

# EIR

Executive Intelligence Review

July 17, 1992 • Vol. 19 No. 28

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Democratic Party to sign own death sentence?  
Debt worsens Africa's drought of the century  
New light on Ben Barka, Herrhausen crimes

**Eurasian rail project  
paves road to peace**



# DOPE, INC.

## Is Back!

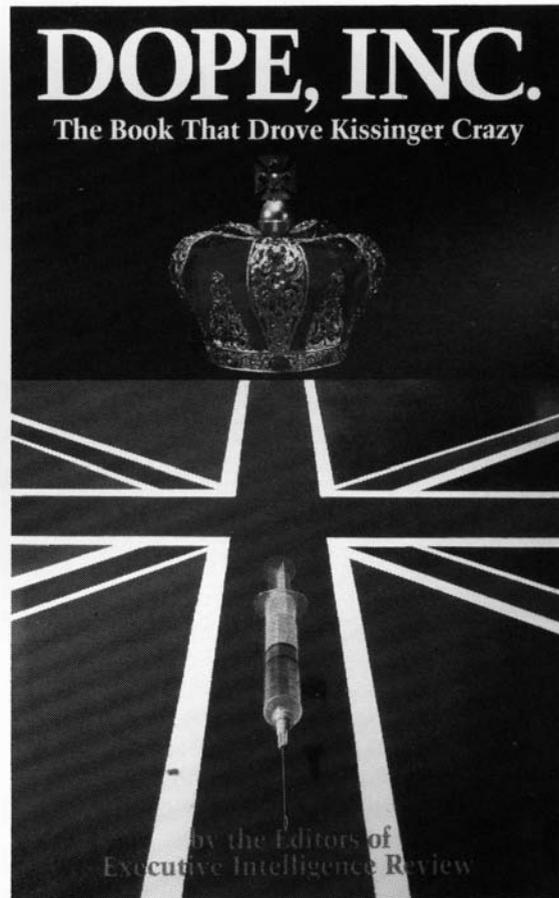
**T**he history-making book 'Dope, Inc.' is now available, after being out of print for five years. The third, expanded edition of the explosive best seller bears the title: "Dope, Inc.: The Book That Drove Kissinger Crazy."

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Also exposed is the destruction of developing-sector economies by consortia of international bankers, which replaced the national economies with drug economies. Other chapters tell the real story of the organized-crime link to "Dope, Inc.," from the Bronfmans and Kennedys, to the British assassination bureau Permindex, to the Anti-Defamation League.

Finally, in an appendix, Lyndon LaRouche's 1985 "Proposed Multi-National Strategic Operation Against the Drug Traffic for the Western Hemisphere" appears in full, a 14-point plan for defeating the drug traffickers for good.

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

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

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Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

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

## From the Editor

This issue is dominated by two topics, the potential for economic development or for devastating war in the former communist sector of the Soviet Union and its satellites; and the corruption of the U.S. political and, especially, judicial system.

As you can see from the map on our cover, the Eurasian rail network proposed in the *Feature* encompasses a good deal of the globe directly, passing from Singapore and Malaysia all the way to the west coast of Africa. It would connect the Productive Triangle of Paris-Berlin-Vienna, which must absolutely be the target for intensive investment, to a lot of the rest of the world. This makes the idea behind the Productive Triangle, that it must become the “locomotive of a worldwide economic recovery,” very concrete.

In this context, we are happy to report the activities of a new branch of the Schiller Institute, being founded in Russia, and the thrilling impact of an American member of the Schiller Institute’s international advisory board, the civil rights heroine Amelia Boynton Robinson, in her recent visit to Zagreb, Croatia.

It is good to remind ourselves of the positive role that Americans can play in the world, since the picture of corruption emerging from Washington, D.C. and its environs is dismal indeed. The Supreme Court ended its current session on a low note reminiscent of the *Dred Scott* era. See our extended analysis of the decisions which assault free speech and denigrate the value of human life in *National*. This is accompanied by a reminder of the international ramifications of such evil, the Ibero-American Solidarity Movement’s statement in response to the Supreme Court’s ruling that approved U.S. kidnaping of foreign nationals abroad in the Alvarez Machaín case.

By the time you read this, the Democratic National Convention will be over. It is likely, although not certain, that the Clinton clique will succeed in suppressing debate over the key moral issues—opposition to NAFTA and to the death penalty. This will just hand over many Democrats to the only campaign which supports their cause—Lyndon LaRouche’s. Meanwhile, *EIR* dropped a political bombshell into the nation’s capital with the introduction of *George Bush: The Unauthorized Biography*, to a packed press conference on July 8.

*Nora Hamerman*

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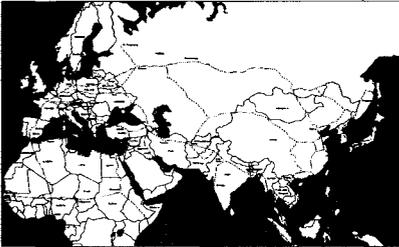
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## Summit proclaims 'recovery' while economy sinks deeper

by Volker Hassmann

U.S. President George Bush came up with a good idea just after the heads of state of the Group of Seven most powerful economies met in Munich, Germany on July 6-8. He suggested that the next economic summit should simply not be held at all, since the results of these meetings have been increasingly meager. The summit's concluding statement is a remarkable document of banality and irrelevance even in the 18-year history of this institution. There sat the leaders of the world's leading industrial nations, smiling for the cameras, each of them with their hands tied down by serious problems at home: a summit of seven lame men.

President Bush is seeing his prospects for reelection dwindle daily, as each new report of economic disaster comes on the heels of the last one. British Prime Minister John Major brought the worst economic record of all Europe to the conference table, since England is undergoing its worst recession in 30 years. But a close runner-up was Italian Prime Minister Giuliano Amato, whose national debt equals the total indebtedness of all other European Community countries combined, and who considered himself lucky to be present at the summit at all. Japanese Prime Minister Kiichi Miyazawa, who is also facing a stiff electoral challenge soon, courteously smiled through the three days of proceedings, and was at pains not to enter into any financial obligations, since his country is experiencing a meltdown of its stock market. French President François Mitterrand is fearful that the French people will follow the Danes in rejecting the Maastricht Treaty on European Union, which would destroy their national sovereignty, when the treaty comes up for a vote in September. He is also being confronted with growing domestic protests. His Canadian colleague, Prime Minister Brian Mulroney, has not yet fully recovered from his own government crisis, while German Chancellor Helmut Kohl

is laboring through economic bottlenecks which he himself created with his dilettantish economic policy toward Germany's new eastern states.

Everyone at the summit could therefore be expected to do everything to at least bring some small public relations success back from Munich.

### Reality shrouded in mist

The world economy is currently going through its most serious crisis ever, but the G-7 leaders brushed this reality aside in their final declaration, stating instead, "There are increasing signs of a worldwide economic recovery." It seems that the thin mountain air may have clouded these leaders' vision. The latest report of the Organization for Economic Cooperation and Development (OECD) documents how the prognoses for growth made last December have had to be revised downward once again. The fiscal austerity policy practice in Europe under the pressure of the Maastricht Treaty, the weakness of government finances in the United States, the stock market collapse in Japan, and the high level of indebtedness of all the western industrial states which came as a result of the Reagan-Thatcher excesses of the 1980s, give grounds for such concern, according to the report.

The low quality of leadership of the G-7 heads of state is attested to by the declarations of intent at Munich. A "solid monetary and financial policy, in order to support the upswing" is to "create leeway for lower interest rates through reduction of disproportionately large public deficits," and "through placing limits on public expenditures." All this should then provide the needed impulse for rising consumption, and hence, growth.

Many among the 4,000 journalists and media representa-

tives in the press center expressed queasiness about the summit's vacuous declarations. A British colleague hit the nail on the head: If anything, the heads of state invoked the same confused mixture of radical Reaganomics and Keynesianism which brought the world into the present depression. Britain's Major hawked the shopworn Thatcher syllogisms which suggested a direct relation among austerity policy, low interest rates, and growth. "But if that's so, why does the United States, with its extremely low discount rate of 3%, have the highest budget deficit of \$400 billion?"

### Financial markets respond

The lack of seriousness shown by the G-7 heads of state and ministers in tackling a solution to the economic crisis was reflected in the financial markets, which were in an uproar, as opposed to the relative calm during all previous summits. The dollar sank below the 1.48 deutschemark point, and the Dow Jones average on Wall Street lost 44 points on July 7. The British pound followed the U.S. dollar, after Bush and Major were unsuccessful in forcing Germany to reduce its interest rates.

The beginning of the great international economic upswing, which host Helmut Kohl joyously proclaimed in his reading of the final declaration, came to a screeching halt only one day later. Bonn announced that its trade surplus in May had suffered a sudden setback, and that both imports and exports had gone down. Instead of rising to the expected DM 3.5 billion, the trade surplus went down from DM 2.3 billion in April to only DM 1.1 billion in May. Germany's annual inflation rate remains above 4%, and industrial orders and capital investment, which have been on a downward trend for some time, are still flat. Demands from the United States and Great Britain that Germany's national bank, the Bundesbank, lower its interest rates, have now been supplanted by speculation over a possible further raising of the Bundesbank rate.

This was especially alarming to the British. On July 9 British Chancellor of the Exchequer Norman Lamont and his Finance Ministry colleagues had to intervene into the money markets in order to bring under control what one broker described as "complete panic." The pound and the dollar slumped further against the deutschemark in reaction to the disappointing summit results. Wrote the London *Financial Times*, "They are dusting off the old devaluation theory."

The failure to reach any conclusion on the General Agreement on Tariffs and Trade (GATT) also does not exactly bespeak harmony and concord among the seven leaders. The fact that outright trade war is now raging between the United States on the one side, and Europe and Japan on the other, could not be swept under the rug. From the British delegation it was reported that Major wanted to "read the riot act" to Mitterrand during their tête-à-tête, but was doused like a wet poodle. Kohl, who chaired the summit, used his veto to knock down all attempts by Major to bring in his GATT policy.

### The IMF: old wine out of old bottles

Point 18 of the final declaration of the heads of state says that the industrialized nations bear "special responsibility for a healthy world economy." Therefore, it goes on, they are irrevocably committed to the policies of the International Monetary Fund toward the developing countries—i.e., precisely the world economic order which has condemned entire continents, such as Africa, to death. The G-7 nations "will especially support those nations which undertake credible efforts to help themselves," i.e., those who submit to IMF dictates. The IMF is to continue for one more year its extended structural adjustment facility, while measures by the Third World nations to meet "global challenges such as population growth and protection of the environment," will be taken as evidence of their creditworthiness.

If these economic statements coming out of the summer were prevarications, then those on aid to Russia were outright lies. IMF Managing Director Michel Camdessus had traveled from Moscow directly to Munich in order to report a "breakthrough" in his negotiations with the Russian government. Moscow had promised to hold to the IMF's conditions, and now the first tranche of \$1 billion had supposedly been made available. But in reality, Yeltsin was sent back to Moscow empty-handed.

The G-7 returned to demanding the harshest IMF conditions for Russia. They state: "These reforms must be energetically pursued. The citizens of these states are called upon to continue to make great exertions and even sacrifices." Yeltsin was so desperate that he even offered Russian raw materials and factory buildings as collateral for covering the debt, in a Russian version of Henry Kissinger's infamous "debt-for-equity" scheme. But this Russian bluff won't function. The \$24 billion aid package is still hung up in the U.S. Congress. Japan has refused all participation, and has continued to raise the demand that Moscow return the Kurile Islands to Japan. And even the \$1 billion now promised will only be paid out provided Moscow follows the IMF's demands (in diplomatic lingo, "fulfillment of macro-economic conditions"), and will only be applied to building up currency reserves, nor for the importation of needed goods for industry and consumers. The G-7 policy is worsening precisely the problems which are making Russia unable to fulfill the demanded conditions.

An explosion in eastern Europe and the Community of Independent States is therefore bound to occur. Poland is called upon by the G-7 declaration to finally come to an understanding with the IMF. The countries of central and eastern Europe are called upon to develop their mutual economic relations "on the basis market principles and in harmony with the principles of GATT."

The seven lame men had three nice days in Munich. At the next such summit in Tokyo, they should be confronted with the statements they have just made, and with their political and economic consequences. But the prospects for that are dim, since by then, most of them will probably be out of office.

# Collapse of Ibero-American 'recovery' panics Washington

by Cynthia Rush

On June 24-25, eleven Ibero-American finance ministers met in Washington to discuss the "success" of the Bush administration's free market economic model for the continent. In a June 25 press conference following the meeting, Treasury Secretary Nicholas Brady waxed euphoric about the "new partnership" between the United States and Ibero-America which, he said, "has real substance; it's not just words."

What's happening in Ibero-America "is an American hemisphere success story," Brady gushed. "We have something here that works." At the same press conference, Venezuelan Finance Minister Ricardo Hausmann, whose country is in the throes of a severe political and economic crisis, denied that there had been any special emphasis placed on Venezuela during the discussions, and nonchalantly announced that his country had the "fastest-growing economy in the region."

Behind all the nice-sounding rhetoric is the truth that the model Brady was extolling not only *doesn't* work—not for Venezuela, nor any other country—it was falling apart at the seams at the precise moment the finance ministers were meeting. Its collapse will have a boomerang effect on U.S. creditor banks, which have been the largest beneficiaries of the speculative stock market boom which Brady refers to as Ibero-America's "economic recovery."

This was the real reason for the meeting. In the face of recent economic instability and political uncertainty in Ibero-America, the speculative investment and hot money flows which have bloated stock markets in Argentina, Brazil, Mexico, and Chile over the past several months, have now reversed themselves. Mexico's market dropped 15% during the last two weeks of June; Argentina's market lost over \$7 billion during June, a decline of almost 22%; and Brazil's markets have dropped precipitously, along with the fortunes of the country's scandal-ridden President Fernando Collor de Mello.

## What about Harvard?

So much for the genius of the continent's Harvard-trained finance ministers who were the object of lavish praise in the June 15 edition of *Business Week*. The magazine noted that Ibero-America's current "market revolution" is being carried

out by technocrats and "whiz kids . . . armed with MBAs and economics PhDs from Harvard, Yale, MIT, and other elite American universities." Who better to carry this out than "the English-speaking economists, many with classmates in the banks and the International Monetary Fund?" *Business Week* asked. Mexican Finance Minister Pedro Aspe expressed relief to the magazine: "Thank God we didn't cut scholarships to the U.S." during the lean years, so young Mexicans could continue to be sent to the United States to be trained at Harvard.

But Harvard isn't going to bail them out of the mess the continent now faces. Ibero-America's touted "economic recovery" is a myth. The free market "reforms" applied by most of the continent's governments have destroyed these economies' ability to produce for anything but foreign looting, opening them up to both foreign investors or domestic speculators to make a quick killing in the market.

Most of the continent's economies are on the brink of disaster. Colombia's basic infrastructure has collapsed as a result of years of World Bank, and International Monetary Fund (IMF) policies. Electricity and water are unavailable to the population. Brazil is again facing hyperinflation and the collapse of Collor de Mello's "modernization" program. The Anglo-American political establishment may be forced to jettison Collor de Mello, but it is desperately trying to save the free market reform package that is the centerpiece of his government's program. The banking community has just extended a lifeline to Finance Minister Marcilio Marques Moreira, whose presence in the cabinet is considered essential to the continuation of IMF policy, in the form of a debt renegotiation package, to restructure \$44 billion in medium- and long-term debt.

Even though the agreement is being hailed as "the end of the Latin American debt crisis," however, the *Washington Post* noted on July 8 that "the package could come unraveled because of either Brazil's extremely volatile political situation, or the nation's severe economic problems."

Even Mexico, hailed by the Bush administration as the "model" for the continent, is in a precarious situation. The virtual elimination of tariffs has flooded the country with cheap U.S. imports that have eliminated tens of thousands

of Mexican manufacturing firms and hundreds of thousands of jobs. At the same time, these policies have saddled the country with a \$13 billion balance of payments deficit in 1991 which was only paid for by vast influxes of foreign "hot" money.

The growing spread of epidemic diseases such as cholera and AIDS is a further reflection of the continent's economic breakdown.

### **Creditor banks are the beneficiaries**

One of the main ways this looting process worked over recent years has been through the process of "privatization" of what had been state-sector companies in Ibero-America: that is, selling off national assets to private, usually foreign, owners. More often than not, the people with the funds have been the same international banks that hold the foreign debt of the countries in question. So the bankers would trade in their old debt paper for equity in the newly sold companies, and then use these funds to speculate on the local stock markets.

The June 14 *New York Times* revealed that many of the largest U.S. banks are today reaping tremendous profits from these debt-for-equity deals, largely based on the inflated values of the newly privatized companies on the high-flying Ibero-American stock markets. In fact, David Rockefeller a few months ago boasted at a meeting of the Council of the Americas that it was banking activity in Ibero-America that was helping to bail out the U.S. banks from their otherwise deadly loan losses in U.S. real estate and elsewhere.

It must have been this which Treasury Secretary Brady had in mind when he repeatedly stated to the press after the meeting with his Ibero-American colleagues: "This is an American hemisphere success story. We have here something that works. It has energy, because it has worked. . . . It is a success that can be continued. . . . It is new. It is not words. . . . It's based on the fact that it works," etc., *ad nauseam*.

### **Situation is out of Washington's control**

The Bush administration has already had to deal with last February's attempted coup in Venezuela, and the early-April events in Peru. Brazil and Bolivia are very shaky, and other countries will rapidly follow suit. Argentina's much-touted "stabilization" program, also based on stock market speculation, is starting to fall apart. Following the recent meeting in Argentina of the heads of state of South America's Southern Cone nations, who have formed the free trade-based common market known as Mercosur, the president of J.P. Morgan in Buenos Aires minced no words in describing Brazil as a "basket case" whose role in regional integration plans was doubtful. If, on top of this, the Ibero-American stock market bubble suddenly bursts, the U.S. banks—not to mention George Bush—will have huge problems on their hands.

It is this realization—and not some back-slapping over the Bush administration's "successes" in Ibero-America—

that motivated the finance ministers' meeting in Washington. An article published in the July 1 *Christian Science Monitor*, written by the directors of the major Washington-based policymaking agency for Ibero-America, the Inter-American Dialogue, admitted that the ministerial meeting was organized very quickly, with almost no preparation, and not even an agenda, until the last minute.

Authors Peter Hakim and Richard Feinberg have figured out that the deepening misery created in Ibero-America by the "adjustment" policies they advocate, are the real cause of the instability afflicting the continent. They also know that Washington doesn't have the situation under control. "Unless Latin America's deep social problems were effectively addressed, the region's drive toward market reforms, open trade, and sustained economic growth would almost surely falter," they warned.

One of the weaknesses in guaranteeing continuation of the Anglo-Americans' free market reforms, they note, is the "lack of adequate institutional capacity to guide regional integration efforts." If these reforms are to be made irreversible, which is the Anglo-American establishment's goal, then some kind of supranational apparatus will be required to enforce the policy. "A new inter-governmental institution is needed to exercise leadership on regional integration issues," Hakim and Feinberg put it.

The June 26 *Financial Times* of London gave a further indication of Washington's concerns: a senior Treasury official who attended the June 24-25 meeting warned that "what now has to take place is not only a continuation of those reforms, but they have to become more broadly shared. Obviously, in order to keep the people of Latin America convinced that this is something good for them, the economic fruits of these reforms can't all be in the stock market; they have to flow down to the people."

From the Ibero-American side, there is a good deal of panic as well. Just prior to the Washington ministerial meeting, Enrique Iglesias, president of the Inter-American Development Bank (IADB), defensively insisted during a press conference in Venezuela that social unrest existing in several areas of the continent "must be attributed to disorders which preceded the adjustment [policy]. These programs facilitate social programs. If there are no orderly economies, social problems cannot be resolved."

On June 21, the Buenos Aires daily *Clarín* reported that the finance ministers were quite worried because the multilateral fund which is supposed to foment investment in the region "is in limbo because the U.S. Congress hasn't yet approved the first \$100 million which the government in Washington was committed to approving." Similarly, a Reuters cable which appeared in the Venezuelan press on June 22 reported that the region is "afflicted with uncertainty over the U.S. elections," which George Bush could certainly lose, and characterized the political crisis in Venezuela as "very worrisome."

# California is paying its bills in scrip

by H. Graham Lowry

The state of California's budget crisis has provided dramatic proof that the depression is here—and that no remedies are in sight under current economic policies. For the first time since the 1930s, the state has begun paying its bills with scrip, having entered the new fiscal year bankrupt and without a budget.

"This morning, California is running on empty," Republican Gov. Pete Wilson announced July 1. "Apparently a budget breakthrough is neither imminent nor on the horizon." Through July 7—still without a budget—the state issued more than 81,000 "registered warrants" (IOUs) worth nearly \$75 million. Most major banks have agreed to redeem them for their regular customers, at least through the end of July. By then, the state would have to send out 800,000 warrants, worth between \$1.4 billion and \$1.6 billion.

The scrip can be issued only for bills incurred before June 30, however, leaving all current state programs unfunded until a new budget is passed. The head of the California Bankers Association, Larry Kurlmel, said July 1, "Banks have been asked to cash instruments which are nothing more than IOUs, advancing billions of dollars to the state."

California's economy has collapsed so rapidly that its budget deficit is beyond any conventional "fix." The projected shortfall of \$10.7 billion for the new fiscal year comes on top of last year's \$14.3 billion—a two-year total of \$25 billion, which is more than 40% of the state's entire budget. Massive layoffs and plant closings in aerospace, defense, and electronics over the past several years have gutted the revenue base, especially in Southern California. Aerospace employment in Los Angeles County alone has declined from 304,000 in December 1986 to 214,000 today. The state's official unemployment rate shot up from 8.0% in April to 9.5% in June, the highest of the nation's largest states.

Mounting bank failures and collapsing real estate are knocking out the remaining revenue props. The California Association of Realtors reports that housing sales in May were down 10.4% from a year ago. In Los Angeles, they collapsed by over 24%; in Sacramento, the capital, by 26%. To add to the state's woes, Wall Street bankers have steadily tightened the credit squeeze on the state since last December, when its revenues went into a free fall. Moody's Investors Service lowered California's credit rating again in February, from Aaa to Aa1, and dropped it another notch on July 6 to

Aa, adding hundreds of millions of dollars in interest costs for California bonds.

## Provoking a government crisis

By refusing to address the complete reversal needed in the nation's economic policies, California's state officials have turned the budget crisis into a political impasse, restricting the fiscal "choices" to fascist austerity measures, and suggesting that the existing constitutional government be abolished.

Governor Wilson has ruled out any tax increases to cover the projected \$10.7 billion deficit. He and his fellow Republicans in the legislature are demanding \$2.2 billion in health and welfare cuts, including slashing Aid to Families with Dependent Children by 25% over two years, and reducing aid to the elderly, blind, and disabled by 4.5%. Health and Welfare Secretary Russell Gould warned July 3 that those cuts would be *increased* if the legislature does not also cut spending for public schools and community colleges by \$2.3 billion.

The education cuts would prevent 110,000 children from attending kindergarten this fall, and would force community colleges to shut down one of every four classes and raise fees by more than 200%. Four California State University campuses have already closed admissions for next year's winter and spring terms, a decision expected to bar 15,000 would-be students from enrolling in January.

Democrats in the State Assembly refused to cut school aid by more than \$605 million, and were not anxious to embrace Wilson's murderous welfare cuts either. The result was that neither party had the votes to secure the two-thirds majority in both houses required to pass a budget before the fiscal year deadline.

Wilson denounced the Democrats' refusal to pass his education cuts as a decision "to plunge the state into chaos. . . . The choice [the Democrats] made will compel votes that are so repugnant that I seriously doubt the ability of the legislature to face it," Wilson said July 1. "Legislative inability to come to grips with these needlessly and unconscionably deeper cuts could well mean legislative paralysis. It could translate into a state government hopelessly adrift, and real and unjustifiable hardship for the people of California, and especially the poor."

State Senate Democratic leader Barry Keene told a press conference July 7, "California is sliding into chaos, and state government is very dangerously stalemated. It's time to scrap it and start anew." Keene has filed a bill to convene a constitutional convention to consider establishing "parliamentary" government, echoing the hue and cry from British-influenced quarters to do the same to the republic of the United States. His agenda includes another familiar item from Britain's menu: splitting California into two or more states. California entered the Union in 1850 as a free state, after all, and the Confederates have never forgiven that.

# Debt burden worsens Africa's drought of the century

by Dana S. Scanlon

Tens of millions, perhaps as many as a hundred million Africans are threatened by starvation as a result of an unprecedented killer drought affecting huge portions of the continent. This natural calamity, caused by the El Niño current in the Pacific Ocean, is all the more devastating since most countries have been unable to invest in the water and infrastructure projects that could alleviate the impact of the drought, as a result of the "structural adjustment" economic policies imposed by the International Monetary Fund (IMF) and other creditor institutions.

The United States and the European Community are unlikely to be able to meet the skyrocketing grain import requirements on an emergency basis, since the policy in those countries has been to cut back on so-called "surplus" food production. So perversely successful have those policies been, that the U.S. Department of Agriculture is cutting back on its allocations to domestic school lunch programs, food banks, and other programs to help the hungry in America itself.

The drought of the century, as meteorologists are calling it, is turning southern Africa into a parched, barren land, unable to feed its people. After two successive years without rain, countries like Kenya, Zimbabwe, and South Africa, which normally have a surplus of food and crops for export, are in dire need of imports and emergency food relief. The drought is now extending up and down the entire eastern coast of Africa, from the Cape of Good Hope in the south to Cairo in the north. Several countries in North Africa are affected as well.

South Africa alone, usually the world's sixth largest exporter of grain, will have to import 4 million tons of corn, according to the U.N. Food and Agriculture Organization (FAO). The estimated South African harvest for corn, 2.6 million tons, compares with 8.3 million in 1991, and is lower than the drought production of the 1980s, according to the U.S. Department of Agriculture. It is also the smallest projected grain crop since the early 1950s, when total plantings were lower.

The southern Africa region as a whole will have to import more than 14 million tons of food, including 11.5 million tons of cereals, this year and into next, as a result of the drought. Normally, southern Africa imports only 2 million tons of cereals. The same region's wheat crop is projected to be 1.5 mil-

lion tons, down one-third from last year; wheat imports will have to more than double to bridge that gap. In Zambia, wheat production is likely to fall by 50%, and Zimbabwe's wheat production is provisionally forecast at 120,000 tons, only 40% of the average output for 1987-90, according to the FAO.

Wheat production in Morocco, Algeria, and Tunisia is projected by the U.S. Department of Agriculture to be down by 25% this year. Morocco will have to double its wheat imports to a record 3.2 million tons, while Tunisia's imports will have to go up by one-third. Egypt, already extremely dependent on imports (two-thirds of its wheat consumption is met by imports), will need 6 million tons from abroad.

## Debt servicing blamed

On June 9, President Daniel Arap Moi of Kenya issued an appeal for international support, in which he warned that "as of today, over 1 million Kenyans are faced with a serious famine situation unless immediate corrective measures are taken." He said that approximately 170,000 metric tons of food for general distribution and over 5,000 metric tons of supplementary food for young children is required in the next 12 months to meet the immediate needs of the most severely affected portion of the population.

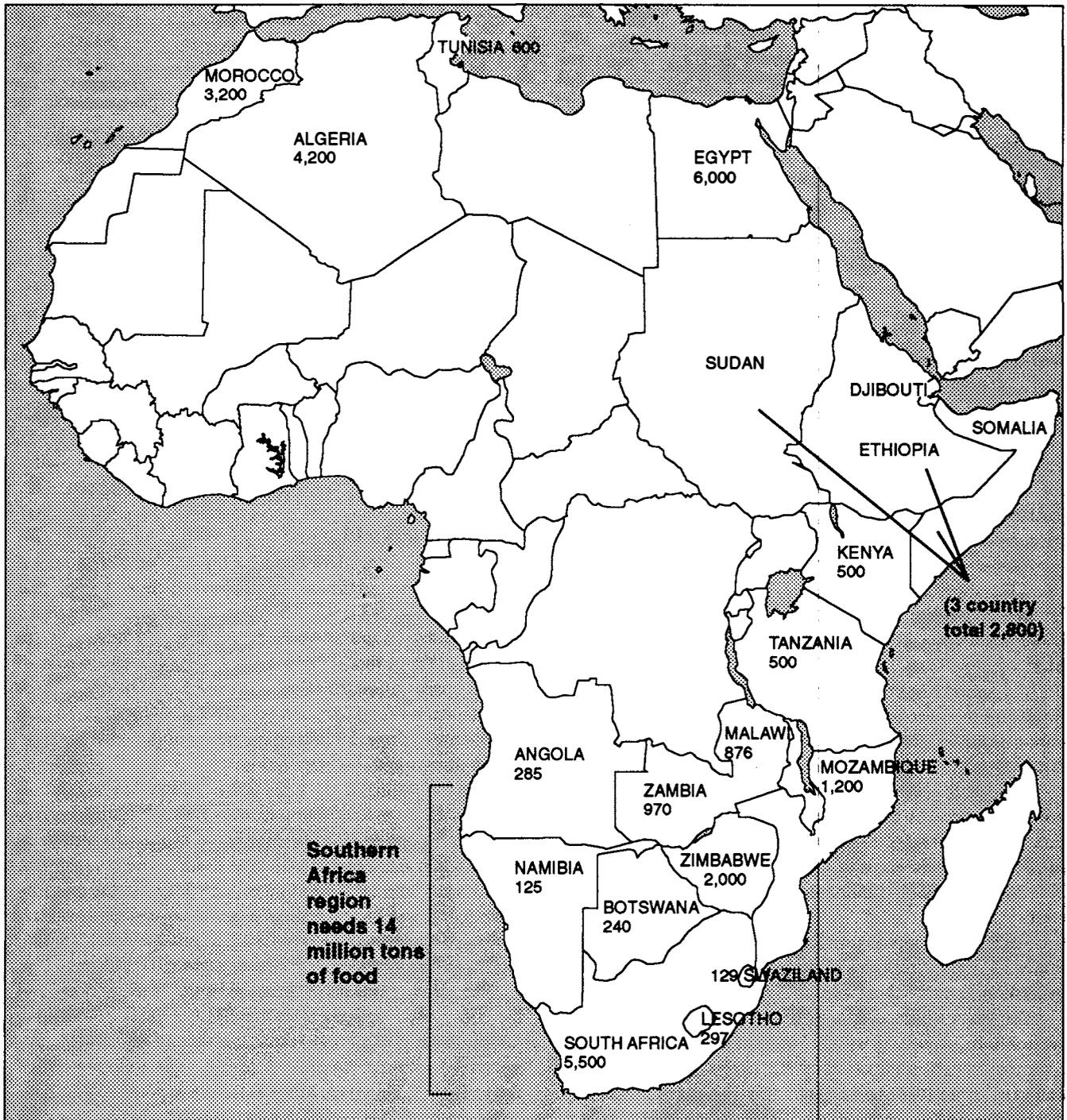
Kenyan Minister of Agriculture Elijah Mwangale announced 10 days later that ministers from 36 countries will hold crisis talks in Nairobi, Kenya on the food shortage in sub-Saharan Africa. According to Reuters, he charged that western governments and donors contributed to the crisis by not subsidizing production of traditional drought-resistant crops and by demanding repayment of foreign debts. He said Africa was struggling to service debts of \$380 billion.

Indeed, a major preoccupation of the IMF, donors, and the U.S. State Department, is that the drought might result in the jettisoning of the economic structural adjustment programs (ESAP) in many of the countries. The policies pursued under ESAP, however, are precisely the policies that have rendered many nations ill-prepared to cope with the crisis: Economic activity is geared toward export earnings for debt repayment, rather than building up the economic and productive base of the country through infrastructure, industry, and agriculture.

For example, the U.S. Agency for International Development (AID) sent a team from its Office of Foreign Disaster

## Emergency grain needs in African countries most affected by drought

(thousands of tons)



Assistance into southern Africa in March and April, to produce an assessment of the drought, its impact, and the needs of various countries. The report issued by the team warns that "there is great concern among donors and government that the

drought will derail the economic reform programs, especially in Zimbabwe. . . . There is concern that some governments may seize the drought as an excuse to go off ESAP as decision-makers do not differentiate the drought and adjustment pro-

gram impacts on their populations. . . . Abandonment of ESAP will result in a loss of donor confidence in countries' commitment to economic reform and a consequent loss of future donor and World Bank/IMF resources which will be desperately needed for drought recovery. The result will be a downward spiral which would set economic growth back for years to come and place many countries in a position of requiring emergency assistance year after year."

Kenya's Mwangale also noted the degree to which the food shortages had been exacerbated by civil wars and drought. "This year, people suffering from chronic famine in the Horn of Africa, Angola, and Mozambique will be joined by as many as 18 million people threatened by starvation for lack of food and water in southern Africa," the Kenyan minister said.

Some agencies estimate the number of people at risk from food shortages and in need of rapid assistance in the Horn of Africa, at 23 million people. In Somalia alone, at least 6 million people are in urgent need of food, water, and medicine.

Mozambique, where the drought has compounded the effects of years of civil war, is also in need of large-scale emergency assistance.

In most of the affected countries, the death toll is expected to rise sharply this fall, although in the most seriously stricken, the deaths will begin mounting this month, unless urgent international action is taken.

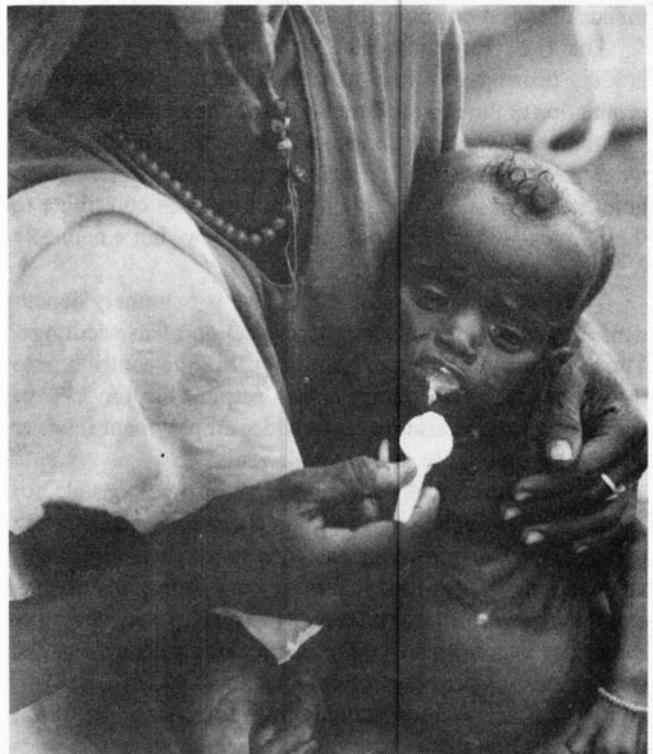
### 'State of national disaster' in Zimbabwe

Zimbabwe is one of the hardest-hit nations of all. On March 6, President Robert Mugabe declared a state of "national disaster" in accordance with the Civil Protection Act, following three years of poor rainfall. At the time, only a month's supply of food was on hand for distribution, and the industrial city of Bulawayo posted billboards warning "Twelve Weeks Left in Our Dams. Conserve Water." The government drew up a program designed to provide water to rural communities. About 600 water bowsers were to be installed at all vital institutions such as schools and hospitals.

More than half of Zimbabwe's 10 million people, according to some estimates, are threatened with thirst, starvation, and death. Industries and whole cities may be shut down. Many schools have closed because the children are too weak to walk the several miles usually required to get there.

The shortage of rain has decimated Zimbabwe's corn crop. Zimbabwe is usually the southern African region's second largest corn producer, but its production this year is estimated to be just one-third of the 1991 crop. (Corn meal is the dietary staple.) Zimbabwe usually produces three-quarters of its own wheat consumption, but that will not be the case this season. The drought has also ruined its previously thriving cattle and dairy industry. Sugar, also an important crop, has been devastated.

Zimbabwe's current emergency food requirements can be estimated as follows:



*Mother feeding a malnourished child at a relief center in Ethiopia, during the drought of 1984.*

- 1.7 million tons of corn
- 340,000 tons of wheat
- 160,000 tons of oilseeds
- 240,000 tons of sugar
- 15,000 tons of rice
- 4,000 tons of powdered milk
- 10,000 tons of beans
- 1,000 tons of butter oil

In April, President Mugabe officially launched a "Water for Life" campaign, intended to raise funds and equipment to alleviate water shortages. The campaign is seeking drilling rigs, pumps, storage tanks, and bowsers. A massive public works campaign has been launched by the government. It involves dams, weirs, piped water and irrigation schemes, roads and bridges, health centers, vegetable gardens, and schools.

Thanks to its previous sizeable investments in irrigation, Zimbabwe has not only recovered from previous periods of drought, producing enough food for its own people, but has exported to its less fortunate neighbors. Most immediate among its neighbors to suffer are Mozambique, which has millions of people displaced by the long civil war there, and Malawi, where more than 1 million Mozambiquan refugees have relied on food from Zimbabwe.

### Environmental threat

Zimbabwe is threatened by more than drought. Man-made disasters are looming, as a result of the extremist de-

mands of the environmentalist movements.

The U.S. Environmental Protection Agency (EPA) is holding hearings intended to lead to the phasing out of the production of the chemical methyl-bromide by the year 2000. The radical environmentalists, who have successfully brainwashed a generation of Americans with scare stories about holes in the ozone layer, claim that bromides contribute to these holes—which are in fact nothing new, but a naturally occurring phenomenon.

The tobacco industry of Zimbabwe is extremely dependent on methyl-bromide for the protection of its seedlings. The tobacco industry there is the largest single contributor to the Zimbabwean economy, and is responsible for 25% of foreign exchange earnings. It provides employment for over 520,000 people—6% of the population.

The environmentalist movement is also responsible for Zimbabwe's struggling to cope with its current overpopulation of elephants. Far from being an endangered species, elephants are over-running the country. This creates a particularly dangerous situation when water is scarce. The elephant population of Zimbabwe is now up to 70,000, and biologists believe that the country's eco-system can only support about 45,000.

In 1905, Zimbabwe had only 5,000 elephants. By 1960, the number had grown to 33,000, at which point scientists noted that the elephant was destroying its own habitat, thus threatening the long-term survival of the species. (Unlike man, the elephant is unable to introduce technologies into his environment that would make the eco-system capable of sustaining an ever-increasing population.) Culling was introduced in the 1960s, otherwise the elephant population would have grown to 134,000 by the year 1991. But pressure from environmentalists has prevented the sale of the ivory.

### U.S. Congress does nothing

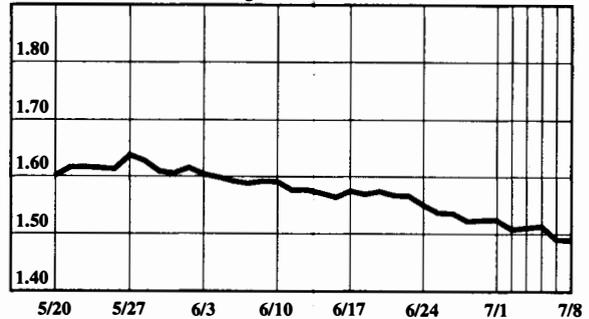
While Africa burns up from the effects of the drought, the U.S. Congress has been busy fiddling over what it calls human rights issues. For example, while Kenya has been appealing for assistance to fend off the possible starvation of 1 million people, and Malawi is considered one of the countries in need of the most urgent aid, hearings were held by the House Subcommittee on Africa of the Committee on Foreign Affairs on June 23, to discuss human rights issues in both those countries.

Apparently food, water, and shelter are not considered basic human rights by Rep. Joseph P. Kennedy II (D-Mass.). Kennedy took to the floor to denounce the Moi government of Kenya for "autocratic rule" and for not engaging in a voter registration drive among the nation's youth. Not a word did he utter about the perils facing the people of Kenya who are being condemned to slow death by starvation and dehydration. On the contrary, Kennedy praised the international donor community "for maintaining pressure on Kenya through its decision to withhold much of Kenya's economic assistance."

