical agendas, and no one can say 'no.' "

The amendment, sponsored by Rep. Vic Fazio (D-Calif.), remained appended to the Dire Emergency bill, which was passed 252-162.

Senate kills Bush's phony energy bill

The Senate rejected on Nov. 1 in a vote of 50-44 an administration-backed proposal to develop a "national energy strategy."

The legislation was a combination of "energy efficiency" measures and a supposed expansion of domestic energy resources, which was opposed by the electrical industry, environmentalists, and the auto industry.

The legislation would have permitted oil drilling in a part of Alaska's Arctic National Wildlife Refuge; vaguely allowed for the resumption of nuclear energy plant construction in the far future; required vehicle fleet owners to switch to fuels other than gasoline; enforced higher fuel efficiencies with no new automotive technologies, thereby simply downsizing cars; eliminated the government's role in the uranium enrichment industry; and deregulated the electrical industry.

Deregulation of the electrical industry is Bush's move toward repeal of the 1935 law which regulated the electric utilities. That law had been passed in order to put a halt to financial abuses, including the refusal of private companies to invest in new power and transmission capacity, and the use of the assets and good name of electricity companies for financial scams.

Bush's deregulation is supposed to open access for every mom-and-

pop generating concern to the intricate, interconnected high-voltage electricity transmission system. That could wreck the transmission network connecting the 100 utility companies east of the Mississippi River.

Gephardt 'sharpens teeth' of Super 301

House Democratic Whip Richard Gephardt (D-Mo.), known for Japan-bashing during his unsuccessful 1988 bid for the Democratic presidential nomination, together with Rep. Sander Levin (D-Mich.), introduced a bill on Nov. 4 which would extend the Super 301 provisions of the 1988 trade law. That law placed sanctions on countries running a trade surplus and maintaining what have been labeled "protectionist" barriers for their domestic industry. The bill sets the stage for a trade war against Europe and Japan.

The bill would establish a three-part test for a nation to be targeted under Super 301: It must account for 15% of the U.S. trade deficit, have a trade surplus itself, and engage in protectionist practices that limit exports from the United States and other countries. "Targeting" a country would trigger negotiations, with time limits, and could lead to retaliation if the negotiations fail.

Military may be used in Russia 'aid' measures

House and Senate negotiators agreed on Nov. 1 on a defense bill which would limit production of the B-2 Stealth bomber, and allot up to \$1 billion in Pentagon funds to be used for humanitarian assistance to the former

Soviet Union.

The proposal, sponsored by Rep. Les Aspin (D-Wisc.), allows the secretary of defense to use U.S. military aircraft and personnel to help distribute food, medicine, and other humanitarian aid. The model for this was Operation Comfort, in which U.S. troops were used to enforce the "right to humanitarian intervention" on behalf of Kurdish refugees in Iraq. Such use of U.S. forces, practically unheard of in situations other than during a war, could create conflicts with authorities in the former Soviet republics.

The measure would also give President Bush the authority to use military funds on unspecified programs to promote the conversion of the Soviet military-industrial complex to civilian purposes and to help in the destruction of Soviet nuclear arms.

The conferees also agreed to spend \$4.15 billion on anti-missile systems, up from the \$2.9 billion included for the Strategic Defense Initiative in last year's budget.

Population control, IMF stall foreign aid bill

The House defeated the Foreign Assistance Authorization Act, which would have authorized appropriations for foreign assistance programs for fiscal years 1992 and 1993, by a vote of 262-159 on Oct. 30. Opposition to population control and the International Monetary Fund (IMF) were two major factors contributing to its defeat.

One controversial measure would have authorized \$20 billion for the U.N. Fund for Population Activities, which is opposed by the Bush administration. The UNFPA has been a

strong supporter of the Chinese anti-population program, which utilizes forced abortions and involuntary sterilization. The bill would also overturn the so-called Mexico City policy adopted in 1984, which would restrict U.S. population funds from going to any foreign non-governmental organization performing or actively promoting abortion as a method of family planning.

Population control advocates like Rep. David Skaggs (D-Colo.) insisted that these provisions would "restore the United States role as a responsible world partner in international family planning efforts," but met heavy opposition.