## Currency Rates

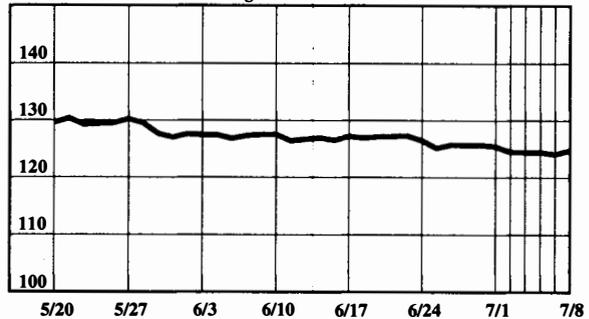
### The dollar in deutschemarks

New York late afternoon fixing



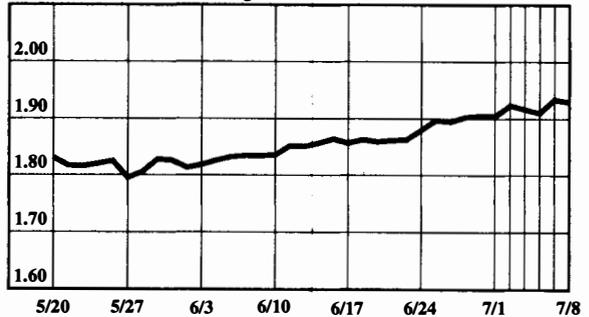
### The dollar in yen

New York late afternoon fixing



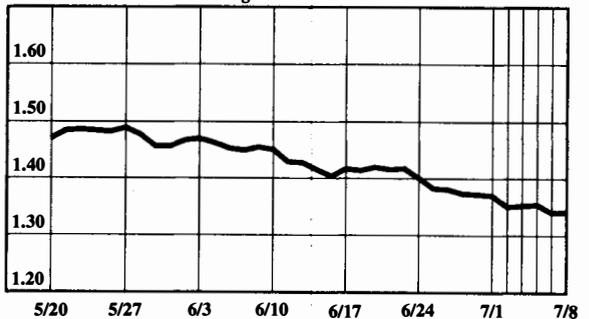
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



## An example of Christian capitalism

*Father Gallipoli says of his successful farm cooperatives in Mozambique: "You cannot evangelize a slave."*

**T**he social doctrine of the church is not just an abstract theory. A recent issue of the monthly *Mondo e Missione*, published by the Pontifical Foreign Missions Institute of Milan, provides an example. Near the Mozambique capital of Maputo, an Italian priest set up a series of farm cooperatives, starting in 1979. Now united in the General Union of Agricultural Cooperatives, these are the most important agricultural enterprise in the country, after the multinational Lonrho.

The union is the major supplier of food for the capital. It includes 200 farm cooperatives, involving 8,000 workers, 82% of them women. They produce rice, millet, maize, chickens, eggs, ducks, hogs, fruit, and vegetables.

The priest who created the union, Prosperino Gallipoli, had to fight with the communist Frelimo government, which expelled him from the country in 1979. Finally he convinced them of the need for his work and, coinciding with the economic woes of the "socialist" experiment started by Frelimo in 1975, at the end of 1979, Father Gallipoli was allowed back.

The union is a perfectly functioning example of cooperative capitalism. It includes all the administrative and logistical support the people need: schools, banks, medical care, warehouses, etc.

We reprint here translated excerpts of the interview Father Gallipoli gave to *Mondo e Missione*:

"Today our cooperatives import 60% of their chicks from South Africa. We raise 100,000 chicks a month, and sell laying hens and chickens for

food. Our objective is to become independent from the need to import chicks, and we are about to succeed, thanks to incubator machines provided by a Bergamo [Italy] firm.

"The Africans work well; they must simply be instructed in the techniques of production and will then be able to enjoy the fruits of their work. Frelimo failed with their *machambas do pove* [common labor fields], because there was no improvement for the workers; on the contrary, their living standards got worse. . . .

"They were bankrupt, the people were depressed and did not work any longer. I reorganized them according to three principles, which are clearly and forcefully repeated to all those who want to join us. First: He who does not work, does not eat. Second: He who works, must produce more. Third: He who produces more, must enjoy the fruits of his work."

"But this is capitalism," asks the interviewer, Father Gheddo. "How come [President] Chissano let you back into Mozambique?"

"It was in 1979, when socialism had failed, and the tragedy of hunger was starting. I said right away: The party shall stay out of my cooperatives. I will take care of educating the people. . . . I provided first of all a technical education: how to plant onions, tomatoes, etc. The Portuguese were great farmers, but taught nothing. When I arrived in the Maputo region, the technology was extremely low. I had to teach agriculture, how to raise animals, irrigation techniques, joinery, and everything else. Then I educated them to the freedom and the

dignity of men and women; then, courses in accounting and programming. Above all I taught the farmer to be adult, responsible, to engage not only in production, but also in decision-making. I trained them in responsibility, in justly distributing the fruits of work. In the state cooperatives, not only did they not pay regularly, but they never paid more than the minimum wage. I started to distribute the surplus that had been produced, and this created enthusiasm, commitment, and loyalty.

"The basic problem of development in Africa is this: that there are people of great humanity, with great human values, but who are not capable of expressing themselves in the modern world: They do not know its language, its rhythms, its mentality, its culture. Not only in agriculture, but also in industry and in politics. They produce little, get tired soon; if they get a paycheck, they do not go back to work for several days, as long as they have money for food to eat. The basic problem is educating people. If in a hundred adults you identify ten who have leadership quality, educate them, free them of their idiosyncratic reactions to novelty, and give them confidence, you have found a treasure. You have found those who will educate the people.

"I tried first to educate through the schools of the cooperatives, then leaving all the responsibilities to the Africans, and changing all those who did not perform well. Indeed, the Africans themselves change them, since the chiefs at all levels are elected and confirmed democratically. . . .

"I always intended my work as pre-evangelization: You cannot evangelize a slave, unless you make him free and give him trust in himself. The secret of success has been technical education, together with education in the Gospel."

## A conspiracy against Pemex

*Are the 'Seven Sisters' behind the ongoing efforts to break up Mexico's giant state oil company?*

**I**t is clear that there has been an ongoing plot for several years to dismember *Petróleos Mexicanos* (Pemex), and to place the nation's hydrocarbons under the control of the multinational oil companies.

If you are to believe the wealth of propaganda that has been pouring out recently, Mexico's flagship state company is nothing more than a legal tangle, a nest of corruption, an island of inefficiency. According to this propaganda line, there is no one *inside Mexico* capable of managing the largest company in the world.

Recently, a new fabricated scandal has broken out regarding Pemex. José Luis Manzo Yépez, chief of the Department of Liquid Gas and Polymers Land Shipments, a dependency of PMI Comercio Internacional, SA de CV, the international branch of Pemex, went before the Comptroller's Office, the Attorney General's office, and the Chamber of Deputies with a suit alleging "damage to the national resources" caused by officials from other areas of the same company.

According to the suit, there exist "irregularities" in a contract between Pemex and the Texas petrochemical firm Lyondell, to transform propylene into polypropylene, which imply "losses" for Pemex. The officials named by Manzo Yépez declared that they "had initiated proceedings toward presenting a legal suit against the author of the lies."

Manzo Yépez is but a strawman for the current director of PMI Internacional, Adrian Lajous, Jr., who in turn is known for the emotional instability

characteristic of his entire family. His duties with the company have been that of a salesman of Mexican products on the Rotterdam spot market, controlled by the major oil multinationals. PMI Internacional is legally headquartered in Holland.

Strangely enough, those being sued by Manzo Yépez—particularly the former deputy director of Pemex's petrochemicals department, Robles Segura—are politically known as part of a faction inside Pemex which wants to restructure the Mexican giant along the lines suggested by Enrico Mattei's proposal. Mattei was chief of the Italian oil company Ente Nazionale Idrocarburi (ENI), and an advocate of an independent energy policy for his country. Mattei died in 1962, in a suspicious airplane accident and the plan languished.

Mattei's public enemies were the world oil monopoly which he himself baptized the *Sette Sorelle*, or the Seven Sisters, which formed themselves into a global cartel during a secret meeting at the Achnacarry Castle in Scotland, to exercise total control over world energy reserves.

All of which raises the question, who jailed oil workers' union head Joaquín Hernández Galicia, an act which paved the way for the present dismantling of Pemex?

In a June 29 interview with *Proceso* journalist Salvador Corro, Hernández Galicia states that his imprisonment is the product of a conspiracy.

"What we are suffering is something that was put together by the previous prosecutor's office, something

very badly done . . . very diabolical," he said. "I am not going to go free. I am only going to leave this place in a plastic bag, my friend. Let's not fool ourselves," he responded to a question as to what he would do if he were to go free.

Hernández Galicia states that he has demonstrated beyond a shadow of a doubt that the cache of weapons imputed to him "was sold 20 years ago to the Army and to the prosecutor's office." Regarding the charge of having assassinated Zamora Rioja, an agent of the Attorney General's office, Hernández Galicia says he has proof that the man "was pistol-whipped to death. . . . According to the testimony, I am being condemned for creating a square wound. . . . [It appears that] Zamora Rioja's death was caused by a square bullet," he concluded sardonically.

Hernández Galicia maintains that if the President of the Republic were to meet with his relatives or his lawyers, they would be able to prove his innocence. "There is a great deal of evidence that we would present to the President. There are more than 100 pieces of evidence, all favorable and proving that we are innocent."

The question more and more Mexicans have begun to ask, therefore, is, what really happened with Joaquín Hernández Galicia?

Alfredo López Ramos, former labor leader at the Salinas Cruz refinery, was also jailed on Jan. 10, 1989, and condemned to 10 years in prison "for trying to destabilize the company." According to López Ramos, he was freed thanks to a review of his record by the presidency and by the Government Ministry. He now maintains that "I don't believe it was the President of the Republic" who ordered the operation against Hernández Galicia and the oil workers' union.

If not he, then who?

## Loan shark bank loots farmers

*The Dutch Rabobank is the second largest financier of U.S. agriculture, but its shady dealings serve the cartels.*

**W**ith respect to the crisis in U.S. agriculture, which has lost its mission to feed the hungry at home or abroad, a Dutch bank deserves special attention. The \$127 billion Dutch giant Rabobank got its start in the United States financing agricultural loans in 1981, after the Federal Reserve's high interest rate policy under Paul Volcker restricted credit for agriculture.

Today the Rabobank is the second largest financier of agriculture in the United States, ranking behind the Farm Credit System, according to a recent investigative report by the *Des Moines Register* in Iowa.

After U.S. banking was deregulated in 1980, Rabo moved in and began offering agriculture banks funds at lower rates than these banks charged their farm customers. First Rabo purchased operating loans from farm banks and later real estate loans, after states like Iowa made appropriate changes in their laws to allow foreign ownership of farmland.

Rabo was also able to purchase from agri-banks loans guaranteed under the federal government's Farmers Home Administration loan guarantee program.

Over the 1980s, Rabo's agricultural investments shifted from producer financing to food processing and distribution. Through purchasing Farm Credit System bonds, among other methods, Rabo has been positioning itself to operate on behalf of the cartels' restructuring of U.S. agriculture. This involves shutting down independent producers and only supporting production as a function of a vertically organized "food industry." The farmer is viewed as a mere low-

cost "input" into this system.

Rabo's practice has been to move in, buy up loans, and cash in when the farmer is foreclosed upon. At least one Midwestern farmer has stated on the public record that the decision to foreclose on his loan was made after his bank sold the loan to Rabobank. Rabo then cashed in on the government guarantee.

Early in the 1980s, Rabo made over \$75 million in loans to farmers through 230 farm banks in 15 states. They were positioned, along with other Wall Street bankers and cartels, to pop the farm credit bubble, liquidating thousands of independent producers between 1985 and 1988. Once again, credit for U.S. agriculture was tight. Rabo then poured money in to agribusinesses, processors, and distributors.

Today, according to the *Des Moines Register*, the bank has a \$6 billion agribusiness loan portfolio in the United States, which includes Cargill, IBP, ADM, among other food cartel companies. Rabo has emerged as a primary lender for U.S. agricultural exports, benefiting from government loan guarantees.

The vice president of Rabo's New York office, Charles Hallock, has even gone before Congress, demanding that the U.S. government guarantee 100% of loans made to export commodities from government stocks to developing countries. Rabo also demands that loan repayments go to build infrastructure for cartel activities in these countries.

Rabo began as a 1972 merger of two Dutch farm cooperative bank groupings. In the Netherlands today

there are 937 Rabobank cooperatives. Rabobank Netherlands is the second largest bank in the Netherlands; 40% of all Dutchmen place their savings there.

However, it is also known for another source of liquidity. According to a European narcotics investigator and state's attorney, Rabo is a launderer of drug money. It has offices in Germany, London, Antwerp, Paris, Singapore, Hong Kong, Jakarta, and São Paulo. In the U.S., it has offices in New York, Des Moines, and Dallas.

Said by some to be the bank of the Dutch government and monarchy, and to represent the feudal interests of the Dutch and English royal families, its chairman for many years was Pierre Lardonais. Lardonais was a minister in the Dutch government and the agriculture commissioner of the European Community before assuming chairmanship of Rabo in 1977, until his death in 1987. He was active in the European Cultural Foundation, which represents these same feudal financial interests, whose goal is to override national sovereignty, by use of supranational entities.

In his capacity as chairman of Rabo, Lardonais authored a 1985 Tri-lateral Commission report, "Agriculture Policy and Trade, Adjusting Domestic Programs in an International Framework." The piece was concerned with how to increase the return on capital employed in agriculture. It served as a blueprint for the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), and for the "market-oriented" 1985 U.S. farm bill. The report called for eliminating government protection of farmers, in the name of "free trade."

Rabo's U.S. advisory board includes representation from the cartel giant Continental Grain, and from such cartel fronts as National Farms and Farmland Industries.

## O&Y faces bankruptcy in U.S., too

*Felix "the Fixer" Rohatyn is brought in to save the banks; Representative Gonzalez is to investigate.*

**W**hile it has thus far managed to avoid the bankruptcy courts, Olympia & York (U.S.) Holdings, the U.S. arm of the bankrupt Canadian real estate giant, is living on borrowed time.

O&Y U.S. defaulted on a \$2 million payment on its Yerba Buena office building and entertainment complex in San Francisco this month, a project into which it has already poured 10 years of planning and \$25 million. Unless a last-minute deal is arranged, O&Y will have to forfeit the entire investment.

"I find it difficult to understand why they don't pay us the \$2 million, keep their rights, and get another developer to take over the project," complained Edward Helfeld, the director of the San Francisco Redevelopment Agency.

The reason is simple: O&Y is broke. Even were it to scrape up the \$2 million, it could never afford to complete the project. Nor would it be able to sell those rights to another developer. These days, completed office projects are available at huge discounts, with buyers few and far between; one would have to be crazy to take over an undeveloped property like Yerba Buena.

When the O&Y crisis first surfaced publicly in the spring of this year, the company claimed that it was merely the victim of a temporary liquidity crunch, comparing its troubles to a run on an otherwise healthy bank. Even after the bankruptcy of the Canadian and United Kingdom operations, the company insisted that its U.S. operations were healthy.

However, according to papers

filed in Canadian bankruptcy court, the U.S. subsidiary lost \$147.1 million in 1990 and \$184.3 million in 1991. Without a gain of \$97.5 million on the sale of part-interest in a Manhattan office building, the loss would have been much worse.

In fact, the court papers show, O&Y is suffering massive losses on its U.S. properties, and is expected to post a negative cash flow through 1995. Of the 33 U.S. properties listed in the document, 18 are expected to have negative cash flow in 1993; 14 in 1994; 10 in 1995; and 8 in 1996.

According to the Canadian court papers, the U.S. operation had a net worth of minus \$470 million at the end of 1991, compared to a net worth of minus \$300 million at the end of 1990. These figures were calculated on a historical cost basis. Some published reports claim that the properties would be worth closer to plus \$1 billion at current market values, but that has little meaning in a real estate market where no one is buying.

The court papers also show that O&Y U.S. has \$5.3 billion of debt in first mortgages, and another \$458 million of debt in second mortgages, for a total mortgage debt of \$5.7 billion.

But, as the case of Aetna Life & Casualty Co. shows, mortgages are only part of the debt. Aetna, which is struggling under the weight of \$3.4 billion worth of non-performing real estate loans—17% of its portfolio—has announced that it will write off \$45.7 million in its second quarter for losses related to O&Y. The loss stems from a guarantee that Aetna extended on bonds

issued by O&Y on its 55 Water St. office tower in Manhattan. When O&Y defaulted on the bonds, Aetna had to pay the investors nearly \$21 million. Of Aetna's \$399 million in exposure to O&Y, roughly half of the obligations are guarantees and the other half are mortgage notes, according to Shearson Lehman Brothers.

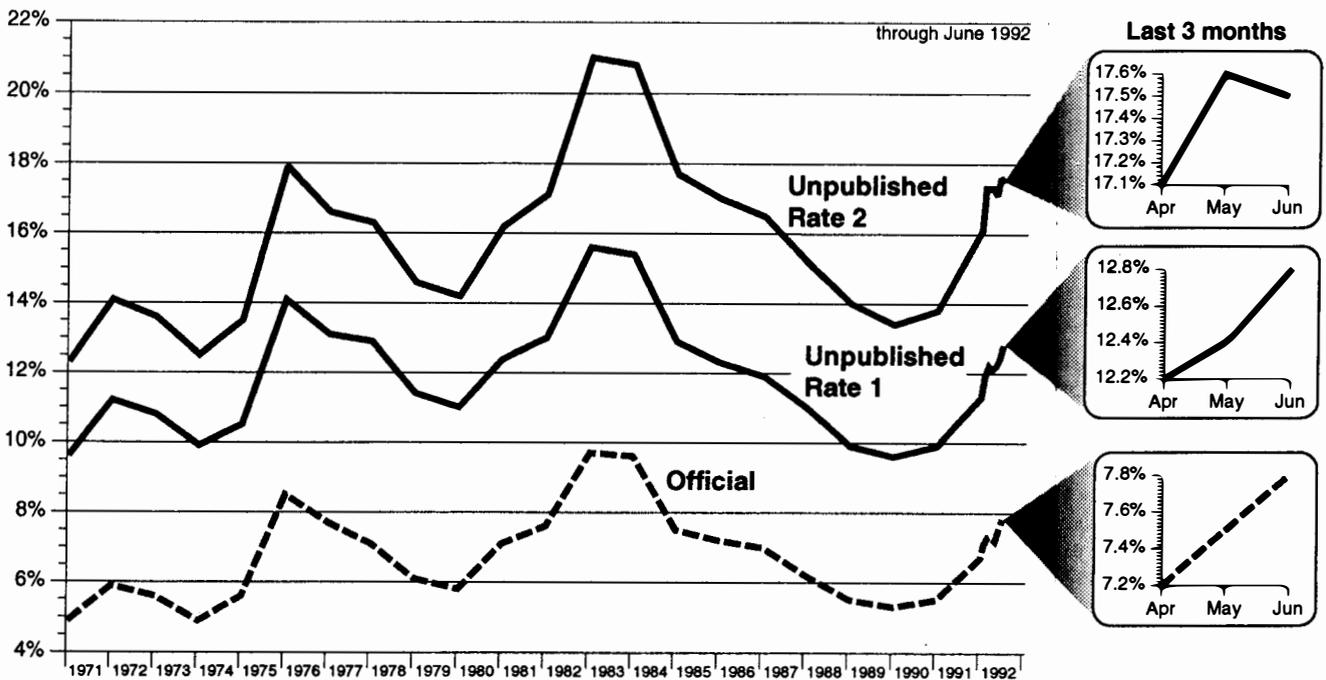
Aetna is going to have lots of company in writing off O&Y debts. O&Y's consolidated financial statements for the accounting year that ended Jan. 31, 1992 are expected shortly, and company sources say O&Y will write down its assets by at least \$2 billion; other published sources say the writedown may go as high as \$4.5 billion. Either way, that's a lot for a company which claimed—falsely—a net worth of \$5 billion in April.

Meanwhile, O&Y has been shuffling its advisers. The Canadian parent company has fired J.P. Morgan and Burns Fry, while the U.S. unit has hired Lazard Frères. According to O&Y U.S. President John Zucotti, Lazard was retained because of its "expertise in real estate and capital raising and its worldwide contacts."

Lazard's real expertise, however, is bailing out the banks by looting the public. That's what the so-called bailout of New York City, run in large part by Lazard's Felix Rohatyn, was all about. Zucotti was deputy mayor of New York City during the bailout. Now, with the big banks facing extinction, "Felix the Fixer" has been brought in to rescue them again.

The impact of the failure of O&Y has not gone unnoticed on Capitol Hill, either. House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) has announced hearings on the collapse of O&Y and its "very troubling" effect on the U.S. banking system. Gonzalez has been quite critical of the banks for hiding their real estate losses.

# U.S. Unemployment Coverup



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

Year	Civilian labor force (a)	Official unemployed (b)	Want a job now (c)	Part-time, economic reasons (d)	Official U-5b rate b/a	Unpublished Rate 1 (b+c)/a	Unpublished Rate 2 (b+c+d)/a
1970	82,771	4,093	3,881	2,198	4.9%	9.6%	12.3%
1971	84,382	5,016	4,423	2,452	5.9%	11.2%	14.1%
1972	87,034	4,882	4,493	2,430	5.6%	10.8%	13.6%
1973	89,429	4,365	4,510	2,343	4.9%	9.9%	12.5%
1974	91,949	5,156	4,514	2,751	5.6%	10.5%	13.5%
1975	93,775	7,929	5,271	3,541	8.5%	14.1%	17.9%
1976	96,158	7,406	5,233	3,334	7.7%	13.1%	16.6%
1977	99,009	6,991	5,775	3,368	7.1%	12.9%	16.3%
1978	102,251	6,202	5,446	3,298	6.1%	11.4%	14.6%
1979	104,962	6,137	5,427	3,372	5.8%	11.0%	14.2%
1980	106,940	7,637	5,675	4,064	7.1%	12.4%	16.2%
1981	108,670	8,273	5,835	4,499	7.6%	13.0%	17.1%
1982	110,204	10,678	6,559	5,852	9.7%	15.6%	21.0%
1983	111,550	10,717	6,503	5,997	9.6%	15.4%	20.8%
1984	113,544	8,539	6,070	5,512	7.5%	12.9%	17.7%
1985	115,461	8,312	5,933	5,334	7.2%	12.3%	17.0%
1986	117,834	8,237	5,825	5,345	7.0%	11.9%	16.5%
1987	119,865	7,425	5,714	5,122	6.2%	11.0%	15.2%
1988	121,669	6,701	5,373	4,965	5.5%	9.9%	14.0%
1989	123,869	6,528	5,395	4,656	5.3%	9.6%	13.4%
1990	124,787	6,874	5,473	4,860	5.5%	9.9%	13.8%
1991	125,303	8,426	5,736	6,046	6.7%	11.3%	16.1%
<b>Monthly data (seasonally adjusted)</b>							
<b>1991:</b>							
June	125,629	8,745	5,519 <sup>1</sup>	5,705	7.0%	11.4%	15.9%
July	125,214	8,501	5,846 <sup>1</sup>	5,881	6.8%	11.5%	16.2%
August	124,904	8,488	5,846 <sup>1</sup>	5,892	6.8%	11.5%	16.2%
September	125,607	8,442	5,846 <sup>1</sup>	6,374	6.7%	11.4%	16.4%
October	125,549	8,582	5,932 <sup>1</sup>	6,328	6.8%	11.6%	16.6%
November	125,374	8,602	5,932 <sup>1</sup>	6,408	6.9%	11.6%	16.7%
December	125,619	8,891	5,932 <sup>1</sup>	6,321	7.1%	11.8%	16.8%
<b>1992:</b>							
January	126,046	8,929	6,118 <sup>1</sup>	6,719	7.1%	11.9%	17.3%
February	126,287	9,244	6,118 <sup>1</sup>	6,509	7.3%	12.2%	17.3%
March	126,590	9,242	6,118 <sup>1</sup>	6,499	7.3%	12.1%	17.3%
April	126,830	9,155	6,310 <sup>1</sup>	6,272	7.2%	12.2%	17.1%
May	127,160	9,504	6,310 <sup>1</sup>	6,524	7.5%	12.4%	17.6%
June	127,549	9,975	6,310 <sup>1</sup>	6,040	7.8%	12.8%	17.5%

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

## Explanatory Note

In June, over 6.3 million jobless and 6 million more semi-employed people were ignored by the U.S. government's Bureau of Labor Statistics in its calculation of the official (U-5b) unemployment rate. To bring out the truth, EIR is publishing the rates you would see if the government didn't cover up.

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

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

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

# Business Briefs

## Technology

### Japan launches first MHD-propelled ship

A Japanese research consortium ran the first test of the first ship propelled by magnetohydrodynamics (MHD) at the end of June. The *Yamato 1* successfully demonstrated the use of a propulsion with no moving parts.

According to the July 1 *Washington Post*, the nearly 100-ton ship uses the principles of MHD to propel water out of a tube under the hull, rather than push it using a propeller. This allows the propulsion system to be silent. There is no periodic propeller sound which can be picked up by sonar. It is a "stealth" ship similar to that portrayed in the anti-submarine warfare novel and film *The Hunt for Red October*.

MHD propulsion is more energy efficient than conventional systems, and also avoids the problem of cavitation, or turbulence produced by a propeller, which limits the speed of a ship. The Japanese expect to build ships with a top speed of 125 miles per hour.

The use of MHD for ship propulsion requires large superconducting magnets, which have only been experimental in other, stationary MHD devices. The Japanese have developed superconducting magnets for their magnetically levitated transport systems, and will continue to work on higher-temperature superconducting materials. These do not need to be kept just 4° above absolute zero as does the liquid helium coolant used in today's superconducting magnets.

## Health Care

### Canadian economy heading toward 'catastrophe'

A 300-page working document prepared for Canada's federal and provincial ministers of finance and health shows that governments at all levels have lost control of the public debt and, in particular, health care costs, and that the Canadian economy is heading toward a ca-

tastrophe in coming years unless major corrective measures are taken.

Michel Audet, editor of *Le Soleil*, a Quebec-based newspaper, reported June 19 that aside from debt service, health care is now the principal absorber of Gross National Product. According to Audet, "the recourse to abusive treatment using high technology" is partly to blame.

A debate has now broken out among the ministers and in the news media in Canada over what health services, and health services for whom, should be cut. The word "euthanasia" has even been used.

Meanwhile, in a move with more localized impact, the federal government recently resolved to abolish Newfoundland. A decision to ban all cod fishing along the Newfoundland and Labrador coasts effectively halts the region's main industry, which fishing sources estimate to be 70-75% of the provincial economy when spinoff employment is taken into account. Various media have said that the fishing industry directly produces 6% of the province's output.

This attempt to replenish falling cod stocks will result in immediate unemployment for 20,000 fishermen.

## AIDS

### Pandemic on the march, says Harvard study

A new study to be released in August by the Global AIDS Policy Coalition, based at Harvard University, warns that the spread of the "AIDS pandemic is increasing." The Harvard report states that the magnitude of the pandemic has increased a hundredfold since AIDS was first discovered in 1981. By early 1992, at least 12.9 million people around the world, including 7.1 million men, 4.7 million women, and 1.1 million children, will have been infected with HIV. Of these, about one in five have developed full-blown AIDS, of whom nearly 2.5 million have already died.

The study estimates that by the year 2000, between 38 and 110 million adults and over 10 million children will be HIV-infected, while

24 million adults and several million children will develop AIDS—up to 10 times as many as today.

The number of children orphaned by AIDS will more than double in the next three years, from approximately 1.8 million today to 3.7 million by 1995.

In just five years, the cumulative number of HIV-infected Africans has tripled, from 2.5 million to over 7.5 million today.

And HIV is spreading quickly into other areas. An explosion of HIV has been reported in Thailand, Burma, and India, where within only a few years, over 1 million people have become infected. China, Pakistan, the Philippines, and Indonesia are also on the verge of national epidemics.

The study reports that the most recent World Health Organization (WHO) figures for Asia are too low. The WHO estimates that 2-4 million Thais will be infected by 2000, over 50% of them women; the report puts the figure at 3-6 million. The first AIDS case was diagnosed in Thailand in 1984. Non-official estimates put current HIV infection levels at 500,000—almost 1% of the population of 55 million.

In India, at least 1 million people are AIDS carriers, and a Madras expert, Dr. Jacob John, puts the level at 2.5 million. Most affected, as in Thailand, are prostitutes and drug users, where AIDS is spreading rapidly. In 1986, only 1% of Bombay's 100,000 prostitutes were infected; now it is 35% in the state of Manipur. About 25% of some 40,000 drug addicts are infected. In a random test of blood supplies in New Delhi last year, 499 HIV-infected units were found.

## Russia

### West wants 'raw materials appendage'

A top Russian labor leader has warned his country that President Boris Yeltsin's government is cooperating with western nations whose aim is to turn Russia into their "raw materials appendage."

Boris Kagarlitsky, the chairman of the re-

cently founded left-wing Labor Party, in an interview with *Delovoi Mir* on June 24, said that it was his view that the "government is pursuing . . . two goals: to ruin the public sector of the economy by all means and to submit the national economic interests to the interests of the International Monetary Fund (IMF). The IMF, however, is only seeking to turn Russia into a supplier of cheap raw materials."

Kagarlitsky said that the IMF's promised \$24 billion in credit, "means turning Russia into a raw materials appendage of the West."

Kagarlitsky, asked how he sees Russia's internal situation by year's end, replied, "As soon as the wave of bankruptcies rises, which may be expected any moment now, it will cause large-scale unemployment accompanied by a wave of protests." He said this would cause a further deterioration in living standards, leading to the possibility of the government establishing "dictatorial rule in order to cope with those sentiments. I think a police regime may be established in Russia by this coming winter."

Kagarlitsky added that demonstrations staged by Stalinists "are playing into the government's hands. The authorities need a pretext to establish a police regime, and the Stalinists are creating such a pretext."

## Science

### Develop new method of monitoring diabetics

A new method of determining the level of glucose in the blood system of diabetics is being researched at Sandia National Laboratory in collaboration with the University of New Mexico. With the aid of technology developed for nuclear weapons, researchers have shown it possible to use a painless light flash to measure how much glucose is circulating in the blood stream.

The discovery has not yet been engineered into a practical monitoring system, but could replace the painful needle pricks of the finger that an estimated 2.5 million diabetics in the United States endure, sometimes several times a day, to obtain a drop of blood for glucose-

levels testing.

The test uses a flash of light in the near-infrared wavelengths, the part of the light spectrum that can penetrate flesh. Different chemicals, such as glucose, will absorb different wavelengths as the light passes through the finger. The amount of glucose can be determined by analyzing the pattern of wavelengths absorbed and passed through the finger.

Sandia bases the test's feasibility on software technology called chemometrics, which can analyze the extremely complex light absorption patterns. Chemometrics was originally developed to monitor the aging of nuclear weapons.

## Energy

### Westinghouse submits plan for new nuclear reactors

Westinghouse Electric Corp. formally submitted plans for the next generation of modular nuclear reactors to the Nuclear Regulatory Commission (NRC) on June 26. The AP600, which could receive NRC approval by 1995, is expected to revive the moribund U.S. civilian nuclear energy industry. The proposed reactor is "passively safe," immune to operator error, and constructed with far fewer parts than conventional nuclear power plants.

"Certification of the AP600 and the other designs [by General Electric] . . . is the next important step toward meeting the administration's goal of an order [from an electric utility] by 1995 and deployment at the turn of the century," said Assistant Energy Secretary William Young. "This is necessary to help satisfy the nation's growing electric power needs in the post-2000 time frame."

Westinghouse says it could build a 600-megawatt AP600 plant for less than \$900 million in 1990 dollars, which would make it competitive with a natural gas plant, because its fuel costs much less. "We are totally committed to moving forward very aggressively" with regulatory approval and marketing of the AP600, said Westinghouse vice president Nathaniel D. Woodson.

● **AN ANIMAL LIVER** transplant patient's condition has been upgraded from critical. Doctors said that the anonymous patient, who received the liver from a baboon in an operation at the University of Pittsburgh in June, is now improving. The patient's own liver had been destroyed by hepatitis B.

● **RUSSIA** is undergoing a demographic implosion, which is fueling Russophile and pan-Slavic propaganda about a threatened "extinction of the Russian race," the French daily *Libération* reported. The Demographic Center of the Russian Academy of Sciences claimed that the Russian population is now decreasing by 196,000 people per year.

● **RATS** are breeding in plague proportions in Sydney, Australia and sparking fears of an outbreak of disease.

● **SOUTH KOREA** plans to build 18 more nuclear power plants, Energy Resources Minister Chin Nyom is quoted by Yonhap, the South Korean news service. "The government will effectively deal with the international move to restrict the use of fossil fuels by supplying LNG [liquefied natural gas] nationwide and building 18 nuclear power plants from 1995 to 2006." Korea now has nine nuclear power plants.

● **EIGHT STATES** signed a Black Sea Economic Cooperation Pact June 25 in Istanbul, Turkey. They include Turkey, Russia, Georgia, Armenia, Bulgaria, Romania, Ukraine, and Greece. The pact focuses on "infrastructural priorities, energy, natural resources, and industrial potential."

● **SHIPS LOST** at sea rose in number by 37% in 1991, to 258 ships, the latest annual report of the *Lloyd's Register of Shipping reports*. Total tonnage of shipping lost rose 27%, and represented 0.35% of the world fleet. The death toll more than tripled, to 1,204. Authorities blame the rise on aging hulls.

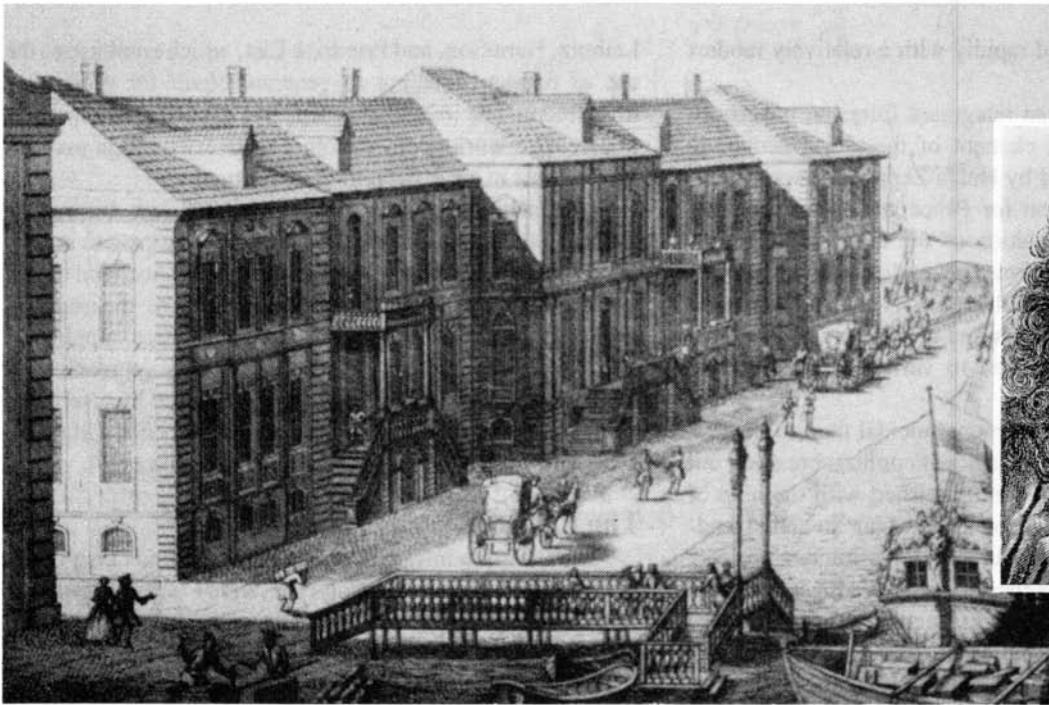
## Eurasian alliance for infrastructure: key to world peace

by Jonathan Tennenbaum

The collapse of the Soviet empire in the East, and of the Anglo-American financial empire in the West has created a unique historical opportunity, to replace the rotten structures inherited from Versailles, Bretton Woods, and Yalta, by a community of interest among sovereign nations committed to rapid economic development.

This article is devoted to what will become a centerpiece of that community of interest. It describes the construction of an integrated Eurasian infrastructure network stretching from the Atlantic to the Pacific, and utilizing the most modern technologies for high-speed transport, power production and distribution, water systems, and communication. This network will provide the physical basis for a rapidly improving existence for more than 3.5 billion people now living on the Eurasian land mass, including the peoples of the former Soviet Union, China, India, and the other developing nations of South and Southeast Asia. The network will also reach through the Middle East and over the planned Gibraltar bridge/tunnel into Africa (see *EIR*, July 26, 1992, "Spain-Morocco Tunnel: A Project to Connect the Pillars of Hercules") where it will connect to a future pan-African infrastructure network whose construction should proceed in parallel fashion. By this means, three-fourths of the world population will be connected efficiently into the two leading centers of high-technology capital goods production: Europe's industrial powerhouse centered on the Paris-Berlin-Vienna "Productive Triangle," and Japan.

The core of the new Eurasian infrastructure network will be a system of three high-speed railroad trunk lines, consisting of an average of between two and six electrified tracks of the standard European gauge, and linking virtually all the major cities and industrial centers on the Eurasian land mass. The exact routes of these trunk lines will be the subject of detailed negotiations among the nations involved. Their general location, however, is largely determined by the economic geography of Eurasia, whose chief concentrations of population, industry, and agriculture have emerged in the course of thousands of years around the river



*The Academy of Science in St. Petersburg, Russia, established by Gottfried Wilhelm Leibniz (inset) for Czar Peter the Great. Against the British concept of building transport infrastructure to take raw materials out of their colonies, Leibniz defined infrastructure as the means to develop the sovereignty of nations, while intensifying economic relations among nations.*

systems and the great trading routes.

The trunk line routes themselves are therefore not at all new. In fact, there already exist railroad lines running most of the length of the corridors proposed here. Railroads being the most efficient means of land transport, nothing is more natural than for railroads to have been built along the same general routes which Eurasian trade flows have followed for thousands of years. Nevertheless, what should have become an integrated Eurasian network long ago is still broken up by several crucial missing links, and also by a multiplicity of different rail gauges which necessitate time-consuming transfer operations (see Figure 3 in accompanying article). Although railroad technology has existed for 150 years, there is still no through connection between Central Europe and India! The reason for this is plain enough for anyone who knows the history of British geopolitics.

It is therefore a bitter irony to observe the reaction of some people in eastern Europe, in the former Soviet Union, and in some parts of Asia, to our proposals. They look at the map of the Paris-Berlin-Vienna "Productive Triangle," first proposed by Lyndon LaRouche in 1990, and the great rail trunk lines connecting it with all of Asia, and they exclaim: "What? Are the Germans dreaming again of a new Reich? Are the Europeans trying to take away our newly won sovereignty?" We advise these people to consider, who taught them to think that way.

Yes, it is possible to exploit the existence—and its lack!—of infrastructure for "imperialist," "colonialist" pur-

poses. The British, for example, excelled in such practices. But there is a directly opposite conception of infrastructure: the one developed on the European continent by such figures as Jean-Baptiste Colbert, Gottfried Leibniz, and the father of the continental railroad system, Friedrich List, which defines infrastructure as the means to develop *sovereign* national economies, while at the same time greatly intensifying the economic relations *among* sovereign nations. One has only to look at the history of continental Europe—the cradle of the modern sovereign nation-state and at the same time the single area in the world with the most highly integrated infrastructure—to grasp the powerful developmental principle hidden behind that apparent paradox.

Unfortunately, the British managed to smuggle their poisonous geopolitical doctrine into educational systems around the world, with the result that most of today's so-called decision-makers fail to understand the economic nation-building function of infrastructure.

It is a fact of extraordinary importance that between 800 and 900 million people—about one-quarter of the entire population of Eurasia and more than a half of its industrial labor force—live within 50 kilometers (km) of the three main railroad trunk lines we propose here. By "bundling" modern transport, energy, water, and other infrastructure within these corridors, and linking development in the corridors with long-overdue "Great Projects" for river control, irrigation, and power generation throughout the twin continent, a dramatic increase in the productivity of the Eurasian econo-

my as a whole is produced rapidly with a relatively modest effort.

The establishment of an integrated Eurasian infrastructure network is a central element of the world economic recovery program outlined by Helga Zepp-LaRouche in her call for a "World Coalition for Peace and Development." Without speedy implementation of the recovery measures outlined there, the plunge toward generalized war will accelerate—no matter how skillful the crisis management and no matter how many observers and negotiators and "peace-keeping" troops are dispatched to various corners of the globe.

Indeed, nothing could be more suicidal than to nourish the illusion that the flames of regional conflict, breaking out all over the world, might be extinguished with the help of purely "political solutions." Too many of our so-called leaders take the attitude: "A great Eurasian infrastructure project? We have no time for such schemes now. We must deal with our political problems first, and manage the crisis on a pragmatic basis." "Well, dear gentlemen," we answer, "it is exactly your pragmatic approach which is leading us toward World War III!"

Compare the map of our proposed Eurasian infrastructure network, with the locations of regional crises and hotspots (Figure 1). Doesn't it look as if someone wants to sabotage the consolidation of a continental economic system linking Europe and Japan with the great population centers of Asia? Indeed, that is exactly what the Bush administration, together with the British, is doing. They are consciously emulating Britain's geopolitical "Great Game" policy which gave us World War I and World War II. They are lighting fires in every corner of the world, attempting thereby to stop the process which is leading toward the final overthrow of the Anglo-American financial dictatorship consolidated at Versailles. When will nations finally realize that it doesn't work to run behind an arsonist and try to put out the fires one by one? The arsonist must be confronted directly, by an alliance of nations committed to a common programmatic perspective for establishing a just world economic order. It is the credible prospect of rapid economic improvement, based on the kinds of projects outlined here, which provides the key to "drying out" the explosive regional conflicts that would otherwise tear the continent apart.

### The LaRouche contribution

The basis for the new community of interest has been laid by Lyndon LaRouche, the economist and opposition leader who is a political prisoner of the Bush administration. Over the last 20 years, LaRouche developed the theoretical principles and the political program for a new economic and monetary order to replace Versailles and Bretton Woods. This means putting an end to the disastrous "free trade" policies of Adam Smith, and returning to the tradition associated with

Leibniz, Hamilton, and Friedrich List, which emphasizes the use of national banking to generate credit for productive investment. The immediate focus of LaRouche's program is to unleash a worldwide economic recovery through massive investments in basic economic infrastructure.

LaRouche based this program on his own discoveries concerning the functional relationship among growth in population potential, rates of technological advance, and development of basic economic infrastructure—as measured in such parameters as per capita and per hectare supplies of energy, water, and transport services. This approach, and the kind of data base involved, is exemplified by a series of comparative economic surveys appearing in *EIR* (May 29, 1992, "Infrastructure and Economic Development").

### The Eurasian trunk line system

The Eurasian infrastructure network outlined here might be compared to the circulatory system, with its arteries, veins, and capillaries, which maintains the functioning of the body's tissues. This article will concentrate on the major railroad arteries, whose location and speedy construction is a matter of vital strategic interest to the whole Eurasian "organism." The reader should bear in mind, however, that the overall economic impact of improvements in the major arteries of transport, power, water, and communications depends on a healthy parallel development of dense networks of smaller "vessels and capillaries" reaching throughout the entire economic "tissue" of the nations involved.

The infrastructure arteries of Eurasia are defined chiefly by waterways and railways. On the one hand we have the corridors defined by the great rivers, such as the system of navigable rivers—above all the Seine and Rhône, Rhine, Elbe, Oder, and Vistula, the Dniepr and Volga, the Indus, Ganges, and Brahmaputra, the Mekong, the Yangtze, and Huang Ho—together with man-made canals, ports, and coastal shipping routes. The proposed improvements in the Eurasian water transport system will be dealt with in a separate location. These improvements are closely linked with "Great Projects" for flood control, irrigation other water systems. These include, among others, the following:

- 1) The "Oasis Plan" proposed by LaRouche for developing water supplies for the Middle East.
- 2) The Ganges-Brahmaputra Project in India and Bangladesh.
- 3) The Mekong River Project in Southeast Asia.
- 4) An updated version of Sun Yat-sen's program for a comprehensive reconstruction and expansion of China's water systems, including urgent flood control measures and a new canal system connecting the Huang Ho and Yangtze rivers (see *EIR*, Sept. 1, 1989, "The Sun Yat-sen Program and China's Development Today").

Here we focus on the second main component, the "artificial rivers" constituted by a proposed network of high-speed

railroad trunk lines, each averaging between two and six electrified tracks in each direction. Various power transmission lines, fiber optic and other modern communications lines, and pipelines for water, gas, and oil, etc., will be built up within the rail and major waterway corridors. The regions adjacent to the trunk lines (e.g., 50 km on each side) constitute "development corridors," areas in which modern agriculture and industry, and high population densities, can be supported with relatively the lowest real economic cost for supply of essential power, water, transport, and communication services.

As mentioned, the majority of the indicated routes already have rail lines of some sort. The proposal here is not simply to fill in missing links in existing lines—which in any case are generally unsuited to the higher speeds of modern rail transport. We propose to build additional, new facilities, using as much as possible existing rights of way, but utilizing state-of-the-art technology and the European normal gauge of 1,435 mm as the uniform gauge throughout. This permits a fleet of standardized, high-technology locomotives and rolling stock to be used throughout the system. Automated facilities will permit containerized freight to be quickly transferred between "through" lines of the Eurasian system, and the various national rail systems utilizing other gauges.

The backbone of the system consists of three basic trunk lines "A," "B," and "C" (routes described below) running mainly east and west across the Eurasian land mass. The total geographical length of these basic routes is approximately 60,000 km. The area of the corresponding development corridors is 6 million square kilometers, or about 11% of the total land area of Eurasia. But within those corridors live nearly 25% of the population and an estimated more than 70% of the urban population. The mean population density within these development corridors is approximately 150 inhabitants per square kilometer, or 15,000 inhabitants per kilometer of the trunk line.

Some 60 cities of 1 million or more inhabitants are located directly on the main trunk lines. These constitute the majority of major cities on the entire land mass. Over 200 million people live in major urban centers (>200,000 inhabitants) serviced by these lines.

The main trunk line routes, as traced from the central European area of the "Productive Triangle," are projected as follows:

**Line A: ("Transcontinental") Paris-Berlin-Moscow-Osaka/Beijing:** This line runs along the northern leg of the "Productive Triangle" from Paris through the industrial region of Lille-Charleroi-Brussels, through the Ruhr region in Germany, to Berlin, and continues from there to Poznan, Warsaw, Minsk, and Moscow. From Moscow the trunk line runs over Gorky and Kazan to the industrial region around Ekaterinburg (formerly Sverdlovsk) and Chelyabinsk in the Urals, and then follows essentially the route of the present

Trans-Siberian railway to Omsk, Novosibirsk, Krasnoyarsk, Irkutsk, Ulan Ude, Chita, and Khabarovsk, where it connects to a second branch going to Vladivostok and via Manchuria to Beijing. From Khabarovsk, the Transcontinental runs northward along the Amur River, over new bridge-tunnel connections to the island of Sakhalin, down the length of that island and across to Hokkaido. Hokkaido is already being connected to the main Japanese island of Honshu, and thereby to Tokyo, by the longest tunnel in the world (54 km); from Tokyo finally to the industrial and science center of Osaka.

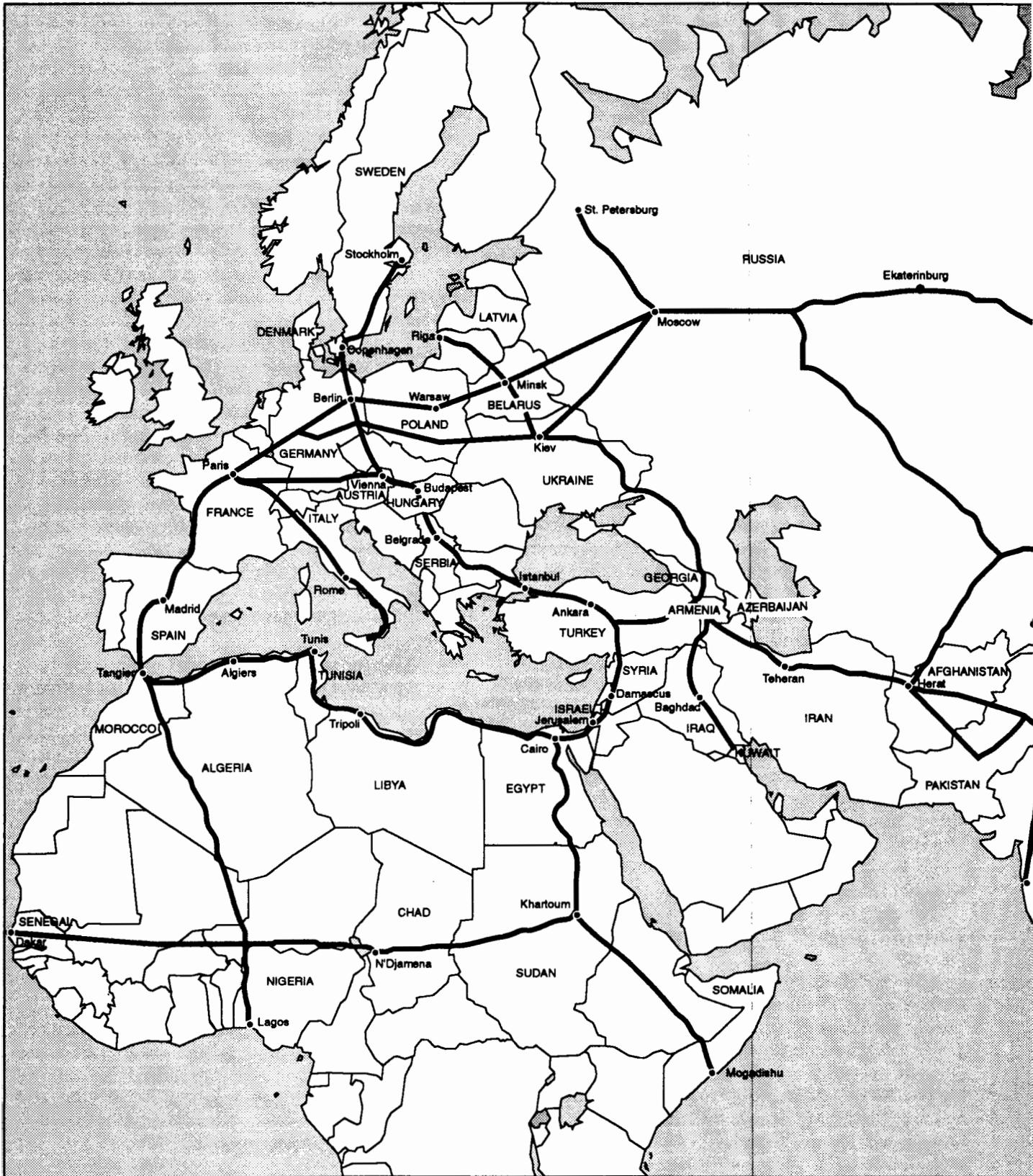
The second branch of the Transcontinental, which separates from the branch running to Tokyo and Osaka at Khabarovsk, runs along the existing Trans-Siberian Railroad route from Khabarovsk to Vladivostok, and from there inland into Manchuria, to the industrial metropolis Harbin, and via Changchun to the major industrial region of Chengjiang-Fushun, Benxi and Anshan, and from Anshan to Beijing, where it meets the Sino-Indo-European Line coming up from India and Southeast Asia.

**Line B: ("Sino-Indo-European") Frankfurt-New Delhi/Frankfurt-Beijing:** This branched trunk line runs from the Rhine-Main-Neckar industrial belt in Germany over Dresden into the Silesian industrial region (Katowice-Krakow) to Lviv, Kiev, the high-technology center Kharkov, and the Donbass mining and steel region in Ukraine; and then via Rostov on the Don into the Caucasus. The main Transcaucasian route runs along the eastern coast of the Black Sea through Sochi and Sukhumi in Georgia, and then into the Georgian capital Tbilisi; from Tbilisi the line proceeds via the Armenian capital Yerevan to Tabriz and Teheran in Iran and via Mashhad to the Afghan city of Herat. A smaller alternate route runs from Rostov via Stavropol to Makhachkala on the western bank of the Caspian Sea, from there to Baku and back to Tbilisi rejoining the main route. From Herat the trunk line splits into two lines, one running through central Asia into China and the other southward to India and Southeast Asia, and back northward through Vietnam into China, meeting the first line again at Jinan. These two routes will run approximately as follows:

B1) "New Silk Route": This line restores one of the great trade corridors in history, a meeting-point of European, Chinese, Arab, and Indian cultures, and one Britain's targets in its "Great Game." For various reasons we choose the northward route into Xinjiang via Alma Ata and Urumqi, rather than a path through the infamous Taklamakan Desert. This "New Silk Route" runs from Herat to Samarkand, the historic birthplace of Ibn Sina, to the cities of Tashkent and Alma Ata in Kazakhstan, and then through Xinjiang via Urumqi to Yumen, Lanzhou, and Xian, to Zhengzhou and Jinan on the Huang Ho river, where it meets the South Asia Line coming up from southern China.

*please turn to page 26*

Figure 5  
The Eurasian rail system: locomotive for development and peace





continued from page 23

B2) "South Asia Line": This line runs southward around the mountains from Herat to Kandahar, and across the border to Quetta in Pakistan, and from there via Sukkur into Punjab, from Lahore to New Delhi, and then along the densely populated Ganges River valley down to Calcutta; continuing from Calcutta into Burma, Thailand, Cambodia, and Vietnam via

Dakka-Chittagong-Rangoon-Bangkok-Ho Chi Minh City-Da Nang-Hanoi to Nanning in South China. From there to Guangzhou (Canton)/Hong Kong, then inland via Changsha to Wuhan, and eastward from Wuhan to Nanjing and Shanghai. From Nanjing the line runs northward via Xuzhou, Jinan and Tianjin to Beijing, where it meets the Transcontinental Line coming down through Manchuria.

## Who would be served by Eurasia rail network

Major cities and industrial regions within 50 kilometers of trunk lines "A, B, C," with approximate populations (data from mid-1980s). Asterisk signifies the population of a greater urban area.

City/Region	Population (in millions)	Mannheim	0.3	Canton	7.1*
		Erfurt	0.2	Hong Kong	5.6
<b>A. Transcontinental Line</b>		Leipzig	0.6	Wuhan	3.6*
Paris region	10.3*	Chemnitz	0.3	Nanjing	2.4*
Lille	0.9	Dresden	0.5	Shanghai	7.2*
Brussels	0.9	Prague	1.2	Zhengzhou	2.3
Cologne	0.9	Wroclaw	0.7	Tientsin	8.1*
Essen region	7.6*	Katowice	0.4	Beijing	9.5*
Bielefeld	0.3	Krakow	0.7	Shenyang	5.3*
Hanover	0.5	Lviv	0.8	Harbin	2.5
Braunschweig	0.2	Kiev	2.6	Vladivostok	0.6
Magdeburg	0.3	Kharkov	1.6	Tashkent	2.2
Berlin region	5.0*	Donetsk	1.1	Alma Ata	1.1
Poznan	0.6	Zaporozhye	0.8		
Lodz	0.8	Rostov	1	<b>C. Ecumenical Line</b>	
Warsaw	2.1*	Krasnodar	0.6	Metz-Nancy region	1.5*
Minsk	1.6	Tbilisi	1.2	Strasbourg	0.4*
Moscow	8.8*	Yerevan	1.2	Karlsruhe	0.4*
Gorky	1.4	Tabriz	0.8	Stuttgart	0.5*
Kazan	1.1	Teheran	7.4*	Munich	1.2
Ichevsk	0.6	Mashhad	1.1	Linz	0.2
Ekaterinburg (Sverdlovsk)	1.3	Herat	0.3	Vienna	1.5*
Chelyabinsk	1.1	Lahore	3.6*	Bratislava	0.4
Omsk	1.1	New Delhi	6.2*	Budapest	2.3
Novosibirsk	1.4	Kanpur	2.0*	Belgrade	1.6*
Krasnoyarsk	0.9	Lucknow	1.0*	Sofia	1.1
Irkutsk	0.6	Calcutta	10.5*	Istanbul	8.5*
Khabarovsk	0.6	Dakkar	3.5*	Ankara	2.8*
Sapporo	1.6	Chittagong	1.4	Mosul	0.6
Tokyo region	25.4*	Rangoon	2.5	Baghdad	3.8*
Nagoya	4.4	Bangkok	5.4*	Basra	0.6
Osaka region	13.5*	Phnom Penh	0.7	Damascus	1.3
		Ho Chi Minh City	3.2*	Amman	0.8
<b>B. Sino-Indo-European Line</b>		Da Nang	0.5	Jerusalem	0.5
Frankfurt	0.6	Hanoi	2.7	Cairo	8.8*

**Line C: (“Ecumenical”) Paris-Vienna/Rome-Istanbul-Yerevan/Baghdad/Jerusalem-Cairo:** This line revives the famous “Orient Express” as well as the “Baghdad Railroad” project which London once declared to be a *casus belli* against the British Empire. The line runs along the southern leg of the Productive Triangle, from Paris via the industrial region of Alsace-Lorraine and Strasbourg to Karlsruhe, Stuttgart, Munich, Salzburg, Linz, and Vienna. From Vienna then southward to Budapest, Hungary, and via Novi Sad, to Belgrade. There it joins with a second, southern European “feeder” line coming from Zagreb; this line runs from Paris to Lyon and into the Lombardy industrial region via Turin-Milan-Verona, with connection in Milan to the main line from Rome, and from Verona via Trieste to Ljubljana and Zagreb. From Belgrade the “Ecumenical” runs via Nis, Sofia, and Plovdiv to Istanbul and Ankara. The continuation runs from Ankara to Kaysen, splitting there into:

C1: Kaysen-Adana-Aleppo-Damascus-Amman-Jerusalem-Cairo.

C2: Kaysen-Sivas-Erzurum-Yerevan, connecting to the Sino-Indo-European line.

C3: Kaysen-Sivas-Malatya-Diyarbarkir-Mosul-Baghdad, with connections further to Basra and Kuwait.

### Supplementary north-south lines

The following north-south routes are to be developed as complements to the Lines A, B, and C outlined above:

NS 1: Gdansk-Katowice-Ostrava-Bratislava-Vienna.

NS 2: Riga-Minsk-Kiev.

NS 3: St. Petersburg-Moscow-Kiev.

NS 4: Kasan-Kuybyshev-Orsk-Aralsk-Ksyl Orda-Tashkent.

NS 5: Irkutsk-Ulan Bator-Beijing.

NS 6: Chita-Harbin.

NS 7: Shenyang-Pyongyang-Seoul-Pusan.

NS 8: Zhangzhou-Wuhan.

NS 9: Lanzhou-Chengdu-Chongqing-Guiyang-Nanning.

NS 10: Bangkok-Pinang-Kuala Lumpur-Singapore-Palembang-Tanjungkarang-Jakarta, by way of new tunnels across the Straits of Malacca to Sumatra, and across the Sunda Straits from Sumatra to Java.

NS 11: A new north-south trunk line from New Delhi to South India, with connection to Bombay.

### Too difficult? Too expensive? Not at all!

The construction of some 60,000 km of new railroad lines crisscrossing the Eurasian land mass is by no means as expensive and long-term a task as many might think. If the nations involved give the proper priority to the project, the entire trunk line system could be completed within three to five years. A modern track-laying machine, such as developed in Austria, can lay a kilometer of new track every day.

The machine puts down the gravel and ties, lays in and welds the track in a continuous process. Only 200 such machines could lay the entire network with double tracks (one in each direction) throughout, in 20 months. The sites must simply be prepared beforehand by routine earth-moving operations. Thus, one has only to solve the logistical problems of streamlining the planning and acquisition of right-of-way, organizing a sufficient number of parallel work teams to complete the site preparation operations in time, and procuring materials.

In an appropriate division of labor, the 200 track-laying machines, a relatively high-technology item, and certain other sorts of specialized equipment and know-how, would be contributed by the advanced European economies and Japan. Labor for earth-moving and related operations is plentiful, to put it mildly. The requirements for steel and other construction materials can easily be met by existing industrial capacities, if we stop shutting them down.

Given the present financial situation and the great differences among the national economies involved in the project, it has little meaning to assign a monetary cost to the trunk line system. Suffice it to say that the system can easily be financed by Hamiltonian credit generation methods, as Lyndon LaRouche has demonstrated. More significant than nominal monetary cost is the required labor.

A reasonable order-of-magnitude estimate of the labor time required for all on-site work (including earth-moving, construction of auxiliary infrastructure, track-bed preparation, and track-laying) is 10 million man-years for the entire basic network of trunk lines A, B, and C. This assumes a relatively capital-intensive mode of construction, as indicated above. To put that figure into perspective: 10 million man-years corresponds to less than 7% of the yearly work-time of the industrial work forces in India and China, or less than the work-time expended yearly by 1% of Eurasia’s aggregate labor force.

Let anyone conclude that the project is no good, because it doesn’t create *enough* employment, we should point out that the trunk routes discussed here represent only some of the main “arteries” of the future, modern Eurasian infrastructure. To these must be added the vast network of secondary lines (the smaller vessels and “capillaries” of the Eurasian organism), both in terms of rail and in terms of the necessary parallel development of highways and roads. To this, add the construction of power and water systems. But more important, consider the new jobs created in modern forms of industry, mining, and construction as a result of the overall economic growth which infrastructure development will generate and support within the infrastructure corridors and in the continent as a whole. That is a number which will be counted in the hundreds of millions.

Forthcoming articles will deal with energy, water, and communications facets of the new Eurasian infrastructure network.

# Eurasian rail project: building the world's greatest rail network

by Mary Burdman and Konstantin George

The week of June 18, the first passenger trains crossed the new "Second Eurasian land bridge," which links Urumqi, the capital of the Xinjiang region of China, with Alma Alta in Kazakhstan. This vital rail link through Central Asia was only finally completed in 1991, after three decades of delay, because the last few hundred linking kilometers of track were never built, due to the Chinese-Soviet political split in the early 1960s. The rail bridge began operating last July, opening border trade between Xinjiang and Central Asia. Already many thousands of citizens from Russia, Ukraine, and even as far west as the Baltic states are crossing into China to trade in Urumqi.

The 1,350 kilometer Xinjiang-Kazakhstan link makes it possible to send freight by rail all the way from China's east coast port of Lianyungang on the Yellow Sea to Rotterdam, Europe's biggest Atlantic port; until now, the Pacific and Atlantic have been linked by only one rail line, the Russian Trans-Siberian Railway built in the early years of this century.

However, one critical link remains to be completed. At present, the rail line crosses the Caspian Sea from Krasnovosk on the east coast in Turkmenistan to Baku in Azerbaijan by ferry, and then links to Turkey through the war-torn Transcaucasus. To solve this problem, another vital rail line is now to be constructed. This line will link Ashkhabad, the capital of Turkmenistan, to the city of Mashhad in northeast Iran, bypassing the Caspian Sea. When this rail link is finished by 1994, Eurasia will have the greatest rail network in the world.

## Reopening the Silk Road

The "Second Eurasian land bridge" is the revival of the ancient Silk Road. The Silk Road, which for centuries connected China to Europe, was much more than a trade route; it was one of the oldest and greatest highways in the world. The ancient Greek and Indian cultures spread east along it, and the Chinese culture, west. Three of the world's greatest religions—Islam, Christianity, and Buddhism—traveled to Asia along the Silk Road; the culture of China, then the most populous and developed nation in the world, spread west. The revival of the Silk Road will also mean the revival of such ancient cities as Samarkand and Bokhara, which were, until devastated by the Mongol hordes, at the crossroads of Eurasia.

The travelers of the Silk Road conquered the most difficult terrain on the planet: the relatively benign Gobi Desert

and beyond it, the Taklamakan, now in modern Xinjiang, probably the most desolate desert in the world; which is surrounded by the Tien Shan, Pamir, Karakoram, and Kun Lun mountain ranges, the highest in the world, which block the way from China to modern Kazakhstan, Kyrgyzstan, Uzbekistan, and the Indian subcontinent. To the west lie the mountains of the Transcaucasus and the Zagros mountains of western Iran.

The builders of the modern Eurasian railway, which will provide transportation and communication ties from East Asia to Europe one-half or even one-third as long as the ocean routes around the land mass, are conquering the same terrain again.

The Chinese Ministry of Railways announced June 3 that it will soon launch a daily direct express container service from the east coast to Central Asia, which will cut a two-week journey nearly in half. Starting Sept. 1, one express container train will run from Lianyungang, the port in Jiangsu province north of Shanghai, to the Alataw Pass, China's "Dzungarian Gate," on the border of Xinjiang province with Kazakhstan (see **Figure 2**). This route circles to the north of the most difficult Central Asian terrain, the Taklamakan Desert and the surrounding mountains. The container service will allow Pacific Rim nations to cut short their route to Europe and the Middle East by 3,000 kilometers from that of the Siberian railway. The 4,234 kilometer trip through China will take 171 hours. At Alataw Pass, the containers must be transshipped onto CIS trains to continue to Europe.

## The southern route

There is a third great railroad, still incomplete, in Eurasia: the southern route, which ultimately will link Europe and Africa through Istanbul, to Singapore, and by ferry, to Indonesia. As with the Central Asian route, vital sections of this route have remained unfinished for the past three decades for political and economic reasons.

The Trans-Asian Railway project to link Singapore and Istanbul—a railway 14,000 kilometers in length—was initiated in the 1960s, with the sponsorship of the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP). The purpose of the network was, using existing track and facilities, to build the missing sections, and adopt common technical standards for rail rolling stock and fixed installa-

FIGURE 2

**Projected express container route into Central Asia**



tions for a freight-oriented network (see **Figure 3**).

Of this rail net, 2,000 kilometers, or 14% of the route, were never built. This includes a 600-kilometer section in Iran, linking the city of Kerman in central-eastern Iran with the city of Zahenda, on the border with Pakistan. A rail line through the Gotur Valley in Turkey, connecting Turkey and Iran, was only completed in 1971.

The other missing link is 1,400 kilometers from Bangladesh into Burma. Spurs from the southern route, into landlocked countries including Afghanistan, Laos, and Nepal, remain to be built. Also projected are the restoration of the road and rail connections between China and Vietnam, with a rail line via the Pingping Pass by the end of 1992.

The "Eastern and Oriental Express" linking Thailand, Malaysia, and Singapore should commence operations in 1992, and in addition, the rehabilitation of a rail link between Thailand and Cambodia is now under way.

The nations developing the Eurasian rail network face enormous problems. The political, economic, and increasingly, military conflicts in the great Eurasian land-mass can scarcely be overestimated. Since mid-1970, the projects have been stalled due to lack of funding, political upheaval, and in the south, the situation in Burma, which did not become a party to the Trans-Asian Railway project until 1989. Cambodia only joined in 1991.

Ferry connections between Sri Lanka and India, across the Brahmaputra River in Bangladesh, across Lake Van in Turkey, and between Penang, Malaysia and Sumatra, Indonesia, were projected but never built. The Trans-Sumatra rail-

way in Indonesia, with ferry links to Malaysia and to railways in Java and then to Bali, also remains to be completed.

In addition, there are fundamental problems such as the fact that Eurasia has five different rail gauges, which means that transshipment facilities are essential. China and Iran use the 1,435 mm gauge standard in western Europe; the CIS republics and Mongolia use 1,520 mm track; the Indian subcontinent nations use 1,676 mm track; the nations of Southeast Asia, including Indochina and Burma, use 1,000 mm track, with the exception of Indonesia, which has its own gauge of 1,067 mm.

**Important meetings**

Eurasian national leaders have gathered in a number of meetings in recent months to promote the rail network. Although profound economic, political, and military problems exist, for both the completion and operation of the railroads, leaders of nations ranging from South Korea and Mongolia, to China, to the five newly independent Central Asian republics (Kazakhstan, Turkmenistan, Uzbekistan, Kyrgyzstan, Tajikistan) to Iran, understand how vital it is for their economic development. Already in 1990, immediately after breaking its semi-incorporation into what was then the Soviet Union, Mongolia decided to join the Eurasian rail network and Asian highway project.

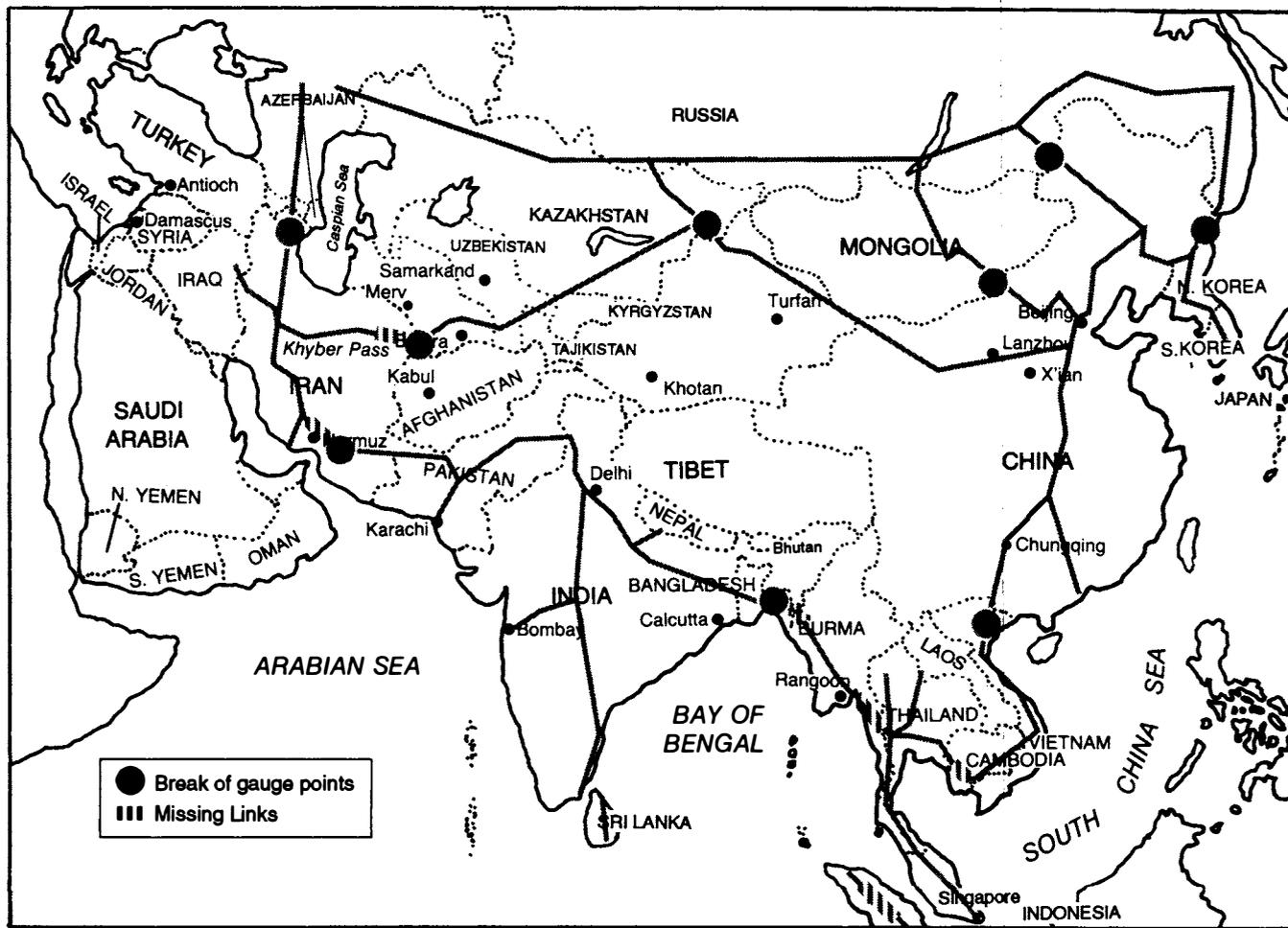
The Economic Cooperation Organization of Turkey, Iran, and Pakistan, has been planning rail and road connections among the three nations, with possible connections into Afghanistan in the future.

The transportation ministers of the five Central Asian republics and of China, Iran, and Turkey met in Alma Alta April 22 to finalize plans for the railroad, which is being funded by these nations themselves. This meeting was a followup to an earlier meeting Feb. 15-17, where "all the governments" made an "integrated" decision to complete the rail network, according to high-level sources close to the project. The transportation ministers are to meet again in Teheran.

In early May, the Central Asian republics, Azerbaijan, Iran, Pakistan, and Turkey held a summit in Ashkhabad, the capital of Turkmenistan. Infrastructure led the agenda: The nations agreed unanimously that large-scale construction of rail, road, and air transportation infrastructure on the territory of these eight countries, especially interlinking projects, is the region's highest economic priority. The project outlined is a modern transportation network running from "Istanbul to China," outside of the territory of the Russian Federation.

Most important was the agreement between Iran and Turkmenistan to begin construction of the Mashhad-Ashkhabad rail line. In addition, Iran has announced that it will spend \$2.5 billion upgrading and extending the railway from the city of Sari in northern Iran, to the port of Freyduen Kenar on the Caspian Sea, and extending this railway to the port of Bandar Abbas on the Persian Gulf. Five to eight million tons

FIGURE 3  
Trans-Asian railway



Source: United Nations ESCAP

of freight are expected to be shipped on this line every year.

The summit also discussed the construction of oil and gas pipelines to link Kazakhstan and Turkmenistan to Iran and the Persian Gulf. The pipelines will carry Iranian oil and gas into Central Asia, and carry oil and gas from Kazakhstan and natural gas from Turkmenistan through Iran for export through ports on the Gulf.

The Mashhad-Ashkhabad link is vital for both geographic and political reasons.

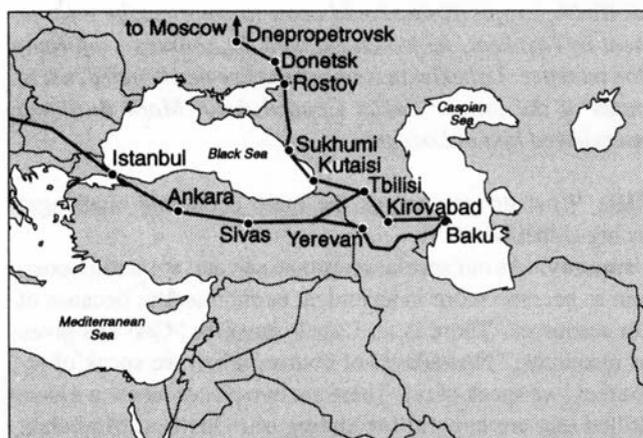
The present Eurasian land bridge rail link currently connects the Pacific coast of China with Istanbul and Europe. Rail lines connect the Chinese ports of Dalian, in the northeast, and Lianyungang on the Yellow Sea, and Shanghai on the East China Sea, to Beijing, and then to Urumqi in Xinjiang. The new link crosses into Kazakhstan through the Alatau Pass, to Alma Alta. From Alma Alta, the line runs to Tashkent in Uzbekistan, and then through Turkmenistan to the east coast of the Caspian Sea. The rail line then must go via rail ferry to

the Azerbaijan capital of Baku on the west coast.

There are two lines from Baku, linking Azerbaijan with Turkey. One runs northwest from Baku, through Kirovabad, to Tbilisi, the capital of Georgia. From there the line connects to the Black Sea rail line via Kutaisi and north to Russia via Sukhumi. From there the line connects to the Black Sea rail line running north to Russia and south to Turkey. The second rail line runs southwest, parallel to the Azerbaijan-Iran border on the Arax River. The line then runs through a section of Armenia bordering Iran and the Azerbaijani exclave of Nakhichevan, and then to Yerevan, the capital of Armenia, which depends on Tbilisi for its rail supplies. The rail line from Yerevan then enters Turkey, to Sivas in central Turkey, Ankara, and Istanbul, and from there to Europe. This line is some 80 years old, and although it is being improved and enlarged, it is inadequate to the needs of the Eurasian rail network. Therefore, the entire extreme western leg of this rail line connects to Europe through through the war-torn

FIGURE 4

**Eurasian rail project: Transcaucasus connections**



Transcaucasus, making the new Iran-Turkmenistan link vital (see Figure 4).

**The Trans-Asian Railway**

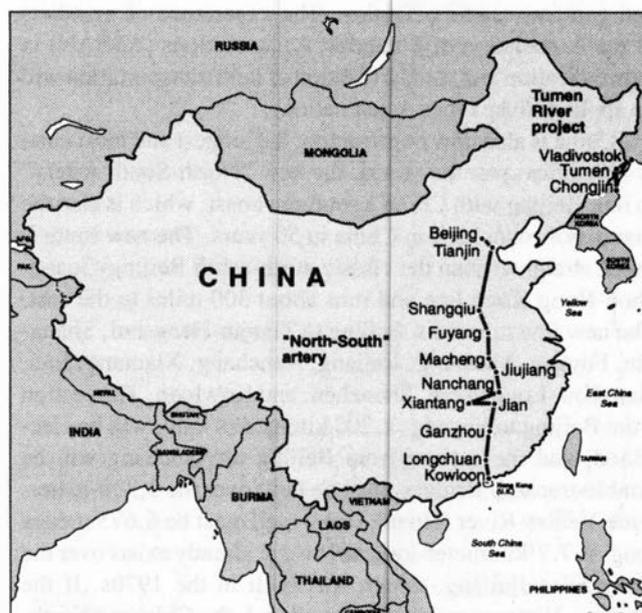
From June 3-5, the transport and communications ministers of the nations of Eurasia met in Bangkok, Thailand to launch the second phase (1992-96) of the "transport and communications decade" for Asia and the Pacific. Asian rail and road networks had been a primary issue at the 48th session of the U.N. ESCAP meeting in Beijing which ended April 23. According to ESCAP, the nations meeting in Beijing said that greater cooperation in infrastructure development is a high priority.

In Beijing, Chai Pu'an, foreign affairs bureau head of the Chinese Ministry of Railways, announced on April 20, during the ESCAP meeting, that China would join the Trans-Asian Railway project, and that China is willing to cooperate with participating countries on implementation and technical issues.

At the June meeting in Bangkok, the delegations of Mongolia and the Republic of Korea, in particular, expressed great interest in the Eurasian rail network, particularly in the development of the Tumen River project where Russia, China, and North Korea meet (Figure 5). These nations also want a "southern leg" of the Siberian railway to be built to connect to Iran. South Korea, Russia, and Mongolia have already called for a feasibility study of rail links among these nations (see also Figure 1). In February 1992, North and South Korea decided to reconnect the rail and road networks of the Korean Peninsula, which would connect South Korea to the Eurasian rail network. A connection through the Korean Peninsula would also be Japan's closest point of access to the Eurasian mainland. The Russian rail system is also vital to the project. Russian ministers reportedly expressed great interest in the Eurasian rail network. However, the Russian railways are in very poor condition as a result of years of

FIGURE 5

**Tumen River project and China's 'North-South' artery**



failure to invest in infrastructure (see interview with Pavel A. Minakir).

On April 27-29, delegates from China, Russia, North Korea, South Korea, and Mongolia met to discuss the planned port and industrial complex at Tumen. In February, these five nations plus Japan met to launch discussions of the Tumen project, which will be a northern terminus of the Eurasian Silk Road. The project will encompass the area from the Russian Pacific port of Vladivostok to Chongjin in North Korea and Hunchun in Jilin province, China. It will include ports, terminals, roads, railways, and an airport, as well as infrastructure to support a settlement of up to half a million people.

Especially for the industrial nations of Northeast Asia, the rail route from the Pacific to the Atlantic will be more efficient and cheaper for freight transport than the current long sea routes through Southeast Asia.

Long Yongtu, China's director of International Relations at the Ministry of Foreign Economic Relations and Trade, said the April meeting would focus on several development options. These include establishing three independent economic zones under a multinational coordinating body or combining equal areas of the three countries into one development zone of 900 square kilometers, the official *China Daily* reported March 5.

China's decision to join the Trans-Asian Railway project is important, because it must provide the link in the northern Eurasian rail route. This includes not only the Tumen project, but also the north-south route from Southeast Asia to Korea, Mongolia, and Russia. A feasibility study on connecting the

rail networks of China, Mongolia, the Russian Federation, and Korea is already being made, and a working group established to consider such problems as gauge breaks and vehicle and container standardization. The experience of members of the Association of Southeast Asian Nations (ASEAN) in harmonization and standardization of land transportation will be applied to the other Asian nations.

China is also now constructing the longest and most costly new railway in the world, the new "North-South Artery" to link Beijing with China's southern coast, which is also the first major route built in China in 50 years. The new route is much straighter than the classic north-south Beijing-Guangzhou-Hong Kong line and runs about 300 miles to the east. The new line runs from Beijing to Tianjin-Hengshui, Shanghai, Fuyang, Macheng, Jiujiang, Nanchang, Xiantang, Jian, Ganzhou, Longchuan, Shenzhen, and Kowloon. The section from Beijing to Fuyang, 1,200 kilometers long, will be electrified, and the section from Beijing to Nanchang will be double-tracked. Bridges must be built over the 3,330-meter-wide Yellow River (Huang Ho) which must be 6,675 meters long. A 7.7-kilometer-long rail bridge already exists over the Yangtze at Jiujiang, which was built in the 1970s. If the Chinese-Vietnam rail line is completed, the Chinese "North-South Artery" will connect Northeast with Southeast Asia.

China has been running non-stop container service from Harbin, Shenyang, Beijing, and Zhengzhou to Guangzhou since April. Irregular express container service is running on rail lines between Harbin-Shanghai and Shanghai-Chengdu. China plans to build special tracks for container transport to all the major coastal ports, said Transport Ministry official Cui Changduo in May, but the lack of containers and inadequate facilities at many rail hubs poses a huge problem.

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## Interview: Anvar Usmanov

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# We need to build a 'Silk Road' railway

*Over the June 19-21 weekend, the Evangelical Academy of Loccum, in the German state of Lower Saxony, held a conference, entitled "After the End of the Soviet Union: Novostroi-ka in the Republics and the Help of the West." Among the many themes discussed, were the increasing importance of Russian regions and newly independent nations in reshaping economic relations both within the former U.S.S.R. and between the former U.S.S.R. and western nations, and the requirements for infrastructure development in this part of the world.*

*Anvar Dechkanovich Usmanov of Uzbekistan is a freelance journalist and a leading figure in the Birlik (Unity) opposition movement, as the "shadow" information minister for Birlik, i.e., if Birlik should come to power in the government in Tashkent, he would become the country's information minister. Uzbekistan is one of the five newly independent states of the former Soviet Central Asia. Mark Burdman interviewed him in Loccum.*

**EIR:** What do you see as the main economic challenges facing Uzbekistan?

**Usmanov:** As our specialists prognosticate, we are in a position to become more independent economically, because of our resources. There is an Uzbek proverb: "God has given us resources." Nowadays, of course, when we speak of resources, we speak of oil. There are two places where we have drilled that are hopeful for finding oil. One is at Minbulak. . . . In the past, we had to pay two-thirds of the profits from the sale of our cotton, just to buy oil products. . . . By a prognosis, we have drilled another well to 4,000 meters depth, and we have found signs of oil here. They predict much more than the first well I've talked about. We will know for sure in September-October. Because if we really strike oil and it is really located there, our country will have a completely different path of development, easier and more rapid. I've been in conferences with the government of China, and the Chinese have been terribly interested in buying prospective oil, because in the north, the Chinese have none. From the border of China, to these wells I've mentioned, the distance is 400 kilometers. So, now we have to drill.