Other legislators expressed concern with increasing the U.S. quota to the IMF. Conservative opponents of the Fund allied with others who feared that IMF loans going to the Soviet Union would be used to pay back German banks.

Rep. John Duncan (R-Tenn.), a member of the House Banking subcommittee on International Financial Institutions, had earlier accused the Bush administration of lying about why Congress should pass a bill that includes a \$12 billion U.S. quota increase for the IMF-World Bank.

Duncan had told a journalist, "Undersecretary of the Treasury David Mulford . . . argued that it was necessary for humanitarian aide to Moscow, and many Democrats agreed. But, the truth is that all of that money will go to bail out banks that are about to go under, since they are overextended with Third World debt. . . ."

"What this administration has been doing is shifting bankers' blunders to the taxpayer. . . . I can tell you the American people are starting to get fed up with bank bailouts at their expense. There has been a horrible waste for taxpayers, who not only pay

20% of IMF and World Bank funds directly, but frankly have a higher quota since most foreign aid now goes to pay off IMF, World Bank, or Wall Street loans to debtor nations."

The bill also contained provisions which would establish a multinational arms transfer and control regime to restrict arms sales to the Middle East and the Persian Gulf.

Debate on the bill was heavily colored by the objections of congressmen who were worried about the outcry from their constituents against a major foreign aid package during a time of crying economic need domestically. Congressional leaders and the administration will now try to work out a compromise.

Export bill restricts nuclear technology

The House passed on Oct. 30 the Export Administration Act, which contains provisions severely restricting the transfer of nuclear technology to "non-nuclear-weapon states" as well as the export of uranium. The measure would particularly target countries like Pakistan, Syria, and Iran.

The resolution prohibits any "nuclear commerce" with non-nuclear-weapon states "which pose significant threats to regional or global peace and security." The measure also calls for imposing trade sanctions on "any foreign entity that engages in nuclear trade" in contravention with the principles laid out in the bill.

The bill would increase the authority of the International Atomic Energy Agency, and recommends that the President push for provisions at the IAEA for "snap" inspections of facilities that may not have been declared to the agency.

National News

Agriculture business group warns of environmentalism

The Southern Agricultural Chemicals Association warned its members at a meeting in Atlanta at the end of October that environmental groups are planning to launch an all-out campaign against food that would make the Alar scare they orchestrated a couple of years ago look tame by comparison.

The theme of the environmentalists will be food safety, in particular baby food safety, the association warned, and the assault will target all agricultural chemicals. The result of the campaign, as is intended, will hurt both consumers and producers, and will not improve the safety of the already safe food supply.

In 1984, a leading U.S. entomologist calculated that 100 million people died a year as a result of direct and indirect effects of the anti-pesticide activities in the United States.

Former DoJ prosecutor ties Bush to Iran-Contra

A former prosecutor in the U.S. Department of Justice (DoJ) has implicated George Bush in the Iran-Contra and Bank of Credit and Commerce International (BCCI) scandals in an affidavit, according to the Oct. 25 issue of the British weekly *Private Eye*, which claims to have possession of the affidavit.

In 1983, Vice President Bush set up a special Senior Inter-agency Group to deal with terrorism in the Mideast, which Bush assistant Donald Gregg helped run for Bush. A British national, Leslie Aspin, was personally recruited by CIA chief William Casey in 1984, and by November 1984, Aspin and Oliver North "opened three accounts in the BCCI in Paris" where North deposited \$5 million. "Aspin and North engaged the services of a Syrian-born arms dealer Monzer Al Kassar to sell arms to Iran, to help the Contras. For this purpose Aspin laundered \$42 million through the BCCI accounts in the Cayman Islands."

In a related development, the Newhouse Newspaper chain reported in late October that White House Chief of Staff John Sununu's chief aide, Edward Rogers, Jr., had quit the administration to take a \$600,000 two-year contract to represent Saudi Sheik Kamal Adham, the former head of Saudi intelligence who was a central player in BCCI.

On Oct. 28, *New York Times* columnist William Safire cried "political payoff" and demanded a special prosecutor be appointed to investigate why the DoJ underthen-Attorney General Richard Thornburgh and, earlier, the James Baker Treasury Department, had failed to probe CIA reports of BCCI dirty dealings. The Safire article was described by one source close to the White House as a "declaration of war."