**EIR:** What are the priority projects in infrastructure for Uzbekistan?

**Usmanov:** To reconstruct the Silk Road, to reconstruct it by railroad, and, in addition to modernizing the existing line, to add a new line to Tashkent—running from Karachi in Pakistan to Tashkent. The construction of these railroads will give us the ability to gain full independence from Russia. It's like the old Baghdad Railway project. Anybody that helps us in setting up railroads, anybody taking part in this, we will give them concessions.

A second task, very important to us, is gold. In official figures, we are mining 75 tons of pure gold, 99% pure. However, you see, our gold-prospecting industry is dependent on Soviet technology. For example, enriching it, melting it, by using Russian techniques, means every day, having to change drilling bits. As recently as four years ago, from all of our gold production, we got 0.5%, and all the rest went to Moscow. In the meantime, we were told, "You get housing," which means that the Russians set up houses for their drilling teams. Of course, the situation has changed now. Now, we get 60% of the worth of the production, and 40% of all gold stays in Uzbekistan. This has been the case since last year. We are still forced to give 60% to the central

government in Moscow.

**EIR:** I have heard some discussion here about Uzbekistan becoming an important international banking center, at least for transactions concerning the “cross-flow” between Europe, Central Asia, Russia, East Asia, etc. What is this all about?

**Usmanov:** What matters, is that the Uzbek people in its great mass, need knowledge of market functions. But by their character, traditions, mentality, they are better prepared for the market than anybody else. As an example: All the bazaars in Central Asia are dominated by the Uzbeks. I think we have the possibility for guarantees, in the form of gold, in the form of oil, in the form of cotton, in the form of rare metals, for developing our banking system. Up to the point, that other governments will put their funds in Uzbek banks, and store them there. Don’t forget, Uzbekistan is well situated geostrategically and geopolitically. There are also all the guarantees I’ve indicated. Beyond that, you have to reckon with the readiness of our people to learn the banking system and to exploit it.

**EIR:** There has been much talk in the western press, that Uzbekistan sees Turkey as some kind of model.

**Usmanov:** I see Uzbekistan only as an independent state, not a supplement of Turkey. How could Turkey become a model for us? They have an annual inflation rate of 25%. They have to import 80% of what they need. Why do we want that? Why did the West invest into Turkey? In my opinion, all western investments into Turkey are to counter-balance Iran. But Turkey can’t get out of its own internal crisis. It needs western credits to bail it out. By these processes, Turkey will be destroyed, not in the long term, but in the short term. Then look at Uzbekistan. We have 99% literacy, 1% illiterate. We have young people reading and writing freely, who don’t only look at television, and who are already traveling abroad. We are more civilized than Turkey, up to the present. So we will go our own way, although we will take from Turkey, their policy toward religion, their approach toward secularization, full freedom of religion, laicism.

**EIR:** There is some discussion in London, Washington, etc., of the revival of the nineteenth-century British “Great Game” in Central Asia. Do you see a renewed, modern-day version being set in motion now?

**Usmanov:** That era is finished. Why? Because the frontiers cannot be changed any more, so there can’t be the old British plan to split up the region. Anyway, there are countries like Pakistan, China, Iran, and Turkey, which have their own interests in Central Asia, and of course which are not there to fulfill the British plan. The chief thing is, do we ourselves want to have this plan? If it were identical to our interests, for sure our President would have been in the British Parliament [laughs]. As we say, that’s how things are.

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Interview: Pavel A. Minakir

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## Infrastructure needs in Russian Far East

*Pavel A. Minakir is deputy governor of the Khabarovsk Territory Administration of Russia. Khabarovsk is an important industrial region of the Russian Far East, with a capital of the same name, bordering on the Chinese province of Manchuria. Mark Burdman interviewed Minakir in Locom.*

**EIR:** There has been much discussion here about the importance of Russian regions and territories in the economic activity of Russia. Do you see this process leading to a contradiction between Moscow Center and the regions, with some challenge to the future structure of Russia emerging, or is it rather a matter of the regions providing a form of dynamism for a stagnating economy?

**Minakir:** There are no big contradictions between centralized and regional ties. . . . Economic decisions solely made through centralized institutions are not enough for supporting economic life in the territories. The economic center in Moscow now has the capability to support the budget system, to only partially support the energy system, and to support in the social sphere. It can’t provide all the support, but only one part of the necessary support. In such fields as foodstuffs, raw materials for industry, financial flows, capital flows, and so on, the regions have only one avenue for covering needs, to make agreements with other regions, between each other, in foodstuffs and raw materials.

**EIR:** When did this greater reliance on inter-regional cooperation really begin? Is it new?

**Minakir:** The beginning of the process was in the first half of last year. Then, after the events of August 1991, the number of these ties grew. The destruction of the centralized economic planning system after August was so great that, by October-November, it became very clear for every region that their own life is in their own hands.

**EIR:** Were new institutions then created, or was this the upgraded activity of older institutions?

**Minakir:** Territorial administrations were created in October-November last year by the presidential decree of Mr. Yeltsin, according to special rights decreed by the Russian Parliament for radical economic reform. The first step of Mr. Yeltsin was the nominating of so-called representatives of the territories. The idea of these representatives of the President in the territories, was to take wider control from the



*This picture of Vladimirovskaya in the Russian industrial region of Novosibirsk was taken from the Trans-Siberian Railroad.*

former [Communist] party circles in the territories during the transformation to the market. But after this, it became clear that this was not enough. It was necessary to have in the territories, a strong power for allocating decisions for radical economic reform. In October-November, the heads of administration of each of the territories were nominated.

**EIR:** How many of these territories are there?

**Minakir:** There are 88 in Russia. Among these, there are three types of territories. First of all, and most powerful, are the 20-21 republics inside Russia: Bashkiria, Yakutia, Tatarstan, Dagestan, etc. Their old name was "autonomous republics," but now they are simply republics inside Russia. The second are the "oblasts," like Khabarovsk, Krasnodar, Moskovsky Oblast, etc. Then there is the third type, the autonomous districts. There are approximately 12-15 districts, such as Tuva, for example. These are smaller than the republics. They are not according to territory, but according to population, economic power, industrial development, and so on. They have a special history.

**EIR:** Our publication has devoted a great deal of attention to the development of infrastructure across Europe, across Eurasia, emanating out of a "center," a "triangle" in west-central Europe. Could you give an idea how the economic activity of the territories, regions, republics, districts can help solve the problem of infrastructure development of Russia? How do you see the infrastructure situation now in Russia?

**Minakir:** Infrastructure is one of the most underdeveloped spheres, not only in the Far East, but usually in the regions as a whole, in decision-making. The ideology of centralized planning for 70 years was the following. All economic resources are devoted to three major points: The first, largest part was devoted to increasing industrial production; the second part was devoted to social spheres, housing, education, and so on; only the third part was devoted to the classical infrastructure system, for example, improving railroads, highways, storage, communication.

That is why infrastructure is one of the biggest problems right now. In the eastern part of Russia as a whole, this is the most annoying problem in economic development. For example, in Khabarovsk, we have only one railroad bridge over the Amur River, which was constructed in 1916. After it was finished, the bridge was never brought under repair and reconstruction, but was exploited for 75 years without stopping. That means there is only one bridge on the Trans-Siberia Railway route over the Amur. If tomorrow the bridge were closed and the trains could not go over, it would be a catastrophe. At the moment, Russia has few seaports. Ports such as Vladivostok are very important for export and import. Without this Amur bridge, it would become impossible to export goods.

**EIR:** How do you see a solution to such problems?

**Minakir:** We are trying to establish stock companies, with the local administration, the Ministry of Transport in Moscow, and the railroad company itself, and we are trying to

attract stock companies in some territories like Sakhalin, which are connected with the Trans-Siberian Railroad. We are trying to attract the Mitsui Co. of Japan, but so far without visible result.

**EIR:** What is the future of the relations of Khabarovsk region with Asia?

**Minakir:** The most successful ties now are with Japan, for historical reasons. The Japanese have a long history and business infrastructure in the Russian Far East. They have a lot of information and a business network. In second place just now is China, mainly in small business, in small operations. The Chinese don't have technology—a lot of it was imported from Hong Kong—but Chinese businessmen are very active, they are very close neighbors with the Russian Far East. The psychology of Chinese businessmen and Russian businessmen is very similar, because they are very similar to each other.

The third group is the Americans. They are rather active now. American businessmen are very different from the Japanese and Chinese. The Japanese have enough patience to wait. The Chinese have enough activity right there to take quick advantage of small opportunities. The Americans are too far away, and too rich to become involved in small-scale operations. They have no patience. They insist on investing in the morning, and receiving the profits in the evening. In Russia, right now, that is impossible!

**EIR:** Our magazine has often discussed the ideas and policies of Count Sergei Witte in bringing about the development of infrastructure, such as railroad construction, in the last century. Do you see any tendency toward revival of Witte's ideas now?

**Minakir:** The approach of Witte and the meaning of Witte's reforms are quite different from the approach of our current government. In the Far East, the situation in the infrastructure sphere is just now very precarious. Governments are eager to receive immediate financial stabilization. They are ready to end all financial support for infrastructure, especially in energy, transport, and communications. The situation is dangerous, because for infrastructure, there are two different spheres. In one sphere, there is the possibility for private investments. This is possible in the area of international communications. In Khabarovsk, Sakhalin, and Vladivostok, there are joint ventures for investing in and establishing companies to develop an international communications network. In August, in Khabarovsk, we shall finish such a system, with approximately 40 international lines via satellite. This is very good, creating a facility for connecting with the Pacific Rim. Then there will be 37,000 internal lines within the Far East, with lines to Moscow. This is a commercial project, and very profitable.

But as for the second part of infrastructure—energy and transportation—it is impossible to attract such foreign invest-

ment. Energy, electric power systems, and railroads are too large and involve a longer period of investment. If we could attract big, long-term capital, from [companies such as] Sumitomo, Hyundai, etc., if they would invest money in the Far East—in industry, in hotels, in big interests—then it would be profitable to invest in these spheres. But now the investments are small. So, it is not profitable to invest in infrastructure.

So, the situation is very difficult and dangerous in these two spheres. The energy system is being destroyed. In the Far East, we have destroyed the infrastructure. We need 80 billion rubles now, just for repairs, buying fuel, and maintaining the energy balance; even to maintain this on the zero level, it would be necessary to invest money to increase electricity production 10-15%. It is necessary to construct new systems, new storage facilities, new capacities, new coal and gas in Sakhalin.

**EIR:** What you are saying is that the state must help in these spheres, that private investment alone cannot solve the problem? Can you be specific?

**Minakir:** Yes. We want to construct small nuclear energy plants, to use small reactors from nuclear submarines. There are some technologies for using these reactors in small stations.

In the immediate future in the Far East, we face a permanent deficit of energy. There is a project for a hydroelectric station on the Burya River, west of Khabarovsk, which has been started. But it would take 40 billion rubles to finish. It is impossible to find this money from the government.

For the transport system, there is a big problem for electrification of the Trans-Siberian Railroad, near Khabarovsk. There is a lack of electricity; this part of the railroad needs 1 million kilowatts a year.

Beyond this, we have big problems with some of the railroads near the seaports. The city of Komsomolsk-on-Amur is a major center of military activity. Then there is the port on the Sea of Okhotsk, which is a very interesting port. There is also the ferry transportation from Sakhalin, which uses this port.

In the future there may be big problems in infrastructure in the Far East. The Chinese have their Tumen River project, which is an infrastructure project on Chinese territory, near the border of China and North Korea and the extreme south of the Russian Far East [see Figure 5 in previous article]. The Chinese are eager to construct a new seaport, either on this river, or on a canal to the sea. A railroad to this future port is part of an idea, and the Chinese are eager to reorient the transportation from western Europe to Japan, via the Trans-Siberian Railroad, to this new railroad. If this project is realized, our four major ports, with their bright future, will be cut off, which will mean a loss of most of the container flow from western Europe and a large part of the money flow involved.

## Was Herrhausen killed by western intelligence?

by Jeffrey Steinberg

On the eve of the Group of Seven heads of state summit in Munich, sensational new revelations were aired on German television suggesting that Alfred Herrhausen, Germany's most important banker, may have been assassinated by western intelligence agencies. On July 1, ARD television aired a 45-minute, prime-time documentary on its "In Focus" program debunking the official police theory that Herrhausen, the Deutsche Bank chairman who was assassinated on Nov. 30, 1989, was the victim of a "third generation" Red Army Faction (RAF) hit squad.

The broadcast, while making no attempt to identify the actual killers of Herrhausen or the motives behind his murder, reinforced charges recently aired in the pages of *EIR* that Herrhausen was assassinated on orders of Anglo-American financial circles intent on blocking Germany from launching an independent economic development initiative into the former communist states of eastern Europe. Herrhausen, a close personal friend and leading economic adviser to German Chancellor Helmut Kohl, was an architect of that policy initiative, which mirrored critical features of the plan for a European "Productive Triangle" for development spelled out by Lyndon LaRouche at a Berlin press conference in October 1988. In the aftermath of Herrhausen's murder and the April 1991 assassination of Detlev Karsten Rohwedder, the head of the German Treuhand (the agency in charge of the economic integration of eastern Germany), that policy initiative was all but abandoned by the Kohl government.

On April 3, Helga Zepp-LaRouche, citing comments by U.S. Pentagon official Col. Fletcher Prouty (ret.) and referencing the text of a speech that Herrhausen was scheduled to deliver in New York City one week after his assassination, charged in an *EIR* story that Herrhausen was murdered because of his development policy initiative for eastern Europe.

She called for the German government to reopen the probe of the Herrhausen murder, which in its strategic significance, Prouty said, "resembled the assassination of President Kennedy in 1963."

### Five areas of evidence debunked

The ARD documentary systematically debunked the idea that the Herrhausen murder was the work of the RAF "third generation." It focused on five areas of evidence demonstrating that the existence of a "third generation" RAF is pure myth:

1) **The murder scene.** In all of the major Baader-Meinhof gang and RAF terrorist attacks prior to the mid-1980s, police always were able to discover forensic evidence linking known RAF terrorists to the incidents. Either fingerprints or other evidence always was obtained, leaving no doubt as to the RAF involvement. In the Herrhausen case, and in all the terrorist assaults claimed by the RAF "third generation," police were never able to establish any forensic proof that members of the group were on the scene. In fact, Christian Seidler, one of the few known members of the purported "third generation," disappeared from sight in the mid-1980s and has never been seen since. Seidler was one of the alleged assassins of Herrhausen.

2) **Links to the first and second generation RAF.** According to the official theory, old-time members of the RAF now in maximum security prisons in Germany ordered the Herrhausen killing and gave detailed instructions to the "third generation" RAF members who then allegedly carried out the sophisticated bomb attack. Prison officials interviewed on the ARD broadcast provided detailed explanations why such a command-and-control structure would have been impossible, given the conditions under which the RAF terrorists are held. The "command" over the killer squad, therefore,

had to have come from elsewhere.

3) **The RAF communiqué.** The RAF communiqué which took credit for the Herrhausen assassination was, according to terrorism experts familiar with the group, an artful forgery which drew upon publicly available communiqués from earlier RAF writings. In most of the major terrorist acts carried out by the first two generations of the group, the same typewriter and logo had been used. The typeface on the Herrhausen communiqué bore no resemblance to the earlier documents, and otherwise contained no formulations that would have demonstrated links to the RAF.

4) **The bomb.** According to Robert Schell, a bomb expert who was interviewed on the ARD broadcast, the laser detonator that police found at the scene of the Herrhausen assassination, and which was cited as evidence of RAF involvement, could not have been used to activate the bomb. By reviewing the pyrotechnics of the device, Schell, backed up by other experts, demonstrated that the bomb, which was packed inside a bicycle sitting on the side of the road, had to have been detonated by a remote control mechanism which was activated the instant that Herrhausen's armored limousine passed the spot.

## Perjured witness comes forward

5) **Eyewitness testimony.** The most critical documentation aired on the ARD show centered upon the one living witness who allegedly provided police with details of the existence of the "third generation" RAF and their role in the Herrhausen murder. That witness, Siegfried Nonne, a longstanding but dubious police informant for state and federal agencies in Hesse, recanted on the ARD show his previous statements and detailed how police had bribed him and later threatened him with murder if he did not cooperate with the "RAF killed Herrhausen" hoax.

According to Nonne's statements, he was approached by officials of the Hesse state police and state prosecutor's office in March 1990. In the course of three meetings, he was told that authorities had badly mishandled the probe of the Herrhausen killing and needed him to make false statements that would help conceal some of those blunders. At an initial meeting with his police controller and a senior official of Landesverfassungsschutz (LfV), the state's investigative agency, Nonne claimed he was offered 100,000 deutsche-marks to say that he had safeoused the RAF killer squad in the weeks leading up to the Herrhausen murder.

Nonne told the ARD interviewer that he rejected the initial offer, but was told at a second meeting that he would be sent to a mental hospital "which he would never leave alive" if he did not cooperate. Nonne, who had a history of drug and alcohol abuse, was ultimately sent to a psychiatric hospital at Wiesloch. At the third meeting, in late March or early April 1990, Nonne agreed to cooperate with police and was put into a witness protection program.

According to the ARD report, Nonne named a hotel near

the city of Giessen where the final meeting took place, and ARD investigators were able to obtain registration records showing that at least one official of the LfV was at the hotel on the date in question.

In November 1991, stories began to appear in the German press suggesting that police were on the verge of making a breakthrough in the Herrhausen case. Then, on Jan. 21, 1992, newly appointed federal prosecutor von Stahl announced that his office, in collaboration with state prosecutor Gunther in Hesse, had discovered "new leads" in the case. At that point, Nonne was put forth as the "state's witness" in the Herrhausen murder, claiming that he had provided safehousing to four members of the "third generation" RAF during the eight-week period leading up to the November 1989 murder.

Nonne claimed that the four RAF members were: Christian Seidler, Andrea Klump, and two men only identified by the code-names "Peter" and "Stephan." Police claimed that a search of the basement of Nonne's building had turned up traces of explosives that were used in the Herrhausen bombing.

In the ARD interview, Nonne stated that all the evidence about the RAF safehousing had been manufactured. ARD investigators interviewing neighbors of Nonne were told that it would have been impossible for four people to have been safeoused in the informant's flat during the two months in question. As further proof, Nonne presented documents showing that his half-brother had been living with him through May 1990. The half-brother died in 1990.

Bundesverfassungsschutz (BfV, federal investigative police) chief Meier also appeared on the ARD broadcast. After admitting that there was no hard evidence demonstrating that a "third generation" RAF ever existed, Meier offered his evaluation that the Herrhausen assassination had been carried out by "professionals using the methods of a secret service." However, no forensic evidence and no evidence obtained from the East German archives suggested that the assassination was the work of the Stasi, the East German secret police agency that played a pivotal role in earlier RAF terrorism.

Who, then, had the capacity to assassinate Herrhausen and create the false trail leading to an apparently non-existent "third generation RAF"?

*EIR* has reviewed the political circumstances leading up to Herrhausen's murder and assembled a picture of who might have had the motive and capability to exterminate this pivotal figure.

## Debt and development

Herrhausen was not only a close friend and economic adviser to Kohl. He was one of the most progressive bankers in the world. According to writer Michael Morrissey, a professor at the University of Kassel who has criticized the official German view that the RAF killed this banker, Herrhausen was an aggressive advocate of a partial debt moratori-

um for the nations of the Third World and the emerging new democracies of eastern Europe.

On June 6, 1989, he detailed his proposal for a partial debt cancellation in the German financial paper *Handelsblatt*. On Sept. 25, 1989, just two months before his murder, Herrhausen laid out his views at the annual meeting of the World Bank and the International Monetary Fund (IMF) in Washington: "Mr. Reed, speaking for Citibank, has said they are a 'new money' bank. I can tell you that the Deutsche Bank is a 'debt reduction' bank."

According to Prouty, Morrissey, and others, at the time of his murder, Herrhausen was actively working to establish an eastern European development bank that would funnel earmarked loans and loan guarantees into carefully selected infrastructure projects in Poland and other eastern European countries, including East Germany.

Perhaps more important, just before his assassination, Herrhausen engineered a move against the City of London through Deutsche Bank's buyup of Morgan Grenfell for DM 2.7 billion (\$1.7 billion). *Der Spiegel* labeled the takeover "the most important strategic decision of the Deutsche Bank since World War II."

According to Prouty, who capped a career in the intelligence field with a brief stint as an investment banker, the Deutsche Bank takeover of Morgan Grenfell "shook the hell out of the City. This action hurt the London banks more than anything else the Germans did since the end of the [Second World] War. Herrhausen's idea was to use the clout of Morgan Grenfell to boost his own capabilities."

In a speech that he was scheduled to deliver at the annual meeting of the American Council on Germany in New York City on Dec. 4, 1989, Herrhausen had planned to spell out in detail the direction in which he intended to steer Deutsche Bank.

Although the *New York Times* obtained a copy of the text of that speech and published excerpts, they avoided those parts that dealt with his vision for integrating eastern Europe. Herrhausen's main topic was Europe's response to the "peaceful revolution from below" then sweeping the former communist states of eastern Europe and spreading into the Soviet Union. He warned that "freedom is a comprehensive concept and cannot be confined to just one sector of national life." It must include "a standard of living hitherto refused."

Returning to his theme at the IMF meeting in Washington, Herrhausen emphasized that the first step toward helping in the economic reconstruction of the East was to reduce the debt. Taking up the case of Poland, he stated, "for domestic reform to have at least a chance of success, the debt problem needs to be solved promptly. In the past, the banks have agreed to regular reschedulings, but now the onus is on government lenders assembled in the Paris Club to come up with a helpful contribution. They account for roughly two-thirds of the country's external debt. If there is to be a permanent solution, this will require enlarging the strategies hitherto

adopted to include a reduction of debt or debt service."

Echoing a proposal first presented by LaRouche in Berlin a year earlier, Herrhausen called for the creation of a development bank based in Warsaw, Poland: "I proposed, on the occasion of this year's annual meeting of the World Bank and the IMF in Washington, the establishment of a development bank on the spot, that is in Warsaw. Its job would be to bundle incoming aid and deploy it in accordance with strict efficiency criteria. I could well imagine that such an institution might be set up along the lines of the German Kreditanstalt für Wiederaufbau, the Reconstruction Loan Corp., whose origin goes back to the Marshall Plan."

Herrhausen was moving aggressively to craft a western European policy response to the rapidly unfolding events in eastern Europe and the Soviet Union. That policy contrasted sharply with the views then pouring out of London and Wall Street. Just weeks before the Herrhausen murder, leading British spokesmen like Conor Cruise O'Brien and Transportation Minister Nicholas Ridley had warned in near-psychotic terms about the specter of a "Fourth Reich" emerging under the guise of German economic largesse toward the East. Ridley was bounced out of the Thatcher cabinet for his ill-chosen words, but everyone in London knew that Ridley was speaking for Margaret Thatcher and the British Crown.

Did the Herrhausen initiatives "shake the hell" out of London sufficiently to warrant his execution on orders from London and New York bankers?

Prouty, who has spent years delving into the assassination of President John F. Kennedy and other world leaders—Prouty was the inspiration for the "Mr. X" character in Oliver Stone's recent movie "JFK" and advised Stone on the film—believes that the London and New York bankers, working through the international assassination bureau, may have killed Herrhausen. "The business of murdering world leaders is a big business. It has been going on for years and it still continues," he recently told *EIR*. "People like Alfred Herrhausen are killed for big reasons. The people that order such executions, at the highest levels, feel sanctified and justified when they order such an act. It's always based on strong motives. Herrhausen said in blunt terms what logically had to be done. He was not under the thumb of the City."

## Beyond Herrhausen

After the ARD revelations, the German daily *Mainzer Allgemeine Zeitung* on July 3 raised a question. If the "third generation RAF" is a myth, concocted to conceal the authorship of the Herrhausen assassination, what about the other killings claimed by the same phantom RAF? They cited: MTU chairman Ernst Zimmermann (February 1985), Siemens director Karl-Heinz Bekurts (July 1986), German Foreign Ministry official Gerold von Braunmühl (October 1986), and Treuhand chairman Rohwedder (April 1991).

As Helga Zepp-LaRouche wrote in *EIR* on April 3, it is time to reopen the files on these assassinations.

# LaRouche, classics invoked to save Russia

by John Sigerson

A group of human rights activists in Moscow has issued an urgent call for the formation of a Schiller Institute in Russia, as a part of the growing worldwide network of resistance to the genocidal “shock therapy” policies of the International Monetary Fund. The call, entitled “Can We Permit Ourselves to Miss This Chance? Paths to Overcoming the Crisis in Russia,” comes close on the heels of the first demonstration in Moscow to demand the release from prison of Lyndon LaRouche, one of the founders of the Schiller Institute in the United States.

The call opens by urging that Russians, in light of the daily deterioration of living standards, growing tensions in the Army, and possible military conflicts, should “think like Lomonosov and Leibniz, create like Pushkin and Schiller,” and “learn economics from Witte and Hamilton!” The first name, which may perhaps be less familiar to western readers than the others, refers to Mikhail Lomonosov, the mid-18th century scientist and classical poet who founded the University of Moscow according to the principles given to Peter the Great by the 17th-century universal mind Gottfried Leibniz. For educated Russians, the invocation of Lomonosov is a powerful reference to the “westernizing” current which has always striven to lift Russia out of the economic and cultural quagmire of feudalism.

## Recovering a ‘lost world’

The call explains that “for a prolonged period of time, Russia was a ‘lost world,’ without real ties to the West, to the ideas of freedom and humanism. Now a deep crisis has afflicted all spheres of the economy and culture. Today’s lamentable situation is the result of the false goals and ideals, set by the leaders of the October coup. The state suppressed the freedom of the individual, while ideology suppressed freedom of thought. Now it is perfectly clear, that the future of Russia is linked with the processes of privatization, demilitarization, the creation of a new system of jurisprudence, and with free access to information. . . . Any other policy, serving the goals of the moment, will not suffice to permit the country to occupy the place it should in the modern world, and will not remove the threat of Russia’s turning into an underdeveloped, Third World country.”

The call laments the “dangerous tendency” that too many

Russian politicians and intellectuals today have swallowed whole the fallacy that the ideals of western capitalism are epitomized by the free market liberalism preached by the Harvard school of economics. “It is especially important to expose pseudo-scientific theories that have no confirmation in practice and do not take into account the specifics of the current situation in Russia, and turn to the world practice of creating a powerful national economy and use the methods of physical economy, which, in the tradition of Leibniz and Hamilton, have been developed for the modern situation by the American economist Lyndon LaRouche.”

The call also emphasizes that the real power in Russia still remains with the *nomenklatura*, the powerful families who ruled Russia under communism. The evidence of this is there for all to see: “So far, neither the parliament, nor the government headed by Gaidar, have done anything real for a genuine transformation of property relations in Russia. The simple citizens of Russia, the soldiers returning from eastern Europe, should become owners of land, houses, apartments, and enterprises. But so far, the officials of the old *nomenklatura* and the new bureaucracy are carrying out their own privatization, for themselves, so that in half a year we are going to get capitalism of the harshest and cruelest sort.”

But the call reports that opposition to the *nomenklatura* is fragmented, while there is also a troubling growth in “imperial ideology” favoring the idea of a “single and indivisible Russia” on the model of the old Russian Empire. At the same time, economic production has been exhausted by the bureaucratic abuse of communism, while Russia’s budget deficit and foreign debt have roughly quadrupled over the past year, with the latter already passing the \$100 billion mark.

In sum, the call states, “We have reached a decisive point in our history. The time has come when the future of Russia, our future, will be decided.” If Russia follows the IMF “shock therapy” program drawn up by Jeffrey Sachs, then the very best Russia can expect is to be “on the level of Brazil or India, countries where the [free] market has been reigning for a long time.

If, on the other hand, Russia adopts a policy of “national economic development (dirigism),” as was practiced in America after the 1776 Revolution and in Russia in the late-19th and early-20th centuries, then physical production and infrastructure could be relatively quickly restored. “The ideas of physical economy laid out by Leibniz, who corresponded with Peter I, and developed in the works of Friedrich List, Hamilton, and LaRouche, go to the heart of man’s true relationship with nature.”

As an immediate goal, the call says, “we must insist on new elections to the Supreme Soviet of the Russian Federation, since it was elected more than two years ago, in a completely different political situation. And at the highest level, the mistakes of the communists must be recognized and communist ideology condemned.”

# 'Arc of instability' engulfs borders of former Soviet Union

by Konstantin George

An "arc of instability" far more dangerous than the "arc of crisis" defined by former U.S. National Security Adviser Zbigniew Brzezinski in the 1970s, has emerged along the western and southern borders of the former U.S.S.R., from the Baltic to Central Asia, and including the nearby Balkans, where present and future conflicts could trigger a global war during the 1990s. Wars are already raging in Moldova, sandwiched between Romania and Ukraine; in the Transcaucasus, between Armenia and Azerbaijan; and in the Georgian region of South Ossetia, bordering the Russian Federation. In Central Asia, the republic of Tajikistan is, according to a June 30 Russian television report, "on the verge of civil war." Potential civil war conditions exist in Georgia and in various parts of the Russian North Caucasus, and tensions between Russia and the Baltic states are rising.

## Over 2 million refugees

By July 1, the human toll in this "arc of instability" rivaled that in the former Yugoslavia. Figures released on June 30 by Tatyana Regent, head of the Russian Immigration Authority, reveal that during 1991 some 500,000 Russian refugees fled from non-Russian republics to Russia because of conflicts or in the anticipation of war or violence, and that at least 600,000 more Russians will arrive this year. These statistics include only ethnic Russians. She added that, since Jan. 1, 1991, another 200,000 people belonging to non-Russian ethnic groups, such as Ossetians, had fled into the Russian Federation. If one adds the Armenians and Azerbaijanis who have fled to their native republics, the stream of Georgians from South Ossetia into the rest of Georgia, and the Slavs from Moldova's Dniestr region into Ukraine, there are some 2 million refugees, more than the number displaced by the Serbian-caused war in Croatia and Bosnia.

Thousands have been killed. Several thousand have died so far in the Armenia-Azerbaijan war. In South Ossetia, nearly 1,000 have been killed, and in Moldova, over 1,000 have died, mostly the result of the shelling by Romanian-supported Moldovan forces on June 19-22 of Bendery and other Russian-Ukrainian inhabited cities in the Dniestr region. The Bendery slaughter provoked the first application of the "Grachev Doctrine," named after Russian Defense Minister Gen. Pavel Grachev, where Russian forces have been deployed to protect ethnic Russians in other republics.

## Fighting fueled by economic breakdown

A sharp warning on this situation was contained in a commentary in the mid-June, No. 24 edition of the Russian weekly *New Times* by Dmitry Volsky. Entitled "The Dniestr Region in the 'Arc of Instability,'" he stated:

"No great imagination is required to see that a chain of conflicts clutching at one another . . . is being formed along the . . . frontier of the former U.S.S.R. and the former Warsaw Pact countries. They form a new 'arc of instability' . . . along the periphery of the civilized world [which] goes through its most sensitive point, nerve knots, where wars broke out more than once—from the Caucasus and Sarajevo, through the Dniestr region and Transylvania to the Baltic coast."

Volsky correctly portrayed the conflict in Moldova as one that "threatens to become the most dangerous" because "it is directly connected with the situation formed in the important and potentially unstable regions of eastern and central Europe." Sooner or later, the West is "going to feel the scorching breath of this conflict," he warned.

Volsky failed to cite the fact that the enforcement of International Monetary Fund (IMF) shock therapy policies on the East forms the underlying causality for the instability. The broad acceptance of IMF policies, except for rearguard actions by the Russian government such as its rejection of further energy price hikes for now, has meant the sabotage of large-scale Eurasian development of infrastructure and comprehensive modernization of the industrial and agricultural production cycles. An endless spiral of economic collapse and impoverishment of the population has been the result, making it relatively easy for Anglo-American interests and Russian imperial-minded circles to incite conflicts. The direct connection between economic collapse and the resulting destabilizations and conflicts can be seen in case after case.

The conflict in Moldova, for example, before the Romanian-backed Moldovan massacres of Slavs during May and June, could have been amicably settled on the basis of two provisions. The first would have created a confederation, giving the Slavs of the Dniestr region self-rule, an arrangement which would have remained so long as Moldova remained an independent republic. The second provision would be that, should Moldova's ethnic Romanian majority

decide to become part of Romania, as it had been (except for the Dniestr region) between 1918 and 1940, then the Slavs of the Dniestr region, which Stalin arbitrarily detached from Ukraine in 1940 and made part of the new "Republic of Moldova," could vote to rejoin Ukraine.

The Moldova conflict has been provoked by the Romanian regime of President Ion Iliescu, whose irredentist policy is to annex Moldova, including the Dniestr region. With the exception of 1941-44, when the Romanian Antonescu regime, an ally of Hitler, annexed the Transdnestr region of Ukraine, the Dniestr region never belonged to Romania. The "Greater Romania" policy of Iliescu, a dictator of the Gorbachov era, has been launched to distract attention from the domestic economic ruin caused by application of IMF-dictated austerity. With Romanian assistance—Romanian helicopters and aircraft have covertly taken part in military operations in Moldova—the Moldovan slaughter of Slavs along the Dniestr has, by design, accelerated the partition of Moldova. This, in turn, has aided Romania's intended annexation of Moldova up to the Dniestr River because Moldova cannot exist economically without the Dniestr region, which is the republic's source of electricity and home for almost all its industry.

This same chauvinist policy has been directed against Romania's large Hungarian minority in the Transylvania region, which is creating the potential for a Romanian-Hungarian conflict. Similarly, the main cause of the rupture of Czechoslovakia has been the rape of Slovakia through the IMF policies of Czech economic "czar" Vaclav Klaus. More broadly, the shock therapy-induced breakdown of trade among all the nations in this "arc" has created a matrix for continual conflicts.

### **'Arc of instability' widens**

By the end of June, a decisive Russian policy shift along the lines of the "Grachev Doctrine" was in place. On June 27, Russian President Boris Yeltsin, agreeing to a request by Defense Minister Grachev, appointed General Major Lebed as the new commander of the Russian 14th Army based in Moldova. Lebed, like Grachev, is a career Airborne officer and combat veteran of the war in Afghanistan. He had served as deputy commander of Airborne Forces under Grachev from December 1990 through August 1991. The three generals in command of combat forces who played the decisive role in smashing the August coup and leading the Yeltsin "counter-coup" were Grachev, Lebed (then in charge of defense of the Yeltsin "White House"), and Army Gen. Boris Gromov, who pulled the Interior Ministry MVD troops into the Yeltsin camp. On June 27, Yeltsin appointed Gromov, an exponent of the "Grachev Doctrine," as deputy defense minister of Russia.

From his headquarters in Tiraspol in the Dniestr region on June 29, General Lebed stated the new 14th Army policy should Moldovan forces attempt a repeat of the slaughter of

June 19-22: "In future this will be a different neutrality, an armed neutrality. We are a Russian Army, and it does not correspond to the traditions and character of Russians to look on indifferently as peaceful inhabitants are killed before their eyes, wounded, or made into cripples. . . . A genocide such as occurred between June 19 and June 22 will never be tolerated again."

Such policies are necessary to stop the killing. However, military toughness alone cannot solve the underlying source of conflict. At best, it can buy time until policies centered on mutually beneficial economic development are begun. Otherwise, the "arc" continues to widen and the crisis intensifies.

The latest example of this is in the Baltic. On June 28, Estonia held a referendum, with voting limited to ethnic Estonians, on extending voting rights to non-Estonian residents, meaning the 40% Russian minority. The result, which denied Estonia's Russians the right to vote, is a disaster. No one can deny that under Bolshevism, Moscow practiced a policy whose aim was to extinguish Estonia through mass killings, deportations, and Russification, and that Estonians paid a horrendous price living under this slavery. The vote disenfranchising the republic's Russians, however, established an extremely dangerous, immoral doctrine of Russian "collective guilt."

A wiser policy would have distinguished between the Russians who are chauvinist subversives and who form only a tiny minority of the Russian population in Estonia, and the great majority, mostly second- and third-generation Russians, who voted for Estonian independence and who wish to live in peace in Estonia. Those who promote a doctrine of "collective guilt" are themselves guilty of collective stupidity, where emotions caused by the sufferings of the Estonian people, understandable as these emotions may be, have prevailed over reason. Taking revenge on pro-Estonian independence Russians is stupidity. The referendum played into the hands of the diehard enemies of Estonia, namely, the Russian imperial chauvinists. A wise policy must be predicated on never giving these evil types the chance to develop a mass following.

The Baltic states have enough problems with Moscow; for example, Moscow's adamant refusal to pull out its troops from their territory. In fact, the Russian Defense Ministry declared, even before the Estonia referendum, that it would not begin to pull troops out until 1994, after withdrawals are completed from Germany and Poland. That date appeared in another context, when the Russian government announced on June 30 that it expects industrial production to continue to fall through 1992-93, with no chance for a rise until 1994. That prognosis will stick, unless IMF-dictated policies are overthrown. If this reversal, which is in the national interest of all the new independent states, does not occur, then the arc of instability will become explosive, a price the world cannot afford to pay.

# Russia is pressuring Georgia in the South Ossetian crisis

*Guram Chakhvachze is a member of the Executive Committee of the National Democratic Party of Georgia, founded in 1911, and of the State Council of Georgia. He was interviewed by Rachel Douglas on June 24. The interview has been translated from Russian.*

**EIR:** In January of this year, *EIR* published an interview with Dr. Vladimir Kilasonia, a leader of your party, in which he spoke about the hopes of your party that the situation in Georgia could stabilize, after the departure of former President Gamsakhurdia. Today, however, it was reported from Tbilisi, that people supporting Gamsakhurdia tried to seize key buildings, the television station, and so forth. The visit of Russian President Boris Yeltsin was postponed. How do things stand in Georgia now?

**Chakhvachze:** Today at about 4 a.m. a group supporting former President Zviad Gamsakhurdia entered the city with an armed force, and they seized the television tower and the television building. Several hours later, they were arrested. The police reported to us that there was shooting at the television building. There were casualties, but we don't know how many. We know for sure, that five people were killed. And the whole group that was supporting Gamsakhurdia has been arrested.

One striking element in the report is that while those people were being detained, citizens of Tbilisi came out into the street, came to the television building, and they wanted to seize the attackers. The Guard was forced to shoot into the air to frighten them off; so the Guard had to protect the attackers.

Briefly, that is how we can characterize the situation. And, as we know, there was supposed to be a meeting today in Dagomys between Mr. Yeltsin, [Georgian President Eduard] Shevardnadze, and [Ukrainian President Leonid] Kravchuk. I don't know what information you received, but we know that Shevardnadze did fly there and the meeting took place.

**EIR:** Why did the conflict over the South Ossetian region flare up?

**Chakhvachze:** We think that the question of so-called South Ossetia is a very convenient option for Russia to pressure Georgia, and Russia exploited this option against Georgia very well. Georgia had come out of isolation and was beginning to develop ties with the civilized world, but Russia does not want to give Georgia up. For 200 years, Georgia was first

in the Russian Empire, and then in the Soviet Union.

There are problems there. The State Council of Georgia was trying in every way possible to settle the situation by political, peaceful means. There were meetings with the leadership of North Ossetia [a district in the Russian Federation, bordering Georgia], and there were hopes to settle all this by normal, civilized measures. Unfortunately, this cannot be said about the position of Russia.

The information that people get from that region is very one-sided. It gets reported that the Georgian side is shooting, but not that shooting has also come from the Ossetian side. Naturally, we are not responsible for this shooting. There are groups there that are not under control. They are just citizens, both from their side and from ours. But the truth should be told, and the information put out should be correct.

**EIR:** What relation do the statements of Russian Federation leaders concerning South Ossetia, have to the so-called Grachev Doctrine? Grachev is the commander of the Russian Armed Forces, who said they have the right to intervene to protect Russians living in other countries, former Soviet republics. But the inhabitants of this region are not Russians, rather Ossetians.

**Chakhvachze:** I should say that the problem here concerns the Ossetian population. We have no problems with the Russian population. If Russia imposes some kind of sanctions or employs force against Georgia, Russia should take into account that not only Georgians live there, but also Russians, with whom we have normal, very good relations.