FBI new threat list to target allies

The FBI is developing an expanded "threat list" of countries suspected of or known to be engaged in commercial espionage in the United States, including those who collect non-classified scientific information, the *Washington Times* reported Oct. 30.

The FBI list, which is now being finalized and emphatically includes nations friendly to the United States, was described by deputy assistant FBI intelligence director Harry B. Brandon, during a speech he gave to a security symposium in Arlington, Virginia.

The National Security Threat List outlines new areas for FBI counter-intelligence investigations in areas including: proliferation of nuclear, chemical, biological, or other unconventional weapons; theft of "core technologies" identified by the government as essential to U.S. security—the information need not be secret; a broad and undefined area involving U.S. industrial, proprietary, or economic information, beyond the "core technologies"; U.S. intelligence and foreign affairs information; active measures by foreign agents to influence government or public policy—traditional and non-traditional; and other areas.

Brandon told the gathering that "our ap-

proach in the '90s is going to be that if we find governmental use of an intelligence service in any of these areas, then we believe, and the Attorney General now believes, that it would be appropriate for the counter-intelligence community to become involved."

Columnist castigates Bush on starving Iraq

Columnist Mary McGrory criticized George Bush for starving the people of Iraq in a column in the Nov. 3 *Washington Post*. "We ignore our food policy towards Iraq. . . . George Bush repeatedly said we had no quarrel with the people of Iraq, but they are suffering—from the continued economic sanctions imposed on them by the West and from the consequences of the air war."

McGrory cited the recent data from a group of Harvard doctors visiting Iraq, "that 900,000 Iraqi children are malnourished and that the mortality rate for children is 380% greater than it was before the war. The root problem: Baghdad's power plant . . . is destroyed. . . . There is no power for sewage treatment centers; raw waste flows in the streets. Every new day . . . brings 2,000 new cases of typhoid fever. Hospitals are out of medicine, they lack the power to perform all but emergency surgery."

McGrory says that U.S. officials deny they are depriving the population in order to foment a revolt against Saddam, but they have no other policy. "Unless something is done, the Iraqis, particularly the Kurds, face a winter that could be as brutal as last March. . . . Americans . . . will have to goad the government into feeding Iraqi children."

Hemlock leader accused of smothering wife

Derek Humphry, the founder of the Hemlock Society, a group dedicated to duping people into demanding suicide as a right, has been accused of murdering his first wife

by smothering her. The accusation was leveled by Ann Wickett Humphry, the woman Derek Humphry married the year after he says he "helped" his wife, Jean, who had cancer, to die at her request. For years, Humphry, author of the book *Final Exit*, and his group, have been in the business of making murder look like suicide and of counseling people on how to get away with the crime.

The accusation was part of a suicide note left by Ann Wickett Humphry before she reportedly took her life in early October. Wickett wrote the allegation at the bottom of a photocopy of a type-written note addressed to Derek Humphry and sent to others. According to the *Seattle Times*, the accusation states: "I know. Jean actually died of suffocation. I could never say it until now; who would believe me?" Humphry always asserted that his wife of 22 years died after she insisted he procure lethal pills so she could control her death.

In 1989, Humphry walked out on Wickett just weeks after she developed breast cancer. Wickett said at the time that she felt she was expected to commit suicide. In her final note, she wrote: "Derek: There. You got what you wanted. Ever since I was diagnosed as having cancer, you have done everything conceivable to precipitate my death."

Wickett had also said that she and Humphry helped her elderly parents to consume lethal doses of prescription drugs to kill them. The deaths, which she came to regret, are described in her book *Double Exit*. Her parents were not terminally ill, just "distressed" about old age, she wrote.

Some Dems reject primary for presidential delegates

The Democratic Party of Washington State, which voiced fears in its fall 1991 newsletter that a "Republican" crossover could elect delegates committed to Lyndon LaRouche to the Democratic National Convention, has determined not to participate in the first-time state presidential primary scheduled for May 19, 1992. They will select delegates instead by the caucus procedure they have used in the past, which is now scheduled for

March 3, 1992.