I think Russia wants to defend the rights of the Ossetian population in the same way as, in the not so distant past, somebody wanted to defend the interests of the working people of Czechoslovakia, of Hungary in 1956, and of Afghanistan. And I think that one should not, for the sake of one's own interests, play with the fate of nations.

**EIR:** How do you assess the situation in the Transcaucasus region as a whole, and how do you view the possible involvement in the conflict between Armenia and Azerbaijan of other countries, for instance Turkey, which is a NATO member?

**Chakhvachze:** Looking at that conflict, which is a war between two states, we see that Azerbaijan is gravitating towards Turkey and seeking support there. Armenia, on its

side, has certain preliminary ties with Iran. So, naturally, with two such countries there is a struggle going on, concerning political spheres of influence.

I don't know how far this will go. I know for sure that it is a very, very difficult question. We are well informed about this, because we live right next to them and we are maintaining neutrality. We have relations with the Armenians, and with Azerbaijan. We understand this situation very well. I think that the hand of Russia is somehow involved here, too. Russia wants to extract some fruits from this conflict. It all began when these were republics in the Soviet Union.

**EIR:** Now a question about Georgia. Many people in the West and around the world remember Eduard Shevardnadze from when he was U.S.S.R. minister of foreign affairs, in the period when various unseemly agreements were worked out between the Gorbachov regime and western countries, under the rubric of the new world order of Bush and Gorbachov. What kind of role is this former KGB and Communist Party official, Shevardnadze, playing today—a positive one?

**Chakhvachze:** We think that, at the present stage of things, Shevardnadze's main actions have been positive. We evaluate positively his efforts, directed at getting Georgia out of this dead-end situation. On the whole, there are certain elements with which we may not agree, but I think, at this stage of things, Mr. Shevardnadze is acting positively.

**EIR:** How do you view the possible establishment of a constitutional monarchy in Georgia, with a role for members of the Bagration family?

**Chakhvachze:** The idea of a constitutional monarchy is an institution that was traditionally developed in Georgia. There was not absolute monarchism in Georgia. The simple people loved their czars; Georgians had a different attitude [than others did], historically, to their czars. Then, after the first occupation by the Russian Empire at the beginning of the 19th century, all the Bagratons left Georgia. For Georgians, the czar personified, was a symbol of Georgia, of its statehood.

As to whether a constitutional monarchy would be possible in Georgia today, I think that it is a matter of time and we should not rush ahead with this. But if in the future there will be such a system in Georgia, it will be a purely European one, so to speak, because this will also be a parliamentary republic and the czar will be a symbol of the nation.

Concerning the dynasty, so far there is a bit of a muddle there. The visit of [National Democratic Party leader] Georgi Chanturiya and Temur Zhorzholiani [of the Monarchist Party] to Spain showed this.

**EIR:** I read about that and was quite interested. But I wanted to ask if you are not concerned by the fact that the king would be coming from western Europe, from Spain, where over many years the family would have developed close ties with foreign interests, with the European oligarchy, etc.? At various times in history, members of the Bagration family had

very close contacts and collaborated with prominent figures precisely from the most imperialistically inclined section of the Russian aristocracy.

**Chakhvachze:** In general, here's how we are thinking about it. Those descendants of the Bagration family who are adolescents were supposed to come to Georgia and grow up in a Georgian atmosphere, if you understand. . . .

**EIR:** To learn the language?

**Chakhvachze:** The language, Orthodoxy, everything that would be fitting for a czar. So that they would not only study the language, but their mentality and thinking would become purely Georgian, and they would understand what Georgia is, that it is their homeland, and so forth.

As for all these things in the West, I don't think I can speak definitively. The West is what it is, but we have special relationships, because we always gravitated to the West, to the Christian world—being surrounded as we were, Georgia's geographical position being what it is. So there were many cultural ties, with Byzantium, with Rome. Such cultural ties were preserved, and we want to develop these in a normal way, not so that there would be misunderstandings.

**EIR:** I have two questions on economic themes. I know that you personally have taken part in discussions about the LaRouche program, the "Paris-Berlin-Vienna Productive Triangle." How is the situation in Georgia's economy today? Is progress possible under present conditions?

**Chakhvachze:** Things are very, very difficult economically in Georgia now. The first and most important reason is the political instability of Georgia's situation, which has to do both with the internal situation, and also the threat from Russia. If Georgia were politically stable, it would still be difficult to develop economically out of this dead-end, but the external situation makes it even harder.

There are some reforms going on, but there is not yet a clear-cut concept and direction. All the campaigns and reforms that were done in eastern Europe or now in Russia, we have, too—discussions on privatization, and all that. But we are not satisfied with this yet. I think that all these processes must be accelerated, in order to create our own, independent economy system. On the one side, that means internal reforms, and on the other, I would put it this way: We are looking realistically at the West, so that there might be a partnership with the West, because without help with respect to new technologies, new equipment, it will be difficult for Georgia. And it is the West that has the new technology and innovations. The West should look at Georgia as a partner.

**EIR:** In an interview published in the newspaper *Svobodnaya Gruzija* [Free Georgia] on March 31, Mr. Chanturiya talked about the electoral platform of your party as follows: politically an Anglo-American model, but a German model in the realm of economics. Do you know what he is referring to, with this "German model"?

## CIS sets up its own 'Blue Helmet' force

The July 6 Community of Independent States (CIS) summit in Moscow approved the creation of CIS "Blue Helmet" units for deployment in the former U.S.S.R. The decision occurred three days prior to the July 9 opening of the Conference for Security and Cooperation in Europe (CSCE) summit in Helsinki, in which the U.S., Britain, and others sought to approve plans for NATO forces, under CSCE or U.N. guise, to deploy in the former Soviet Union. The Moscow summit was attended by 10 of the 11 CIS heads of state, and the "Blue Helmet" decision was unanimously approved.

The CIS resolution was in effect an endorsement of the "Grachev Doctrine"—the June 5 declaration by Russian Defense Minister Gen. Pavel Grachev that no foreign military forces could be sent into the former Soviet Union.

The plan called for CIS "Blue Helmets" to be sent to Moldova and to the Georgian region of South Ossetia. In the latter case, agreement was reached in parallel talks held in Vladikavkaz, the capital of neighboring North Ossetia, which is in the Russian Federation. The plan entails a CIS force of 3-4,000 troops, drawn equally from Russian and Georgian units, and contingents composed of South Ossetian units and North Ossetian "volunteer" units, to jointly patrol a security corridor inside South Ossetia.

The Moscow CIS summit also resolved to dispatch forces to Karabakh, the Armenian enclave within the territory of Azerbaijan, but this is currently out of the question

as Azerbaijan is de facto out of the CIS. Azerbaijan President Elcibey refused to attend the summit. The 10 Presidents who attended endorsed a resolution giving the Azerbaijan Parliament until the next CIS summit, to be held in the Kyrgyzstan capital of Bishkek (the former Frunze) on Sept. 25, to ratify the CIS treaty.

The departure of Azerbaijan from the CIS has created an ominous "grey zone" in the Transcaucasus because the conflict raging in Karabakh is technically a conflict on the territory of Azerbaijan. NATO involvement has been under way since May, and at least 150 retired Turkish officers up to the rank of general have been advising, serving with, and in many cases exercising operational and staff planning command of the Azerbaijani forces. The Turkish presence and an arms pipeline from Turkey to Azerbaijan, have been decisive in the rapid buildup of an Azeri Army and its successes in the offensive to conquer Karabakh. Azerbaijan will likely use the CSCE summit to call for a NATO-CSCE intervention into Karabakh.

In Moldova, a CIS force, possibly joined by contingents from Romania and Bulgaria, will arrive in July.

On July 7, the Moldova Parliament approved nearly unanimously the dispatch of such a force, drawn from Russia, Ukraine, Byelarus, Bulgaria, and Romania.

As Russian President Boris Yeltsin said July 6, the troops would be stationed between Moldovan forces and the Russian-Ukrainian irregulars. Moldovan forces, however, continue to bombard cities in the Dniestr region. On July 7, they shelled the city of Dubossary, and 22 people were killed. Defense Minister Grachev announced that he will not tolerate "any further attacks" on the Russian 14th Army or on "Russian speakers" in the republic.

—Konstantin George

**Chakhvachze:** I would say that as to both political organization and economic organization, our position is similar to the German, because we are a Christian party and on major points we are akin to the Christian Democratic model.

Also in the organization of the state—the administrative division of Georgia is by territory [*krai*]. Germany has its territorial *Länder*, we will have the territories, because that is how we were organized, historically. We will have seven territories, plus Tbilisi. And also, the Abkhazian Autonomous Republic.

In economics, the Christian model is the concept of the social market economy. But this does not mean that we took everything and simply copied it. What we liked and what is appropriate for Georgia, we took, because such structures already exist in those countries, and it is necessary to make use of them; we shouldn't re-invent the bicycle. As for an Anglo-American model, I don't think so, I'm not so sure about that.

**EIR:** Mr. Chakhvachze, as an American I would like to thank you personally, for signing the call for a reconsideration of the LaRouche case, for justice, which was published in the *New York Times*.

And my last question is, do you have any greetings to American members of the Schiller Institute and supporters here of Lyndon LaRouche?

**Chakhvachze:** When I signed that, I can tell you that for us America was a country where human rights are not violated. Based on the information I had about Mr. LaRouche, I thought that it was impermissible to put a person in prison for that. He has the concept of the Productive Triangle. Maybe that idea, that concept is not adopted, but to deprive a person of his freedom—for me that is simply incomprehensible, and it should be clarified and these cases reconsidered. I would like for truth to win. This is what I would wish for Mr. LaRouche and for the Schiller Institute in America.

# Japan's Miyazawa tells Bush to develop Asia

by Kathy Wolfe

Japanese Prime Minister Kiichi Miyazawa bluntly told George Bush during their July 1-2 Washington summit that Tokyo's priority is economic development for the 2.5 billion people of Asia, rather than the world austerity plans of the International Monetary Fund (IMF). Miyazawa followed up his private talks with a major public call for Asian development and security at the National Press Club.

"Japan is becoming irritated," a Japanese official told the press on June 29, about Bush's fixation on his \$24 billion IMF shock therapy program for Russia, and at the narrow Japan-bashing by bankrupt U.S. auto and steel companies. Asia "deserves more attention," he said. "The theme of Miyazawa's visit will be promoting greater U.S. and European interest and investment in the Asia-Pacific region."

"The President and I talked about some of the important issues in the dynamic region of Asia and the Pacific," Miyazawa said at a joint press conference with Bush following their talks on July 1, "including in the Korean Peninsula and in Cambodia. We reaffirmed determination to work together to enhance peace and prosperity in this region."

"I assured the prime minister of the importance of Asia to the United States," added Bush, who had had no intention whatsoever of addressing the issue.

Miyazawa's Washington summit and meetings with European heads of state in London July 3-5 were to explain Japan's idea before the Group of Seven (G-7) heads of state economic summit in Munich, Germany July 6-8.

At Munich, Japanese Ambassador to Washington Takakazu Kuriyama told the press that Miyazawa also would insist that Asian development be a priority. "The world's attention recently has focused on what's going on in the former Soviet Union and in Europe, and rightly so," he said. "Nevertheless, we think the Asia-Pacific region is just as important as Europe, not only because of the economic future it holds, but also because of a great deal of instability in our part of the world."

## Anglo-Chinese threat

Ambassador Kuriyama's June 30 Washington press briefing on Miyazawa's trip reflects a deeper concern in Tokyo—repeated by Japanese officials to *EIR* in recent interviews there—that Japan cannot trust Washington's support

vis-à-vis the very real military threat Japan faces today from Communist China. As one of the Japanese elite told *EIR*, "You in the West keep saying 'The Cold War is over.' Well, the Cold War is *not* over in Asia."

Japan has little military capability, and is now faced with a direct threat from the genocidal regime in Beijing, where millions of people are already homeless refugees. Japanese elites, however, not only realize that Beijing has been backed fully by George Bush since his days as a "China hand" at the CIA, but are also aware that the Chinese regime has been sponsored since Mao's day by the British Empire. Japan is being blackmailed by, in effect, a London-Washington-Beijing joint threat.

Ambassador Kuriyama's briefing made clear that this broader strategic reality is one reason Japan doggedly objects to Russian occupation of the seemingly minor Northern Territories, the four tiny Japanese islands north of Hokkaido seized by Stalin in the closing days of World War II. Japan does fear Russia, or a possible Stalinist resurgence in Russia, but there is more. Japan, Kuriyama stated, must be sure it has military backing against *all* "expansionist" forces in Asia.

"In our part of the world . . . there remains one important legacy of Stalin's expansionist policy, and that is the issue of the Northern Territories. The former Soviet Union, today Russia, continues to occupy those islands unlawfully. . . . We consider it a litmus test to prove Russia's willingness to play a peaceful role in the Asia-Pacific region," he stressed. "That is why we attach a great deal of importance to the territorial issue not only in terms of a very narrow bilateral issue, but as an issue which does have some real regional and even global implications."

Tokyo has decided that the best it can do for the moment is to "throw the spotlight" on Asia, and draw as much attention to the area as possible, hoping to use "factitious advantage" to prevent the Chinese, Britain, and their sidekick Bush from any monkey business.

## Focus on Asian development

Prime Minister Miyazawa told the National Press Club on July 2 that the West needs a broad new program, which

Japan intends to lead, to address this and other security and economic issues in Asia. "Today I wish to focus on the Asia-Pacific region to illustrate how Japan intends to expand a global partnership with the United States," he began. "I do this because I feel that, although the democratization and economic reform in the former Soviet Union and eastern Europe are now the focus of international attention, momentous changes are also occurring in the Asia-Pacific region. These changes are often overlooked by the Euro-Atlantic community, but I believe that these changes will play an important role in our search for new international cooperation."

Miyazawa not only stressed that Asia is an engine of economic growth for the whole world, but also reviewed the security problems in the region, from the nuclear threat from North Korea to the fragile peace in Cambodia.

"Many countries in the region feel that Japan and the United States are well placed to help them seize the opportunity to bring about more enduring peace and greater prosperity to the region," he said. "The region has registered phenomenal economic growth in recent years, as exemplified by the 'newly industrialized economies,' what we often call 'NIEs.' The Asia-Pacific region may develop into a market as large as Europe or North America by around the year 2015.

"Japan has been actively cooperating with these countries in their nation-building efforts. In fact, half of Japan's ODA, Official Development Assistance, is directed every year toward developing countries in the region," he said. Japan's ODA, the world's largest non-military aid program, rose to \$11 billion in 1991.

### **Promise to help China**

Miyazawa addressed the China crisis by stating that Japan will also do whatever it can to alleviate China's poverty. "It goes without saying," he said, "that the stability and the development of China are significant for the peace and the prosperity over the Asia-Pacific region. I therefore applaud the decision of the U.S. government to extend the Most Favored Nation treatment to China for another year. . . ."

"China is now at a great historic turning point. We must continue to encourage and support China's vigorous efforts for openness and reform in the economic sphere," he said. Miyazawa also stressed for the first time that Japan, which is the largest investor in and lender to China, is now insisting that Beijing stop its hideous oppression of China's student freedom movement. "In that process, we must also make our concern known to China about its political reform, including its human rights situation. We need to appreciate that for a country like China, with more than 1 billion people and a low national income, the expansion of its national economy is indispensable for its domestic stability. Economic reforms should clear the way for political reforms.

"We must also get China involved in international efforts for peace," Miyazawa added. "China's participation is necessary in such areas as nuclear non-proliferation, the Missile

Technology Control Regime, and the control of transfer of conventional weapons."

### **Crises in Korea, Cambodia**

Miyazawa also addressed other conflicts in Asia. "Some of these involve military tension, as in the case of the Korean Peninsula or in Cambodia," he said. "On the Korean Peninsula, over 1.4 million ground troops remain in a state of confrontation across the 38th parallel. The resolution of this situation is the most pressing task today for the security of the Asia Pacific region. The North-South dialogue for reconciliation is to be supported by the close cooperation among the four major powers involved; that is, Japan, the United States, China, and Russia. The trilateral cooperation now under way, among Japan, the United States, and the Republic of Korea, on the question of North Korea's nuclear weapons development program signifies the beginning of such multi-lateral cooperation.

"Serious concerns persist about North Korea's possible nuclear weapons development. If this should prove to be true, it would be a serious destabilizing factor for the security of East Asia and all the world. North Korea's acceptance of the International Atomic Energy Agency's inspection signals some progress. However, all the concerned parties must welcome North Korea to dispel fully the suspicions of the international community. Japan, for its part, is resolved to work to defend, by firmly maintaining that there can be no normalization of relations with North Korea without a solution to this issue.

"The other urgent security issue is Cambodia's peace process," he continued. Miyazawa voiced concern over the bloody Khmer Rouge's recent refusal to go along with Cambodian disarmament, which "is impeding the progress of peace. The ongoing operation of the United Nations Transitional Authority in Cambodia, UNTAC, is an unprecedented grand undertaking.

"Less than two weeks ago," Miyazawa noted, "Japan hosted the Ministerial Conference on Rehabilitation and Reconstruction of Cambodia. The conference pledged \$880 million in assistance for the rehabilitation and reconstruction of Cambodia. Conference participants, including all the Cambodian parties, reconfirmed the importance of the full and timely implementation of the parties' peace agreement. With the international peace cooperation law enacted, Japan envisages future participation in UNTAC through personal support, as contributing to the nation-building of Cambodia."

A 15-man Japanese mission lead by Tatsuo Arima of the Foreign Ministry and including four members of Japan's Self-Defense Forces (SDF) visited Cambodia July 2-7, to study how to quickly deploy Japanese peace-keeping troops there. Japan's troops will be going as a MacArthur-style "army corps of engineers" to rebuild Cambodian infrastructure, hospitals, and cities. Japan plans to send 700-900 engineers as part of the reconstruction plan.

# Cambodia development pushed by Japan

by Linda de Hoyos

After more than a year of hotly contested debate, including near-riots in the chambers of the parliament, the Japanese Diet June 15 passed the government's bill sanctioning Japanese participation in U.N. peacekeeping operations abroad. By July 2, a 15-man Japanese delegation from seven ministries had arrived in Cambodia to plan how Japan's forces might contribute to the U.N. "peacekeeping" effort in Cambodia, which has been under ceaseless war since the United States brought down the Sihanouk government in 1970.

The swiftness of Tokyo's intervention into Cambodia, once the bill was passed, is one sign of the significance with which Japan views Cambodia's future. On June 20-22, Tokyo was also the site of an international Conference on Rehabilitation and Reconstruction of Cambodia, which brought together representatives of 32 nations, 12 international organizations, and the European Community Commission. The conference organized \$880 million to begin the rebuilding of Cambodia, with Japan contributing up to \$200 million, and the United States pledging \$135 million.

Japan's interest in Cambodia, however, is strategic. Although the 13-year war that began with the Vietnam invasion of Cambodia in 1979 is over, Cambodia's 4-5 million people continue to be chief pawns in the intricate superpower game in Southeast Asia. From 1970 to 1990, Cambodia was ripped apart by the contesting powers of Beijing and Moscow, with the United States backing Beijing. With the collapse of the Soviet Union and the withdrawal of Vietnamese forces from Cambodia in 1989, Japan, in tandem with the government of Chatichai Choonhavan of Thailand, acted to clear the way for peace negotiations, which had as their basis a Japanese commitment to reconstruct Cambodia as part of an overall strategy to build up Southeast Asia (see p. 45).

At the same time, the U.N. Security Council, led by Britain, the U.S., and France, with the cooperation of Beijing, pushed for a comprehensive settlement that would effectively place Cambodia's government under a U.N. trusteeship. This plan is operative now, and there are 100,000 troops of the U.N. Transitional Authority in Cambodia (UNTAC) in the country. Observers in the region have likened the U.N. presence to the reimposition of western colonial rule over the region.

The U.N. forces are charged with overseeing the cease-fire and the repatriation of 360,000 Cambodians currently holed up in camps along the Thai-Cambodian border. Only

27,000 have been repatriated so far, allegedly due to lack of facilities and supplies for the returnees. In June, U.N. forces began the second phase of the peace plan: cantonment of the Armed Forces of the Vietnamese-backed government in Phnom Penh and the three guerrilla forces fighting that government.

At this point, the Chinese-backed Khmer Rouge, the strongest and best armed of the guerrilla factions, balked. On June 10, Dutch troops attempting to corral Khmer Rouge troops were denied entry into the Khmer areas. On June 12, Phnom Penh and Khmer Rouge troops exchanged fire in northwestern Cambodia. On June 13, Khieu Samphan, who acts as the Khmer Rouge's public face, said that he would not attend the reconstruction conference in Japan.

The Khmer Rouge then proceeded to place new conditions on its participation in the peace plan: The U.N. must offer verified proof that all Vietnamese military personnel have left Cambodia (although the consensus from diplomats and others is that Hanoi has pulled out), and dismantle the Phnom Penh administration. From New Zealand, Chinese Foreign Minister Qian Qichen chimed in on June 16 that "there are many problems, so patience is needed" with the Khmer Rouge. On the same day, Thai Foreign Minister Arsa Sarasin emerged from a meeting in Bangkok with Khieu Samphan to report that the Khmer Rouge would be going to the Tokyo conference the following week.

There, Khieu and his defense minister, Son Sen, sat in stony silence as the assembled delegations deliberated on Cambodia's reconstruction needs. The Khmer Rouge is now objecting to the \$111 million of the money pledged at Tokyo that is designated to go to Cambodia's state sector and balance of payments support, charging that this will only prop up the Phnom Penh government.

## **Khmer Rouge and the China factor**

The Khmer Rouge has its own internal reasons for objecting to the peace process, not the least of which is its desire to rule over the entire country. The reconstruction of Cambodia also goes against the Khmer Rouge's natural inclination. As protégés of the Chinese Gang of Four at the height of the nihilistic orgy of the Cultural Revolution, the Khmer Rouge during its rule in 1975-79 ripped down whatever remained of the country's infrastructure after five years of U.S. bombing, emptied the cities, and destroyed all vestiges of civilization and intellectual thought as the imposition of "westernization" on Cambodia.

A third factor, Japanese and other sources indicate, is the Khmer Rouge's desire to stall the peace process until the monsoon rains come. In the meantime, the Khmer Rouge is raking in money from its gem-mining operations in the border town of Pailin, which the Khmer Rouge retrieved from Phnom Penh late last year. The Khmer Rouge is afraid that UNTAC will disrupt its trade routes, offered one UNTAC source to Reuters. Phnom Penh Prime Minister Hun Sen also

thinks that the Khmer Rouge is balking in order to gain more concessions in the Supreme National Council, the nominal government composed of all Cambodian factions.

However, the Khmer Rouge's actions to push Cambodia to the brink of war again, come precisely at the moment that Beijing has also dramatically aired its strategic demands upon the region. On May 8, Beijing and the Denver-headquartered Crestone oil company signed an agreement to exploit oil in a 10,000-square-mile area of the South China Sea, also claimed by Vietnam, and near the Spratly Islands which are claimed by six countries in the region. With a representative of the U.S. embassy in Beijing present at the signing, the Chinese announced that they were prepared to use their increasingly commanding naval capability to protect Crestone's operations.

At a July 2 conference in Indonesia on the Spratlys, Chinese Foreign Ministry official Zhao Weihong warned nations outside the region to stay out of the dispute, and a Foreign Ministry spokesman in Beijing announced China's "indisputable sovereignty" over the Spratlys.

Other disputes are also moving to the front burner in relations between Beijing and Hanoi. A conflict over a sliver of territory along the 600-mile frontier between Vietnam and China has delayed the reopening of a rail link between Hanoi and Beijing, Vietnam reported June 12. On July 3, Vietnam reported that in May a gunfight had broken out between border guards at Friendship Pass, where Vietnam's Route 1

crosses into China. No one was killed, but amidst source reports that the Chinese are flooding Vietnam with drugs, Vietnam has threatened to shut down the pass if China does not abide by customs regulations.

As one Hanoi official told Reuters: "People think that relations are okay between Vietnam and China but they are not. I think China wants to know the attitude of the small countries and the big countries in this area." An Asian diplomat in Hanoi explained that "at the end of the Cold War, the superpowers no longer have a concentrated presence in the South China Sea. They [China] are now the biggest power in the South China Sea. This is a strategic point. . . . If they occupy it, they become a strong power and can dictate to the countries of Southeast Asia." The South China Sea is also the key shipping lane for oil and other critical resources flowing from the Mideast and elsewhere to Japan.

While China presses its claim for the South China Sea, Japan is moving to develop the rich oil fields off the Vietnamese coast in the South China Sea. In June, the Idemitsu Oil Development Co. and Teikoku Oil signed contracts with the state-run PetroVietnam to drill for crude. Mitsubishi Oil, C. Itoh, and Marubeni are also bidding for exploration rights in the huge Dai Hung (Big Bear) oil field off Vietnam.

Thus, new strategic fault lines are being drawn in Southeast Asia. For Japan, a leadership role in Cambodia's reconstruction is a strategic necessity, if the entire region is not to be de facto ceded to Beijing.



*U.S. civil rights leader Amelia Robinson (fifth from right), on tour in Croatia, is shown here in Zagreb with representatives of Mothers for Peace and the Schiller Institute. On July 2, she issued a call for an international effort to stop the execution of Croatian citizens Martin Sablic, Zoran Sipos, and Nikola Cibaric who were sentenced to death by Military Tribunal in Belgrade, Serbia on June 26.*

*In a statement on the case, Croatian Vice Prime Minister Mate Granic appealed to human rights organizations to help prevent this "legal crime" and to protect other prisoners of war awaiting a similar fate.*

*Mrs. Robinson promised the help of the Schiller Institute, of which she is a board member, to save the lives of these men, and to stop the continuing trials.*

# Carlos Menem's woes multiply

by Gerardo Terán and Cynthia Rush

Argentine political, economic, and social developments in June indicate that President Carlos Menem's much-heralded policy of bringing his country into the "First World" is rapidly becoming the route to the inferno. The International Monetary Fund's adjustment policy, which for the past year has been dressed in the rhetoric of "stability," low inflation, and monetary parity, is now producing the results it must lawfully yield.

On July 20, the ruling Peronist party's candidate for the Buenos Aires Senate, Avelino Porto, was roundly defeated by Fernando de la Rúa, candidate of the opposition Radical Civic Union (UCR). De la Rúa received 50% of the vote against Menem's candidate, Porto, who garnered only 31%. Political observers note that De la Rúa's victory wasn't due to any legitimate growth in the ranks of the Radical Party, but rather to the population's growing opposition to the Menem government's economic and social policy. Even De la Rúa noted that many independents and Peronists voted for him.

On June 30, the daily *Crónica* published remarks by Humberto Volando, president of the Argentine Agrarian Federation (FAA), who stated that Menem's administration "is rotting, in social and economic matters, as well as in political ones. . . . It cannot consolidate itself, because it is based on false premises."

## The market collapse

June's economic figures show exactly that. Like many other Ibero-American countries, the speculative binge which has characterized Argentina's alleged "economic miracle," based on the stock market, has started to unravel. During the last two weeks of June, the Buenos Aires stock market plunged by 22%, demonstrating the precariousness of Finance Minister Domingo Cavallo's much-touted "convertibility" program, which maintains peso-dollar parity. As reported in the July 1 *Ambito Financiero*, the National Securities Commission estimated that the total value of the companies quoted on the stock market at the end of May was \$32.1 billion. The 22% drop then represented a loss of over \$7 billion.

Daniel Muchnik, economic commentator for the daily *Clarín*, noted on June 29 that while the government only had reserves of \$9 billion, "stock market capitalization has reached \$50 billion. It would only take a partial withdrawal of those funds to cause reserves to evaporate literally over-

night." Muchnik added that of the \$5 billion in foreign capital which entered the country in 1991, only \$750 million went for new investments. In 1992, with \$6.5 billion entering the country so far, only \$1 billion is destined for new investment. Where is the rest of the money going?

According to *Ambito*, despite foreign investment, the majority of those investing in the stock market are Argentine. If the decline continues, this could mean "a rapid impoverishment which lowers the propensity to consume as well as to invest in the entire society." The market's drop, the daily warns, shows that the investment "risk in Latin America is high, significantly greater than in some of the large international financial markets." Even if that risk is lowered, recent developments "will cause a strong recessionary effect on the economy."

The secretary of Economic Planning has just reported that in the first five months of 1992, exports increased only by 12%, while imports (televisions, videocassette recorders, and large quantities of consumption items) increased by 104%. Meanwhile, the government is liquidating highly productive sectors such as the nuclear industry, whose exports to Iran alone had an annual value of \$700 million, before they were suspended due to the Bush administration's phony campaign against "weapons of mass destruction." The same has occurred with the export-linked capital goods sector. Argentine prices, among the highest in the world, are simply not competitive in the midst of the current world economic depression.

## Mass protests

The other aspect of Cavallo's convertibility program was linking wage increases to productivity. As a result of this policy, Argentina has gone from having one of the highest average rates of consumption in Ibero-America to being a consumer of ever-smaller quantities of goods which are increasingly more expensive. The monthly market basket of goods for employees costs \$750; yet on the average, teachers and other public employees earn only enough to cover seven days worth of goods. While there may be no hyperinflation in figures, consumption of meat and other basic foods, which have always been part of the Argentine market basket, has declined dramatically.

On top of the electoral defeat, for three weeks the government has had to face mass protests organized by teachers, students, and parents, demanding budget increases for public education and wage increases for teachers. On July 3, the protests culminated in a 24-hour nationwide strike and demonstration of more than 70,000 people which virtually paralyzed Buenos Aires. The General Labor Confederation (CGT) is threatening to call a general strike at the end of July to protest the government's wage policy. Provincial governors, who have been told to assume the costs for health and education previously paid by the central government, are also protesting. The provinces are in dire economic straits and most have no capability of finding new sources of financing for these services.

# Anglo-Americans set North Africa ablaze

by Joseph Brewda

The assassination of Algerian President Mohammed Boudiaf on June 29, under still-unexplained circumstances, conforms to the gameplan of the British and U.S. governments to throw North Africa and the Mideast into chaos. The assassination follows by one month the nearly successful attempted murder of Sudanese Islamic leader Dr. Hasan Turabi, whom some have considered the real leader of that state. On June 30, the head of Yasser Arafat's faction of the Palestine Liberation Organization in Lebanon, Lt. Col. Anwar Madi of Fatah, was the victim of a car ambush in the southern town of Sidon. In an incident which could be related, Daniele Mitterrand, the wife of the President of France, was nearly killed by a car bomb in U.N.-occupied northern Iraq on July 6.

According to initial reports, President Boudiaf was killed by a member of his own security detail while giving a speech in the town of Annaba. The assailant was on the podium with Boudiaf, and placed a hand grenade under Boudiaf's chair, or, according to another account, shot him. The assailant, still unidentified by authorities, was then killed. Later, murky accounts say that the assailant was not actually a member of Boudiaf's security, and that another assailant had been captured.

The Algerian and international media have charged, but without providing documentation, that the assassination was the work of the Islamic Salvation Front (FIS), which was banned last year prior to the second round of elections which would have probably brought it to power. The leader of the FIS, Sheik Abasi Madani, had been set to go on trial on June 27 on charges of treason. The case was then postponed to mid-July. If found guilty, Madani would be executed. Tensions were already running high because of the trial.

The Iranian government applauded the killing, and said that Boudiaf's successor would also be killed.

The attempted assassination of Turabi on May 26, by a former world karate champion, occurred in the highly secure Ottawa, Canada airport following a speech that Turabi gave there earlier that day. The assailant, affiliated with the British-run Sudanese People's Liberation Front, had participated in a demonstration against Turabi that day, and was well known to authorities. It is noteworthy that the Anglo-American and Egyptian press have frequently accused Turabi of being the controller of the Algerian FIS.

Meanwhile, Libya, which borders Algeria on its west, and Sudan and Egypt on its east, continues to be a main

Anglo-American target. Within Egypt, security forces have used the early June killing of a prominent anti-Islamicist author, Faraq Foda, and simultaneous riots against Christians in the south, as a pretext to organize a crackdown. Some Egyptian media blame these incidents on al-Jihad, the group that assassinated President Anwar Sadat in 1981 and which they claim is now based in Sudan.

Rumors are circulating that one of the promises made by U.S. President George Bush and British Prime Minister John Major to Egyptian President Hosni Mubarak, in order to induce Egypt to join their war against Iraq, was Egyptian domination over oil-rich Libya and Sudan, which had formerly been ruled by the British out of Cairo.

What should be added to this pattern is the unusually provocative measures recently taken by the Anglo-American puppet state of Saudi Arabia. These include the shipment of a large cargo of arms to the SPLA rebels in southern Sudan which, following being captured by the Sudanese, has led to a press war between the two states. Simultaneously, Saudi Arabia has stepped up its pressure against Yemen over border disputes, while a series of probably Saudi-run assassinations continues there.

## The economic angle

Although the Anglo-Americans continue to claim that their objective in the region is stability, which, they say, requires the crushing of "fundamentalists" led by Madani and Turabi, it hardly appears that stability is what London, Washington, or Paris are after. According to some reports, what the Anglo-Americans and French want is the imposition of "free trade" agreements which turn North Africa's population into virtual slave labor for European and American industry. To do so first requires civil strife, even civil war, to break any institutions that might resist such neo-colonial policies.

One week prior to the Boudiaf killing, the International Monetary Fund forced the Algerian military regime to remove subsidies on a score of commodities, leaving only bread, milk, and semolina supported, but even these staples registered sharp price increases. Twenty percent of the country is unemployed; 14 million of its 25 million people live below the official poverty line. Algeria currently pays 70% of its \$11.5 billion foreign exchange earnings to international creditors to pay off its debt, probably the worst such ratio in the world.

Yet simultaneous with this provocative increase in already murderous austerity, the military regime put on trial the leadership of the party that it had crushed through a western-supported coup. It was clear that the policy of the IMF was destabilization even prior to the Boudiaf slaying, which is now being blamed on the FIS. Immediately following the killing, Interior Minister Khaled Nezzar promised "implacable war" against the FIS until it is "completely eradicated."

# Washington demands that allies back new 'global European order'

by Yves Messer

On June 19-20, an international colloquium was held by the Council of Europe in Strasbourg, France, on the theme, "1992: Europe and North America: The Dialogue of the New Solidarities." Behind this fancy title, the purpose of the meeting was to integrate Europe into the "new world order" of George Bush and Henry Kissinger, to help create what U.S. Secretary of State James Baker III has dubbed a "global European order."

One high-level Strasbourg source, not involved in this event, told *EIR* that "for two years now, the relations between the U.S. and Europe have become increasingly cool, especially insofar as the attitude of the U.S. Congress is concerned. The Americans seem obsessed by organizing Europe around the American political will."

The U.S. delegation to the Strasbourg event included several senators and congressmen, the directors for European Affairs (David Gompert) and European Political Affairs (Dr. Robert L. Hutchings) of the National Security Council; various ambassadors who had come out of the Kissinger years at the U.S. State Department; and former CIA deputy director and ambassador to Germany Vernon Walters. The preparations for the U.S. side of the event were orchestrated in significant part by U.S. Information Agency deputy director Walter Raymond, Jr., a "former" senior CIA official, who is one of the architects of the "Project Democracy" program, and who was one of the chief controllers of Lt. Col. Oliver North, in the Iran-Contra affair. (See *EIR*, June 12, "Project Democracy Dirty Tricksters Establish a New Beachhead in Europe.")

## The conditionalities of the 'new order'

As seen from the standpoint of certain Europeans who believe they are being pragmatically clever, the Strasbourg conference was part of an effort to impose on the United States a series of *faits accomplis*, so as to prove that there exists a "European pillar" of the Atlantic Alliance, constituted by the European Community (EC), the Council of Europe, the European Parliament, and the military arm of all of them, the Western European Union (WEU). This institutional complex, so the thinking goes, is different from the Anglo-American-dominated Conference on Security and Cooperation in Europe (CSCE) and NATO, the latter two of

which tend to submit the European continent to a secondary role in world politics. Such Europeans tend to believe, wrongly, that they can now "impose" such a reality, because American economic power has been substantially weakened relative to Europe.

To better understand these various geopolitical machinations, we need first to recall that German reunification provoked a violent reaction from the Anglo-Americans, fearful of losing their world hegemony. One has to go back to the July 5-6, 1990 NATO summit in London, after which the "Declaration of London" called upon the members of the Anglo-American-dominated CSCE to create a newer parliamentary assembly, baptized the "Assembly of Europe," as well as a Center for the Prevention of Conflicts. The proposed Assembly of Europe would be a transatlantic body in which American and Canadian parliamentarians would participate, rather than a strictly European institution.

Such efforts, in the words of James Baker, would help "set up a global European order"—one that would be integrated into the Anglo-American "new world order."

This same NATO meeting called for increased attention to "out-of-area" deployments, particularly into the Middle East. How prescient! Four weeks later, Iraq invaded Kuwait, which was encouraged to a significant extent by the U.S. State Department. The Anglo-American push for a "new world order" was—and still is—aimed at preventing the emergence of any economically and politically solid Eurasian bloc, and instead sparking a North-South conflict based on the notion of securing the flow of raw materials like oil, grain, cacao, coffee, and metals. In the malthusian view of London and Washington, this means a neo-colonialist policy that puts a priority on what they consider as the primary factor of destabilization: population growth.

Continental Europe, in the Anglo-American view, must be subordinated to this geopolitical-malthusian strategy. The Council of Europe is an object of special attention from U.S. officials, as a weak flank within the European institutional framework. Secretary General Catherine Lalumière is a French Socialist, who, accompanied by her right-hand-man Francis Rosenstiel (who claims to be a friend of Kissinger), met with Kissinger earlier this year, at the Davos, Switzer-

land World Economic Forum, and then met with George Bush and Deputy Secretary of State Lawrence Eagleburger, the former president of Kissinger Associates, in Washington in February.

At the June 19-20 meeting in Strasbourg, certain conditions were enunciated, under which the United States would agree to join the European institutions, and “permit” the council to become a future Assembly of Europe. These conditions popped up during the various speeches and discussions, in the following arrogant ultimatums:

1) Europe must accept the fact that NATO is going to reduce its stationed troops, and will therefore not intervene in the crisis in former Yugoslavia, a crisis that is not considered as threatening U.S. strategic interests. European forces like the WEU must consequently be ready to move into the vacuum there—but strictly under NATO (i.e., Anglo-American) leadership.

2) With reference to the “success” of “Operation Desert Storm” against Iraq, Europe should learn the lessons of what is known as “public diplomacy” by the Project Democracy crowd: the propagandistic use of *lies* in order to fulfill strategic goals.

3) Europe must understand that NATO is far less important than successfully concluding the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). Europe must submit to the “free market,” and open its trade barriers to U.S. exports. Less politely put, trade war is to become the dominant feature of transatlantic relations.

4) The United States will not accept any interference into its judicial system. This is a response to the appeals by the council’s Human Rights Court and the European Parliament to put an end to the death penalty worldwide.

### **The new NATO and the methods of Goebbels**

The first ultimatum came from Robert Hunter, a member of the colloquium’s preparatory committee. Hunter is the vice president and Regional Programs Director of European Studies at the Center for Strategic and International Studies (CSIS) in Washington. A well-known figure in the U.S. establishment, he was a National Security Council official, responsible for the Middle East during the Carter administration, before joining Henry Kissinger’s apparatus in the shaping of the Project Democracy policy that led the Reagan administration into the Iran-Contra fiasco.

Hunter stated arrogantly: “The U.S. wants to, and will, be involved in European defense. . . . But we have to say to Europe: ‘You don’t need 100,000 American troops, so don’t ask for what you don’t need! The U.S. will be engaged as much as it was during the Cold War, but first, we have to solve our domestic problems, in order to face our world responsibilities.’ ” On the crisis in former Yugoslavia, he made the cynical pronouncement: “We don’t have interests there . . . or rather only a moral interest, and nobody dies for reasons of moral commitment. What’s needed here is leadership.”

So, how to achieve this goal? By lying! Said Hunter: “When you think about it, if the American people had been told a few months beforehand that we were going to invade Kuwait and Iraq, they wouldn’t have accepted it. There would have been a revolt. So one had to see how to present things. First we said it was ‘to spread the American way of life.’ That didn’t work. So we said it was for ‘jobs,’ and that didn’t work either. Finally, we hit upon ‘Saddam Hussein is Hitler,’ and that worked! Now with the Serbs, with diplomacy and promises of much money, we could have gotten them to understand that they could have the border changes they wanted, without the trouble of taking to arms, and then we could have turned around on them, to say it wasn’t true.”

Similar views about the future of transatlantic defense were put forward by Gregory F. Treverton, a senior fellow at the Council on Foreign Relations in New York, who circulated in Strasbourg his just-published CFR “New Europe” study; Ambassador James Dobbins, a Kissinger protégé who is U.S. representative to the European Community in Brussels; and Ambassador Avis Bohlen, senior political counselor at the U.S. embassy in Paris.

According to a senior European Community official who attended the colloquium, Dobbins was much more conciliatory in private discussions with the Europeans, an attitude which this individual interpreted as indicating that the Americans are aware that their economic power, and hence their powers of blackmail, are not what they used to be. Whether this interpretation is valid or not, it certainly seems that a combination of sticks and carrots was brought to Strasbourg from across the Atlantic.

### **Submit to GATT and ‘free market’**

The next ultimatum came from Kim R. Holmes, vice president and director of foreign policy and defense studies at the Heritage Foundation in Washington. “With the collapse of the Warsaw Pact and the Soviet Union,” he said, “this [U.S.-European] partnership will change. . . . No longer will the free part of Europe be so dependent on the United States, no longer will America wield such influence in Europe. . . . In fact, the most important question facing U.S.-European relations today, is the extent to which Europe’s industrial and trade policies are protectionist. If Europe becomes more protectionist, the U.S. will develop free trade relations with Asia, Latin America, and other regions of the world, downgrading U.S.-European economic relations in the process.”

Holmes then summarized what American interests are in Europe today: “1) to prevent the domination of Europe by a hostile power or bloc of powers that could turn the vast resources of the continent against the U.S. The first interest in the balance of power can be ensured, so long as the U.S. remains involved in NATO . . . ; 2) open markets and free trade; 3) the spread of western-style democratic and free market institutions into eastern Europe and the former Soviet Union. . . . [In order to] combat protectionism . . . the U.S.

should continue to use GATT as the main forum for liberalizing global trade, targeting EC agricultural subsidies and trade restrictions on farm commodities . . . and ultimately, negotiate an American-EC Free Trade Agreement.”

Robert Hunter had made a similar point: “In fact, economic policy is the most important thing today. The success of the GATT round is more important than the next NATO meeting.”

On this very crucial front, Europe has already made significant concessions to the suicidal GATT “free trade” agenda, especially in the vital area of agriculture.

### **‘Limits to democracy’**

U.S. Ambassador Richard Schifter, formerly the U.S. Assistant Secretary of State for Human Rights, set down the conditions for the United States to become a member of the council—or rather, for the council to become a new “Assembly of Europe,” including the United States and Canada. He insisted on “reformed structures”: “Collaboration among the executive agencies must be pursued, but . . . you have to change your statutes. Amendments should be submitted, in order that your membership be extended to the CSCE process”—in other words, that the council be integrated into the Anglo-American-dominated CSCE.

Schifter went on to point out that “the major obstacle for the U.S. to find some form of future integration into the Council of Europe work, is the fact that all national courts of justice in Europe were subordinated to the Council of Europe European Court of Human Rights. This requirement of subordination,” he warned, “would obviously be totally unacceptable for the U.S. judicial system. Maybe the Council of Europe could think of waiving this requirement, given the 200 years of American constitutional history.”

Such words should have a curious effect on Europeans who have become uneasy about violations of human rights in the United States, typified by the barbaric use of the death penalty, the legal targeting of political opposition leaders like Lyndon LaRouche, and the “Thornburgh Doctrine” upholding kidnappings by U.S. officials in foreign lands, even when such actions violate existing bilateral extradition treaties. Indeed, only days before Schifter spoke, Europe was rocked by news of the June 15 Supreme Court decision ratifying this practice.

Schifter’s intervention provoked a weird discussion, started off by France’s Simone Veil, former president of the European Parliament and former minister in the French government. She fired off a series of questions: “Are there other values than democracy? In order to defend democracy, are the democrats permitted to not be democratic any more?”

This questioning of “democratic principles” was continued by Oxford University/New York University Law School professor Ronald Dworkin: “Are there limits to democracy? Must democracy become non-democratic to protect itself? Should Europe be based on a community of principles rather than on an economic community?”

A strange twist for a colloquium that was supposed to “defend democracy” throughout the world.

### **Of malthusians and Trojan Horses**

Continental Europe’s “inoculation” against the Project Democracy offensive can only be seriously weakened, if influential Europeans endorse the axiomatic premises that underlie Anglo-American geopolitical thinking. A most unfortunate example of this was on display in the person of Prof. Michael Stürmer, director of the Ebenhausen Scientific and Political Foundation, an influential think tank which is financed by the German Foreign Ministry. Stürmer is one of Chancellor Helmut Kohl’s policy advisers.

In Strasbourg, he gave an overview of the world situation, which veered off into extreme malthusian irrationalism. Stated Stürmer: “Weimar Germany is like a picnic compared to the situation of the ex-Soviet countries. Yugoslavia is more than a regional war. . . . Four principal sources of instability can be identified:

“1) The crumbling of the Soviet Union: Western Europe may be faced with ecological problems of a new magnitude, such as the breakdown of heavy industries, or the burning-out of nuclear reactors. . . . In the long run, however, Russia will re-emerge as a world power. . . . Russia is bound to play a decisive role, at the turn of the century becoming possibly the most dynamic country of Europe;

“2) The proliferation of weapons of mass destruction;

“3) The Islamic ‘Arc of Crisis’;

“4) The most threatening long-term configuration, however, could come from the combined effect of unchecked population growth in the poorest parts of the world, especially South Asia and Africa south of the Sahara: migration of people, ecological breakdowns, scarcity of resources, water disputes, conflicts over the right to pollute the environment or over unsafe industrial installations. At present, the cause seems to be unchecked population growth, at a rate of 100 million growth per annum. . . . This means long-term destabilization in large parts of what used to be the Third World, with violent and incalculable spillover effects into the OECD zone and further loss of control in the former Soviet Union. Our imagination will not suffice to describe the scenarios in detail. . . . Waves of desperate boat people would try to reach Europe’s wealthy shores. This is the bigger bomb than any other bomb invented yet. . . . But any kind of military ‘Maginot Line’ could only be a last resort.

“To sum up,” Stürmer concluded, “the present new world order may soon turn into a new world disorder.”

The continental European vulnerability is, as usual, being manipulated by the British. Former British Foreign Secretary Sir Geoffrey Howe quipped during the colloquium’s opening speech: “Why is my country chosen for the opening speech? Maybe because it represents the half part of the Anglo-Saxon Trojan Horses, according to [Charles] de Gaulle’s expression.”

## A lifeline for Marques

*Bankers are determined that Brazil's free-market economic program will survive Collor's fall.*

**T**he Anglo-American banking elite has thrown a lifeline to Economics Minister Marcilio Marques Moreira, to save him from the Fernando Collor de Mello government, which is sinking fast in a cesspool of the most egregious corruption scandals in the republican history of the country.

Despite the fact that Brazil has been unable to comply with the goals agreed to with the International Monetary Fund (IMF), its bankrupt international creditor banks have joined with Washington, and in particular with Brent Scowcroft, President George Bush's national security adviser and long-time ally of former Secretary of State Henry Kissinger, to intervene in the country's overwhelming institutional crisis and to grant a long-awaited debt renegotiation package within the parameters of the Brady Plan.

For the bankers, the near disappearance of the Brazilian presidency has become a minor concern compared to maintaining and strengthening Marcilio Marques as their only guarantee that Brazil will continue in alignment with the so-called Enterprise for the Americas initiative of President Bush. Marcilio Marques is an old friend of the Trilateral Commission, and met with Scowcroft just weeks ago in mid-June.

The IMF neo-liberal austerity program faced its greatest threat on June 30, when President Collor was obliged to offer a nationally televised address to deny charges leveled against him by a humble driver who worked for the private secretary to the presidency. Collor's self-defense was

so weak that the only thing he managed to accomplish was to gain a little time so as not to lose his congressional base of support. Today, the figure of the Brazilian President bears a striking resemblance to the central figure of the opera *La Traviata*, who just before dying shows a sudden but short-lived burst of energy.

Ever since the scandal surrounding the President first broke, the financial instability of the country has grown. It is estimated that on that first crucial day alone, the country lost \$500 million of its reserves, the identical cost of one day of "Desert Storm." In total, to maintain stability in the markets, the Central Bank had to throw in nearly \$2 billion of its reserves.

In a panic, the Anglo-American allies of the Brazilian government moved quickly to shore up Minister Marques, raising him almost to the status of prime minister, according to Brazilian press commentators. On July 2, the *Financial Times* of London described Marcilio Marques as "Collor's very moral economics minister," the only one who can save the situation but whose abilities are affected by the "political paralysis."

Marques immediately repaid the support by agreeing to the banks' new, voracious demands for austerity. In addition to increasing interest payments on the foreign debt, the government quietly readied for signing a model agreement to promote and protect foreign investment which, on the demand of the United States and, in particular, of banker David Rockefeller,

dramatically reforms the investment agreement that has reigned since 1964. The new agreement does not require congressional approval, and is so in violation of national interests that it even includes the creation of a special court to settle all disputes, and incorporates broad guarantees in case of nationalization, according to the daily *Gazeta Mercantil* July 7.

Given the likelihood that a presidential collapse would be followed by the installation of Vice President Itamar Franco, a known opponent of the Collor government's irrational privatization program, as President, Washington and its spokesmen have begun sending an unequivocal message. On June 30, the press commented that during his stopover in Brazil two weeks earlier, banker Rockefeller had vetoed Franco during a social event by calling him "unacceptable."

The Brazilian oligarchy, which controls the country's northeast, also presented its veto. Through the voice of Bahia Gov. Antonio Carlos Magalhaes, known for rubbing shoulders with the highest circles of the U.S. State Department, President Collor was assured of support in the National Congress. Magalhaes added that Franco was "unacceptable."

Anglophile pressure to preserve Minister Marques as their guarantor of Collor's free-market program has been so great that his permanence in the post has even been endorsed by the military ministers.

The so-called Inter-American Dialogue has also played a role. Its Brazilian member, Sen. Fernando Henrique Cardoso, declared June 30 that if Vice President Itamar Franco were to assume the presidency, he would have to put aside "his personal ideals," without interrupting the process of "reform and modernization" of the economy, the shopworn euphemism for economic liberalism.

## Drugs and the new world order

*Bush's "war on drugs" has taken on a new dimension, following the U.S. Supreme Court ruling on kidnaping foreigners.*

The Colombian daily *La Prensa* protested on June 23 that there were 118 U.S. military advisers and at least 50 agents of the Justice Department's Drug Enforcement Administration (DEA) on Colombian soil, under cover of assisting the "war on drugs" that pro-legalization President César Gaviria is supposed to be conducting. *La Prensa* denounced agreements between the Colombian Air Force and the U.S. Southern Command, which apparently permit U.S. intrusion of Colombian airspace by frequently undetectable AWACS radar planes, and charged that the U.S. was conducting electronic sweeps of Colombian radar facilities. The newspaper also expressed concern that the U.S. was readying "bounty hunters" to invade Colombia and kidnap alleged drug cartel members.

In view of the June 15 ruling by the U.S. Supreme Court permitting violation of the sovereignty of nations through the kidnaping of foreign nationals, countries in Ibero-America have begun to take a second—and third—look at apparently innocuous "anti-drug" or humanitarian deployments by U.S. military and police forces into their territory.

According to *La Nación* of Argentina, for example, U.S. Army troops, National Guard reservists, DEA agents, and U.S. Air Force personnel from U.S. Southern Command headquarters in Panama have combined with an Argentine Air Force mission in a deployment to the northern Argentine province of Salta, arousing widespread suspicion. Both the U.S. em-

bassy in Buenos Aires and spokesmen for the National Guard claim that the U.S. forces are providing humanitarian aid: dental care for locals and the de-parasitizing of their animals. However, *La Nación* insists that the deployment is actually an anti-drug operation, and that it is in violation of the Argentine Constitution, which prohibits military involvement in the war on drugs. The newspaper notes that the mission has tons of food, communications equipment, and vehicles appropriate for mountainous terrain.

Under pressure from the press and from opposition forces in the Congress, Argentine Defense Minister Antonio Ermán González blustered that no anti-drug operations were involved, and that the Argentine Air Force was merely conducting an exercise in radar control over airspace. When the Aeronautics Police issued a bulletin admitting that the operation was "related to the air traffic of drugs," Minister Ermán insisted that the bulletin contained an editorial mistake.

On June 20, Bolivian Bishop Luis Casey charged that armed U.S. troops had boarded a boat belonging to his vicarate and interrogated its occupants. The troops withdrew when they discovered a priest on board. Bishop Casey asked how the U.S. might react were a similar occurrence to take place on its territory. "It is not possible that a nation like ours can permit the entrance of armed people into our territory to accost Bolivian citizens," he said. He added that a contingent of 100 U.S. soldiers would be arriving shortly in the Bolivian department of

Pando, joining another 150 already there. Although they are allegedly involved in "civic action," said the bishop, "there is no doubt that this is a penetration of armed foreigners."

Bishop Casey's charges occurred at the same time that a number of Bolivian leaders were warning that the U.S. Supreme Court ruling could lead to DEA-inspired kidnapings of Bolivians sought on drug-trafficking charges by U.S. authorities. The Bolivian government warned that unless the ruling were clarified, DEA activities inside Bolivia could be suspended.

The court decision has created such turmoil that six Ibero-American Presidents on June 24 asked the legal committee of the Organization of American States to issue an opinion "on the international legality" of the U.S. Supreme Court's outrage. The call for OAS action was signed by the Presidents of Brazil, Argentina, Chile, Bolivia, Uruguay, and Paraguay. Mexican Foreign Secretary Fernando Solana gave a press conference June 30 at which he demanded that the U.S. provide "juridical guarantees, not just verbal ones," that no more kidnapings will occur.

And yet, while the Bush administration apparently hopes to "wait out the storm" of protests, there are new revelations of U.S. kidnapings of Ibero-American nationals. A diplomatic stir was caused when word leaked out that U.S. FBI agents working with the Venezuelan political police had kidnaped two Colombians on Venezuelan soil, and brought them to the U.S. to stand trial on drug charges. Both the Venezuelan and Colombian foreign ministries have issued formal protests, but the U.S. has refused to comment. And on July 3, it was revealed that a Chilean had been kidnaped several months before in the Dominican Republic, and is now sitting in a Denver, Colorado jail.

# International Intelligence

## ***President Ramos to push population control***

Fidel Ramos was sworn in as President of the Philippines on June 30, replacing Corazon Aquino. According to press reports, Ramos's plan "to carry out a program to curb rapid population growth," is going to run into strong opposition in the predominantly Catholic country.

Ramos has appointed Juan Flavio, a strong advocate of population planning, to head the Department of Health. In his inaugural speech, Ramos sought to downplay his religious background, saying: "I am not the first Protestant President; I am the 12th Philippine President, who happens to be a Protestant."

Cardinal Jaime Sin did not attend Ramos's inauguration. According to Reuters, he insisted that no rift exists between the two sides, but said that he was not prepared to unconditionally support Ramos. "When the laws are against the laws of God, then naturally how can you cooperate? God is more superior to any other authorities in this country," the cardinal said.

## ***Iraqi death rates soar from embargo***

"Ninety-three of every 1,000 children born in Iraq die now," Iraqi Undersecretary of Health Dr. Abduljabbar Abdulabbas told Reuters on June 29. "This is almost 300% higher than the child mortality rate of 25 per 1,000 we had before the imposition of the unjust embargo," he said, referring to sanctions in force against Iraq since soon after its August 1990 invasion of Kuwait.

Abdulabbas said 14,678 children under the age of five died in the first four months of this year because of the lack of drugs and food caused by the sanctions. "The death toll is rising," he said, adding that nearly 18% of Iraqi children were underweight at birth. Diarrhea, he said, killed 4 out of every 1,000 infants born in Iraq. "Before the sanctions it was 1 for every 1,000," he said.

Dr. Ala'uddin Mahmoud, director general of the Kimadia program, which used to

import most drugs and chemical supplies, said his stores were almost empty. "We used to be the biggest importers of drugs and medical supplies in the Middle East. All that was shipped to Iraq in the past two years does not exceed 3-4% of the demand. We have almost used our stockpiles. The situation of medical supplies is very disturbing," he said.

Abdulabbas said the number of surgical operations carried out in Iraqi hospitals had dwindled from over 15,000 to less than 5,000 per month. "The rest either die or wait impatiently for the drugs or equipment which we cannot afford to buy."

## ***New U.S.-Jordan confrontation erupting***

Relations between the United States and Jordan over the sanctions against Iraq have been strained following a secretive trip by U.S. Central Intelligence Agency chief Robert Gates to Jordan in late June. According to one source from the Middle East, Gates went to ask the Jordanians to allow U.N. and U.S. "supervisors" to check the export and import of goods into Iraq from Jordan, and to establish a special mission at the port of Aqaba for this purpose. According to the source, "The Jordanians flatly refused."

German radio reported on July 1 that President George Bush personally criticized Jordan for its unwillingness to cooperate on the sanctions, while announcing that the sanctions against Iraq had to be tightened. As a result of Jordan's refusal, plans are reportedly being laid to have U.N. inspectors inside Iraq stop and turn back trucks carrying embargoed goods.

## ***Rabin government solidly in power in Israel***

The 15-year reign of the Likud Party was ended as the result of June 30 elections in Israel. Yitzhak Rabin began forming a new Labor Party-led government, which will remain in power for the next four years.

The Labor Party is expected to rule in a

stable coalition. Out of a total of 120 seats in the Knesset (the Parliament), the Labor Party increased its seats from 38 to 45, while one of its "leftist" allies, Meretz, increased from 10 to 12 seats. Another likely coalition partner, the Shas, a Sephardic religious party, won 7 seats, giving the Labor coalition 64 votes. Moreover, three other religious parties, most of which had supported Likud, have announced that they are ready to join a Labor-led coalition. While the Arab and Communist parties (5 seats) have not asked to join the government, they are expected to vote with Labor, particularly on no-confidence votes.

According to Palestinians living in the Occupied Territories, Jordanians, Egyptians, and others, the economy dominated the election. "The voters blamed the government for squandering resources, for high unemployment, and high inflation. They voted with their pocketbook," said one. "The Russian Jews" (there are now 250,000 Russian immigrant potential voters) "voted for Labor overwhelmingly. Unemployment is over 50% in many immigrant areas," said another. The Likud also lost its party base. "The Likud could not deliver in Tel Aviv, for projects it had promised its base, because it had to divert funds to build settlements," one said. "I wish I could say it was because the Israelis want peace with the Arabs, but such issues were purely secondary."

Voters also saw former Premier Yitzhak Shamir's confrontation with President Bush leading to an economic disaster. "The Israelis feared not only losing the loan guarantees, but everything else. Israel is a subsidized economy," one noted. "This was a victory of the Bush administration, and is a replica of 1977. In 1977, the Americans wanted to put in the Likud, and they did. Now they did the reverse."

## ***South Africa could face civil war, warns Buthelezi***

Inkatha chief Mangosuthu Buthelezi warned that South Africa could be plunged into civil war by the refusal of the African National Congress (ANC) to continue talks for a new constitution, the June 28 *Washing-*

## Briefly

ton Post reported.

The rivalry between Inkatha and the ANC has escalated to the point that ANC professional assassination squads have killed 80 Inkatha officials since the ANC was legalized in February 1990. Over 200 Inkatha officials have been killed since 1985.

Others, however, are looking to use the crisis to expand the policing role of the U.N. Speaking in Dakar, Senegal at a three-day summit of the Organization of African Unity (OAU), U.N. Secretary General Boutros Boutros-Ghali said that the U.N. will move into the South African crisis, Reuters reported July 2. "It can be a U.N. observer, which we have already done. It can be a U.N. mediator. It can be just a fact-finding mission," he said. Boutros-Ghali said that the parties taking part in South Africa's stalled democracy talks had agreed in principle that some U.N. assistance was necessary.

Boutros-Ghali met ANC leader Nelson Mandela in Dakar after a stopover the previous week in Nigeria, where he spoke to South African Foreign Minister Pik Botha. Mandela is quoted by Reuters saying that he had already called three months ago for a U.N. peacekeeping force to be sent to South Africa.

The OAU called for "the urgent convening of a meeting of the U.N. Security Council to examine the issue of violence in South Africa and to take all appropriate action to put an end to it."

### **Nations defy greenies, resume whaling**

The annual meeting in late June of the International Whaling Commission (IWC) in Glasgow, Scotland, was thrown into turmoil by the announcements from Iceland, Japan, Norway, and Russia that they intend to resume whaling. Iceland quit the IWC and announced the formation of a rival group, the North Atlantic Marine Mammal Commission, and said that Norway, Greenland, and the Faroe Islands had already agreed to join.

A French plan to create a whale sanctu-

ary in Antarctica was denounced by the Japanese Whaling Association, which said, "The French proposal was framed by a group of old-line environmental fundraisers who have tried to turn the whale into a sacred cash-cow since the 1960s."

"'Save the Whale' is an antiquated demand. Stocks are plentiful," said Gudmundur Eriksson, an IWC commissioner from Iceland. "The commission has structured itself in such a way that a rabid minority can determine the trend of the commission as a whole."

### **British free trade: only at the Queen's pleasure**

The Crown Estate, which purchases, owns, and manages land and property on behalf of the Queen of England, has ordered White Horse Ferries to immediately cease operating a ferry service across the Thames River between Tilbury and Gravesend, the June 23 London *Financial Times* reported.

White Horse had bought out the previous operator of the service earlier this year, but the Crown Estate maintains that the route license for the ferry, which has been in continuous operation since 1086, is non-transferable and should not have been sold. According to the paper, a license for the ferry from Tilbury was inherited by the Royal Family in the 15th century, and are issued at the discretion of the Crown.

Peter Lay, chief executive of White Horse, told the *Financial Times* that the Crown Estate is simply trying to extort a higher price for the Tilbury license. "Their motives are financial. They want to hold us to ransom," he stated. White Horse is ignoring the House of Windsor's displeasure for the time being.

The *Financial Times* article, meanwhile, revealed that the value of the properties held by the British Royal Family collapsed more than 12% in 1990. The assessment referred only to the land and properties held by the Crown Estate. It may be possible that members of the Royal Family have other holdings and financial interests other than those held by the Crown Estate.

● **NORWEGIANS** who oppose the Maastricht Treaty of European Union are increasing in number, an opinion poll published by the June 22 *Aftenposten* daily found. Some 49% of those who were polled objected to entry of Norway into the European Community, and only 35% were in favor. France, meanwhile, has set September 20 as the date for a referendum on ratification of the treaty.

● **THE VINCENNES**, a U.S. warship, "was in Iranian territorial waters," not international waters as previously claimed, when it shot down an Iranian airliner killing 290 persons on July 3, 1988, Adm. William Crowe (ret.), former chairman of the U.S. Joint Chiefs of Staff, said in an interview taped for the July 1 ABC News program "Nightline," Reuters reported.

● **A CHINESE** intermediate court has upheld a lower court ruling that euthanasia is legal. The lower court ruling said that a man who murdered his sick mother by lethal injection, and the doctor who helped him, were not guilty, since they had only "hastened" her death, not caused it, Reuters reported June 30.

● **INDONESIA** rejected attempts to involve the U.N. High Commissioner for Refugees in the problem of people who have fled the Indonesian province of Aceh for Malaysia, in a statement on June 30 by Foreign Minister Ali Alatas, Reuters reported. "Our position is that they are illegal immigrants. There has been agreement between Malaysia and Indonesia," Alatas said. "We will try to settle the issue bilaterally."

● **THE SERBS** have established a slave labor system based on deported Bosnian civilians, a Sarajevo media source told *EIR* in Bonn on June 24. He reported that, according to an official report of the Bosnian government leaked to the press, at least 60,000 civilians have already been deported as slave labor to Serbia.

## Ben Barka's kidnapers try to silence LaRouche's friends

by Gail G. Billington

On June 24, the 12th Chamber of the Paris Criminal Court found four friends of Lyndon H. LaRouche, Jr. guilty of "theft," in a political frameup case brought by the heirs of a deceased political contributor and supporter. Jacques Cheminade, Christine and François Bierre, and ..... were condemned to pay stiff fines of 5, francs each, plus reparations of 1.1 million francs over the next three years, and received suspended prison sentences of 15 months for Cheminade and 13 months for the others.

The court's ruling is now on appeal, but were the sentences to be strictly enforced according to French criminal code, the defendants could be barred from participating in electoral politics for the next three years.

Silencing LaRouche's friends in France has been the clear intent of certain circles in the French political and intelligence community since the earliest stages of the Paris case. From the beginning, the French political police, the Renseignements Généraux, fed into the investigative record the "findings" of the U.S. Justice Department's multijurisdictional task force against LaRouche and associates in the United States, while the plaintiffs' attorneys filed newspaper clippings from the U.S. press "informing" the French court of LaRouche's prosecution and incarceration.

Jacques Cheminade, as head of the Schiller Institute in France and former president of the European Labor Party (POE), is recognized as the institutional counterpoint to the insanity of the "new world order" looting policies of the Bush administration, policies the government of French President François Mitterrand seems content to enforce as a junior partner. Cheminade and associates have situated the "LaRouche factor" in the direct line of the best policy impulses of former President Gen. Charles de Gaulle, particularly his initiatives for North-South cooperation in advancing the human condi-

tion through scientific and technological development.

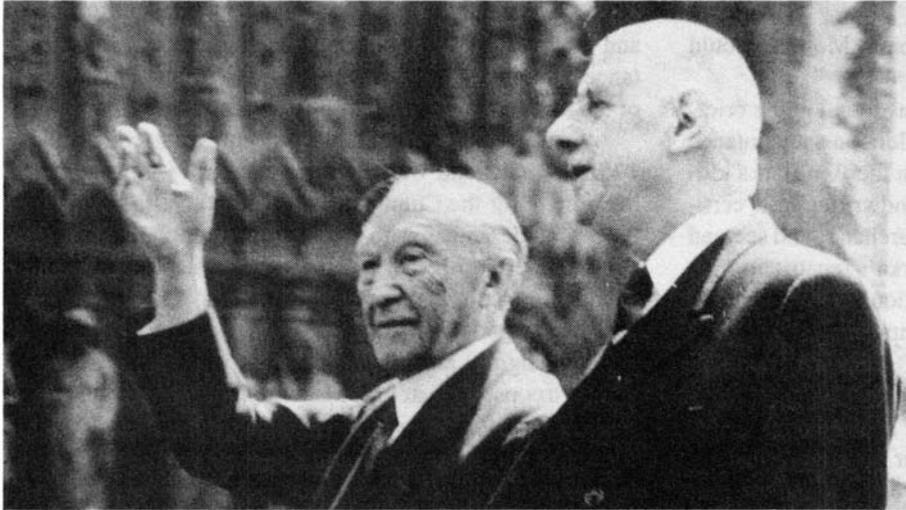
Therefore, it is not surprising to find that the historical enemies of General de Gaulle have been caught running the attempt to silence LaRouche's friends in France. The attorneys representing the plaintiffs in the Paris case were trained in the law firm of **Marcel Soroquère** and **Pierre Lemarchand**, the latter one of the key players in the biggest political scandal to rock the de Gaulle government in the mid-1960s: the kidnaping of Moroccan opposition leader Mehdi Ben Barka in Paris.

The "Ben Barka affair," like the Kennedy assassination, is one of the biggest unsolved mysteries of the last generation. It occurred at the height of de Gaulle's battles against the "Atlanticization" of Europe, including his fight to keep Great Britain out of the European Common Market, his break with NATO over the issue of France's nuclear forces, and his major policy overtures to the nations of Africa, Asia, and Ibero-America, especially aimed at laying to rest the bitter history of French decolonization in the Maghreb. More than any other single incident in that period, the "Ben Barka affair" shattered the credibility of the Gaullist establishment and, not coincidentally, led to the ascendance of "Atlanticists" such as **François Mitterrand**.

Lemarchand's role in the "Ben Barka affair" was a very personal blow to General de Gaulle. Lemarchand was married to Michelle LePercq, the adopted daughter of General and Mme. de Gaulle. Lemarchand was one of the "trusted ones" of the Gaullist secret counterterror apparatus during the bloody days of the Algerian war.

### Stench of an 'inside' operation

On Oct. 29, 1965, exiled Moroccan opposition leader **Mehdi Ben Barka** was kidnaped in broad daylight from a



*French President Charles de Gaulle (right) with German Chancellor Konrad Adenauer. The Ben Barka affair destabilized de Gaulle at a crucial time for his foreign policy initiatives, notably his collaboration with Adenauer and with President John F. Kennedy and circles close to Pope Paul VI.*

busy sidewalk in Paris by two French narcotics agents and an undercover French foreign intelligence (SDECE) agent, driven to a house in the Paris suburbs, and never heard from or seen again. He was presumed tortured and murdered, though no reliable eyewitnesses ever came forward, and his body was never found.

The evidence of collusion, or at least foreknowledge of Ben Barka's abduction, reached into the personal staff of Prime Minister **Georges Pompidou** and sent shockwaves through the French intelligence establishment. By January 1966, the head of the foreign intelligence agency, SDECE, and one deputy director of SDECE were fired; SDECE itself was taken out of the jurisdiction of the prime minister and placed under supervision of the Army, pending sweeping overhaul of the agency.

Ultimately, the three agents who escorted Ben Barka into a waiting police vehicle were the only ones convicted and sentenced to stiff prison terms. Moroccan Interior and Defense Minister **Gen. Mohammed Oufkir** and two top aides were given life sentences *in absentia*. King Hassan II's refusal to extradite the three men to France led to a breach in diplomatic relations between France and Morocco. One suspect who escaped conviction was attorney Pierre Lemarchand, who was, however, disbarred for three years for his role in the affair.

In trying to unravel the layers of double- and triple-cross in the affair, the most obvious conclusion is that President de Gaulle stood to lose everything and gain nothing as a result of the fiasco. In fact, an outraged de Gaulle charged that "someone was taking him for a fool," while writer François Mauriac voiced the general's sentiments that "only the Americans stood to gain."

As with the Warren Commission report on the Kennedy assassination, the official version of Ben Barka's kidnaping raises more questions than it answers.

Circumstantial evidence, however, points to the identical Anglo-American "special operations" networks that ran the

early 1960s Congo destabilization, the assassinations of Kennedy and Italian industrialist Enrico Mattei, and, in the late 1960s to early 1970s, that led to the breakup of the "French Connection" in heroin trafficking, shifting ultimate financial and political control over narcotics to the Anglo-Americans. When the dust settled, much of the drug traffic had been displaced to Ibero-America.

Tantalizing, but as-yet-untraced leads, point to CIA and Israeli intelligence assets, and key players in the Permindex apparatus, which former New Orleans District Attorney Jim Garrison identified as the operational command center in the Kennedy assassination.

### **Overtures to Ben Barka**

In 1965, Moroccan **King Hassan II** wanted to open channels of communication to Mehdi Ben Barka, the king's former mathematics teacher and the most respected leader of the opposition to the monarchy. At the time, Ben Barka was in exile in France, having been condemned to death *in absentia* for his participation in an alleged coup attempt the previous year, and having survived two assassination attempts. Ben Barka was chairman of the steering committee for the first Tricontinental Congress scheduled for January 1966 in Havana, Cuba. The Tricontinental Congress was heralded as a milestone in organizing a global Third World alliance against imperialism, an initiative that subsequently failed in the wake of the Sino-Soviet split.

Through family members, Hassan contacted senior officials of the de Gaulle government to open channels to Ben Barka. De Gaulle had personally awarded Ben Barka the Legion of Honor, and certainly would have been interested in his Third World activities. Danish journalist Henrik Kruger suggests in his book *The Great Heroin Coup*, that a plan of collaboration was presented by the Moroccans to Interior Minister **Roger Frey**, Overseas Territories Minister **Jacques Foccart** or de Gaulle's son-in-law Pierre Lemarchand. The idea was to lure Ben Barka to Paris, and detain him on some

pretext until the terms of his repatriation to Morocco could be worked out.

In January 1966, a questionnaire was found in the briefcase of **Georges Figon**, a client and childhood acquaintance of Lemarchand and a principal player in the Ben Barka kidnaping. Subsequent court-appointed handwriting tests certified the document to be written by Lemarchand, and seemed to enumerate the conditions for Ben Barka's repatriation. At least one copy had a handwritten notation by Lemarchand: "Conférence Elysée. Le Général—Pompidou—Frey—Foccart. P. Lemarchand."

Hassan's trusted interior and defense minister, General Oufkir, had no intention of repatriating Ben Barka, particularly since evidence suggests that Oufkir had framed up Ben Barka and 76 other opposition leaders on the coup attempt the previous year and had ordered his assassination. General Oufkir launched his own, parallel approach to Ben Barka.

Oufkir was well connected to American and Israeli intelligence, and was known as a ruthless killer from his service with the French military in the Italian campaign in World War II and as a special forces commando leader in Indochina. In 1965, Morocco and Ethiopia received the lion's share of U.S. economic and military assistance to Africa, and the Kenitra air base was a center of CIA activity covering both Africa and the Middle East.

Oufkir worked closely with the Israeli Mossad, sending his secret police to Israel to be trained by them. In 1965, Oufkir contacted Mossad chief **Meir Amit**, requesting Israeli assistance in surveilling Ben Barka in Europe. Amit sent a team to Geneva, but then, allegedly, called Oufkir to say it was a wasted effort because Moroccan and French agents were tripping over each other.

### The 'bearded ones'

The French government's biggest vulnerability in the entire Ben Barka affair was that the back-channel contact to Ben Barka was run through "semi-official," "special operations" networks, comparable to the "quasi-autonomous non-governmental organizations" involved in Lt. Col. Oliver North's Iran-Contra back channel.

For the French government, this meant tapping the "unofficial" capabilities of the Gaullist counterterror forces deployed against the Secret Army Organization (OAS) in Algeria, known as the "bearded ones" or the *barbouzes*. For Oufkir, it meant tapping into the old Tangiers-based organized crime gangs, heavily involved in drugs, prostitution, and murder for hire.

The *barbouzes* were recruited directly from the ranks of organized crime in France and its colonies, from prisons, those with criminal records, and the former Gaullist security units, the SAC. One author says they were killer squads, almost entirely comprised of Vietnamese and French underworld figures, as brutal in their methods as the OAS. The "trusted ones" at the head of the *barbouzes* were Lemarchand

and others, many of whom had been in the wartime Resistance. In Lemarchand's case, those he recruited to the ranks of the *barbouzes* were frequently his legal clients.

After the aborted "generals' putsch" against de Gaulle in 1961, Lemarchand was recruited by **André Goulay** of the Movement for the Community to build the *barbouzes*. Goulay was aide-de-camp to **Dominique Ponchardier**, code-named "the Gorilla" in the French Resistance, and subsequently France's ambassador to Bolivia. Interior Minister Frey had tagged Ponchardier to run the *barbouzes* counterterror campaign. Lemarchand claims to have recruited 300 "shock troops," assisted by his wife, Michelle, who handled logistics and funds for transporting the recruits to Algeria. When Goulay was mortally wounded in Algeria, Lemarchand emerged as the *barbouzes*' patron.

The core network involved in the Ben Barka affair was the **Joe Attia** gang. Attia was a typical "Resistance-Gaullist gangster." He had been in the Mathausen concentration camp with several Gaullist leaders and had protected them there. He was very close to the research director of SDECE, **Colonel Bertrand**, alias **de Beaumont**. Attia's center of operations in the 1950s and early 1960s was Tangiers, the center of French colonial drug trafficking.

Attia was involved in drug trafficking with the Renucci family, heirs to the Carbone and Spirito families, who organized the pre-World War II Corsican Union in Marseilles. **Joe Renucci** was a member of the Gaullist RPF in 1949 and close to **Roger Wybot**, head of the French domestic intelligence agency (DST) and close to the Israeli secret services. Renucci picked up on the Montreal organized crime connection earlier established by Spirito, and cemented a famous deal with **Lucky Luciano** and the Venturi brothers.

Attia's gang was repeatedly tagged by SDECE to run special operations. The core group included **Georges Boucheseiche**, **Julien Le Ny**, **Jean Palisse**, **Georges Figon**, and **Antoine Lopez**. In 1955, Attia and Palisse collaborated in an attempted assassination of the head of the Moroccan opposition party, Istiqlal. Their escape was made possible by Air France Tangiers representative Antoine Lopez; the explosives were provided by SDECE Deputy Commissioner **Marcel Leroy-Finville's** Division 7.

In 1963, Palisse, Le Ny, Figon, and Boucheseiche abducted the OAS's **Colonel Argoud**, the mastermind of several assassination attempts on de Gaulle, from a street in Munich, Germany and transported him back to France in a French military vehicle. The "Argoud affair" had disastrous repercussions on de Gaulle's relations with Chancellor Konrad Adenauer.

The 1975 Church Committee report on CIA clandestine operations revealed that Joe Attia, codenamed QJ/WIN, had been hired by the CIA to assassinate Congolese leader **Patrice Lumumba**, whom Attia knew well as a patron of his nightclub in Abidjan. Attia did not kill Lumumba, but "liberated" him from house arrest where he was being held by

**Mobutu Sese Seko** and U.N. troops. Lumumba was recaptured by Mobutu and turned over to Katangan rebel leader **Moïse Tshombe**, who ordered his execution.

One Lemarchand recruit to the *barbouzes*, **Christian David**, was a backup assassin hired by the CIA to kill Lumumba. David, codenamed “WI Rogue” or “Beau Serge,” was in prison with Attia and Lemarchand associate Georges Figon, and claims to have “suicided” Figon in January 1966 to stop leaks about the Ben Barka affair. David subsequently worked with *barbouzes* leaders Ponchardier and **Roger Barberot** in Ibero-America as part of the “French Connection.”

Morocco’s General Oufkir also had close ties to the Attia gang going back to Tangiers. In exchange for collaboration in Oufkir’s plan against Ben Barka, gangster Georges Boucheseiche was promised a major brothel and nightclub concession in Morocco, and Air France agent Antoine Lopez was to be named head of Air Maroc.

Attia’s gang of Georges Boucheseiche, Julien Le Ny, Jean Palisse, Georges Figon, and Antoine Lopez was the team deployed in the Ben Barka kidnaping. Ben Barka was taken to Boucheseiche’s house in the Paris suburbs after his kidnaping. Air France agent Lopez received an eight-year prison sentence for his role in “facilitating” the kidnaping. SDECE deputy chief Leroy-Finville was fired in January 1966 for his role in the Ben Barka affair.

### Baiting the trap

In spring 1965, General Oufkir assigned the chief of the Moroccan secret service, **M. Chtouki**, to make contact with Antoine Lopez, who was Air France representative at Paris’s Orly Airport and an undercover SDECE agent monitoring drug traffic for the narcotics squad; Georges Figon, long-time acquaintance and client of Lemarchand; and **Philippe Bernier**, a journalist and trusted acquaintance of Ben Barka. The approach to Ben Barka centered around a proposal for a movie, entitled *Basta*, tracing the history of the anti-colonial, Third World movement.

A series of meetings in Cairo and Geneva through September 1965 with Bernier and Figon drew Ben Barka into the film project. As early as the summer of 1965, Figon offered Joe Attia “a piece of the action” in putting together a team to kidnap an Arab politician. In September 1965, Julien Le Ny of the Attia gang testified that Figon confided to him that he was involved in arranging a meeting between Ben Barka and leading Moroccan political figures, with the help of Lopez.

Le Ny testified that he accompanied Figon to Lemarchand’s residence on Sept. 8, where Lemarchand corroborated Figon’s story that the operation was sanctioned by the French secret service. Le Ny testified that he knew Lopez was “an important member of SDECE, specialized in Moroccan affairs.” As Figon and Le Ny parted company, Figon said “Petitjean” was the key person in the affair. “Petitjean” is the nickname of Renseignements Généraux commissioner **Jean Caille**, another old acquaintance of Lemarchand’s from the

Algerian war.

Antoine Lopez testified that he first became aware of Lemarchand’s involvement in the plot on Sept. 20, when by coincidence, Figon and Lemarchand arrived at Orly to catch a flight to Geneva. In fact, Lopez held the flight 10 minutes, just long enough for Figon to board, on his way to a rendezvous with Ben Barka. Figon jokingly introduced Lemarchand to Lopez as his “cover.” Lemarchand countered that he was on his way to Geneva to meet a client.

Shortly after the Orly incident, Lopez began reporting on the progress of the Ben Barka project to his SDECE superior, Deputy Commissioner Leroy-Finville. By early October, Leroy-Finville knew this included a plan to “abduct Ben Barka and, eventually, to make him disappear.” According to the commissioner, on Oct. 8, he informed the head of SDECE, **Gen. Paul Jacquier**, and from that moment, the decision was made not to leave matters in the hands of Figon and the *barbouzes*, but to establish direct contact with the Moroccans through Lopez. Lopez, on orders, arranged to meet Chtouki in Geneva. He also recruited back up from his acquaintances in the narcotics squad, **Louis Souchon** and **Roger Voitot**.

Lopez assured Souchon that the operation was sanctioned by SDECE, adding that Overseas Territories and African Affairs Minister “*Foccart est au parfum*” (“Foccart is in on it”). When Souchon hesitated, Lopez told him to expect a call the next morning from the Interior Ministry. Souchon did indeed receive such a call, although who was on the line is not clear.

The fateful rendezvous to finalize the movie plans was set for Oct. 29 at the Brasserie Lipp in Paris. As Ben Barka approached, Souchon and Voitot walked up to him, flashed their police credentials, and asked him to accompany them for questioning, allegedly on a drug-related matter. Lopez was waiting in the police car.