The Washington primary was created by a voter referendum initiative which stated that each voter could participate in the primary by simply asking for a Democratic or Republican ballot. State Democratic Party officials objected, insisting that in order to satisfy Democratic National Committee rules, a voter wishing to participate in the Democratic primary must sign a declaration stating: "In accordance with national party rules, I declare that I wish to vote as a (Democrat) (Republican)."

Secretary of State Ralph Munro (R) refused to accept that language, stating: "To require that a voter declare party membership would be a clear violation of the law." Though the Democrats say that the May 19 primary will be only a non-binding beauty contest, Munro says he may sue to force the Democratic Party to comply with the May 19 primary results.

Wilder, Terry tax Social Security benefits

Virginia Attorney General Mary Sue Terry and Gov. L. Douglas Wilder are responsible for the state's decision to tax Social Security benefits, the *Richmond Times-Dispatch* charged in its lead editorial Nov. 2.

The Times Dispatch states: "The mess began shortly after the Supreme Court's 1989 *Michigan v. Davis* decision, the devastating consequences of which Attorney General Mary Sue Terry failed to anticipate. *Davis* said Virginia had to give equal tax treatment to all governmental pensioners—tax them all, or exempt them all . . . the state government had taxed federal pensioners, but exempted its own."

In 1990, the state discovered a budget shortfall, and took back half the tax breaks it had given out the previous year, "and the Democrats—voting as an almost solid block—did it in substantial part by imposing a tax penalty on the Social Security benefits." The \$12,000 deduction given retirees had to be reduced by the amount of their social security, but not other pensions, creating a tax on social security.

Briefly

● **JESSE JACKSON** formally announced he will not seek the Democratic nomination for President in 1992, at a press conference Nov. 2 at a Washington, D.C. housing project. Instead, he will launch a nationwide voter registration drive.

● **THE AFL-CIO** will devote one session of their upcoming convention in Detroit to a debate on Nov. 12 among the six declared Democratic candidates, for the first time. Notably, neither Lyndon LaRouche nor his campaign has been invited to participate.

● **HEROIN** may soon overtake cocaine as the dealers' drug of choice, according to Customs agents in Houston, Texas, the Nov. 2 *Houston Chronicle* reported. The lucrative nature of heroin has caught the eye of the Colombian drug cartels, which are now producing some heroin and shipping it along with cocaine.

● **GOV. MARIO CUOMO** of New York will be the 1992 Democratic nominee for President, Republican National Chairman Clayton Yeutter said Oct. 27 on the CBS News program "Face the Nation." Yeutter said, "We consider him the candidate right now."

● **GEORGE BUSH'S** growing electoral vulnerability was analyzed in the Nov. 3 London *Sunday Times*: "*Bush can be had. . . . It's Bush: the act is wearing thin. . . while average folks are getting pretty damn scared about the economy.*"

● **PATRICK MICHAELS**, a University of Virginia environmental sciences professor, attacked the frauds of "ozone depletion" and "global warming" in a commentary in the Nov. 1 *Washington Times*. He charged that "the unholy alliance between unrefereed, politicized science and environmental policy" is disregarding "well-established facts," which "should prompt the creation of a Special Prosecutor for Hidden Agendas."

Editorial

A very close call

All eyes were turned on the state of Washington Nov. 5, to see if the citizens there would become the first ever to pass a popular referendum in favor of Nazi euthanasia. Despite projections by pollsters that Initiative 119 would pass, and surveys by the Harvard School of Public Health saying that most Americans support euthanasia, the electorate rejected the referendum with a voter margin of 54 to 46%.

The international Death Lobby, whose leading representative in the United States right now is Derek Humphry's Hemlock Society, had put a lot into their Washington State effort. Liberal Washington, with a population of only 3 million and extremely "liberal" right-to-die laws on the books already, was considered a perfect place to get the ball rolling.

But it didn't work, and Americans now have the opportunity to roll back the trend which has taken us to the edge of the precipice.

It must be recognized that unofficial euthanasia is already widespread in the United States. Legal precedents all the way up to the Supreme Court have permitted the removal of food and water from allegedly terminally ill patients, upon the insistence of family members, often over the opposition of hospitals. Orders not to resuscitate very ill patients are common, and there is no way to judge how many elderly are "quietly" put to death in hospitals or nursing homes.