Accounts vary as to what happened next. Henrik Kruger says a second car, including Attia gang members Boucheseiche, Le Ny, Dubail, and Palisse, followed the narcotics agents out of the city. According to the testimony of the French agents, Ben Barka was turned over to the Attia gang and two Moroccan secret service agents at Boucheseiche’s house in Fontenay-le-Vicomte. Shortly thereafter, Lopez called Leroy-Finville with the message: “Pedro to Thomas—the package has been delivered.” *L’Express* magazine reported that Lopez also called General Oufkir in Rabat with the message: “Package has been delivered, and the General is expected as soon as possible.”

General Oufkir arrived in France the next day and departed within 24 hours, only to return three days later for a reception at the Moroccan embassy. Lopez reported to Commissioner Finville on Sunday, Oct. 31, but Leroy-Finville waited until Tuesday, Nov. 2 to inform his superiors and to arrange a meeting with Renseignements Généraux Commissioner Jean Caille. *L’Express* reported that Caille had independently arranged with Lemarchand for a private interview with his client, Georges Figon, and that by Nov. 2, Caille had fully briefed

Interior Minister Roger Frey on the kidnaping.

Georges Figon subsequently went into hiding in the company of Lyons mobster and former Lemarchand client **Felix Lesca**. Over the next three months, until Figon was found "suicided" on Jan. 17, 1966, Lesca would "leak" statements from Figon that he had witnessed General Oufkir torture and murder Ben Barka.

*L'Express* reported that de Gaulle was ignorant of the Leroy-Finville reports to General Jacquier and the Caille-Lemarchand reports to Interior Minister Frey until much later.

In January 1966, de Gaulle reshuffled his cabinet, fired Jacquier and Leroy-Finville, and placed SDECE under the supervision of the minister of the Army, pending full-scale housecleaning.

Lopez, Souchon, Voitot, and Leroy-Finville were all convicted for their roles in the kidnaping. International arrest warrants were issued for Oufkir, Chtouki, and **Colonel Dlimi** of the Moroccan secret service, and Boucheseiche, who had escaped to Morocco, but King Hassan refused to extradite them, leading to a break in diplomatic relations.

According to author Daniel Guérin, Lemarchand escaped indictment due to very heavy pressure brought by the Elysée Palace and thanks to the "suicide" of Figon. However, he was disbarred for three years. His role has never been satisfactorily explained.

The Ben Barka kidnaping has never been solved. Moroccan secret service official Dlimi subsequently testified in French courts that Ben Barka was still alive when General Oufkir saw him shortly after his kidnaping. Georges Boucheseiche's wife swore that Ben Barka was kidnaped by "others" from the house in the Paris suburbs. General Oufkir subsequently told a journalist that the CIA had been working behind his back all along. The body was never found. The investigation and trial dragged into the fall of 1967, and was a recurring source of attack on de Gaulle.

### From 'barbouzes' . . . to Perminde?

There are gaping holes in the Ben Barka story. The question "*cui bono?*" has never been satisfactorily answered, although several interesting leads exist.

The close collaboration of the Attia gang to French intelligence "special ops" deployments raises the question of a strategic direction to this wrecking operation against de Gaulle's foreign policy. Circumstantial evidence points to two individuals, whose role, if any, in the Ben Barka affair could lead to the bigger picture.

**Maj. Louis Mortimer Bloomfield** was born in Tangiers, and at least from 1961 through 1965 was a licensed member of the Tangiers Bar Association. Bloomfield was identified by New Orleans District Attorney Garrison as a central figure in the Perminde organization, which Garrison believed to be the brains behind the Kennedy assassination. Bloomfield's Montreal law practice represented the Bronfman family liquor empire and major Swiss financial interests, suggesting

potential overlaps to Joe Attia's ties to similar Montreal-based liquor distribution and Swiss banks.

Flamboyant art dealer **Fernand Legros** adds a totally different dimension to the Ben Barka affair. In an exposé of the SDECE, *Le Comité*, allegedly ghostwritten by fired SDECE Deputy Commissioner Leroy-Finville, he describes a secret meeting in the offices of the French prime minister shortly before the Ben Barka kidnaping. There, he says, he was ordered by a certain "M. Legros" to cooperate with Antoine Lopez on "a drug control measure, Ben Barka's abduction." Leroy-Finville says he refused until he was given assurances that the action was sanctioned by his superiors in SDECE.

Henrik Kruger suggests that "M. Legros" is Fernand Legros, the man the CIA "assigned to snoop on U.N. Secretary General Dag Hammarskjöld." Legros confirmed to Kruger that he used his Geneva-based art gallery as a front for CIA activities.

But Fernand Legros, as his biographer Roger Peyrefitte says, was, if anything, "*une vie extraordinaire*." Legros was the homosexual lover of Dag Hammarskjöld, assigned by the CIA to monitor, in particular, the U.N. secretary general's dealings with Third World leaders. Legros parlayed his art gallery and espionage activities into a multimillion-dollar fortune, tied to gun running, money laundering, and major offshore Caribbean banking operations.

Legros's list of intimate acquaintances reads like a "Who's Who" of world leaders and the rich and infamous: Bernie Cornfeld, Robert Vesco, Sen. Adlai Stevenson, Algeria's Belkacim Krim, Liberia's Adolphus Benedict Tolbert, Georges and Mme. Pompidou. He carried diplomatic passports courtesy of the heads of state of Liberia, Sierra Leone, Haiti, Nicaragua, Costa Rica, and Honduras. Biographer Peyrefitte makes clear that Legros's sexual proclivities opened untold doors high in the French and international political and social establishments. He was a collector of young men and the wives of powerful men alike.

The details of Legros's assignments for the CIA are left largely to the reader's imagination, but Peyrefitte does report that in 1961 a last-minute phone call saved Legros from boarding the plane in the Congo on which Dag Hammarskjöld was killed; in 1962, a last-minute phone call kept Legros off the plane on which Italian ENI chairman Enrico Mattei was killed; in 1963, Legros was in Dallas selling paintings when Kennedy was killed; and in 1965, he was in Paris when Ben Barka was kidnaped. Reportedly, he was "bemused" by the abduction.

Legros was intimate friend, adviser, and arms supplier to Katangan rebel leader Tshombe, and through this Congo connection, he was in close collaboration with the French organized crime networks later involved in the Ben Barka affair. Legros trafficked in weapons to both sides in the Congo and Algerian crises and in the 1967 Arab-Israeli war.

Legros knew Ben Barka well. Through his Algerian

friend **Belkacim Krim**, Legros was investing funds for the Algerian National Liberation Front (FLN), raised from immigrant laborers in Europe, in a portfolio of valuable paintings stored in Swiss banks. Ben Barka came into possession of several of the paintings under unexplained circumstances. At the time of his kidnaping, Legros was trying to find a buyer for Ben Barka's paintings.

In the late 1960s, Legros became the target of an art scandal. As the investigation moved toward criminal indictment, Legros's informants on the progress of the investigation within the French government included Prime Minister Pompidou and Interior Minister **Louis Joxe**. His team of lawyers included the Master of the masonic Grand Lodge of France, **Richard Dupuy**, and attorney Marcel Soroquère. Soroquère later became the law partner of Pierre Lemarchand, and it was in the office of Soroquère and Lemarchand that the attorneys in the current Paris "LaRouche" case were trained.

In 1972, just as the French Ricord drug networks were being shut down in Ibero-America, Legros was placed under "protective custody" in Rio de Janeiro, allegedly in connection with the art fraud scandal. In 1974, he was kidnaped by SAC agents and returned to France. U.S. Secretary of State **Henry Kissinger** personally intervened on his behalf, protesting that Legros, who had become an American citizen while in the employ of the CIA, had been illegally kidnaped. Legros was released from French custody and flown back to the United States.

### Political impact in France

The direct result of the Ben Barka affair in France was a shattering of the Gaullist majority and a tremendous boost in the credibility of Socialist leader François Mitterrand. Nineteen sixty-five was a presidential election year, and the scandal broke one week before President de Gaulle formally announced that he would run for reelection. Mitterrand was his leading opponent, followed by centrist **Jean Lecanuet** and OAS-linked right-winger **Tixier-Vignancourt**. By the end of November, de Gaulle's support had collapsed from 70% in August to 51%. In the weeks before the Dec. 5 vote, Interior Minister Frey was implicated in the affair, and SDECE agent Lopez, narcotics agents Souchon and Voitot, and others were arrested.

De Gaulle won the first round of voting with 43.7% of the vote. For the second round, Mitterrand coaxed Lecanuet to drop out of the race, while Tixier-Vignancourt and his OAS supporters threw their support to Mitterrand "without condition." His campaign manager at the time was New Right populist **Jean-Marie Le Pen**. On Dec. 19, de Gaulle won the second round with a paltry 54.6% of the vote.

In early 1966, new revelations implicating the two top SDECE officials and the "suicide" of Georges Figon fueled a further backlash going into the legislative elections. By then, Mitterrand had buried the hatchet with the Communist Party and posed a solid front against the ruling coalition.

In the final round of voting, the Communists and Socialist together gained 31 seats, while the government lost 44. De Gaulle's coalition was reduced to a three-seat majority in the National Assembly, and that thanks only to the 43 seats held by the "ambiguous" Giscardians.

### End of the de Gaulle-Kennedy alliance

The Ben Barka affair struck at the heart of de Gaulle's foreign policy initiatives, in which he collaborated with President John F. Kennedy in the last years of Kennedy's life, and with circles close to Pope Paul VI. The outlines of the policy were stated in the 1967 papal encyclical *Populorum Progressio*, and focused on allying with the developing sector nations for scientific and technological development against the Cold War spheres of influence condominium of the Anglo-Americans and Soviets.

Trust between the two Presidents grew after they had identified their common enemy. Following the aborted "generals' coup" in Algiers in April 1961, de Gaulle secretly wrote to Kennedy, identifying the circles behind the mutinous independent Algeria putsch as identical to the sponsors of the Bay of Pigs fiasco. Relations further improved after the 1962 Cuban missile crisis and Kennedy's firing of "that madman" Henry Kissinger.

There is evidence that Kennedy and de Gaulle, with Vatican help, were secretly trying to defuse the Indochina crisis, when Vietnamese President Ngo Dinh Diem was assassinated shortly before Kennedy's death. Both were involved in Africa and Ibero-America. Kennedy was shattered when Patrice Lumumba was murdered in the Congo. De Gaulle called for a week of national mourning in France when Kennedy was killed. Shortly before the Ben Barka affair, de Gaulle renewed his initiatives toward the nations of the South, making extended tours of Africa and Ibero-America.

De Gaulle was also embroiled in bitter battles over the "Atlanticist" idea of Europe. On Jan. 14, 1963, he vetoed British membership in the Common Market, warning that London would wreck it from within. On March 7, 1966, de Gaulle wrote to President Lyndon B. Johnson, that since France was no longer a member of NATO, U.S. troops were no longer required on French territory.

The battle cost Kennedy his life; de Gaulle was the target of repeated assassination attempts from September 1961 on. Their collaborators—Italian Enrico Mattei, Congo's Patrice Lumumba, and Morocco's Mehdi Ben Barka—were brutally eliminated.

When the dust settled on the Ben Barka affair, much of the drug and financial traffic earlier controlled by the "French Connection" had been displaced to Ibero-America, and the proceeds were whitewashed through American banking interests. The American secret services had gathered extensive, damning evidence on the collusion of French secret service and political interests in drug trafficking and money laundering.

## Will Democratic Party give death penalty to itself?

by Mel Klenetsky

The selection of Al Gore by "Slick Willie" Clinton as his running mate is one more signal that the Democratic Party is on a likely path of self-destruction, as it alienates two of its historic constituencies since the days of FDR: minorities and the working class.

Gore embodies all of the features of what Lyndon LaRouche denounced in a recent memorandum as the "southern strategy" being used by both the Republican and Democratic parties in the "present trend toward the self-destruction of the United States." In 1991, Gore voted for the "fast track" for NAFTA. Gore headed the U.S. delegation to the Rio Summit. Gore appeared as a featured guest on an environmentalist show narrated by Prince Charles. His book, *Earth in Balance*, is a rabid environmentalist tract (see *EIR*, April 3).

Gore's Virginia campaign manager for his 1988 presidential campaign was Mary Sue Terry, the Virginia attorney general who has gained world notoriety for her zeal in carrying out the death penalty. Gore's presidential campaign was formally endorsed and financed by Armand Hammer, the late "Red Billionaire" who presided over Occidental Petroleum, of which the Gore family coal company, Island Creek, was a subsidiary.

### Clinton's cynical 'toughness'

As we write on July 10, just before the Democratic National Convention in New York, Arkansas Governor Clinton and his backers on the Democratic National Committee (DNC) and the Platform Committee have taken steps to quash discussion in any area that can create embarrassment for Clinton.

Two of the policies that Governor Clinton has advocated alienate him from the traditional constituencies of the Democratic Party. First, his pro-death penalty stand is an affront to the minority community, where it is well understood that

minority citizens are executed—not Wall Street bankers or high government officials, no matter how heinous their crimes of genocide or drug money-laundering may be. Second, the Democrats' traditional base in the labor movement is angry over the governor's support for NAFTA.

Clinton presents himself as one of the new breed of tough governors who can be more "law and order" than George Bush himself. He was chairman of the Democratic Leadership Council, which began after Reagan's defeat of Mondale in 1984, with the explicit idea that the Democratic Party had to become more like Ronald Reagan, George Bush, and the Republicans if it was ever going to win the presidency. Virginia Sen. Chuck Robb, Georgia Sen. Sam Nunn, and House Majority Leader Richard Gephardt from Missouri, were other leaders of the Leadership Council.

### No debate on life

Clinton, who was previously opposed to the death penalty, changed his position after losing the 1980 gubernatorial race. He ran again for governor in 1982 and won on a pro-death penalty platform. During the 1992 presidential primary races, Clinton flew back to Arkansas twice to oversee executions, in a breathtakingly cynical ploy to prove that he wasn't a "soft on crime" Democratic "wimp." Clinton knows, however, that many delegates in his camp were upset at the execution, during the New Hampshire primary, of the lobotomized Ricky Rector.

Clinton has been lobbied by members of the Arkansas National Association for the Advancement of Colored People (NAACP) and black leaders around the country to commute the sentence of Barry Lee Fairchild, a black death row inmate in Arkansas who currently has an appeal before the federal courts. Fairchild not only was not the triggerman in the crime he was convicted of, but also had his confession beaten out

of him.

On June 27, Bob Fittrakis, an Ohio delegate committed to Jerry Brown, who is running for Congress from Columbus, introduced an anti-death penalty resolution at the Democratic Platform Committee hearings in Washington, D.C. This resolution, first introduced as an Ohio-New York amendment, received 49 of the 186 possible Platform Committee votes. Having failed to receive a majority, the Fittrakis amendment was re-submitted as a minority plank with 44 signatures—7 beyond the 37 required.

Upon receiving the signatures for the Fittrakis plank, Gov. Roy Romer of Colorado stated that all minority planks would be debated unless two-thirds of the signatures were withdrawn. Yet by July 3, the DNC claimed that the Fittrakis plank was based on “fraudulent” signatures and was not going to be submitted. Subsequently, the DNC told the American Civil Liberties Union and others that five of the 42 signatures were not valid, and therefore the minority plank could not go through—although this decision flouts the very rules Romer had announced.

Meanwhile, the DNC announced that all means for introducing emergency, or last-minute, resolutions on the floor of the convention had been eliminated. Normally, provisions have been made for state delegations, or petitioners meeting a certain threshold, to bring an issue to debate. Now that era of free speech is over. As of this writing, Fittrakis is taking legal action to get the DNC to submit his plank to the convention for a vote on July 14.

The strongarm tactics of the Clinton crowd have become an issue among the 680 Brown delegates, the Paul Tsongas delegates, and others. The Platform Committee voted down all of the amendments that were presented by the Brown and Tsongas delegates and allowed only four of Tsongas’s amendments to go through as minority planks. Brown’s planks were all voted down. Brown is not being asked to speak at the convention unless he agrees to endorse Clinton.

Jesse Jackson was also not invited to speak, unless he agreed to speak for Clinton. He did agree, but the move to disenfranchise black Democrats was already clear. It was underlined by the choice of a white southerner, Al Gore, as Clinton’s running-mate, and the scheduling of the Democratic Convention on concurrent dates with the NAACP convention in Nashville.

Workers for Lyndon LaRouche’s presidential campaign are circulating a resolution against the death penalty which is broader than that proposed for the minority plank. As of July 9, some 150 delegates had signed it, joining the leading civil rights fighters, like Rosa Parks and Joseph Lowery, who had already endorsed the resolution. Among prominent constituency leaders lending their support to this drive are the Baptist Ministers’ Conference of Los Angeles; Bishop Francis A. Quinn of the Roman Catholic diocese of Sacramento, California; Rev. Willie Barrow, of Operation PUSH in Chicago; Hon. Richard Hatcher, former vice chairman of the DNC and former mayor of Gary, Indiana; and Annie

Coleman, president of ILWU Local 2 in San Francisco.

Two state delegations, South Dakota and Washington State, endorsed anti-death penalty resolutions for the convention. The Arizona and Iowa Democratic Parties have passed anti-death penalty resolutions for their state planks. Fourteen states are opposed to the death penalty, and an additional 16 states have death penalties, but have never used them. This translates into a substantial faction within the Democratic Party in opposition to the policy that Clinton has decided he will use to show the electorate that he is tougher than George Bush.

Also disenfranchised by the Clinton clique is organized labor. Owen Bieber, the head of the United Auto Workers union, denounced Clinton during the Michigan primary for his support of NAFTA and his support of the UAW workers in Arlington, Texas who broke union solidarity in signing a separate contract with General Motors.

“A large proportion of American labor is very unhappy” with Clinton’s stand on NAFTA, even though institutionally, the AFL-CIO is backing his candidacy, a high-level staffer at the AFL’s Washington headquarters told a journalist on June 9. “NAFTA is an issue that extends beyond the concerns of labor,” he said. “The key issue for the U.S. is whether we decide to retain and maintain our manufacturing base.” The push for NAFTA indicates that those who favor “a low-wage, low-technology future for the U.S.” are in the ascendancy.

### **Southern strategy**

In a memorandum dated June 28, Lyndon H. LaRouche, Jr. warned, “The key to the present dominant feature in the trend toward self-destruction of the United States is the southern strategy of the Republican and Democratic parties.” The “southern strategy” launched in Richard Nixon’s 1968 election campaign, LaRouche said, “put an ape in the White House,” Jimmy Carter in 1976. The pattern continued ever since: George Bush as a nominal “Texan” was added to the Reagan ticket in 1980, and “the southern, Atlanta-centered crowd” stuck an “unelectable dummy, Dukakis” at the head of the Democratic ticket in 1988 and “thus ensured the election of an otherwise unelectable George Bush.”

Presidential candidate LaRouche continued: “The Southern Jurisdiction of the Scottish Rite [of Freemasonry] has exacted terrible penalties, inclusive of the present Supreme Court and justice system” in return for these electoral deals. The lineage of the Southern Jurisdiction traces back to the founding of the Mother Lodge in Charleston in 1801, which produced as spinoffs, not only the Confederacy but also the B’nai B’rith which participated in the founding of the Ku Klux Klan in 1867, LaRouche explained.

Abraham Lincoln said that a nation cannot be half-slave, half-free, he recalled. “The chattel slavery in the southern states reduced the poor white population of the southern states to a condition not unlike that of pigs in language and morality . . . and was destroying the entire United States.” Similarly, the slavery imposed on Mexico through NAFTA “destroys the United States economy today.”

# Resistance grows to NAFTA trade pact

Trade representatives from the United States, Mexico, and Canada are scheduled to meet at the end of July to try to initial a formal draft of the North American Free Trade Agreement (NAFTA), which can be put to the respective national legislatures this fall. Even without the niceties of a treaty, various companies and banks are launching sweeping "free trade" practices, as if national borders and interests did not exist. This, in turn, is sparking new public opposition to a NAFTA treaty.

In the United States, the International Brotherhood of Teamsters (IBT) in June launched a petition campaign against federal attempts to lift licensing requirements for low-paid Mexican truck drivers. The petition, titled "Save Good Jobs: Stop Deregulation and 'Free Trade,'" points out that since 1980, deregulation has destroyed at least 160,000 good jobs in the trucking industry, and now "free trade" legislation is making matters even worse.

The following are excerpts from a letter to Congress from

the IBT president and a resolution passed June 16 by the Los Angeles City Council.

## Teamster president's letter to Congress

June 23, 1992

Dear Representative:

I am writing to urge you as a matter of the highest priority to support House Concurrent Resolution 246 co-sponsored by Representatives Gephardt and Waxman and to call for an immediate floor vote on it, free-standing and subject to a closed rule.

HCR 246 states that Congress will not implement any international trade agreement that jeopardizes U.S. labor, environmental, health or safety laws.

As you know, the Bush administration is now involved in negotiations both on GATT [General Agreement on Tariffs and Trade] and on the North American Free Trade Agreement. In both cases, there are serious questions about the administration's commitment to defend the right of our federal, state, and local governments to set standards to protect workers' rights, environmental quality, consumer safety, and other public interests.

An apparent signal of the administration's intentions is an order issued in April to the state of California to stop requiring commercial drivers from Mexico to obtain non-

## N.D. Board of Elections, AP hand victory to Perot

On June 24, at the North Dakota Board of Canvassers meeting, which included the secretary of state, the Board of Elections reversed its previous returns finding Lyndon LaRouche the winner of the state's June 9 Democratic presidential primary, and certified the following results instead: Ross Perot, 9,516 (write-in); Lyndon LaRouche, 7,003; Nevada businessman and populist Charles Wood, 6,641; Miami comedian and Clinton stand-in Tom Sheikman, 4,866; and Bill Clinton a dismal fifth as a write-in with 4,760.

LaRouche in '92 campaign representatives found the results highly suspicious, in part because the secretary of state had reported LaRouche as the winner during the entire week of June 9-12, before "finding" thousands of additional Perot write-in votes on June 15, most of them (over 3,600) in the Democratic primary, despite the fact that the Perot vote was most probably a protest against George Bush. (Perot was credited with only 3,852 votes in the Republican primary.)

The major ground for suspicion, however, was the

fact that Associated Press had first declared, "Perot Wins in Write-in Contest," in a story released in the early morning hours following election night. At that time, their own figures showed LaRouche leading Perot by over 2,000 votes.

This was the same hour that the AP office in Bismarck, N.D. began advising reporters from elsewhere in the country, "I don't think you want to print this: Our big vote-getter out here is Lyndon LaRouche."

At the same time, the television networks, and national press like the *Washington Post* and *USA Today*, were deciding to impose a blackout of the LaRouche victory—or even of the fact that a North Dakota Democratic presidential primary had occurred. (See *EIR*, June 26, "Establishment Media Throw Tantrum Over LaRouche North Dakota Victory.")

However, any further investigation of these suspicious features is stymied by a state law which prohibits inspection of the ballots, even under a court order, when the margin between first and second place in the official tally is over 2%.

Nonetheless, word of LaRouche's victory has reverberated throughout the world, through coverage by foreign press services, word of mouth, and through a 2 million-run LaRouche in '92 campaign leaflet.—*Steve Komm*

resident licenses. The administration claims that a Memorandum of Understanding signed with Mexico last November preempts state laws and requires California and other states to recognize Mexican commercial licenses.

This creates a serious threat to economic well-being and public safety in the states. . . .

Sincerely,

Ron Carey, General President, IBT

### **Los Angeles: fair trade with Mexico**

*This resolution was unanimously passed by the Los Angeles City Council on June 16:*

WHEREAS state and local governments play an important role in protecting public safety and health and the rights of workers, and

WHEREAS international trade agreements must respect that role, and

WHEREAS Mexico is an important trading partner with whom we have close economic and cultural ties, and

WHEREAS expanded U.S.-Mexico trade could be used to increase jobs and improve living standards in both countries, and

WHEREAS international agreements between our two countries must take into account the major differences in wage and benefit levels and environmental, consumer protection, and public safety practices, and

WHEREAS lower wage levels in Mexico mean that a substantial percentage of Mexican citizens cannot purchase significant amounts of goods and services from the U.S., and

WHEREAS the Bush administration is negotiating a "free trade" agreement with Mexico, and

WHEREAS the Bush administration has already made an agreement with Mexico to preempt the right of California and other states to require their own licenses for commercial drivers from Mexico, and

WHEREAS that agreement contains no requirement for increasing toward U.S. levels the wages that truck drivers from Mexico receive, nor guarantees that highway safety will be maintained,

THEREFORE BE IT RESOLVED that international agreements should not preempt state drivers' licensing authority or other state and local laws, and

BE IT FURTHER RESOLVED that the federal government should not make international agreements or take administrative actions that would undermine jobs, health, and safety in the U.S., and should rescind the action ordering recognition of Mexican commercial driver's licenses, and

BE IT FURTHER RESOLVED that international agreements with Mexico should include specific measures for raising Mexican living standards, working conditions, and environmental and consumer safety practices toward U.S. levels and should insure that U.S. standards will not be brought down, and

BE IT FURTHER RESOLVED that no international agreements should be negotiated without the active participation of the citizen groups that will be affected.

## **ADL leads lynch mob against Demjanjuk**

by Jeffrey Steinberg

The gangsters at the Anti-Defamation League of B'nai B'rith (ADL) are desperately scrambling to keep their hooks into the U.S. Department of Justice (DOJ), despite the fact that they have been caught in the middle of the biggest scandal to hit the federal government since Watergate.

On July 15, officials of the DOJ's Office of Special Investigations (OSI), the purported "Nazi-hunting" unit, are scheduled to submit to the Sixth Circuit Court of Appeals in Cincinnati, Ohio all the documents in their files that showed that John Demjanjuk, the retired Cleveland auto worker now sitting on death row in an Israeli jail, was innocent of the charges of Nazi war crimes for which he was denaturalized and deported in the late 1980s. On Aug. 11, the same court is scheduled to hear oral arguments on a motion to have Demjanjuk returned to the United States on the grounds that the OSI unlawfully prosecuted him and sent him to certain death in Israel while wittingly concealing evidence that they had targeted the wrong man.

Despite widespread publicity in the United States and Israel of the evidence of Demjanjuk's innocence, Elliot Welles, the ADL's liaison to the OSI, penned a disgusting letter to the editor of the July 6 *Washington Post*, demanding that Demjanjuk be persecuted anyway. Welles headed the ADL's office in Israel at the time that KGB-forged evidence was being passed between the U.S. DOJ and Israeli prosecutors. He told the *Post*:

"Regardless of the final outcome of the Demjanjuk case, there is little doubt that John Demjanjuk engaged in the persecution of Jews while serving as a concentration camp guard during World War II. There is also little doubt that he lied about his wartime activities when he entered the United States and that evidence of his deception warranted his denaturalization and deportation. . . . Under no circumstances should he be allowed to return to Cleveland."

Demjanjuk's Israeli defense attorney has presented evidence that his client was never involved, as Welles charges, in any concentration camps. Even more to the point, under the U.S.-Israel extradition treaty, Demjanjuk could only be tried for the specific charges relating to his alleged actions at Treblinka. Twenty-seven separate affidavits were presented in May and June of this year in Demjanjuk's appeal before the Israeli Supreme Court proving that he was not the Treblinka guard known as "Ivan the Terrible." Under the rule of law,

Demjanjuk should be freed and restored to his American citizenship.

### Put the real criminals behind bars

Evidence now under review by the Sixth Circuit suggests that there were indeed serious crimes committed in the Demjanjuk case, but those crimes were carried out by officials of the U.S. Department of Justice, the Israeli government, and the ADL.

One senior DOJ official who was earlier involved in the railroad prosecution and jailing of Lyndon LaRouche, Assistant Attorney General Robert Mueller III, has been cited by the court for his stonewalling on the Demjanjuk documents between January and June of this year, during a period when Demjanjuk was under a sentence of death by hanging in Israel. Despite repeated efforts by Sixth Circuit Clerk Leonard Green to obtain copies of the DOJ's files and status of its internal investigation of possible criminal misconduct by OSI officials, Mueller refused to answer phone calls or letters. Had Demjanjuk been executed in Israel, Mueller would have been complicit in murder—along with the ADL.

On June 3, after being stonewalled by Mueller since Jan. 7, the Sixth Circuit, in a highly unusual move, reopened the Demjanjuk case on its own initiative.

### Calls for probe of the OSI

A week after the Sixth Circuit action, Rep. James Traficant (D-Oh.), who along with Rep. Mary Rose Oaker (D-Oh.) has called for a House Judiciary Committee probe of the OSI, issued a blunt attack on the OSI in the *Congressional Record*:

"Mr. Speaker, a great crime was committed in the Demjanjuk case relative to the trial where he was charged with being the infamous Ivan of Treblinka. The criminal, as it turns out, was not Demjanjuk, a retired auto worker from Cleveland. It was a crime of the U.S. Justice Department that knew as early as August 1978 that the real Ivan [the Terrible] was Ivan Marchenko, not Demjanjuk.

"Our Justice Department chose to prosecute, more like persecute, Demjanjuk for that count. This is not wrongful prosecution, Members. This is a felony.

"And Alan Ryan and Neal Sher of the Office of Special Investigations can sue me, but I say they should go directly to jail for what they did to that man."

Ryan and Sher should be joined behind bars by the top officials of the ADL who not only helped conduit the false, KGB-manufactured evidence into all-too-willing U.S. and Israeli judicial systems, but who organized the lynch-mob climate in which Demjanjuk, along with a score of other falsely accused "Nazi war criminals," were deprived of their citizenship and sent to their deaths either behind the Iron Curtain or inside Israel. (One OSI-ADL target who beat the ADL in court, Tscherim Soobzokov, was assassinated in Paterson, New Jersey by Israeli killers who to this day have never been even indicted.)

# 'Neo-Taney' Supreme demolition of the U.S.

by Edward Spannaus

As it reached the end of its 1991-92 term, the U.S. Supreme Court reached new depths in its assaults on the fundamental freedoms of American citizens. Patriotic observers could only breathe a sigh of relief as the court's term ended on June 29, in that at least the court could do no more damage to the U.S. Constitution until it reconvenes the first Tuesday in October.

Indeed, under the leadership of Chief Justice William Rehnquist, the court's majority is reversing previous precedents willy-nilly in their rush to destroy the role of the federal courts as the guardians of constitutional rights, particularly as those rights are encroached upon by the states.

The Rehnquist court is properly described as a "neo-Taney" court, in the sense that it is following in the footsteps of the evil Roger B. Taney, chief justice from 1835 to 1864, and author of the infamous *Dred Scott* decision, who destroyed much of the nation-building accomplishments of the Supreme Court under John Marshall. (For this, Rehnquist has praised Taney as a "first-rate legal mind" who used his states' rights doctrine to undermine the "nationalist constitutional jurisprudence of the Marshall Court.")

The Rehnquist court is a court which has lost any moorings in the principles of the Constitution. Its death penalty rulings are driven by pure blood-lust. Its assaults on the First Amendment betray the most fundamental principles of the Bill of Rights. Its most publicized decision, that in the *Casey* abortion case, was an unprincipled mélange of opinions. The so-called emerging "moderate" bloc—that of Justices David Souter, Sandra Day O'Connor, and Anthony Kennedy—justified its continued upholding of the *Roe v. Wade* ruling legalizing abortion, on the grounds that to give in "under fire" and overrule it would damage the Supreme Court's prestige. Those in the so-called conservative bloc who would overturn *Roe*, would do so only to leave the decision up to the individual states whether to permit abortion on demand, or to outlaw it.

The hypocrisy of the court's "pro-life" conservatives is best seen in their rulings on the death penalty. We will first review these rulings, and then survey the court's assaults

# Court speeds Constitution

on the First Amendment during its last week of the just-concluded session.

## Blackmun warns about death penalty

For a number of years, the Supreme Court has been narrowing the ability of prisoners—especially those on death row—to obtain review of their convictions in federal courts. In the court's June 22 ruling in the case *Sawyer v. Whitley*, this process reached the point where a number of pro-death penalty justices issued strong attacks on the reasoning of the Rehnquist-led majority.

In his concurring opinion in the *Sawyer* case, Associate Justice Harry Blackmun expressed his serious doubts that the death penalty can be fairly applied any longer, because of the Supreme Court's constriction of the ability of the federal courts to remedy constitutional errors via *habeas corpus* review. Blackmun said that he had always had a "personal distaste" for the death penalty, and he doubted that it performs any effective deterrent, yet he thought it was a matter to be resolved by state legislatures.

His own ability to enforce the death penalty, wrote Blackmun, "has always rested on an understanding that certain procedural safeguards, chief among them the federal judiciary's power to reach and correct claims of constitutional error on federal *habeas* review, would ensure that death penalty cases are fairly imposed. Today, more than 20 years later, I wonder what is left of that premise underlying my acceptance of the death penalty."

By refusing to consider constitutional violations unless a prisoner can prove "actual innocence" to the court's satisfaction, said Blackmun, "the court undermines the very legitimacy of capital punishment itself."

By the end of the week, rumors were circulating in Washington, D.C. that the 83-year-old Blackmun, the oldest member of the high court, was about to resign. However, press reports of these rumors fail to connect one of the most compelling pieces of evidence pointing this way: Blackmun's attacks on the direction of the Supreme Court's death penalty rulings. Blackmun's attacks bear a certain resemblance to

Thurgood Marshall's swan song a year ago, upon his own resignation.

## 'Perverse double standard'

In another concurring opinion in the *Sawyer* case, Justice John Paul Stevens attacked Chief Justice Rehnquist's reasoning as creating a more difficult standard of proof for capital cases than non-capital cases.

"The court's ruling creates a perverse double standard," wrote Stevens. "While a defendant raising defaulted claims in a non-capital case must show that constitutional error 'probably resulted' in a miscarriage of justice, a capital defendant must present 'clear and convincing evidence' that no reasonable juror would find him eligible for the death penalty. It is heartlessly perverse to impose a more stringent standard of proof to avoid a miscarriage of justice in a capital case than a non-capital case."

One of the remarkable features of the unusually harsh separate opinions written by Blackmun for himself, and Stevens for himself and Justices Blackmun and O'Connor, is that they are *concurring*, not dissenting, opinions, from justices who generally support the death penalty.

## 'Bloody Bill' Rehnquist

In the *Sawyer* case, Chief Justice Rehnquist, writing for the court's majority, continued chopping away at the rights which a death row inmate has to bring a *habeas* petition into federal court. In doing so, Rehnquist adopted the stringent legal standards applied by the federal circuits in the deep South (the 5th and 11th Circuits), covering states from Florida to Texas.

In the *Sawyer* decision, Rehnquist explicitly further extended the barbaric line of reasoning shown in the earlier cases involving inmates Warren McClesky and Roger Coleman. Rehnquist declared that a constitutional violation is of no concern, unless the prisoner can show that he is "actually innocent" of the offense charged, and therefore the federal courts should ignore the constitutional violation and refuse to entertain a *habeas* petition. Unless the prisoner can show that, except for the constitutional error, *no* reasonable juror could have found him guilty, the courts will pay no heed to the constitutional error.

The argument made by Blackmun, Stevens, et al., is that "a fundamental miscarriage of justice occurs whenever a conviction or sentence is secured in violation of a federal constitutional right." Since 1986, says Blackmun, the Supreme Court has shifted the focus of *habeas* review of certain categories of cases—those it calls "procedurally defaulted" (i.e., one day late), or "successive" or "abusive" (i.e., bringing a second *habeas* petition when new evidence is discovered).

Thus, for example, even if the prisoner can prove that the prosecution suppressed exculpatory evidence, or that witnesses lied, or that his own confession was coerced, he will

not get a hearing unless he can prove to the satisfaction of the federal court that he is “actually innocent.” Legally, this is an almost impossible standard to meet (since some contradictory or circumstantial evidence exists in virtually all cases); so the sentence will stand and the prisoner can be executed—notwithstanding the constitutional violation.

The “actual innocence” standard also unconstitutionally shifts the burden of proof. In a criminal case, the burden of proof is on the *government* to prove that a defendant is guilty beyond a reasonable doubt, not on the defendant to prove that he is innocent beyond *all* conceivable doubt.

The Supreme Court has not yet decided pending cases on the issue of whether “actual innocence” itself is a bar to execution. Such a case is before the court and will be argued next fall. But the June 22 *Sawyer* ruling already sets a standard which is almost impossible for any prisoner to meet, and which will result in more rapid killings of the more than 2,500 prisoners now on death rows in the United States.

### **Court mangles First Amendment**

The court also took aim at the First Amendment in a series of bizarre rulings at the end of the term. The First Amendment was intended to protect freedom of speech and free exercise of religion; it prevents only the state coercion of religious beliefs or practices, and bars the establishment of an official state church.

Turning the First Amendment on its head, the high court found in the case *Lee v. Weisman* that a non-denominational prayer offered at a junior high school graduation ceremony violated the Constitution. On the other hand, the supremely irrational Court then upheld a ban on religious and political speech in the public areas of airport terminals.

A tip-off that First Amendment protections were being reevaluated came in the Minnesota “hate crimes” ordinance case. All nine Supreme Court justices agreed that the St. Paul ordinance was unconstitutional; but they disagreed as to why—so that there were three separate concurring opinions expressing the differing views of five justices. The libertarian reasoning of the majority opinion, written by Justice Antonin Scalia, was attacked by five justices (a majority of the court!) as overthrowing the Supreme Court’s traditional approach to First Amendment issues, and as actually *weakening* protections for freedom of speech.

Justice Stevens said that Scalia’s reasoning overthrew the traditional hierarchy of protection of speech, in which political speech had always had the highest protection, and obscenity and “fighting words” the least protection. Justices Blackmun and White noted that Scalia’s unusual reasoning “weakens the traditional protections of speech.” (One should undoubtedly be on guard when Rehnquist appears to be on the side of freedom of speech.)

Rehnquist then led the charge in the June 26 decision banning sales of literature and solicitation at airport terminals. Rehnquist’s rationale was simple: Airports are not

“public forums,” as that principle has been established in the evolution of constitutional law. (I.e., since airports are a relatively recent development, how can a 200-year-old Constitution be applied to them?)

### **The airport case**

Rehnquist’s main complaint was that the exercise of free speech in airports is an “inconvenience” to travelers. Unlike a majority of the court, Rehnquist would have gone so far as to have banned even leafleting outside airports. “The weary, harried, or hurried traveler may have no less desire and need to avoid the delays generated by having literature foisted upon him than he does to avoid delays from a financial solicitation,” wrote Rehnquist.

Three justices (Souter, Blackmun, and Stevens) noted appropriately that the First Amendment “inevitably requires people to put up with annoyance and uninvited persuasion.” Souter, writing for these three, also destroyed Rehnquist’s alleged concern about the possibilities for fraud during airport solicitations. Saying that “the evidence of fraud here is virtually nonexistent,” Souter noted that there had been only eight unsubstantiated complaints of fraud over an 11-year period, and there had not been a single claim of fraud or misrepresentation since 1981.

All this might lead one to conclude that the real target of the court’s ruling was not the Hare Krishnas against whom the suit had been brought, but associates of Lyndon LaRouche, whose organizing tables are a well-known institution in many U.S. airports. Indeed, the *New York Times* followed up with a prominent article next day, featuring a photograph of LaRouche associates organizing at a New York airport, and demanding that the Port Authority throw them out at once.

### **Bible-banning**

With the so-called moderates in the lead, the Supreme Court continued 45 years of misinterpretation of the Constitution by ruling that a non-denominational prayer at a public school graduation ceremony violated the separation between church and state. Justice Kennedy, writing for the majority, said the prayer was a state-sponsored religious activity forbidden by the First Amendment.

The court’s adoption of this essentially freemasonic policy of the “wall of separation between church and state” dates back to the 1947 ruling in *Everson v. Board of Education*, written by ex-Klansman Hugo Black. The “wall of separation” doctrine was drawn from private correspondence of Thomas Jefferson, and has nothing to do with the intent of the framers of the U.S. Constitution and the First Amendment.

The fallacy of the “wall of separation” nonsense is shown by the Northwest Ordinance, passed in 1787 and re-adopted in 1789, which provided that “religion, morality, and knowledge being necessary to good government and the happiness

of mankind, schools and the means of education shall forever be encouraged." And, in his Farewell Address to the nation in 1796, George Washington declared that "religion and morality are indispensable supports [for] political prosperity," and he further warned that we could not expect "that national morality can prevail in the exclusion of religious principle."

(Undoubtedly, these would also be found to be unconstitutional by our modern-day Supreme Court. However, in all fairness it should be noted that Justices Rehnquist, Scalia, Thomas, and White have challenged the "wall of separation" doctrine and dissented from Kennedy's school prayer ruling.)

A few days after issuing the graduation prayer ruling, the Supreme Court let stand a ruling holding that the Constitution prohibits an elementary school teacher from silently reading the Bible to himself during class time while his students read secular books. The court declined to review a decision of the 10th Circuit Court of Appeals that a fifth-grade public school teacher in Denver violated the Constitution by reading the Bible to himself during the classroom's "silent reading period."

The 10th Circuit had ruled that even having the Bible on the top of the teacher's desk in sight of the students violated the First Amendment, as did the inclusion of two Christian books—*The Bible in Pictures* and *The Story of Jesus*—in his 240-volume classroom library.

In another case, the Supreme Court let stand a decision that an Illinois town had violated the Constitution's mandate of separation of church and state by sponsoring a Roman Catholic mass as part of a festival celebrating Italian culture. Two summers ago, the Village of Crestwood hosted "A Touch of Italy" festival, which was to include a mass celebrated by an Italian-speaking priest, in a town park.

And in still other cases, the court refused to hear an appeal brought by the Illinois communities of Rolling Meadows and Zion, thereby letting stand lower court rulings that their municipal seals unconstitutionally endorse a particular religion. However, in a Texas case, the court let stand a controversial decision that the permanent logo of the city of Austin—which includes a cross—does not violate the Constitution.

Rob Sherman, a member of American Atheists who challenged the seals in the Illinois case, said the contradiction is not as great as it would seem. He said the crosses are the "focal point" on the Rolling Meadows and Zion seals, but that on the Austin seal is only incidental to the family crest of the town's founder. "I feel wonderful. What a blessing the Lord has bestowed on me today," Sherman said. "It proves the adage that if there is a god, she must be an atheist."

Rolling Meadows city manager Bob Beezat said he wondered whether the ruling could force changes in the names of Corpus Christi, St. Paul, or St. Louis. "What do you do with Los Angeles, the city of angels?"

## Court in business of 'abortion umpiring'

by Linda Everett

On June 29, the last day of its term, the U.S. Supreme Court handed down a sharply fragmented decision in the case of *Planned Parenthood of Southeastern Pennsylvania v. Casey*, a decision that, as Justice Antonin Scalia writes, will be "keeping us in the abortion-umpiring business." The court's 7-2 decision upheld most of the provisions of Pennsylvania's Abortion Control Act as constitutional, while reaffirming 5-4 the "central holding" of *Roe v. Wade*, the 1973 Supreme Court decision that gave women the "constitutional right" to abortion.

The majority ruling was written jointly by Justices Sandra Day O'Connor, Anthony M. Kennedy, and David H. Souter, in which Justices Harry Blackmun and John Paul Stevens concurred in part, and dissented in part. The ruling, one of five opinions comprising 165 pages, was both hailed and denounced by those hundreds of state legislators, U.S. congressmen, and medical, religious, pro-life, pro-abortion, and zero-growth groups who entered friend of the court briefs on both sides of the issue.

Kate Michelman of the National Abortion Rights Action League (NARAL) called the decision "devastating to women." Pennsylvania Gov. Robert Casey (D), the respondent in the case, said, "The decision moves the country sharply away from abortion-on-demand and begins to reestablish in our law, in a balanced and reasonable way, the historic and traditional rights . . . of the family, of women, their unborn children, parents."

### Provisions of the Pennsylvania law

At issue are five provisions of Pennsylvania's Abortion Control Act which was passed overwhelmingly by both Houses of the General Assembly, with strong bipartisan support, and signed into law by Governor Casey. The law's provisions require a woman's informed consent prior to an abortion, a mandatory 24-hour waiting period after she is given certain medical and other information and before the abortion occurs, and spousal notification. It also requires that minors under the age of 18 receive informed parental consent or a judge's permission for the abortion. These requirements are exempted in medical emergencies. Also, abortion facilities must file medical and other reports.

Although many of its own clinics already complied with the new provisions, Planned Parenthood of Southeastern Pennsylvania brought suit in federal District Court, which

struck down the law. Last October, the Court of Appeals for the Third Circuit reversed this, upholding all but the spousal notification provision as constitutional. In Planned Parenthood's brief to the Supreme Court, Kathryn Kolbert of the American Civil Liberties Union (ACLU) Reproductive Freedom Project argued that the court could not uphold Pennsylvania's abortion law without overruling *Roe v. Wade*. NARAL's Michelman claimed that upholding the Pennsylvania law would cause America to "return to an ugly past where women are forced into deadly back alleys for health care."

But the facts speak differently. As Pennsylvania Attorney General Ernie Preate, Jr., who argued the case before the Supreme Court on April 22, said, "We are asking the Supreme Court to render a decision based on what *Roe* actually said, not what the abortion-industry petitioners say it said." The dozens of organizations joining Pennsylvania in *amicus curiae* briefs to the Supreme Court included the American Association of Pro-Life Obstetricians, U.S. Catholic Conference, Texas Black Americans for Life, and Agudath Israel, the nation's leading Orthodox Jewish advocacy group. Briefs were also filed by 600 legislators from 50 states, Puerto Rico, and Guam, 41 members of the U.S. Congress, and the Bush administration.

The Supreme Court reaffirmed *Roe* as a constitutionally

protected "liberty" right of a woman to terminate her pregnancy, stemming from the due process clause of the Fourteenth Amendment: No state shall "deprive any person of life, liberty or property, without due process of law." But, Chief Justice Rehnquist points out in his dissent—with Justices White, Scalia, and Thomas concurring in part, dissenting in part—unlike those other personal privacy "liberty" rights of marriage, procreation, and contraception, abortion "involves the purposeful termination of potential life." There is nothing in our historical traditions that supports the view that the right to terminate one's pregnancy is "fundamental," the chief justice wrote. Statutory prohibitions on abortion were in place at the time the Fourteenth Amendment was adopted, and an overwhelming majority of states prohibited abortion, except to preserve the life or health of the mother, when *Roe* was passed. *Roe*, the chief justice wrote, "reached too far" when it "deemed the right to abortion fundamental," and should be overturned.

### 'Stare decisis' invoked

Citing the principle of *stare decisis* or adherence to judicial precedents, the majority felt compelled not to overrule *Roe*. It is not "unworkable," and no development of constitutional or legal principle has made it weaker. "For two decades

## Abortion industry's lies

The American Civil Liberties Union (ACLU) brief on behalf of Planned Parenthood of Southeastern Pennsylvania was created to whip up national hysteria about Pennsylvania's Abortion Control Act. The abortion industry says that *Roe v. Wade* gave women the absolute right to abortion on demand and any state restriction on *Roe* violates that right.

The ACLU's brief to the Supreme Court repeatedly misrepresents the Pennsylvania law. For instance, for maternal health purposes, the law requires doctors to file medical reports on medical causes for performing third trimester and emergency abortions. The ACLU told the press that these confidential reports will be used to badger doctors. They fail to mention to the public that it is their right to know—as the law states—the affiliations of the abortion clinics that receive their state tax dollars.

Pennsylvania Attorney General Ernest D. Preate repeatedly debunked the abortion lobby's misinformation, using court testimony presented by Planned Parenthood's own clinic directors. The law requires that 24 hours before an abortion, the operating doctor must give the pregnant woman medical information, including apprising her of the

risks involved. Other medically unqualified staff can give the required information on childbirth or paternal support, material on fetal development, and alternatives to abortion. The ACLU calls the state approved material "inflammatory" and the informed consent provision "a radical departure from accepted medical practice." Yet, all the Planned Parenthood clinics the ACLU represents in this brief have counselors who give women the same information that the ACLU says is biased.

The law requires minors to obtain a parent's informed consent or a judge's approval for abortion. The law does not state, as the ACLU claims, that parents must be physically in the clinic to be informed of abortion risks. Most clinics encourage minors to discuss the decision with parents, or require either that an adult accompany a minor, or provide written parental consent. Sixty percent of the minors the clinics see for abortion are accompanied by a parent.

The law requires spousal notification—not consent. Only 20% of women who obtain abortions are married, and 95% of them do notify their husbands. But the ACLU says that battered women are so fearful of their husbands that they are unable to avail themselves of the law's many reasonable exemptions to this provision.

of economic and social developments, people have organized intimate relationships and made choices that define their relationships and made choices that define their views of themselves and their places in society, in reliance on the availability of abortion.”

Hence, terminating 1.6 million lives yearly for birth control, convenience, economic relief, job advancement, or gender selection, is such a fundamental part of our culture, according to the Supreme Court, that it cannot be reversed. The majority writes that to overturn a “watershed” opinion “under fire” without a most compelling reason would subvert the court’s legitimacy. And, given the abortion controversy, we cannot do so without “some special reason over and above the belief that a prior case was wrongly decided.”

Even so, the abortion industry is up in arms over the ruling because the Supreme Court says the 1973 *Roe* ruling never gave women an “unqualified constitutional right to abortion.” The opinion says court decisions since *Roe* have expanded a woman’s abortion rights to the detriment of substantial state interests in protecting the woman’s health and “the life of the fetus that may become a child.” *Roe* “gives” a woman the right to terminate a pregnancy before viability, the point at which there is the possibility of maintaining life outside the womb. The majority found that independent existence of the second life “can in reason and all fairness be the object of state protection that now overrides the rights of the woman.”

While *Roe*’s trimester framework forbids any state regulation aimed at protecting potential life before viability, this court maintains that a state’s profound interests in protecting potential life exist throughout pregnancy. The court abandoned *Roe*’s trimester framework (it “undervalues” state interests) and *Roe*’s “strict scrutiny” standard, which bans all abortion restrictions but those narrowly tailored to “the most compelling” state interest. The court’s new standard allows state regulations meant to further states’ interests of potential life, as long as the regulations do not impose an “undue burden” or a substantial obstacle for women “seeking an abortion of a nonviable fetus.” Using the “undue burden” test, the majority upheld all but the spousal notification provision of Pennsylvania’s law.

The majority writes, “Some of us find abortion offensive to our most basic principles of morality, but that cannot control our decision. Our obligation is to define the liberty of all, not to mandate our own moral code.” And, later, “An entire generation has come of age free to assume *Roe*’s concept of liberty.”

Perhaps what is most malevolent about this “concept of liberty,” is that not only has it spawned a “reliance,” as the majority puts it, on killing some 1.6 million people every year as a resolution to problems, but it also fosters the same “trashing” mentality to those other “problems” around us: the one in five children who are malnourished, homeless men and women, the abandoned elderly.

## Court’s okay to kidnap may explode debt bomb

*The Ibero-American Solidarity Movement issued a statement on June 30 denouncing the Rehnquist Supreme Court’s ratification of the Thornburgh Doctrine, under which the United States claims the right to go into any sovereign nation, take foreign citizens hostage, and bring them back for trial. The statement demands that the nations of Ibero-America respond to this outrage with their most effective weapon, a debt moratorium, and a halt to all negotiations on the North American Free Trade Treaty.*

*The Ibero-American Solidarity Movement was founded May 17-22 in Mexico by forces from most of the leading nations in Spanish- and Portuguese-speaking America, allied to the ideas of the U.S. political prisoner and presidential candidate Lyndon LaRouche. It describes itself as a continent-wide movement for national sovereignty and solidarity, as that concept is defined by St. Paul’s Epistles to the Corinthians, which inspired the evangelization of the Americas 500 years ago.*

*We here publish excerpts of the statement, “A Call from the Ibero-American Solidarity Movement: End the Subservience to the U.S.! A Debt Moratorium and the Suspension of NAFTA Are the Only Worthy and Effective Responses to the Alvarez Machain Case.”*

The sanctioning by the U.S. Supreme Court of the kidnaping of Dr. Humberto Alvarez Machain is not an isolated case, but further proof that the United States has become a renegade nation under international law and is committed to violating all international treaties, to becoming a planetary policeman, and to dragging the world down to judicial barbarism.

This criminal international policy of the government of the United States is only the external manifestation of the sick situation that now prevails inside the country, expressed in the growing judicial racism, in “Confederate justice,” as evidenced by the recent summary executions of condemned prisoners, most of whom are blacks and Hispanics. Many of these could have proven their innocence. One of the most recent cases was that of Roger Coleman, executed by the state of Virginia despite significant proof of his possible innocence.

It goes beyond racism; there is a trend toward totalitarianism that is threatening to become hegemonic. The most important precedent was the jailing of Lyndon LaRouche and six of his collaborators on Jan. 27, 1989. At the time he

became a political prisoner of the tyrant George Bush, LaRouche, who was sentenced to 15 years, warned: "I will fight this sentence to the utmost, because if I cannot obtain justice, nobody can get justice, and this system of lawlessness will turn against all those who did not come to my defense."

The most recent instances of tyrannical persecution against the LaRouche movement were the incarceration of his collaborator Rochelle Ascher, sentenced to 10 years, and the denial by the Virginia Supreme Court of the appeal presented by Michael Billington, sentenced to 77 years.

LaRouche is running his campaign for the U.S. presidency from his jail cell. The whole world knows that he is innocent and that the persecution against him and the political movement he leads was orchestrated by Henry Kissinger, not only because the LaRouche forces are the most powerful opposition forces within the U.S., but also because of the tremendous impact in Ibero-America of the proposal made by LaRouche to use the "debt bomb" to impose a new, just international economic order.

Less than a year after he jailed LaRouche, Bush ordered the invasion of Panama. And just as Bush today hypocritically claims that the Alvarez Machaín case will not set a precedent for a wave of kidnappings, in December 1989 he claimed that the invasion was not against the Panamanian people. However, the Marines killed an estimated 6,000 unarmed Panamanian civilians! That was the first time that then-Attorney General Richard Thornburgh's doctrine was used to kidnap a foreign citizen, Gen. Manuel Noriega, who had organized two continental meetings of patriots in favor of the integration of Ibero-America.

### Natural law vs. the law of the jungle

The cynical view expounded by the Rehnquist Supreme Court, that "kidnaping is not forbidden by the extradition treaty" between the United States and Mexico—that is to say, that everything that is not explicitly barred by law is permissible—shows that the U.S. has descended to the extreme of radically divorcing the law from all consideration of truth and falsehood, of good and evil, of innocence and guilt. It is a barbarous rejection of the Christian concept of natural law which conceives of man as *imago viva Dei*.

Only if one understands that man is the living image of God can one establish a legitimate corpus of individual rights or universal human rights, a principle that is, in turn, the basis for defining the concept of sovereignty and relations among nations. It is therefore the principle that defines all the world's constitutions. By rejecting the rule of natural law in both domestic relations and international affairs, the United States rejects the founding principles of western civilization, and if the world does not respond to that, we shall all revert to the most perverse and degenerate abuse of the law, to the law of the jungle, to might makes right.

It is no coincidence that Chief Justice William Rehnquist

is a fanatical defender of Thomas Hobbes, the father of modern totalitarianism and of the separation between morality and law. For the past 25 years Rehnquist has been promoting the transformation of the United States into a totalitarian nation.

### The debt bomb is the only option

Fortunately, perhaps providentially, Ibero-America has in its hands the most powerful weapon to deactivate this Frankenstein: the debt bomb, just as Lyndon LaRouche proposed in 1982.

Perhaps because he believes we are cowards and have lost our national honor, David Rockefeller recently bragged that what is keeping the banks afloat is Ibero-America's punctual payment of the debt. Perhaps because they believe that we will bend over to the point of ignominy, they have now decided to do *de facto* what they could not do *de jure* in San Antonio: to establish a multinational army under U.S. control to occupy all of Ibero-America, on the pretext of the war against drugs.

Let's look at it from the other side: If Ibero-America collectively decides to stop paying its foreign debt, the creditor banks will finally go to hell. This is no longer just a weapon against the creditors. As indicated by the collapse of the stock markets, it is *our only defense*, to isolate our economies from the vortex of the worldwide depression. It is urgent that exchange controls be reestablished, that our currencies be unlinked from the U.S. dollar and tied to a market basket defined by our capacity for self-sufficiency within an Ibero-American Common Market. That is what LaRouche proposed in 1982. He called it "the debt bomb," and it was the only effective weapon that Argentina could have used during the War of the Malvinas.

What better way of celebrating the quincentenary of the arrival of Christianity in the Americas? What better way for the South to recover its place in history, which has been destroyed by the liberal masonic revolutions led by the Anglo-Americans?

The difference between the situation today and the 1982 debt crisis, is that the deployment of the debt bomb will not only garner the support of the people of Ibero-America, but also that of the United States, of Europe and even of Russia! That is shown by the tremendous support the people of Venezuela gave to the anti-IMF revolution led by Lt. Col. Hugo Chávez Frías last Feb. 4. That is shown by the recent vote by the Danish people against the IMF-type program known as "Europe 92." That is shown by the growing demonstrations of discontent in Russia against the free market policies of Boris Yeltsin.

He who violates natural law sows the seeds of his own destruction. The governments of Ibero-America that continue to get on their knees before the U.S. Frankenstein will be swept away by the coming revolution against neo-liberalism. That is their Manifest Destiny.

# Elephants and Donkeys

by Kathleen Klenetsky

## Will Bush bow out?

According to senior European sources with close links to Republican political circles in Washington, George Bush plans to resign from the presidency this summer.

These sources report that Bush is waiting until after the formal nomination of Bill Clinton, who is considered the weakest candidate in the postwar period. At that point, prior to the Republican convention in August, Bush will announce he is stepping down "for health reasons."

The list of who is most likely to replace Bush as the Republican candidate includes Jack Kemp, Dan Quayle, Robert Dole, and James Baker.

According to these same reports, approximately 10 days ago Bush reportedly underwent a "mild stroke" following a press conference and was observed by aides leaving the stage and walking into a wall. While according to these reports the stroke was "mild," it has led to the reported agreement by relevant parties in the GOP leadership to follow the "health resignation" plan stated above.

Right around the time these reports began to surface in Europe, the *Boston Globe* reported that Bush had become so depressed last year that he nearly considered not running for reelection.

"White House officials say the President is now in top physical and mental condition, but one Bush intimate told the *Boston Globe* that the combined effect of the Gulf war, personal health problems, and political attacks had left the 68-year-old President in a depression for months, and that only recently had he snapped out of it," the article reports. At one point shortly after the Gulf war, the article quotes one close associate saying that

Bush considered not running again for the presidency.

The article notes that Bush's bout with Graves' disease triggered rumors that he was much more seriously ill than he or his doctors let on, and that "such talk apparently led Connecticut Gov. Lowell Weicker to joke recently on a radio show with Vice President Dan Quayle that Mr. Bush would not be on the final Republican ticket."

## These are 'family values'?

In two separate interviews in late June, Ross Perot and his wife Margot reiterated their support for abortion on demand and capital punishment—despite the fact that these practices represent a sharp departure from the traditional moral values Perot claims to embrace.

The June 30 *Washington Post* profiled Mrs. Perot and reported that she is "staunchly pro-choice—she's an advisory council member for Planned Parenthood."

It quoted her saying that although she personally would never consider having an abortion, once "you start looking out beyond your own little world, and you realize it's pretty grim out there," abortion becomes a necessity. "You have to think about incest, which is just horrible but it's so much more of a hidden thing . . . you finally have to decide whether or not government should be involved. . . . I think a lot of Republicans ignored it [the abortion issue] because they didn't realize how crucial it would be."

Mrs. Perot also told the *Washington Post* that she opposed requiring that parents be notified when a minor seeks an abortion.

Meanwhile, her husband held forth on the death penalty during a na-

tionally televised "town meeting" broadcast on the ABC television network on June 29. Perot said that capital punishment is necessary to "capture" criminals' "attention." "It appears that only that kind of penalty—that if you're going to take a life, you may lose your life—will capture their attention," Perot said. He added that he supports efforts to reduce the number of appeals prisoners facing the death penalty can bring before the courts.

## Clinton's disastrous economic plan

Slick Willie Clinton is peddling a new economic program that offers neither an alternative to the last 12 years of Republican economic mismanagement, nor a way out of the U.S. depression.

His recently issued report entitled "Putting People First: A National Economic Strategy for America," not only mimics the worst "free market" claptrap of the Bush administration, but also incorporates several proposals for looting American living standards which even the Republicans have so far hesitated to embrace.

The document:

- Backs free trade, and especially the North American Free Trade Agreement (NAFTA), which will cost millions of American jobs, to the hilt.

- Talks openly about the alleged need to cut back spending on entitlement programs (primarily Social Security and Medicare), and calls for sharp reductions in health care spending, especially for the elderly.

- Calls for "ending welfare as we know it," by shifting welfare recipients into jobs—even though the unemployment rate has reached a decade high.

## Floor fight expected on Space Station funding

The House Appropriations Subcommittee on Veterans Affairs, Housing, and Independent Agencies narrowly approved funding for Space Station Freedom in a 6-5 vote on June 25. The subcommittee agreed to provide \$1.7 billion for the space station in fiscal year 1993, a reduction from the \$2 billion appropriated this year.

Subcommittee Chairman Bob Traxler (D-Mich.), an opponent of the space station, thought that the floor vote would be a close one. "The station represents a major science program that in our present economic situation we can't afford." Last year, Traxler's subcommittee voted 6-3 to kill the space station, but funding was restored by the full House and Senate.

The House leadership, however, is fighting for funding. "It is very expensive; that is true," said House Speaker Tom Foley (D-Wash.). But he noted that NASA is concentrating "on a much leaner and more cost-effective program. . . . I think we have a lot of strong support in the right quarters."

## Russian aid package passes Senate

The Senate approved on July 2 a wide-ranging package of economic aid to Russia and other republics of the former Soviet Union. The bill, the Freedom Support Act, which included a \$12.3 billion increase in the U.S. contribution to the International Monetary Fund (IMF), was passed in an overwhelming 76-20 vote.

The bill was formulated in such a way as to imbed the controversial IMF quota increase in a package of "aid"

measures which were already in the pipeline in other pieces of legislation. This was designed to force a recalcitrant Congress, which has often balked at giving the IMF more funds, to approve the quota increase. Similarly, amendments on numerous local projects were included in the bill in an attempt to make the aid package palatable to voters back home.

The Senate defeated a number of so-called "killer" amendments which had been offered in the course of the debate.

A vote on the Russian aid package was also delayed because Sen. Phil Gramm (R-Tex.) insisted that the Senate vote on a balanced budget amendment. A similar measure had been defeated in the House recently, although by only nine votes. An amendment to the Constitution has to be passed by three-fourths of both houses. Faced with opposition from both the Senate Democratic leadership and the White House, Gramm withdrew his amendment when it became clear that he didn't have enough votes to even bring the amendment to the floor.

## Two appointees blocked over Contra aid ties

The possible involvement of Joseph G. Sullivan and Michael G. Kozak, two senior State Department officials for Latin America, in the secret aid program to Nicaraguan Contra rebels, has blocked Senate confirmation of their appointments as ambassadors to Nicaragua and El Salvador, respectively.

Sen. Chris Dodd (D-Conn.) and Sen. Jesse Helms (R-N.C.) are demanding to know what the nominees knew and did about the covert pro-

gram, which was administered by the CIA. The program which is at the center of the controversy, the Nicaraguan Exile Relocation Program (NERP), funneled about \$600,000 during 1989 and early 1990 to Nicaraguan Contra leaders and their supporters who had been in exile in Miami and other locations during the Sandinista regime.

Dodd and Helms feel that NERP violated a March 1989 bipartisan agreement to end the U.S. funding to the Contra rebellion against the leftist Sandinistas. Until they get some clarification, the senators are sitting on the nominations.

A State Department review of NERP concluded that there was "no evidence of any intent" on the part of the State Department or of Kozak and Sullivan, to violate any relevant law or restriction. The review seems to have satisfied no one. As a result of the standoff, there has been no U.S. ambassador in Managua for four months and none in San Salvador for six months.

## Congress forces rail workers back to work

Congress approved legislation on June 26 to force an immediate end to the two-day labor dispute that shut down railroad freight service nationwide, and to block a threatened passenger rail strike against Amtrak. The House approved the legislation in a 248-140 vote and sent it to the Senate, which passed it by a vote of 87-6.

The legislation ordered the nation's major freight railroads to immediately resume operations and to submit their contract dispute with the International Association of Machinists to binding arbitration.

The action is a major blow to labor's right to strike. Rep. Pat Williams (D-Mont.), chairman of the House subcommittee on labor management relations, called the legislation "a fundamental mistake." The passage of this legislation, he said, "means an end to the right of railroad workers to withhold their labor."

Rep. Paul Kanjorski (D-Pa.) said that "the right to strike . . . is the only tool our workers have to express their collective desires upon corporate management" and that "the collective bargaining process must be allowed to run its course, and, at the moment, Congress should stay out of this dispute."

The Bush administration is now preparing to move for more changes in the law which would further restrict rail workers' right to strike.

## **D**emocratic senators propose 'growth' package

Senate Majority Leader George Mitchell (D-Me.) was joined by a dozen of his colleagues, including Al Gore (D-Tenn.), Jay Rockefeller (D-W.Va.), Joseph Lieberman (D-Conn.), John Kerry (D-Mass.), Charles Robb (D-Va.), Jeff Bingaman (D-N.M.), Harris Wofford (D-Penn.), Max Baucus (D-Mont.), Bob Graham (D-Fla.), and Donald Riegle (D-Mich.), in a Capitol Hill press conference on July 1 to present the "U.S. Economic Leadership Strategy," the legislative package which is meant to be the congressional correlative of the economic program of Gov. Bill Clinton (D-Ark.).

The "strategy" consists of 30 or more legislative proposals presented during the course of last year, ostensibly aimed at "reinvigorating U.S. in-

dustrial production." The proposals are a hodge-podge, combining tougher trade restrictions, measures for "opening closed markets," government support for "high-tech" industries, tax credits for manufacturing, increased funding for R&D, measures to create a highly skilled work force, and a new "alliance" of government and industry.

Profiling themselves as the party of "industrial revival," the Democrats hope to use the legislative package to gather support for the Clinton presidential campaign as well as to ensure that Democratic majorities are elected to the Senate and the House.

The "economic strategy" contains numerous contradictions, however, as was indicated by the response to questions raised by an *EIR* correspondent. Mitchell was asked if this so-called "growth package" didn't contradict the Democratic support for the North American Free Trade Agreement (NAFTA), which would export U.S. jobs to Mexico, and the various environmental proposals, like the Clean Air Act sponsored predominantly by Senator Gore, which are placing a severe handicap on reviving many U.S. industries.

Mitchell nervously punted on NAFTA, claiming that the vote taken last year by the Congress was simply approval of the process by which NAFTA would be negotiated (the fast-track proposal), not support for the treaty itself, which has not yet been negotiated. "No one can say how people will vote," said Mitchell, "since there is as yet no agreement."

On the environmental issue, Mitchell claimed that there was no contradiction, since "environmental technologies" are an important new market, which the Japanese and the Germans were now getting into.

Gore felt compelled to answer, since he felt the question "besmirched" his honor, that the new environmental restrictions were a boon to industry rather than an impediment. "Mexico City is eager to buy," he said, "but not laser-guided missile technology, but rather goods for long-term industrial production, goods which will not pollute their already-polluted environment. This represents a great potential for our industries," he claimed. "Some businessmen have misunderstood the nature of this legislation, seeing it wrongly as a threat, rather than as an opportunity," Gore lamented.

## **I**ndia and Indonesia targeted for aid cutoff

Two amendments attached to this year's foreign aid bill target India and Indonesia for cutoffs of U.S. aid.

One amendment to the Foreign Operations Appropriations Bill proposed by Rep. Dan Burton (R-Ind.) and passed 219-200 on June 25, penalizes India for alleged human rights abuses in Punjab and Kashmir. The amendment would cut off \$24 million in developmental assistance this year until India repeals certain laws dealing with detainment without formal charge or trial, and searches and arrests without warrants. The amendment is one of the more blatant intrusions into the internal affairs of a sovereign nation.

Similar legislation sponsored by Rep. Tony Hall (D-Ohio) and Rep. Ronald Machtley (R-R.I.) in the House, would halt all military assistance funds now going to Indonesia under the category of "International Military Education and Training," because of alleged human rights violations against insurgents in East Timor.

# National News

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## Dannemeyer: Probe 'ozone hole' fraud

Rep. William Dannemeyer (R-Calif.) has announced his intention to introduce resolution into Congress to evaluate whether the argument that chlorofluorocarbons (CFCs) cause the ozone hole, is a hoax. The draft resolution calls for there to be an investigation of whether there has been any thinning of the ozone layer, whether it has been proven that CFCs damage stratospheric ozone, and whether phasing out CFCs will have any effect on the ozone layer.

The resolution calls for the formation of a presidential commission, whose membership would be equally apportioned between "representatives from the scientific community whose published experimental and theoretical research shows that chlorofluorocarbons have a negligible, if any, effect on ozone depletion, and representatives whose research makes contrary claims," to avoid yet another study which simply regurgitates the unscientific contents of the previous versions.

The resolution enumerates the impacts of banning CFCs, and particularly refrigerants, on the U.S. economy and world food chain, one of which would be the deaths of 20-40 million people in developing nations per year. It also notes that the main refrigerant replacement approved by the Environmental Protection Agency is toxic, and is so corrosive that it will require replacement of the equipment in which it is used every 3-7 years.

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## Treasury Dept. has been lax on money laundering

The Treasury Department's Office of Financial Enforcement (OFE), the key agency in the war on money laundering, is so understaffed and badly managed that it takes years to process cases, the General Accounting Office (GAO) told Rep. Jake Pickle's (D-Tex.) House Ways and Means oversight committee in late June.

The GAO noted that until 1990, OFE had only one specialist processing cases—three more have been hired since—and all three of its top positions have been vacant for protracted periods within the past two years. The GAO said that its review of OFE files showed no activity in many cases for months at a time.

Treasury officials defended the OFE, stating that as of March, OFE had its "full complement" of 15 full-time workers, and said that over the past nine months, the OFE had imposed penalties totaling more than \$1.5 million on various financial institutions, according to the July 1 *Washington Post*.

Pickle called the OFE's performance "pathetic" and said, "Despite the seriousness of the matter, I have concluded that there is no organized effort at Treasury to identify money-laundering activities and to take timely action to eliminate these activities."

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## Cisneros forced to reply to EIR challenge

In an apparent reversal of strategy, attorneys for Parenchio, Inc., a media firm owned by Venezuelan dirty money investor Gustavo Cisneros Rendiles and his brother Ricardo, responded to substantive issues raised by *EIR* in *EIR*'s recommendation to the Federal Communications Commission (FCC) that the firm not be allowed to purchase the Spanish-language Univision television network. (See *EIR*, July 3, p. 10.)

On July 6 *EIR* received a copy of a sworn affidavit submitted by Gustavo Cisneros to the FCC, in which he complained that "*EIR* was founded by and is considered to be controlled by Mr. Lyndon LaRouche, a perennial presidential candidate and convicted felon currently in prison. The allegations by *EIR* are preposterous, utterly false, and deserving of no credibility whatever."

Despite this, said Cisneros, "when I first heard about the allegations contained in *Dope, Inc.* which attempts to implicate not only members of my family, but also such distinguished personalities as the pope, Queen Elizabeth II, the Rockefellers, Ken-

nedy and Bronfman families, Henry Kissinger, and others in an international drug conspiracy, I considered the personal attack on my character, reputation, and honor too serious by itself." Cisneros bragged that he personally took steps "which enjoined the further distribution of the book in Venezuela."

Cisneros admitted that he and his brother Ricardo do "have a minority interest" in the company that controls "Aero Servicios Alas, C.A.," which owned an aircraft seized by the U.S. Customs Service in 1986. But, he said, the plane was returned to the company by the U.S. Treasury, "and no charges were brought against the company, the pilot, or anyone on board. Furthermore, neither I, my brother Ricardo, or any member of our immediate families have ever been charged, indicted, prosecuted or convicted for any criminal offense related to narcotics."

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## LaRouche suit against NBC thrown out

On June 22 Federal Magistrate P. Michael Mahoney filed a 15-page report and recommendation, granting the motions to dismiss all the defendants in *Lyndon H. LaRouche, et al. v. Schumacher, et al.* The decision follows a year of legal wrangling over motions filed in a civil rights action brought against Schumacher, a state's attorney in Ogle County, Illinois; Pat Lynch of NBC-TV; and the daughter of Harriet Driver, a supporter of and contributor to organizations associated with presidential candidate LaRouche.

The civil rights complaint arose from a grand jury investigation and subsequent prosecution of two LaRouche associates, Patricia Noble-Schenk and Ron Fredman, who after a personal meeting at the house of Mrs. Driver, were accused of breaking and entering and theft.

The grand jury investigation collapsed and the prosecution was aborted when Schumacher's behavior, in conjunction with Lynch and Driver's daughter, became so outrageous that Mrs. Driver suffered a stroke on the witness stand.

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The magistrate in the subsequent count-suit against Schumacher and Pat Lynch, however, found that every allegation of misconduct in the complaint as to Schumacher "fell within the scope of his prosecutorial role"—including Schumacher's improper issuance of a subpoena *duces tecum*, and the disclosure of this information to a private law firm. Mahoney argued, in effect, that the grand jury investigation and any action related to it "involve actions preliminary to the initiation of a prosecution," and that prosecutors have absolute immunity from suit for all such activity.

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## Baboon liver recipient defended against PETA

In a July 2 press release, the group Putting People First (PPF) denounced a protest by animal rights activists at the University of Pittsburgh Medical Center, where the first recipient of a baboon liver transplant is recuperating.

"On the very day the whole world is rejoicing in this medical miracle and wishing the patient a quick recovery, it is sick and macabre for PETA [People for the Ethical Treatment of Animals] to exploit this occasion to promote its bizarre agenda that elevates animals above humans," said Kathleen Marquardt, chairman of Putting People First. "PETA always said the use of animals in medicine can't save human lives," said Marquardt. "Now they're saying maybe it can, but it shouldn't! This breakthrough shows me they are wrong either way."

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## 'October Surprise' study lets Bush off hook

In presenting the preliminary findings of the House investigation into Reagan-Bush efforts to delay the release of hostages in Iran until after the November 1980 elections, task force chairman Lee Hamilton (D-Ind.) said on July 2 that the only conclusions which could be drawn for the moment is that

George Bush definitely was in the United States between Oct. 18-22, 1980, laying to rest the rumors that at that time he attended a secret meeting in Paris with Iranian representatives.

Hamilton said that they had arrived at these conclusions through interviews with Secret Service agents assigned to guard vice presidential candidate Bush and by looking through the classified Secret Service logs for that time period.

Hamilton added that this does not resolve any of the other allegations regarding a "deal" to delay the hostage release. Hamilton said the task force will continue its work, by looking at records, depositions and talking with witnesses. There are as yet no hearings scheduled, and Hamilton indicated that, when and if they do hold hearings, these may not be public.

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## Virginia passes euthanasia law

On July 1, the Commonwealth of Virginia passed a law making it legal for emergency medical technicians not to resuscitate non-hospitalized terminally ill patients.

According to the new law, patients will be provided with a medical bracelet that has printed on it "Do Not Resuscitate." The bracelet will be available only if the patient's physician and an "authorized decision-maker" for the patient have signed release forms. Emergency personnel may withhold cardiopulmonary resuscitation, tracheal intubation, or other advanced airways procedures, or artificial ventilation. Personnel are required, however, to perform procedures like opening airways and suctioning, giving oxygen, administering pain medications, controlling bleeding, and generally offering "simple creature comforts."

Virginia is one of five states to have recently passed a law allowing a physician or a family to kill off a "troublesome" family member who is terminally ill. The others are Montana, North Carolina, Connecticut, and New York. Virginia is pioneering the "Do Not Resuscitate" bracelets.

## Briefly

● **THE LIBRARY** of Congress has put so many budget-dictated restrictions on public access to its book and periodicals, that serious research by private citizens is all but impossible. Librarian of Congress James Billington recently announced that not even library personnel will be permitted access to the stacks, giving the excuse that the measure had become necessary to prevent theft.

● **SAM ZAKHEM**, a former U.S. ambassador to Bahrain who purchased lavish ads in major U.S. newspapers urging the U.S. to go to war against Iraq, has been indicted along with two other "conservative activists" on federal charges of failing to register as foreign agents. They allegedly took \$7.7 million from the Kuwait government to purchase the publicity.

● **BILL CLINTON** explained to the *Washington Post* his faithful participation at the annual July Pentecostal revival meetings in Redfield, Arkansas, where the worshipers "speak in tongues"—i.e., in "speech" which is in no known or understandable human language. Said Clinton, "I love those people because they live by what they say."

● **RONALD REAGAN** may soon be indicted in connection with the Iran-Contra affair. According to a column in the July 3 *Washington Times* by William A. Rusher, Iran-Contra special prosecutor Lawrence Walsh "is preparing to crown his lackluster record by indicting former President Ronald Reagan for perjury. His hope is to put Mr. Reagan in prison."

● **THE BLOODS AND CRIPS**, the two key gangs involved in sparking the recent Los Angeles riots, expect to get substantial financial aid from U.S. companies, according to the *Baltimore Sun*. The two gangs have created a new corporation known as Hands Across Watts, and expect major donations to run the gangs' "job-training, child care, and recreational programs."

### *History at a turning point*

The world of George Bush and his friends is coming apart; that is the only possible reading of the recent meeting of the Group of Seven, the paralysis gripping Mitterrand's France, and the disaster of the U.S. economic and political scene. What has begun, is a general breakdown of the international establishment as this first half of 1992 has concluded.

The slide of the U.S. dollar, as the Federal Reserve pumps more credit into the defunct U.S. banking system, coupled with an accelerating collapse of the physical economy, has stripped away even a figleaf of cover from the assertion that the U.S. economy is in a recovery.

With the general devaluation of stocks on a global scale, it is becoming clear that there is grave danger of a worldwide financial collapse which threatens to bring down the banking system as well. George Bush is in trouble. Not only does he lack the political confidence of the U.S. electorate, as is shown in the polls, but he is losing the confidence of Japanese and European financial circles, who are showing unwillingness to shore up the U.S. economy in order to bail out Bush politically.

But the crisis is by no means limited to the United States. François Mitterrand is in a crisis reminiscent of that which faced Charles de Gaulle in 1968—although there is no other comparison possible between the great statesman de Gaulle and the present pathetic French President. Not only is travel paralyzed in France by truckers' protests over new regulations, but a terrorist bombing incident in Iraq may have deliberately targeted his wife.

President Mitterrand has played a consistently vicious role in the Yugoslav crisis with his support of the Serbian aggression. He has consistently blocked with the British to prevent Germany from acting as a stabilizing force in Europe and a focal point for the reindustrialization of eastern Europe and the nations of the Community of Independent States. There is war in Nagorno-Karabakh and war threatening elsewhere in the former Soviet Union. Neither the French nor the Americans

have been willing to break with British balance-of-power politics, even though the spread of small wars threatens to ignite a new global conflict on the model of the First World War.

Historically the roots of the present crisis can be found in the politics and institutions of the Roman Empire, taken up in the 14th century by Venice, and which became the model for the later British Empire. Power is seemingly held by an oligarchy made up of old, intermarried aristocratic families. This appearance is illusory, in that the families themselves subserve the interest of family funds, or *fondi*, which have accumulated in their names but have a quasi-independent existence. In the United States, institutions like the Ford or Rockefeller foundations are only pale reflections of this.

Ideologically, the upper controlling reaches of Freemasonry, the mother lodge, so to speak, provide an ideological center for these *fondi* and their aristocratic servants. This freemasonic crowd—the controllers of the large family fortunes—assumes the arrogant presumptions of the gods of Olympus, yet they are doomed to fall from power. The reality is not their power, but their total incompetence. They have the power still to do great evil, but like a cancer, such power has a natural limit when it kills the host.

Like the gods of Olympus before Prometheus, the oligarchs of today, who control major financial institutions (the International Monetary Fund, the World Bank, central banks, the large family fortunes, and, through them, governments), shall go into their own *Götterdämmerung*—the Twilight of the Gods. That is what is now happening.

There will be no progress in the G-7 and the Conference on Security and Cooperation in Europe (CSCE) meetings, no resolution of the other political and military conflicts which are occurring. The next six to eight weeks are going to see the most dramatic changes in configurations of power and posture in the entire post-war period—analogue to, or even more dramatic than, those which accompanied the collapse of the Berlin Wall in 1989.

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◆ that the “population-control” movement is nothing but a whitewashed version of the Nazi “eugenics” policy which was developed in Britain and the United States, then *exported* to Hitler’s Germany?

◆ that National Security Study Memorandum 200, written under the direction of Henry Kissinger and Brent Scowcroft in 1974, defines population growth as *the enemy* of the United States, and targets over a dozen Third World countries on its “population enemies list”?

◆ that since NSSM 200 was written, American dollars have paid for the sterilization of roughly *half* of Brazil’s women of child-bearing age?

◆ that **all** of the “major” 1992 U.S. presidential candidates support radical depopulation, and that this is the basis of U.S. and United Nations policy today?

When George Bush announced his New World Order in the wake of Operation Desert Storm,

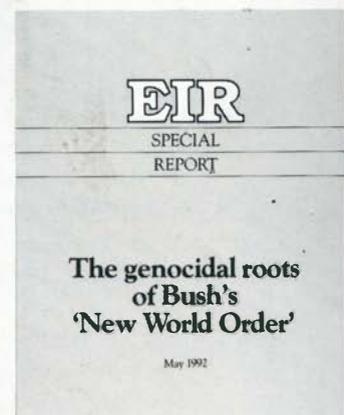


the Anglo-American oligarchy believed the coast was bombed clear for its for global depopulation. The big Rio “Earth Summit” in June 1992 was designed to put the lie that human beings are the main cause of pollution at the top of the agenda of world leaders. *EIR*’s exposure of NSSM-200 has helped catalyze a resistance to those plans, even in Rio.

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