What was being proposed in Washington State was to expand this process, to the point where doctors could be ordered to "follow the wishes" of their patients, to kill them. Initiative 119 would have mandated doctors to follow such orders if any doctor determined that the requestor was "terminally ill," and the fact would not even be recorded on the death certificate.

In Holland, the one country where similar legislation is already in effect, the story is already leaking out about massive abuse, leading to thousands of undesired deaths. There is no question but that the Washington measure, in an age of exorbitantly expensive medical care, could and would be used in the same way.

The Washington State Medical Association, which

has supported "death with dignity" legislation that stops just short of active euthanasia, opposed Initiative 119. So did the Catholic Church and numerous other Christian denominations. But these institutions all shrank from making the most truthful statement of all: Initiative 119 was Nazi euthanasia.

Thus, when the "LaRouche in '92" presidential campaign began to tour the state with 50,000 copies of a flyer attacking the referendum as "Nazi," many other opponents of the measure joined the proponents in crying, "extremist." Yet there is every indication that the truth stated in that flyer had its effect, by forcing even those who grew hysterical at seeing the reality of their own degradation, to draw back from voting for Initiative 119.

It might even turn out that the drive to stop Nazi euthanasia helped to turn the tide against the twin evil which was also on the Washington ballot, the pro-abortion initiative. Humphry has gloated that the legalization of abortion through *Roe v. Wade* opened the door to his campaign for legal suicide and euthanasia, and philosophically, he's definitely right. At present, the abortion referendum is running 50-50, with the outcome to be determined by absentee ballots.

The euthanasia initiative was also badly hurt by a flurry of publicity around certain death cases right before the election. First, there was the news that Humphry's second wife, Ann Wickett, who had founded the Hemlock Society with him, had committed suicide. In her suicide note, she blamed Humphry for trying to drive her to her death, and revealed that he had killed his first wife, not helped her commit suicide.

Also personalizing the issue of "legal suicide," was the news about the latest victims of Dr. Death, Dr. Jack Kevorkian of Michigan. Kevorkian killed two non-terminally ill women in late October, in another high-publicity stunt.

Washington State voters brought us back one small step from the brink. It remains for Americans, and others, to reshape their policies positively, around the sacredness of every individual human life.

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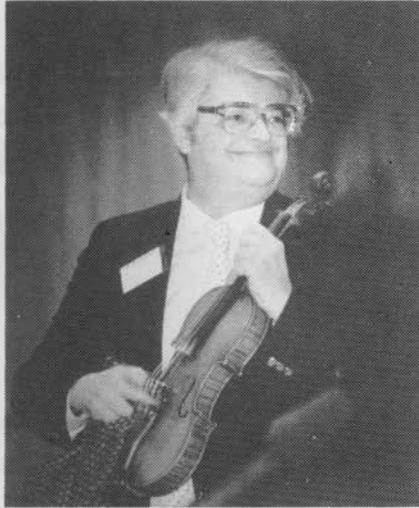
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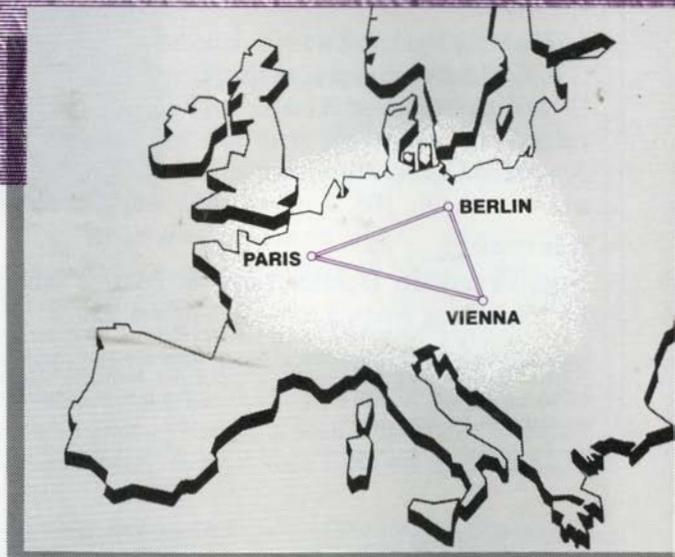
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—from the Berlin Declaration,
March 4, 1991